

# NORTHWESTERN BANKER DES MOINES

**JULY, 1924**

Is the Service Charge the Remedy for  
the Unprofitable Account?

What the Dawes Plan Will Mean to  
America and Europe.

*THE PHOTO BELOW*

*Banker Chas. G. Dawes, Republican vice presidential candidate, and Mrs. Dawes, in a recent snapshot. "Hell and Maria" is a popular candidate among bankers of the Northwest.*

Photo Underwood & Underwood, C H-44792



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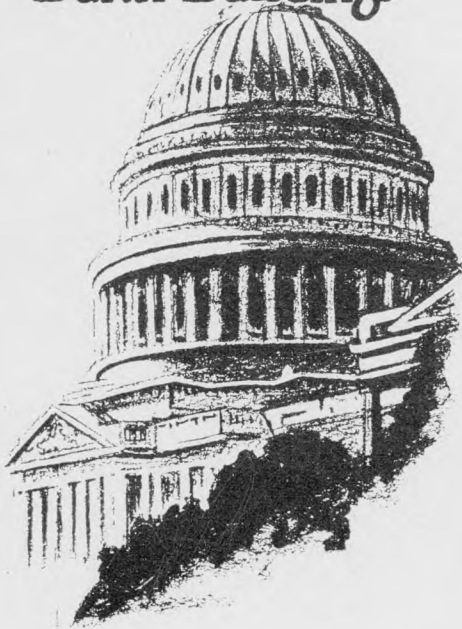
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"Architects & Engineers of Complete Bank & Office Buildings."

**Sioux City, Iowa**



—Courtesy Hoggson Bros.  
 Jasper County Savings Bank, Newton, Iowa

# The Northwestern Banker

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Twenty-ninth Year

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SPECIAL REPRESENTATIVE: Rex V. Lentz, Care Northwestern Banker, Phone Walnut 1844. MINNEAPOLIS OFFICE: Frank S. Lewis, 840 Lumber Exchange Bldg., Phone Main 3865. CHICAGO OFFICE: Wm. H. Maas, 1148 First Natl. Bank Bldg., Phone Dearborn 6063. NEW YORK OFFICE: Philip J. Syms, 150 Nassau St., Phone 4836 Beekman. ST. LOUIS OFFICE: Donald H. Clark, 408 Olive Street, Phone Main 1342. KANSAS CITY OFFICE: Glen D. Mathews, 405 Ridge Bldg., Phone Harrison 5857. EUROPEAN REPRESENTATIVES: The Dorland Agency, Ltd., 16 Regent St., London, England, 24 Boulevard des Capucines, Paris, France.

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# Comprehensive Service

**Nine Active Departments** enable this bank to fill the needs of its correspondents in every conceivable phase of financial service.

This unusual capacity, coupled with a spirit of helpfulness available at all times and under all conditions, have gained for the Iowa Loan & Trust Company an enviable reputation among its banker friends.



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## ACROSS THE DESK FROM THE PUBLISHER



*By Clifford DePuy*

**D**O YOU ever re-employ a man who has at any time left your bank to work for another institution? This is a question that I have discussed with bankers on various occasions and the general opinion seems to be that they do not.

If a man becomes dissatisfied with his work or his position and wants to leave your bank the best thing for him to do is to go. It is also the best thing for your institution. No man can do his best work if he thinks the pastures are greener across the road. He, of course, does not see the burrs and thistles in the clover but that does not matter—he will have to find that out for himself.

If such an employe, after leaving your organization then finds that he has made a mistake or that the new position has not proved to be as fine as he thought it was and wants to come back, is it a good policy to re-employ him?

Personally I do not think it is. If he was not satisfied before he left it is not likely that he will be satisfied now.

Loyalty is one of the greatest assets that any employe can have. It is worth more than many other attributes combined and if an employe cannot have enough loyalty nor get a broad enough vision of his work so that he can help his bank grow and prosper by giving his institution the best that he has of brains and energy, then I do not think he is worthy to be placed on the pay-

roll again after he has once left for what he expected to be greener pastures.

One of the best known manufacturers in the country has a rule that if an executive or an employe of his wishes to leave he does not make any inducement of any kind to help him. He puts it this way, "It would be inadvisable to make any inducement when a man feels that he has a better opportunity outside this business than inside it. He has lost the spirit which makes him a

good man for us, and we should not try to keep him. We must have men who are with us not merely because they are receiving satisfactory earnings but because this is their home. When a man feels the call to leave this home he has lost something necessary to the success of this business—he is no longer a part of it but is merely employed by it. Mere salary does not instill that feeling in a man. For the same reason I would not consider it advisable to take an executive back who had once left. We must have a family spirit which will keep us all together."

I think that every institution, if it is rightly managed, can offer opportunities for the full expression of every employe's ability. If that is true there should be no need for the employe to leave, but if he has once left, the lack of vision which he originally should have had would make it undesirable to re-employ him.

### *Are Farm Loans Delinquent?*

**D**URING any period of temporary depression there is always much talk about how "bad" business is, when if the facts were known conditions are usually much better than most people realize.

Recently there has been much discussion about the delinquency of farm loans. The fact that the

farmer was financially embarrassed made it impossible for him to pay off his farm mortgage indebtedness or even the interest on such indebtedness, is a statement which has been repeatedly made by individuals who did not take time to analyze actual conditions.

At the recent state convention of the Iowa

Farm Mortgage Bankers Association the president, in his annual address, made this statement: "There has been much comment about delinquency in connection with Iowa farm loans, and that there have been an unusual number of farms foreclosed. If you will turn to the Iowa Insurance Report for December 31, 1923, you will find that twenty Iowa companies reported assets invested in mortgage loans of \$129,807,536.95; that they had only \$909,526.83 interest past due on that date. Or, in other words, only .701 per cent of past due interest to total mortgage loans. Those same Iowa companies had invested, in Iowa,

\$96,220,109.85, or in other words 74.13 per cent of the total loans were invested in the state of Iowa. When you take into consideration that much of this interest was less than 30 days past due and that much of it was paid in thirty days, it is a remarkable showing."

What better answer could be given to prove that delinquencies in the payment of farm loans have been small indeed and that the number of farm foreclosures have been much less than many have thought.

Iowa and the middle west are in much better condition than many people realize.

### Improved Conditions

**D**URING the last thirty days Minnesota, Iowa, South Dakota, North Dakota and Illinois have had their State Bankers' Conventions. Bankers have gathered from all parts of their respective states to discuss their mutual problems.

At each one of these conventions either the writer or a representative of the DePuy Publications has asked hundreds of different bankers, "How are conditions in your community?" In almost every case a favorable answer was received.

It is true, of course, that some banks have been closed and some farmers have gone bankrupt, but these figures have, in many cases, been greatly exaggerated. We were talking to a banker in New York three weeks ago and he said, "Iowa must be in bad condition with 300 bank failures." We said, "You are certainly misinformed because the exact figures show that only 31 banks have closed since January 1, 1924." As to failures among farmers only 7.2 per cent of the farmers in the northwest are bankrupt or in danger of bankruptcy and failures among competent farmers has been less than 1 per cent.

A farm owner near Fort Dodge, Iowa, refused \$250 an acre for his farm less than thirty days ago.

In talking with the president of a large bank in Omaha, he said, "We have plenty of money, our bank is in fine condition and our demand from our correspondent banks at this time is very small indeed. In fact I think the whole state of Nebraska is in much better condition than has been indicated by some reports which I have heard."

Many other examples could be cited of the optimistic feeling and the greatly improved tone which is everywhere prevalent throughout the middle west.

To be sure, the weak banks have closed and the over-expanded farmers have had to turn their assets over to their creditors, but this is resulting in clearing the situation very rapidly and the net result will be that the middle western states will be in a better position than they have ever been before. They are going forward on a basis that insures a safe and sound period of prosperity for a number of years to come.

**"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 200 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-eight years in its present field.





C. J. WOHLBERG  
President, Iowa Bankers Association

C. J. Wohlenberg, the newly elected president of the Iowa Bankers Association, is president of the Holstein Savings Bank of Holstein, Iowa, one of the strongest banks of its size in the state. Mr. Wohlenberg is a veteran banker and has always been prominently identified with activities in the State Association.

During his thirty-nine years of banking activity, he has served on the Agricultural and Executive committees. Likewise, he has served as Chairman, Secretary and Treasurer of his Group. Mr. Wohlenberg was for three years a member of the Executive Council of the American Bankers Association.





# The NORTHWESTERN BANKER

*The Necessary Financial Journal*



## Domestic Business and Some International Considerations

Prosperity can only be attained by application of science to industry and restoration of trade

*(From address delivered before convention of North Dakota Bankers Association)*

*By Dr. Walter Lichtenstein*

*Exec. Sec'y First National Bank, Chicago*

YOU are in the wealthiest region of this great country, and still you have had and are having financial difficulties. We are the richest country on earth and we have more individual material prosperity than any other, and still we are suffering. The business man suffered, especially in the year 1921, when the deficits reported by corporations were two hundred million dollars greater than were the profits of corporations. In the subsequent years, business recovered somewhat. Agriculture, or at least certain sections of the agricultural community, seems to be having more trouble than ever. Is it the fault of the government? Is it the fault of the people themselves? Or, what is the reason?

I do not know that I can answer all these questions satisfactorily. I am certain that I cannot answer them to the satisfaction of everyone here present because there are many preconceived opinions, some well-founded and some otherwise, but in any event, difficult to change because they are rooted in self interest. Of this much I feel certain, that, if those who desire to bring about the millennium by means of legislative measures were to gain control of the government, one tremendous thing would be achieved; that is, that these people would be made to realize the enormous difficulties with which the government of this country is faced.

Sobered by this new understanding and fortified by a knowledge of facts which they have not hitherto possessed, their attitude with regard to our problems, industrial and otherwise, would be more reasonable in the future, and their capacity to assist this country to overcome its difficulties rather than to hinder would be proportionately increased,



DR. WALTER LICHTENSTEIN

whether the future were to find them in office or in opposition, for the bitter truth is that it is with remorseless economic facts, and not with reactionaries, that we have to do battle, but rather with events over which we have too often little or no control! You cannot blow up the tangible wealth of the world for four years and then expect to pursue the rose-strewn path of prosperity and progress as if nothing had happened. In the nationalization of industry the panacea for all our evils is not to be found, for a derelict state industry is no better than a derelict private industry. All the socialist theories and schemes in the

world, however well devised, will not bring relief to our suffering people. What this country wants first and last is prosperity. And prosperity can only be regained by two things: (1) the application of science to industry, and (2) the restoration of trade.

I am, therefore, not fearful of the ultimate results which will be accomplished by a victory of radicalism in our great northwest. You here in North Dakota have had some experience with radicalism, and many of you have learned the lessons which I have just sought to emphasize; namely, that a derelict state industry is no better than a derelict private industry.

You may, however, ask me why did commerce and industry recover after 1921 and not agriculture? It seems to me that this was due largely to the fact that industry and commerce found ample occupation in the expansion of building and the rehabilitation required by the railways of the country. These two factors have now pretty well ceased to operate, and so you begin to see a slump in industry and commerce generally. You see it in the steady falling off of steel production and the retrogression in the other key industries. In short, we are all learning that we are a part of the world and that we must suffer with the rest of the world for the orgies of destruction which went on for four years.

Now, too many of our agricultural friends have not learned the lesson which has been impressed upon you so forcibly here in North Dakota. They still believe in panaceas like the McNary-Haugen Bill and other legislative measures, which, in my opinion, may bring temporary benefit to the wheat growers, but will shoulder upon the nation as a whole a burden from which it will not

recover for years. Furthermore, mark I say, these measures may bring temporary relief to the wheat growers. Permanent relief can only come by the two factors which I have mentioned before: (1) the application of science to industry, which in the case of agriculture means diversification, and (2) the restoration of trade.

Without desiring to enter into detailed criticism of the underlying faulty features of the McNary-Haugen Bill, which have been fully exposed by Mr. George E. Roberts and others, I should like to emphasize again the amount of national ill will which we would incur by such measures. "Dumping," which means unfair international competition, has been condemned by all countries. When practiced, it has been done by private corporations, but here we have "dumping," not by a private corporation, but by a government itself. Do you suppose that the farmers of Canada and of the Argentine, who will see themselves confronted by our cut-throat competition and whose standard of living will be threatened thereby, will stand idly by? Do you suppose for a moment that the various countries affected by this sort of trade will not undertake to adopt reprisals of various kinds? What the McNary-Haugen Bill is contemplating

is nothing less than economic warfare, and experience teaches us that economic warfare often is a prelude to political warfare.

I have mentioned the two factors necessary to restore prosperity. The first of these, the application of science to industry and agriculture, is one which others have discussed so fully and so often that I shall not treat of this again. But I should like to say a few words about the restoration of trade. In my opinion, trade can be restored only when Europe regains prosperity; when Europe is able again to produce and with the profits of her production buy—buy not merely the bare necessities of life, but also provide for something beyond that. Do you realize that for the nine months ending March 31, 1923, our exports of foodstuffs in crude condition and food animals amounted to 329 million dollars, while for the nine months ending March 31, 1924, we exported of foodstuffs in crude condition and food animals just about one-half of what we did in the previous year, namely, 164 million dollars? Doesn't this tell the tale? Doesn't it show vividly the fundamental difficulty?

A first step has indeed been taken toward the restoration of Europe by the

general adoption of the Dawes report. It has met with a favorable reception in practically all quarters, and it unquestionably represents a step in advance. For the first time the reparation question has been dealt with from a reasoned, economic point of view, and attention has been paid to other than political considerations. In this country there has been more optimism displayed as regards the report than has been true in Europe. It has been felt on the other side of the Atlantic that the Dawes report, while marking a step in advance, does not completely settle the whole question, as seems to have been the impression conveyed by American newspapers. Especially in France, there has been some skepticism, and it may be of interest to quote from a debate which took place in the "Croupement Universitaire pour la Société des Nations." M. Robert de Jouvenel, a leading radical journalist of Paris, is reported to have said, among other things on that occasion: "Here a third question arose: How to transfer the wealth thus concentrated in the German bank to the Allies. That was a far more delicate problem, and I am disposed to credit the general opinion that the experts adopted the solution of not solving it."

## Why Some Bank Advertising Fails

By Edwin Bird Wilson

**S**UCCESS in bank advertising has been the rule, and that in spite of many mistakes in policy and methods. There have been some failures, most of which were avoidable.

One of the causes of failure has been a lack of definite policy regarding advertising. A banker will say, "I think we ought to advertise. Let's try this scheme." He "tries it" for a while and naturally is disappointed by the meagerness of tangible results. "Trying it" has been the cause of much dissatisfaction and discouragement. "Planning it" and "keeping it up" would have brought satisfaction and encouragement.

There are bankers who "try" something new every year and finally quit with the mistaken conviction that advertising for their bank is a wasteful expense instead of a profitable investment. If they would stop "trying" things and have their advertising deliberately, expertly planned to cover a period of years and then stick to their plan, they would win the goal of bank advertising, namely, increased good will and greater business.

Another cause of failure or inadequacy of success has been a lack of in-

terest in the advertising of the bank by its management. "One of the most important duties of a bank executive is its public relations," said the newly-elected president of a great trust company. And he was right. But too many bank heads relegate advertising to a minor place in their consideration and after determining the appropriation wipe their hands of the whole petty business. I have never heard of a failure in bank advertising where the bank's president maintained an active, sympathetic, continuing interest in his institution's advertising program and worked whole-heartedly with those directly in charge to obtain profitable results.

Most bank executives are too busy to give a great deal of time to details of any department. The wiser executives delegate details—in advertising as well as in other matters. And they give the advertising officer freedom and authority to get the best assistance he can obtain, within the limits necessarily prescribed in advance by executive policy. Failure may be expected where nobody has the specific duty of handling the detail of bank advertising.

Good counsel in bank advertising is

just as important as good counsel in legal architectural or medical matters and not a few banks are limiting the success of their advertising by trying to be their own advisers on a subject in which they lack experience and practical training.

Banks are human business concerns, public service institutions with hearts and souls. These facts are not always revealed by the bank's advertising—which accounts for other failures or near-failures in bank advertising. The human touch is lacking and human hearts pass by untouched, uncharmed, unwon. The advertising in some cases is as cold as the marble of the banking room. It should be as warm and human as the hearts of those who spend their lives within the marble and bronze confines, rendering useful service to their human fellows. Bank advertising, intelligently planned, persisted in, wisely overseen by the head of the institution, guided by expert advice and made human in its appeal will not fail.

The artist must look to his own industry and not to the criticisms of others for the true revelation of his own powers.—Hamerton.

# What the Banker Should Know About Auto Financing

Sound finance practices make reasonably priced autos possible and stabilize entire industry

By E. C. Starrett

President Continental Discount Company  
Des Moines, Iowa

WASN'T it you, Mr. Banker, who said the other day, "If the people don't quit buying cars, the whole state will be broke"? If it wasn't you, I'll bet it was some member of the A. B. A.

Well, let's sharpen our pencils and do a little figuring. Remember back in 1921 when the Chicago banks made us blue by telling that Iowa owed ninety million dollars in Chicago? And we did feel pretty tough about it until some optimist said, "Yes, but that will just buy a round of tires for every automobile." Then we didn't feel so bad, for we realized that while ninety million dollars was a lot of money, yet we had a lot of wealth. Of course, that round of tires story was an exaggeration, but I wonder if you realize how close it was. Up to January 1, 1922, Iowa had 424,000 pleasure cars and 38,000 trucks registered. The ninety million was not quite \$195 for each car.

When you were twenty-one, you hired a team of high-stepping bays to court the Mrs., didn't you? Those good old times have gone forever. This is the period of jazz, knickers and bobbed hair. The garage takes the place of the livery stable for all the latest gossip. They used to talk of you as one of the best horsemen in town; now the fellow with the classiest "flivver" is the envied one.

In those days the man on the section drew down about \$1.25 per day and hardly knew how to spend it all. A horse, buggy and harness cost about \$125, which meant 100 days' labor. Today the section man gets about \$3.50 and he can buy a mighty good serviceable car for \$350, the same 100 days' labor. On that basis the young fellow with a car is no more extravagant than the fellows in your "gang." And look at your "gang" now, most of them pretty substantial citizens, aren't they?

It is the automobile finance company that has made this condition possible, primarily by increasing the sales so that the manufacturer can reduce his costs. While about 70 per cent of all sales of cars involve a note of some kind, only about one-half of the sales are through finance companies. These are merely estimates. It is up to the finance company to furnish immense sums of very necessary money, to scan the credit records and reputation of the purchaser, to teach the dealer what is sound in automobile finance and what is not.



E. C. STARRETT

The basic idea is to so arrange the terms of payment that an honest man can and will meet the payments as they mature. This requires an organization of well-trained specialists. Sufficient initial payment must be made by the buyer, and the finance company must charge a good stiff fee to cover the costs of its services. They must be, in a way, bankers, credit men, collectors, lawyers, insurance experts, and sometimes detectives. Let the organization be weak on any of these and trouble is sure to follow. A commercial bank with such paper is in for a lot of grief and will sooner or later sustain heavy losses.

We all know that our present trouble is overproduction of farm products. In 1922, there were nearly 12,000 garages, auto accessory dealers and car dealers in Iowa. Suppose that each employed five men. That means 60,000 people. Now, about half of all our population is engaged in farming. That means 30,000 to go back to the farms. There are about 210,000 farms in Iowa. In other words, every seventh farm would have an extra family. That would increase

farm production even more with still lower prices. Remember, these figures are for Iowa only.

There are, of course, people driving cars who should be walking. But lots of people dress too well, live in houses which are too expensive, and who order too many strawberries in January. But we are inclined to forget them and do all our knocking on the fellow who bought a Cadillac instead of a Ford. Certain members of every community will always be broke. In the good old days it was horses and hound dogs; now it is cars. But the fellow who buys a car on time is being taught by the auto finance company to make regular and substantial payments every month.

When he is through paying on his car, it is not all wasted. He has accumulated some property. If the auto salesman had not sold him the car, the same man would have been broke anyway, and would not even have a used car to show for his savings. He has been taught that regular payments will purchase something for him. Keep in mind the fact that no one saves for the purpose of having money in the bank. They save in order that they might buy or be able to buy something. Even if it is to buy a bond, they have the vision of the things that the interest from the bond will buy. If he has been paying \$50.00 per month on his car, the manager of your savings department should get him to save at least \$25.00 a month. If he can't do this, he should take some lessons in salesmanship from the nearest auto dealer.

Even a new Ford requires an initial payment of about \$100. I presume more savings accounts have been opened and then closed for this purpose than any other. In other words, the auto dealer sells him on the idea of saving his money in order that he may have a car. The finance company sells him on the idea of making regular payments. When they are through, it is up to the banker. Get after him promptly. He will save if you "sell" him.

There is another little point that I believe will repay your study. When you make a loan, try to get some sort of partial payments before final maturity. Of course, it can't always be done, but I believe you will agree that there are notes in your "charged off" file that would be money in the bank if small and regu-

(Continued on page 75)

# Is the Service Charge the Remedy for the Unprofitable Account?

Bankers of the Northwest give their opinions on how to make the small account a profitable one

**H**OW can the banker change the small checking account from the loss to the profit side of his books? Is a small checking charge for accounts of possibly one hundred dollars or less the solution for this problem?

To ascertain the feeling of bankers in the northwest on this point, the Northwestern Banker recently sent out a number of personal letters of inquiry asking for an expression of opinion from leading bankers. Their comment, surprisingly uniform, is given as follows:

## Bankers Must Make Accounts Profitable

By *DON A. MULLEN*

*Secretary Clearing House Section, A. B. A.*

"The question of a service charge where the daily balance of customers falls below a certain minimum, has often been discussed by bankers. In nearly all banks there are small and insufficient balances, which of themselves are unprofitable. The bank which has a proper conception of its service to the community, dislikes to throw out these accounts, and seldom does so, despite the fact that in holding the account it frequently entails an unwarranted loss.

"The banks in an eastern city which recently adopted a uniform rule of charging one dollar a month on accounts with balances of \$200 or under, realize the wisdom of the course. This rule provided that the assessment would be made only where the accounts were shown to be profitless and not connected with any other good business. Adopting a rule in this way left it discretionary with the banks as to which accounts they would charge.

"Let us consider both sides of the question—that of the bank and that of the depositor. The banks of the country render to the general public many services for which they receive no compensation. The checking privileges permits the customer to draw checks on stationery gratuitously provided, virtually keeping the books of the depositor and rendering periodic statements with all cost and risk attending. Let us inquire what the contract of deposit includes. Upon opening an account, the bank agrees with the depositor to furnish the necessary stationery, ever increasing in cost, the labor necessary to handle the account and to pay checks as presented only when properly signed. It assumes the risk of forgery and alteration. When stop pay-

By *R. W. Moorhead*

*Editor Northwestern Banker*

ments are lodged against the accounts, it assumes the risk of paying over the stop payment notice with the attending hazards. It is easily provable that every check paid by a bank involves seven distinct risks: As to the date; as to the signature; as to the alteration; as to the filling; as to the stop payment; as to the sufficiency of balance; as to the uncollected funds. As compensation of these risks, the bank received the use of funds for its own account.

"It is also a provable fact that every check handled by a bank involves a certain amount of cost, and it is not impossible to get a fairly accurate cost of handling a single check. It is also possible to ascertain with reasonable exactness the profit or loss on each account.

"Let us look at the question from the depositor's viewpoint. He may well argue that he gives the bank all his business and keeps as large a balance as possible. He looks upon the bank as a public institution and he honors it with his patronage. He helps it by his friendship. He gives it all he has to give of money and support. Moreover, he expects to give it more when he gets in a position to do so. The problem, then, resolves itself into what attitude to take in order to build good will for the future, render such service as the public naturally expects and still make a profit on the account. Therefore, four processes are possible:

"1. To eliminate all so-called unprofitable accounts.

"2. Encourage building up all such accounts for the future business resulting therefrom.

"3. Tolerate the accommodation accounts as a necessity of the business, under the same theory that the grocer

carries sugar, on which he makes no profit, hoping to cover the loss in the general sales.

"4. Penalize the unprofitable account, which will either drive it out of the bank, produce a profit or build it up into a profitable account.

"The banker is fully justified in an endeavor to make every account a profitable one, just as the merchant endeavors to make every sale a profitable sale; but there are some accounts on which a small loss is unavoidable, just as the merchant must take a loss on some sales, or carry unreasonable and unsalable stock."

## Duluth Has Favorable Experience

By *JOE H. INGWERSEN*

*Vice Pres. First National Bank, Duluth*

"We have made a comparatively complete analysis of the so-called unprofitable accounts and found that a checking account that did not average \$100.00 or more was a losing proposition. This analysis was made at or about the time the local clearing house association considered the question of making a service charge. We found from our experience that it costs from 50 cents to \$1.00 per month to handle checking accounts averaging below \$100.00, but when the matter came up for discussion and settlement at the meeting of the clearing house, the majority opinion was that a charge of 50 cents a month should be made on all accounts averaging less than \$50.00 per month. This rule, accordingly, was put into effect, and as a result thereof, we eliminated something like 500 unprofitable accounts and in addition thereto the bank is now earning about \$500.00 per month on small accounts that prefer to pay the service charge.

"We have a great many exceptions to the rule here and it is my personal opinion that there should not be any exceptions, unless the minimum balance is made quite a bit higher than \$50.00.

## United State Bank

This charge is made in conformity with a ruling of the

Des Moines Clearing House Association, your account having averaged less than one hundred dollars during

MAY 1923

50 Cents

Charge.....

John Doe

"The only work we have done so far to educate the public on the reasonableness of the charge is through the medium of literature which has been sent to the customers with their monthly statements and through a certain amount of newspaper publicity. The result has been to convert some of the unprofitable accounts into profitable ones. The question has always been a perplexing one and will continue to be, but we have found the people very reasonable and have had an exceptionally small number of complaints because of the institution of the service charge."

**Service Charge Is Justifiable**

*By J. R. CAPPS*

*Mgr. Des Moines Clearing House Ass'n*

"From our experience here in Des Moines I cannot help but feel that the small charge made for the handling of checking accounts is justifiable, and in our territory has been very successful.

"Arguments of a very forceful character can be presented, both for and against this charge, and were presented very forcibly at the time the banks in Des Moines were discussing this subject and before they finally decided to make the charge—some of the bankers feeling that it was absolutely against the policy of modern banks to force our customers to pay a tribute in order to deal with them.

"Generally speaking, this would seem to be the case; but in our actual experience we found that in every bank in Des Moines they were carrying a large number of unprofitable accounts—especially the accounts of salaried people who were simply using the banks for bookkeeping purposes.

"In our own bank we tried to make an analysis of the actual cost of each account. This was rather hard to do, as practically all of the figures used were estimates; it being really hard to tell what proportion of overhead, operating expense, and other items should be charged, or could be charged to each department. We estimated, however, that the average, small account, with a balance under \$100.00, having from one to ten checks charged to it each month, cost the bank somewhere between 50 cents and \$1.00, but due to the element of uncertainty, we wanted to be perfectly fair with the customers, and simply made the flat charge of 50 cents per month where the average balance was under \$100.00; the charge to be made only where one or more checks were charged to the account each month.

"Some of us were rather fearful of the results, feeling that this might establish a prejudice against the banks and a general withdrawal of account, but actual experience taught us that while quite a number were closed, others were consolidated, and still more were readjusted, increasing the balance to a point where

St. Louis, Missouri,

March 8, 1924

To Members of the M. B. A.,  
and  
Banks Contributing Information for this Report:

Gentlemen:

The small checking-account problem has perplexed bankers for many years--in fact, ever since they themselves began to realize that thirty-dollar balances often fail to pay for the stationery they require.

A few months ago the Committee on Analysis of Accounts of this Association sent a questionnaire to two leading institutions in every American city with aggregate bank deposits of ten million dollars or more. The purpose of this questionnaire was to determine how small accounts were treated in such cities--what initial deposits are required, whether service charges are assessed and with what result.

The response from the banks addressed was surprisingly general, nearly every city being accounted for. In submitting a tabulation of the information from the questionnaires, it is desired to thank contributing banks for their splendid cooperation.

Very truly yours,

*Jae Graham*  
Chairman

Committee on Analysis of Accounts

**WHAT MISSOURI BANKERS FOUND OUT ABOUT THE CHECKING CHARGE**

A few months ago, the Missouri Bankers Association made an extensive survey of the small-checking account problem. Above is a copy of the letter sent out to representative banks throughout the United States. The first three questions, together with a chart showing the answers for states in the northwest, were as follows:

**Question No. 1.** Do you require a minimum deposit for opening an account and if so, what minimum?

**Question No. 2.** Do you ask that accounts be closed or transferred to savings (or interest) department if they do not maintain a required balance? If so, what is the required balance?

**Question No. 3.** Do you make a service charge if accounts fall below a certain average? If so, what is the required balance, and how much the charge?

(Iowa)

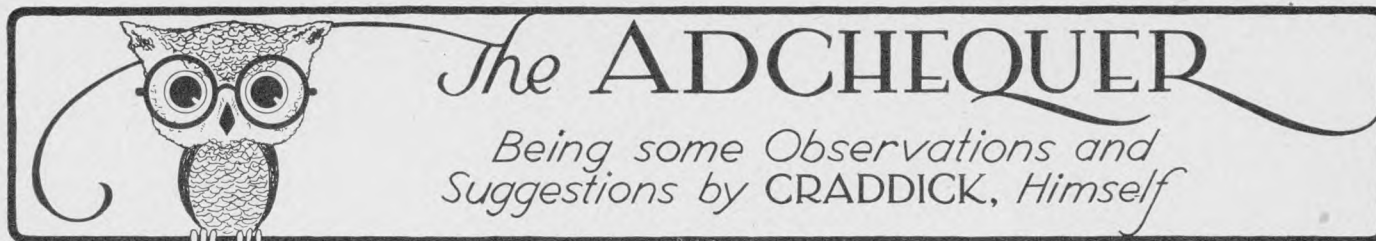
City	Population	No. of Banks	Initial Deposits Required	Are Small Accounts Closed Out or Transferred?	Service Charge
(Iowa)					
Davenport	56,566	12	None	No	50c under \$100
Des Moines	126,468	25	None to \$50	No	50c under \$100
Dubuque	39,141	7	\$50 to \$100	No	None
Sioux City	71,227	14	None	No	50c under \$100
(Minnesota)					
Minneapolis	380,582	42	None	No	50c under \$100
St. Paul	234,698	39	None	No	50c under \$100 and \$1.00 under \$200
(Nebraska)					
Lincoln	54,948	9	\$50	No	50c under \$50
Omaha	191,601	18	None to \$100	No	50c under \$100
(North Dakota)					
Fargo	21,961	8	None	No	50c under \$50
(South Dakota)					
Sioux Falls	25,202	8	None	No	50c under \$50

**Question No. 4.** Is the service charge made if the account simply falls below the minimum (as for one or two days) or if the average for the month is below the minimum? Answers: About evenly divided, with majority favoring charging when average balance falls below minimum.

no charge could be made. There was quite a little shifting of accounts going from bank to bank, but we believe now

that the charge is well established and causes very little difficulty, and really

(Continued on page 64)



### AT LAST A BANKING CODE!

Since making comment and certain observations upon the subject of Business Codes for Bankers in last month's issue, two bankers associations have considered and accepted codes of business practice for the guidance of the members of these two associations.

In May, C. L. Brokaw of Kansas City, Kansas, offered for the consideration of the Kansas Bankers Association the draft of a code which was adopted. This code consists of fourteen articles and lays definite stress upon the responsibility of a banker in the conduct of his business, and in his relations with all those with whom he deals.

First honor, therefore, for having developed and adopted a banking code, goes to the Kansas State Bankers Association.

In June, the Wisconsin Bankers Association, in convention, considered and adopted a proposed Code of Correct Business Practice for Bankers, as formulated by T. J. Spaulding of Marshfield, Wisconsin. Mr. Spaulding has been working upon the draft of this code for more than a year and in making his compilation he has conferred with many business associations and a number of authorities experienced in code writing.

In analyzing and comparing the codes as adopted by Kansas and Wisconsin it will be found that the Wisconsin code is more definite and specific in setting forth the obligations, responsibilities and relations as between the banker and his public.

But the point of consideration is that two bankers associations, in convention assembled, have adopted such codes. This indicates a beginning and it is only reasonable to predict that within the next two years a majority of the bankers associations throughout the country will have such codes under consideration.

It is doubtful if there will be an attempt to standardize these codes for state associations—that may come later when the American Bankers Association takes up the subject and makes a study of all the various codes available.

Two years ago this month the writer predicted in an article that banking codes would soon become a fact.

The banking code has arrived.

### TELL US, PLEASE.

What particular advertising have you done in the past three months which proved successful and profitable in results, or quite the contrary?

Tell it in three hundred words. Stress the objective, medium used, feature or inducement, results, cost. Add your own comment, opinions and advice to your brother bankers. Communications will be held confidential unless permission is granted to use the bank's name.

Speak freely. You may help a brother banker to either make money—or to save money.

Address all communications to "ADCHEQUER" in care of The Northwestern Banker.

### PUT AND TAKE

There is an old saying common to all business men that we get out of life just what we put into it—though it does seem at times that the rule works weakly with some unfortunate individuals.

But it is true of most of our life's actions and associations. Consider the returns you get from your church associations, your lodge affiliations, your clubs, your local chamber of commerce, your own home.

You'll admit that, aside from money returns, perhaps, the pleasure, satisfaction, the happiness, the friendships, the good will and the pride in achievement is in fair ratio to the time, thought, effort, enthusiasm, cooperation and activity you put into any of them.

Getting results from advertising works somewhat along the same lines.

It is illogical for any business to expect large and substantial returns from a very small expenditure in advertising.

It is unreasonable for any business to hope to firmly establish its name and business standing with the public through a temporary splash of advertising.

It isn't sound reasoning to think that a formulated plan of publicity endeavor can be started and abandoned with profit to the business.

Nor is it fair for a business to expect advertising in any volume to overcome conditions within the business which must naturally be an obstacle to its progress and success.

Advertising serves well those who use it with reason and wisdom. It brings back a fair return on what goes into it.

Advertising will never be one hundred per cent efficient because advertising is a human brain product—and there lives no one who is even near one hundred per cent efficient.

And yet, advertising is beyond argument the greatest producer of business of any agency we have. Transportation may be the greatest single factor in the development of modern-day business, but advertising has developed the volume of business which transportation must handle.

Put into advertising truth, reason, logic, personality, human kindness and repeat the operation liberally, regularly, continuously and you will take out friendliness, good will, confidence, loyalty—and good business.

And if you fail to put in you will never take out.

### AND WHAT OF BANKING?

The business of banking has been passing through one of its occasional periods of stress.

And by a strange and ridiculous process of public reasoning, there is, in many quarters, the impression that there is something radically wrong with the banking business and that all lines of business have suffered because bankers have been remiss in the general conduct of their affairs.

Even many farmers who should, if anyone can, understand what has brought about the closing of so many of the smaller banks, is ready to lay the blame for a major portion of his troubles, at the door of his banker. He ignores the economic situation entirely.

Well, what are bankers going to do about it?

Or rather, let us ask what are bankers doing to correct the prevalent thought in the public mind?

Economizing to cut down overhead expenses to offset losses? There isn't a bank in the land that is not paying attention to some sort of an economy program. It is the first step. It is logical. But it is not solving the present-day problem so far as public thought is concerned.

Some bankers are hoping for legislation to relieve the situation. But legislation will not change public opinion toward banks.

Some bankers think it is a year in  
(Continued on page 75)

# What the Dawes Plan Will Mean to America and Europe

New reparations plan as outlined by Mr. Dawes will serve to stabilize disordered Europe and thereby help American business

(From address delivered before Iowa Bankers Association convention at Mason City)

IT HAS been difficult for the people of the United States to fully realize the menace of a disordered Europe. They have not generally been able to follow the friction which has existed in European countries into the unsettlement in our own country; neither have they been able to trace the unfortunate and ill-advised so-called radicalism which has developed in the United States, with all of the disastrous effects which such radicalism has entailed, to European disturbances, nor have they been able to see that a part of the cause for the great difference in relative values of farm labor and industrial labor has been due to an unstable Europe.

The farmers in many parts of our country have been passing through some very trying experiences. Instead of meeting their problems naturally, which is the only successful way to solve them, they have put their trust in men who have promised to regulate supply and demand by legislation, which has always been a failure and always will be. Legislative action, either threatened or made effective, which disturbs industry is certain to be followed by smaller production, which means that fewer individuals can be supplied with their requirements. Such curtailment in production must result in direct loss to the masses regardless of what social system may be in force as distribution cannot be extended to more individuals than there are units produced. And yet it is these very same masses who delegate power to those who, while promising better living, undertake to accomplish it through destruction.

The unsettlement in Europe, which is a form of disturbance of mind, has permeated all peoples and has been strongly evidenced where groups of European peoples have colonized new lands. This has been true where citizenship has been taken out in the country of adoption and has been lived under for many years and it even has extended to younger generations who have been born in the new country. The great extension of the means of disseminating propaganda and the tremendous uses to which they have been put during this generation, particularly since the World War, by those whose ideas have been tempting but destructive, is primarily at the bottom of the trouble. As such ideas are accepted more readily by peoples whose lives have

By Fred I. Kent

Vice Pres. Bankers Trust Co., New York



FRED I. KENT

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The address given on this page is a part of Mr. Kent's explanation of the "Dawes" plan for stabilizing Europe. On account of the length of the address, it will be published in two parts of which this is the first. The second and last part will appear in the August issue of the Northwestern Banker—Editor's Note.

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been made difficult because of the conditions developed by the war, false propaganda has become a very real menace. If it is to be overcome, there must be general freedom from suffering and mental strain and only a peaceful Europe can bring about such a development.

Conditions in Europe must either grow better or worse. There has been an underecurrent of improvement going on for a number of years but it has been based on the hope that the Allies and Germany were working toward a final settlement of their differences. Should this hope prove to be futile, all the progress which has been made can be wiped out in a moment. On the other hand, if this hope is realized before such a happening, it will be found that the ground-work has been laid for a period of wonderful progress and such progress will partly be possible because a satisfactory settlement of European differences will remove the centers of discontent upon which false propaganda thrives. When this has been brought about, trade and commerce will

enter the hearts of many discouraged groups of people in all lands and we can again spring to life, hope will once more look forward in America to another period of more rational mentality, which will be reflected in a higher class of representative lawmakers.

When conditions were nearing a crisis in Europe in the fall and winter of 1923, it became possible to take constructive action, which had before been prevented by political forces, because the strain upon the people had become too great for them to bear. The result was the establishment of the Committees of Experts under the Reparation Commission in order that a study might be made of the conditions existing in Germany and some method be devised that might result in the financial recovery of that country which was the first step that had to be taken in order to bring about peace in Europe. The instructions given the Dawes committee were very specific and this must be borne in mind when studying its report for there were certain parts of the European problem which it could not consider. If the plan of the committee is not put into operation, a very severe crisis can be expected in the affairs of the world unless the principles outlined are followed into some other form of effective and constructive procedure.

Should the plan fail to be put into operation, such currency stability as has taken place in Germany cannot continue and the German people can hardly be expected to live through another currency crisis without its resulting in a catastrophe that would be very far-reaching in its effects. The exchange position of other European countries would also be jeopardized and the buying power which has gradually been built up in Europe since the armistice underneath the unstable political conditions would be destroyed instead of being conserved. While the strain of necessity would continue European buying, yet, with the depletion of credit which has taken place since the armistice, there would seem good reason to believe that we might run into a very real international depression that would fall upon the United States with as great severity as upon other nations of the world. This being true, it is essential that we in this country understand the principles underlying the Dawes plan in order that we may

### SUMMARY OF THE DAWES PLAN

The following summary of the Dawes Plan for the payment of reparations was prepared under the direction of Mr. Fred I. Kent, Chairman of its Commission on Commerce and Marine, for the American Bankers Association and shows briefly the details of the plan.

Years	Budget	Interest from Railroads	Loan	Transport Tax	Industrial Debentures Interest	Total
1924-25	Balanced (If free from peace treaty charges.)	330,000,000 gold marks (200,000,000 gold marks of this sum is to be used for treaty payments, the remainder to be held until the following year.)	800,000,000 gold marks			1,000,000,000 gold marks
1925-26	250,000,000 gold marks (Obtained from the sale of preference shares of railroads or, if this fails, from an internal loan.)	465,000,000 gold marks And in addition the sum held over from the previous year, viz.: 130,000,000 gold marks.		250,000,000 gold marks	125,000,000 gold marks	1,220,000,000 gold marks
1926-27	110,000,000 gold marks	550,000,000 gold marks		290,000,000 gold marks (The transport tax should increase materially within a few years. This sum shall go for reparations and the balance to the German government.)	250,000,000 gold marks	1,200,000,000 gold marks  (See Note 1)
1927-28	500,000,000 gold marks (Subject to addition or reduction in certain contingencies, i. e., controlled revenues.)	660,000,000 gold marks		290,000,000 gold marks (Any excess received from this tax, over this sum, shall go to the German government.)	300,000,000 gold marks	1,750,000,000 gold marks  (See Note 1)
1928-29 Standard (See Note 2)	1,250,000,000 gold marks (Subject to addition or reduction in certain contingencies.)	660,000,000 gold marks		290,000,000 gold marks (Any excess received from this tax, over this sum, shall go to the German government.)	300,000,000 gold marks	2,500,000,000 gold marks  (See Note 2)

NOTE 1. If controlled revenues for 1926-27 exceed 1,000,000,000 marks (or for 1927-28 exceed, 1,250,000,000 marks) one-third of this excess, but not exceeding 250,000,000 marks, is to be added to the payment from the budget for that year. On the other hand, if controlled revenues for 1926-27 are less than 1,000,000,000 marks (or for 1927-28 are less than 1,250,000,000 marks), then one-third of the deficiency, but not exceeding 250,000,000 marks, is to be subtracted from the payment from the budget for that year.

NOTE 2. 1929-34 inclusive: Yearly payments of 2,500,000,000 marks from same sources as in 1928-29, plus such a percentage of 1,250,000,000 marks as the "index of prosperity" indicates is possible of payment. 1934-35 and subsequent years: Yearly payments of 2,500,000,000 marks from the same sources as in 1928-29, plus such a percentage of 2,500,000,000 marks as the "index of prosperity" indicates is possible of payment.

be prepared to do our part to make it a success at the proper time.

#### DETAIL

While there may be questions in the minds of men as to how some of the detail connected with the plan may work, yet, after all, this is a minor consideration, for as progress is made under the plan weaknesses in detail can easily be corrected.

The committee wisely refrained from attempting to develop such detail as involved elements that would have to be subject to compromise in creating legislation necessary to make the plan effective or that could better be left for conference between representatives of the nations interested. It has, however, shown the way with sufficient clearness, insofar as every general principle is concerned, so that the working out of the detail should be merely a matter of form. If the committee had gone too far with the detail it might easily have made it impossible for the plan to have been put in operation even though it might have met with the general approval of all

the nations concerned. The value of the plan depends therefore upon the practicability of the great underlying principles upon which it is built. Consequently the real concern of the interested nations, including the people of the United States, lies in the question as to whether such principles are sound.

Two principal questions were put up to the Committee of Experts by the Reparation Commission—they were to "consider the means of balancing the budget and the measures to be taken to stabilize the currency of Germany." It was realized in the Allied Governments and by the Reparation Commission that it would not be possible to stabilize conditions in Europe unless conditions in Germany could be so restored as to enable the resumption of industry in that country and provide a means to enable the payment of reparations without again upsetting the economic equilibrium of Germany after it had once been reestablished.

Before undertaking the development of a plan, it was necessary for the experts to determine as nearly as possible just

what the condition of Germany was at the moment. The great depreciation in the German currency, together with the economic chaos caused by it, made it necessary to study the physical conditions which exist in Germany which had to do with the transportation systems and industrial plants before an estimate could be made of the future ability of Germany to provide for its own people and take care of its treaty obligations. If the producing and transportation plants of Germany were found to be in good order, then would come the question of the ability of Germany to obtain the credits which would be needed to put its plants in operation and enable them to take a proper part in the production of the world. It was partly for this reason that the second committee of experts was formed, whose duty it was to ascertain insofar as was feasible what foreign credits German interests had at their disposal.

#### FOREIGN CREDITS

While it was realized that such credits might not belong to the same German na-



tionals who controlled the German industries, yet there was fair reason to believe that in large part this would be true. It was also clear that if a stabilized condition could be developed in Germany and a means devised under which reparation payments could be provided that would not represent too great a tax upon German capital that German-owned foreign credits would naturally return to that country.

#### BANK OF ISSUE

The first requisite to enable the balancing of the German budget was the stabilization of the currency which clearly required a new bank of issue or the reorganization of the Reichsbank, and the plan therefore provides for a gold bank to be formed with a capital of 400,000,000 gold marks. This institution is to have the exclusive right of "issuing and circulating bank notes in Germany." It shall also arrange for the gradual withdrawal of the circulation of the Rentenbank and it will either take over the Reichsbank or liquidate it and the outstanding Reichsbank notes shall be redeemed at the rate of one million marks to one gold mark. All payments of the German government for reparations will be credited to the account of the Agent for Reparation Payments in this bank. The further functions of the bank are practically those of an ordinary national banking institution.

#### LOANS

In order to put the operation of the plan on a firm foundation at the start and allow the continuation of deliveries in kind which are required by the Allies, a foreign loan of the equivalent of 800,000,000 gold marks is to be raised. It is expected that by depositing the proceeds of this loan with the new German Gold Bank while awaiting disbursement that it will enable the bank to take a proper position toward furthering German industry immediately upon its organization. Such a loan, following a sincere acceptance of the whole plan by the Allies and by Germany and after such measures have been taken as would make the plan operate effectively, would be good beyond question and every nation called upon should do its part toward making the loan a success. Even if all other parts of the plan are effectively carried out, its successful working might be jeopardized unless the foreign loan can be obtained. Until such a loan is offered, no one can pass upon its goodness, but it is so important that we in the United States do our part that we must be ready when the time comes to render careful judgment as to the effectiveness of the methods which are finally undertaken to establish the plan of the committee of experts. Then, if the loan is

(Continued on page 76)

## Ten Years Ago Today



Brief bits of news from *The Northwestern Banker*, July, 1914

**The Central Trust Company of Illinois**, Chicago, has issued a very beautiful and interesting book entitled "Old Monroe Street." The book is compiled by Edwin F. Mack and contains many illustrations, both of photographs and original drawings, which add much to the interest of the book.

—1914—

**J. L. Edwards**, president of the Merchants National Bank of Burlington, Iowa, and who was elected president of the Iowa Bankers Association this year, is spoken of in one of his local papers as follows: "Banking has not been a superficial pastime with Mr. Edwards. He has made a thorough study of its various aspects and by astute application the result of long experience, has qualified as an authority on all matters pertaining to the complex banking system of this country. The complicated reserve banking law, the numerous and puzzling features of which caused more than one banker to lose sleep, was eagerly digested by Mr. Edwards and he soon mastered in every detail its salient points to such an extent as to qualify as an expert. Antiquated and haphazard methods of banking have no place in the present day and the banker who expects to keep abreast with the times must know his business."

—1914—

**At a meeting** of the directors, held recently, John B. Heitsman was elected cashier of the First National Bank, New Sharon, Iowa, to succeed P. C. Welle, who resigned to accept the position of cashier in the new Sully Bank.

—1914—

**F. F. Danforth** was elected president recently of the First National Bank of Lake City, Iowa, made vacant by the death of Hon. S. T. Hutchinson. Walter Jacobs is vice president, and G. G. Hutchinson, cashier. John W. Jacobs was made a member of the board of directors.

—1914—

**C. B. Mills**, formerly connected with the Peoples Trust & Savings Bank, Clinton, Iowa, and now of Minneapolis, vice president of the National City Bank in that city, gave a dinner party for thirty men at the Country Club, Clinton, Iowa, complimenting the men who had been presidents of the Iowa State Bankers Association. It is eventful to note that of the twenty-five men elected to the presidency of the association, sixteen

were enabled to be in Clinton for the twenty-eighth annual convention and and in attendance at the dinner. F. H. Helsell, of Sioux Falls, who was Mr. Mills' first employer in the banking business, expected to be present until the last day, and sent a congratulatory message to the other men.

—1914—

**Upon the resignation of Arthur G. Christensen**, cashier of the Commercial National Bank, Fremont, Nebraska, George C. Gage was elected to fill that position. For the past eight years Mr. Gage has been connected with the Exchange National Bank, Spokane, Washington.

—1914—

**The Grand Island National Bank**, Grand Island, Nebraska, have recently moved into their beautiful new building.

In the vault are two Manganese screw door safes which the manufacturers have proven burglar proof. There is also the burglar alarm which automatically rings if the combination of the safe is not set at a certain time or if the combination is tampered with in any way. This alarm will also ring if a drill is forced through the outer wall and comes in contact with the inner wall.

The woodwork is all African mahogany and gives the bank a rich appearance.

The officers are: President, C. C. Hansen; vice president, J. W. Thompson; cashier, T. J. Hansen.

—1914—

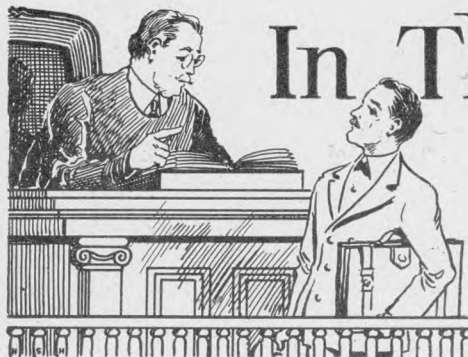
**A charter has been issued** for the Citizens National Bank, of Crosby, N. D. Capital \$25,000. A. M. Eckmann, president; Sigurd Bue, cashier. This is a conversion of the Citizens State Bank, of Crosby.

—1914—

**The first annual meeting** of the Tenth District Bankers Association was held in Anoka, Minn.

J. S. Pomeroy, vice president of the Security National Bank, of Minneapolis, and former president of the Minnesota Bankers' Associations, gave an address of greeting and discussed the organizing of the Minneapolis Federal Reserve Bank.

Among the other speakers were: A. S. Dean, president of the tenth district group; J. W. Wheeler, president of the Capital Trust Company, of St. Paul, and G. H. Richards, secretary of the state bankers' association.



# In The Eyes Of The Law

## Facts About Bankrupt's Set-offs and Counterclaims

By the Legal Department

**C**AN a bank set-off bankrupt's deposit against notes held by the bank? The Bankruptcy Act of United States has made special provision for set-offs and counterclaims.

In all cases of mutual debts or mutual credits between the estate of a bankrupt and a creditor, the account shall be stated and the one debt shall be set-off against the other, and the balance only shall be allowed or paid.

A set-off or counterclaim shall not be allowed in favor of any debtor of the bankrupt which, (1) is not provable against the estate; or, (2) was purchased by or transferred to him after filing of the petition, or within four months before such filing, with a view to such use and with knowledge or notice that such bankrupt was insolvent, or had committed an act of bankruptcy.

We will now consider a set-off against a deposit account of a bankrupt in a bank. Under this section of the Bankruptcy Act, a bank has the right to set-off the deposits of a bankrupt against notes due by the latter to the bank. It has even been held that a bank does not lose this right by accepting the check of a bankrupt for the amount of the indebtedness prior to bankruptcy and while the bankrupt is insolvent and in contemplation of bankruptcy.

Just recently, an action was brought by the trustee in bankruptcy of Glanz to recover from the defendant bank a deposit of \$2,740.00, which the bankrupt had with the defendant prior to the filing of the petition in bankruptcy. It appeared that the deposit was transferred to the bank by a check given to it by the bankrupt, immediately before the filing of the petition, to pay notes due by him to the bank, in excess of the amount of the deposit. The case was heard upon an agreed statement of facts.

The record presents the single question of law as to whether the defendant bank waived its right to set-off the deposit against the notes, under the provision of the Bankruptcy Act (given above), by accepting the check of the bankrupt, in advance of bankruptcy, and while the bankrupt was insolvent, and in contemplation of bankruptcy.

The plaintiff contended that the bank,

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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 Northwestern Banker, Des Moines, Iowa.

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by accepting the check, waived its right to set-off the deposit against the notes.

The authorities are conflicting on this question. In one decision, it was held that under the terms of the Act, if the bank and bankrupt knew of the insolvency of the latter when the payment of the check was made, it was a payment by way of preference and void, even though, had the bank relied upon its right of set-off it might have been available.

Against this decision there are a number of holdings. The supreme court found in one case that the parties voluntarily made the set-off before the petition was filed, hence, it could not be illegal for the parties to do before bankruptcy what the law would have required the trustee to do after bankruptcy, and because the payment of the checks and the changing of the notes were both bookkeeping matters, it was equivalent to the voluntary exercise by the parties of the right of off-set. Under the Bankruptcy Act, the trustee could have been required to allow the same amount to the bank as had been done by the parties before the petition in bankruptcy was filed.

In the Glanz case the court held that the bank had not waived its right to set-off and that, therefore, the plaintiff was not entitled to recover the deposit, saying:

"A preferential payment is one that gives to the creditor paid something he would not have obtained through bankruptcy proceedings, and that would have

been ratably distributed among all creditors of the same class after bankruptcy had intervened. The payment of a note by a check on a deposit of the maker has no such effect. The Bankruptcy Act itself would do what the parties voluntarily did, had they omitted to do it. That the payment of the check transferred to the bank was only what the bank would have obtained, as against other creditors of the same class, upon the filing of the petition, through the obligation of the trustee to apply the deposit to the payment of the notes in stating the account between the bank and the bankrupt. The payment of the check could have no effect to give the bank a greater percentage of its debt than other creditors of its class, since it would receive through payment by check only what the Bankruptcy Act would give it, though no such payment had been made to it. As the payment of the check was not a preferential payment, but merely a voluntary accomplishment of an off-set, which was provided for by the Bankruptcy Act in the absence of voluntary action, we see no reason for disallowing the off-set because the parties anticipated the action of the law, even though the bankrupt was then insolvent within the knowledge of the bank."

Where a bankrupt is indebted to a bank on promissory notes or otherwise, in which he also has a balance to the credit of his general deposit account, the bank is entitled to have the one claim set-off against the other, and to account to the trustee in bankruptcy only for the balance of money on deposit after satisfying its own claims. If those claims exceed the amount of the bankrupt's balance, then the bank may prove its claim for the remainder.

A general deposit account in a bank subject to check becomes, upon the bankruptcy of the depositor, a security for, and a payment pro tanto of, his liabilities to the bank, by the operation of the law of mutual credits.

A bank is entitled to set-off against the balance due to the bankrupt on his deposit account any debt or claim which it holds against him, if fixed and ab-

(Continued on page 50)

# How We Talk to Our Nebraska Farmer About "His Problems"

Sound economics and business-like farming will put the farmer back on a substantial basis

By *E. C. Nelson*

*Cashier City National Bank, York, Neb.*

**S**UCCESSFUL business has always recognized quick turnovers. This should hold true in the cattle industry as well, and a successful cattle feeder should study conditions closely as to whether it is advisable to feed a yearling, a two-year-old or whether to go into the heavier class and feed three or four-year-old cattle. This he must determine by watching conditions. It might be stated here that year in and year out the cattle business, whether ranching or feeding, has not proven more hazardous than other lines of industry. Our Federal Reserve Banks recognize the cattle industry and are willing to take paper for rediscount upon this commodity for a six months period with renewal privileges until such cattle are ready for the market. This applies mainly to range cattle, as it is assumed that feeders will not require in excess of nine months for fattening purposes.

Effect: Developments were rapid and certain after this country paused to take an inventory of itself. The land speculator scrambled in an effort to unload; banks called loans in no uncertain terms; steady decline in prices of all commodities; advance in freight rates; strikes and labor troubles; social unrest; business morale at low ebb; in general, everyone involved in anyway was attempting to cover up and get out from under their loan in the best manner possible. Land owners and speculators who had bought and sold lands at fabulous prices and profits, and had in many instances repurchased on the strength of such deals, were in most cases wiped out where sufficient means were lacking.

Tenants who bought during this period with their life's saving were hopelessly insolvent. Retired men and women who invested their all in many spurious schemes of stock promotions, awoke to the fact that in many instances all they had purchased was a very elaborate decorated certificate of *what-not*.

Farmer union stores, elevators, lumber yards and various organizations which flourished lavishly during the "financial craze" now found difficulty in getting a quorum together to invoice the remains and ruins.

While other industries suffered their proportionate losses, it is an indisputable fact that the agriculturist, who is the primary and basic foundation of all

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Editor's Note:—The article on this page is the second and last part of an excellent discussion of farm problems by Mr. E. C. Nelson of York, Nebraska. The first part of the discussion appeared in the June issue of the *Northwestern Banker*.

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E. C. NELSON

wealth, apparently suffered in the largest degree. His products were the last to take advantage of increased prices, and the first to feel the decline, and as yet the products placed upon the market by the American farmer are not keeping pace in the advance of prices with the manufactured article which he must buy.

This situation is largely due to the fact that foreign markets must be depended upon and reckoned with as the outstanding factor in maintaining a reasonable price for farm products.

While it is true that present high freight rates contribute to the cost of production, it is also a well known fact that out of every dollar thus paid, a comparatively small percentage is distrib-

uted as earnings to the stockholders of such railroads. The cost of transportation is largely labor cost—that of the coal miner, skilled mechanic and other employees engaged directly and indirectly in transportation.

During the war special stress was laid upon the agricultural industry. Construction work was placed in the background. This may account for the fact that more attention is now given to construction work than to agriculture. In the cities rents are much higher, cost of living higher, a shortage of dwellings necessitating construction work along that line. Railroad construction and expansion and various industries that were curbed during the recent war are now occupying the commercial stage and forcing the agricultural program in the background for the time being. It is a very slow progress to make readjustments.

Price Fixing: To propose regulation of prices is placing the cart before the horse. The old time-worn rule of supply and demand must necessarily govern this factor. Prices are indicators to producers whether supply is equal to the demand—they are to be read, interpreted and obeyed rather than forced. The cold weather tells you to put on more clothes, but by putting on more clothes does not do away with cold weather. Just so with price barometers. Let it be your guide, but do not attempt to regulate the barometer—the condition it reflects is already here.

Prices will adjust themselves in conformity to the supply and demand if left alone. If, for instance, there is a short crop of some commodity, a higher price compensates the producer, and has the further effect of economy from the consumer owing to the high price. In this way, force substitutes as far as possible, thus conserving the short supply. It is obvious then that prices are functioning in a varied economic manner.

There is no political, social or other panacea or cure-all that will remedy the condition. Depressions and reverses have been met and conquered by the American people time and again in a businesslike manner. History will again repeat itself.

One of the main features in bringing about normalcy is to get away from the mistaken idea of acquiring wealth with-

out production. More sane and frugal habits, economical and right living, the reinstatement of the good old-fashioned home environment, more saving and less spending, these simple formulas coupled with hard and earnest work must necessarily produce the desired results.

The farmer of today who is located in the so-called corn belt and who owns or operates land which is normally worth \$100 to \$150 per acre, who pays high taxes, high prices for labor, pays high prices for the machinery he uses, cannot raise wheat and expect to successfully compete on the world market with our Russian, Australian or South American

brother, who in many instances, can produce this commodity at a far less overhead. There are only a few states in the U. S. that produce corn for commercial purposes, and the bulk of the central western farmer is fortunately located within this belt—this is our cue.

In the state of Nebraska less than two per cent of our cattle is represented by the milch cow. The milch cow is indispensable to the farmer. The by-products of the milch cow is manifold and one of the most staple commodities in range of price during and since the war, has been the butter fat. No adequate substitute for milk has ever been discovered

and it is one of the many food propensities that cannot be successfully imitated. With the milch cow comes the by-product of raising the pig and the calf. As a revenue producer, the average milch cow ranks high, and overproduction along this line is very remote, notwithstanding arguments to the contrary. The average milch cow will produce \$41.00 per annum; good ones as high as \$80.00 and the best grades have been known to produce over \$100.00 per head per annum. This is not citing any singular or particular animals. Whole herds have been known to produce such results. It is  
(Continued on page 74)

## The Bank's Responsibility in Renting Safe Deposit Boxes

A BANK is not held under the law to be an insurer of the safety of securities or of the contents of safe deposit boxes within its charge, Thomas B. Paton, General Counsel of the American Bankers Association, told the Illinois State Bankers Association in convention at Decatur. The bank holds the relation of bailee, he said, in reviewing the history and development of the law governing the duties and responsibilities of banks in the safekeeping of customers' securities and in the rental for hire of safe deposit boxes.

"In the absence of contract defining and limiting its liability, the bank is charged with the duty of exercising ordinary or reasonable care, which is the degree of care that a prudent person would take of his own property of like kind under similar circumstances or conditions," Mr. Paton said. "The most frequent causes of loss are those arising out of theft and burglary and the facts of each particular case are taken into consideration by court or jury in determining whether reasonable care has been exercised or the bank has been negligent."

The speaker cited a class of cases where bonds left for safekeeping had been misappropriated by a bank officer. In most of these cases where the bank had no knowledge of the unworthiness of its officer, he said, it had been absolved from liability but where it has come to the knowledge of the bank that the officer has been speculating in the stock market, and he has been retained in the bank's employ, such retention has been held in several cases to show a want of reasonable care and the bank has been held liable.

"In a recent case in Mississippi, the bank was held liable for an embezzlement of War Savings Certificates held for safekeeping on the theory that the act of the officer was the act of the bank,"

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**"In the absence of a contract defining and limiting its liability, the bank is charged with the duty of exercising ordinary or reasonable care, which is the degree of care that a prudent person would take of his own property of like kind under similar circumstances or conditions."**

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Mr. Paton said, "but this decision is contrary to the general run of cases wherein the acts and knowledge of the guilty officer are not chargeable to the bank and it is not responsible unless it knows that make it imprudent to keep him in its employ.

"A number of recent cases have grown out of losses caused by burglars who have broken into the bank's vaults or safes and taken securities held by the bank for safekeeping. In a number of these cases, the bank has been held lacking in reasonable care where it was shown the securities were placed in the vault outside of the burglar-proof money chest, even though some of its own securities were kept in the same place and also stolen. In some cases, the fact that there was no burglar-alarm system nor night watchman employed and the fact that the vault was of insecure character, have been submitted to the jury for them to decide whether under all of these circumstances the bank had exercised reasonable care or was negligent; and in some cases where the bank has advertised or has declared through an officer that it would be responsible for securities placed in its custody, the question has turned upon whether it has made a contract under which it became insurer of the safety of the property.

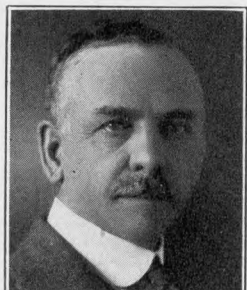
"In at least two cases, where safe de-

posit boxes of country banks in small communities have been burglarized, testimony showing the character of the vault and equipment, the lack of burglar-alarm systems, night watchmen and other safeguards has been submitted by the court to the jury to be considered as bearing on the question of negligence and in both of these cases verdicts have been returned against the bank. The judgment in one of these cases which occurred in California has recently been reversed by the district court of appeal in that state and the bank relieved from liability. The report of this case presents for the first time a decision of a higher court which will show the country banker who maintains safe deposit boxes, for which he receives small rental, just what is expected of him to comply with the requirements of reasonable care."

The speaker referred to a class of cases where box renters have asserted that securities which they had placed in the box were afterwards found to be missing in which the bank, in some instances, has been held liable because the testimony of the box renter establishing the fact of deposit and loss has created a presumption of negligence and thrown the burden of showing due care upon the bank which it was unable to sustain. Not all such cases have so resulted, but it is well for the banks to protect themselves as far as possible against a liability of this kind by a clause in their rental receipts to the effect that the opening of the box by an unauthorized person is not inferable from loss of its contents. Mr. Paton recommended that the terms of liability should be clearly defined and limited by contract with the box renter and also advised the taking out of insurance to protect both bank and box renter.

# IOWA FARM MORTGAGE SECTION

The Northwestern Banker Is the Official Publication of the  
Iowa Farm Mortgage Association



E. H. LOUGEE  
President



F. C. FISHER  
Secretary

### OFFICERS

President.....E. H. Lougee, Council Bluffs  
Vice President.....Frank B. Miller, Cedar Falls  
Treasurer.....Frank Sage, Washington  
Secretary.....F. C. Fisher, Cedar Rapids

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Geo. W. Williams.....Des Moines  
Daniel Rhodes.....Fort Dodge  
Varick C. Crosley.....Webster City  
E. H. Lougee.....Council Bluffs  
I. C. Stanley.....Cedar Rapids  
F. C. Waples.....Cedar Rapids

## Proceedings of the Iowa Farm Mortgage Bankers Association Convention

Des Moines, Iowa, June 3 and 4, 1924

### REPORT OF F. R. SAGE, TREASURER, OF

### THE IOWA FARM MORTGAGE ASSOCIATION

For the Year Ended May 31, 1924

#### RECEIPTS:

1923—

July	18—From I. C. Stanley, former Treasurer.....	\$1,164.21
July	18—Dues, from Secretary	80.00
July	23—Dues, from Secretary	500.00
July	24—Dues, from Secretary	20.00
July	28—Dues, from Secretary	200.00
Aug.	8—Dues, from Secretary	80.00
Aug.	22—Dues, from Secretary	40.00
Aug.	25—Dues, from Secretary	20.00
Sept.	6—Dues, from Secretary	40.00
Sept.	17—Dues, from Secretary	60.00
Sept.	29—Dues, from Secretary	20.00
Oct.	3—Dues, from Secretary	60.00
Nov.	8—Dues, from Secretary	20.00
Dec.	17—Dues, from Secretary	20.00

Total receipts .....\$2,324.21

#### DISBURSEMENTS:

1923

July	19—To J. W. Wheeler, convention .....	\$ 26.53
	—To Northwestern Banker, printing...	150.00
	—To Miller Hotel, convention .....	80.00
	—To rubber stamps...	1.12
Aug.	1—To Morris Sanford Co., envelopes .....	1.80
Aug.	1—To Torch Press, 300 cards .....	6.00
Aug.	16—To F. C. Waples, convention .....	12.00
Aug.	25—To The Torch Press, stationery .....	25.00
	—To Hetherington Letter Co., 100 letters multi. ....	1.55

Aug.	28—To F. C. Fisher, Sec'y, postage ex- pense for July and August, 1923 .....	5.00
Sept.	6—To Hetherington Letter Co., multi- graphing .....	11.05
Sept.	17—To Hetherington Letter Co., multi- graphing .....	1.85
Oct.	3—To F. C. Fisher, Sec'y, expense for September, 1923 ..	8.16
Oct.	18—To Frank P. Bennett & Co., 100 copies of Farm Mortgage Number, U. S. In- vestor .....	25.00
Dec.	17—Paid Secretary for sundry bills .....	5.80
	—To F. C. Fisher, salary to Dec. 31, 1923 .....	250.00
Dec.	31—To Midland Mort- gage Co., postage, supplies, printing and traveling ex- penses .....	19.66

1924

Jan.	5—To The Torch Press, 1,000 reprints from Des Moines Capital.	8.50
Jan.	19—To Weis-Lupton Printing Co., 500 re- prints of Mortgage Loan article .....	2.75
Feb.	12—To Hetherington Letter Co., letters multi. ....	2.35
Feb.	27—To Hetherington Letter Co., 100 letters multi. ....	2.70
Apr.	23—To Hetherington Letter Co., 70 letters multi. ....	2.25
Apr.	28—To H. S. Van Alstine	30.56
May	31—To Fred C. Fisher, 2nd half salary....	250.00

May	31—To Fred C. Fisher, sundry bills .....	232.69
May	31—To The Torch Press, printing .....	17.50
May	31—To Hetherington Letter Co .....	17.85
May	31—To Star Printing Co., printing .....	4.00
May	31—To J. G. Wadsworth, Executive Meeting expense .....	29.16
May	31—To Titus Loan and Inv. Co., telegrams.	16.41
May	31—To Midland Mort- gage Co., telephone calls .....	27.99
	Total Disburse- ments .....	\$1,275.23
May	31 Balance on hand....	\$1,048.98

#### RECAPITULATION

#### RECEIPTS:

Received from former Treas....	\$1,164.21
Received from dues.....	1,160.00

#### DISBURSEMENTS:

General expense.....	\$ 874.19
Convention expense..	118.53
Printing .....	253.35
Exec. meeting exp...	29.16
Balance on hand....	1,048.98
	<hr/>
	\$2,324.21    \$2,324.21

Respectfully submitted,

F. R. SAGE,  
Treasurer, Iowa Farm Mortgage Ass'n.  
May 31, 1924.

Conversation is the music of the mind,  
an intellectual orchestra, where all the  
instruments should bear a part, but  
where none should play together.—  
Colton.

## Report of Secretary of the Iowa Mortgage Association for the Year 1923-1924

### MEMBERSHIP

We close the year with a net paid membership of fifty-eight, as compared to sixty-nine at the beginning of the year, a net loss of eleven members. This resulted from non-payment of dues by fourteen members, while three new members were obtained.

Earnest efforts were made to hold all previous members and to collect their dues, but we were unable to do so. We have live prospects for new members, including representatives of some of the largest companies operating in the state, and we hope that next year's report will show an increase rather than a decrease in our number.

### FINANCES

Fifty-eight members paid dues at twenty dollars each, making a total of \$1,160.00 received by the secretary, and turned over to the treasurer, whose report shows in detail the receipts and disbursements.

### ACTIVITIES

Twelve bulletins or circular letters to members were sent out from the secretary's office during the year, or an average of one letter a month. Most of these letters contained enclosures of various kinds, and in this way a large amount of reading matter, beneficial to our business and the state of Iowa, has been distributed.

While the legislature was in session your officers made a sincere effort to keep in touch with pending legislation, but, owing to the fact that this new legislation arose in connection with the revision of the Code, it was practically impossible for us to make much progress along this line. Whenever any bills were brought out which apparently required attention, your legislative committee was called upon and responded promptly.

In the matter of the proposed increased tax on monies and credits, one of the members of the committee did what was possible, but the bill was passed.

In the case of the Bowman Resolution, providing for the establishment of a State Loan System, your committee and also your officers did some active work which continued until we were assured that there was no danger of the passage of the bill.

### EXECUTIVE COMMITTEE

Your Executive Committee held but one meeting during the year, at Cedar Rapids, on April 28th. At this meeting all members of the committee were present but one, who was unavoidably detained.

At this meeting plans were made for this convention, and also the secretary was given authority to conduct a questionnaire in regard to foreclosures of mortgages in the state of Iowa, to which I shall now refer at greater length.

### FORECLOSURE QUESTIONNAIRE

In conducting this, letters and appropriate blanks were sent to the clerks of the courts of all counties in the state. Some responded promptly while in other cases it has been necessary to follow up with a second, third, or even a fourth letter. In some counties the information was obtained from the abstractors instead of the clerks.

Up to this time we have returns from sixty counties, widely scattered over the state, sufficiently so to enable us to estimate quite accurately the results in the entire state.

The cost of this work (largely in fees paid to clerks and abstractors), we feel safe in saying will not amount to more than five hundred dollars for the entire state, and in my judgment it would be well for your secretary to complete this work and present the results to the members in pamphlet form. Also, we feel convinced that the results obtained will be such as to justify us in giving this matter the widest publicity.

An analysis of the returns from certain standpoints will be made by Mr. Waples in his address, but there are a few outstanding features which I would like to comment upon at this time.

1st. There have been 2,332 foreclosures in 60 counties from January 1, 1922, to May, 1924, or a period of nearly two and one-half years, or an average of about 37 to a county. If we allow 504 square miles to a county and 160 acres to a farm, we have 2,016 farms to a county. Therefore, farms under foreclosure of all classes of mortgages, first, second or third, in these 60 counties, amount to one and eight-tenths per cent of all farms in those counties, or, in other words, about one farm in sixty has passed under foreclosure during this period.

2nd. The very large majority of these foreclosure suits were brought by individuals or local banks, showing that they were either to foreclose junior mortgages or excessively heavy purchase money mortgages given during the boom days.

3rd. It may be argued that in many cases foreclosure has been avoided by the deeding back of farms, and that but for this the showing would be less favorable. To this argument we may reply that such deeding back of farms strengthens and clarifies the situation. The farms are now in stronger hands and are not pressing on the market to the same degree as before. Weak spots have been eliminated and possible trouble avoided.

### TIME OF MEETING

According to our by-laws the Executive Committee has the power to fix the time and place of the annual meeting or convention. In order to ascertain the wishes of the members upon this point, letters were written to them and replies asked for. Sentiment, as shown by these replies, was about evenly divided between a meeting in June and one in the early fall. Hence, the committee did not feel justified in departing from the established custom of holding the meeting in June.

I suggest that this question be taken up and fully discussed at this meeting.

### SUMMARY

In concluding my year of work as secretary of this association, I wish to record my firm conviction as to the fundamental soundness of the situation in this state and my unswerving belief in the fact that substantial progress has been and is being made toward normal conditions. I am firmly convinced that we are well around the corner and going steadily ahead.

Respectfully submitted,

SECRETARY.

**Mr. Fisher:** I feel that we should make an effort to increase our membership. I feel that outside of the officers the members should also work on this. I believe there are a great many men who should belong who do not belong. The decrease for last year is explained by the fact that a great many smaller banks would rather drop out temporarily than keep up their dues. Some were banks which have been liquidated and apparently had too many other things to take care of. I believe

with the coming of better conditions we will be able to increase our membership.

**Mr. Waples:** The matter Mr. Fisher brought up with reference to time of meeting, I think will bear discussion as this has been taken up a number of times with our executive committee, but we thought no action should be taken without action of the entire membership. However, as we have started late this morning I think we will reserve discussion until immediately after lunch and I wish you would think over what is the best time of the year to hold this meeting and be ready to express your views as briefly as possible. As is always customary, the president is supposed to inflict upon the members his annual views and we will proceed with the operation and if you will bear with me for a little while I will try and carry this out.

## Address of F. C. Waples, President

I feel, as I stand here before you, that in the short year that has passed since our last meeting, the experiences which you, as mortgage men, have had have been so much more varied and different from any other year in your existence, that the mortgage man has developed so many new traits and new duties that there are many new problems to discuss.

Many things which in times past are considered an incident in the mortgage business have developed into departments and details that not only absorb time and profits, but are entirely changing the character of handling farm mortgages. Human nature dislikes to change set habits, and sometimes approaches such changes with fear and distaste. So it is that during the changes of the past few years many people have been greatly disturbed by new conditions, which, on the whole, I believe are all for the best, and will, when finally developed, put the agricultural mid-west on a more stable and sound basis than it has been for many years.

In your own experience you are finding that the farm lands at the present time are getting into the hands of more substantial owners, of better farmers, and of real farmers; and that speculative-owned lands are becoming scarcer. All such tendency is for the best.

During the past three years, farm mortgages have passed through a test of their stability. They have come out of that test tempered and tried. Their true steel qualities have demonstrated that no other securities could stand up under such a crisis and gain in favor with the large investors as farm mortgages have done. This association alone, although not large in numbers, represents through its members farm mortgage investments of over a half billion dollars. The bulk of this is held by insurance companies, and these insurance companies during the past three years have steadily increased their investments in the state of Iowa until, today, such investments are in excess of five hundred million dollars. Fortunately, for the agricultural interests, these investment funds are handled by broad-gauged men with a far-sighted vision who are not swayed by the pernicious propaganda or the unwarranted and unwise statements which have floated around the country showing very gloomy adverse reports, and an entirely distorted view of actual conditions.

Fortunately, these broad-gauged men, who are handling the funds of their companies, base their judgment on years of in-

vestment service and on the fact that farm mortgages, better than any other class of investments into which they could put their funds, have been taken care of more promptly, have had their interest paid more promptly, and have suffered less from loss or trouble than any other kind of securities that those companies can find. If this were not so, they would not steadily increase holdings of mortgages, nor continue them on the basis which they have in the past.

We have heard many wild statements, fostered largely from a colloquial or local viewpoint, about conditions, but still I have yet to find the man or the insurance company who invested their funds in farm loans, that two years after such an investment would be compelled to accept fifty cents on the dollar for the same; nevertheless, securities have been sold in every city and town and village, and by that I do not mean wildcat oil stocks or promotion stocks, but bonds and other securities of that nature, which within the brief period of two years could not be marketed for fifty cents on the dollar.

For over fifty years, until 1920, in the mid-western agricultural sections we had witnessed a constant increase in the value of lands each year. Like all other industries, agriculture inflated, immediately after the war, both the income from its land values, and suffered consequently from such unwarranted and rapid inflation. They say it is the tendency of the American people not to understand a descending market. Possibly it is human nature to want something when the other fellow wants it; to buy on an ascending market; to disregard it on a descending market; and yet the time to buy right is when the other fellow does not want it.

As is always true, many theories and penaceas are advanced to cure the sick man. During a period like this, you mortgage men know how difficult it is to place a conservative value on the security on which you are loaning. In other words, what constitutes that value, and how shall it be figured? The tendency has been for the extremist in many communities to be as wildly depressed in his opinions of such values at the present time as he was wildly inflated in his opinions during the recent land boom. Neither of these opinions are safe or reliable on which to base conservative judgment.

Our land did not produce any more during the wildly speculative period of high values than it produces today. It did not feed any more people, it did not pasture or forage any more live stock, nor is it feeding any less people or foraging any less live stock today than it did prior to this time. There was a tendency during the inflated period to capitalize land on its income at that time, without consideration for what that income might be over a longer period of years, and without consideration of all other elements that must be taken into account in connection with any stable value, and the same thing is true today.

For instance, in the South, when cotton sold at very high prices and when crops were good, cotton lands were valued at \$150 to \$200 per acre. If an acre would produce a crop worth \$150, they figured the land worth that much; and today, three years after, when it produces a crop worth \$25 or \$30 an acre, they say the land is not worth any more than \$25 or \$30 an acre. You cannot have such a constantly sliding scale for land values. There must be stabilizing and equalizing elements, all

of which must be taken into consideration in such valuations.

If it were not so, you could go into certain communities today and buy land from a speculative standpoint at very small values per acre, which will produce very large returns in any one year, and yet there is no market for those low-priced lands.

There are other elements that must be taken into consideration. We, who are in Iowa, are more concerned about Iowa than any other section of the country. The elements that are involved in giving Iowa land its stable, sure, dependable values are some of the things that we wish to discuss, and around which this program has been built. We have tried to eliminate wild fancies and enthusiastic optimism which does not have a sound basis for its ground work, and wish to spend the time studying and discussing the elements which right now many are prone to overlook, and to forget in their snap judgment of what is back of it all.

The statement made by President Pearson of the Iowa State College at Ames, that the top few inches of soil of this state were worth several billions of dollars if they had to be replaced in the way of fertilizer, alone, can be weighed and digested with considerable thought.

Do you think for one minute that soil, which will produce such crops and such a variety of crops, or the state covered with that soil, which has no equal in the amount of cultivable land any place in the United States, is going to lack in values? Do you think that men are going to move out of such a community or such a state where there is less illiteracy than in any other state in the Union? Do you think that men are going to pass by such a community or state where there is no point that is more than twelve miles from a railroad station, where there are more telephones per capita and better school facilities than in most states? Do you think that the twenty thousand students in our three state universities and colleges alone are not going to realize the potential value of their own home state, and that the future generation is not going to recognize this?

We were given a birthright in this state to the richest soil, the most fertile agricultural section, the most wonderful natural resources that have ever been given to a people, and as long as they are going to produce crops and as long as those crops are being sowed more energetically each year, and as long as the population of this country increases each year, there will be a steady, substantial demand for farm land. Fifty years ago, the demand for the products of the farm was limited to certain very narrow fields, and to certain close home markets. Today, the farmer is producing in this state a variety of crops, making his market so varied and so wide and so stable, that there cannot help but be a sound future for the conservative farmer.

On the program of our meeting, we wish to show you a few of the additional income-producing sources that the farmer is rapidly developing at this time, and will develop in the future. In our own city, corn is being made into sugar and corn syrup, creating a very large new demand for that product. As long as New York and the east ship in Danish butter and Danish eggs, and other products, there is no reason why dairy products and dairy farming and poultry farming cannot be profitably carried on; and when you try to value land strictly from the standpoint of corn and oats sold, without taking into consideration the possibilities of varied

products, the possibilities of dairy farming, the possibilities of the income from poultry, it is then that we fail.

There is no question but what there has been too wide a divergence between what the farmer has obtained for his products and what he has to pay for things he must buy. General business and labor recovered too quickly and too rapidly from the deflated period to be on a substantial basis. Agriculture has come back very slowly, but its come-back has been substantial, and I venture to say that in two years' time the agricultural sections will be producing on a more satisfactory basis than any other class of business, and that their products and returns will be of such a sound nature and their recovery of such a substantial type, that our prosperity will be far greater than we can anticipate at this time, and it will be a sound prosperity.

Why do I say this? If you will turn to the front page of the Chicago Tribune for May 18, 1924, you will note that they are sounding a keynote of a slackening in all manufacturing and general business lines; that labor itself is realizing this; that there is considerably more idle labor; that in New England the cotton textile industry is running on curtailed time; that in the shoe industry, in Haverhill, Massachusetts, sixteen hundred shoe workers voted to accept wage cuts of 20 per cent; that in the steel industry there is a general slackening; and buying by railroads is reported falling off; in the automobile industry the buying is slackening; the same thing is true of building conditions; and there is a feeling in many communities that building in many lines has been overdone at the prices that such building has had to be carried on.

Rumors are coming quite generally from the western coast that conditions there are in bad shape. Department stores, telephone companies, and other concerns employing large numbers are letting off thousands of employees; real estate values in the cities which had been increasing by leaps and bounds are at a standstill or becoming depressed.

I am not making these statements to reflect on any other line of business, but we in the mid-west have had a tendency to call upon all the world to see our little trouble when we forgot that the world might have a larger sore than we had ever thought of.

And what does this all mean? All this points directly to the farmer being able to buy his products on a better basis, that the labor that enters into those products is going to accept less wages, and it means that the man who has a good farm in a good community—which means a good home and a good living—is going to look with considerable sympathy toward the city dweller who may be seeking a job in the very near future.

I well remember a number of years ago, when I entered the farm mortgage business, a little statement made by that dean of farm mortgage men, the late Fred Thompson. I was anxious at that time to develop a market for our loans in the East, when he called my attention to the vast market that lay at our own door in Iowa, Illinois, and Wisconsin; that we were so prone to think that the things far away were better than what we had before us; and so we today in Iowa in many places gaze with desire on the ends of the rainbow in the oil fields or in the industrial field or in the manufacturing field, and forget that the pure gold lies at our very door.

Today there is no safer or better investment than Iowa farm land. Today it can be bought at less prices than you will ever buy it again in the future. It is our own, let us cherish it and let us develop it.

Now, to turn for a few moments to some specific items which have greatly affected the minds of many of our people and about which there have been many wild and unfounded rumors. We have gathered some statistics which I am sure you will all be interested in.

There has been much comment about delinquencies in connection with Iowa farm loans, and that there have been an unusual number of farms foreclosed. If you will turn to the Iowa insurance report for December 31, 1923, you will find that twenty Iowa companies reported assets invested in mortgage loans of \$129,807,536.95; that they had only \$909,526.83 interest past due on that date—or, in other words, only .701 per cent of past due interest to total mortgage loans. Those same Iowa companies had invested in Iowa \$96,220,109.85, or in other words, 74.13 per cent of the total loans were invested in the state of Iowa.

When you take into consideration that much of this interest was less than thirty days past due, and that much of it was paid within thirty days, it is a remarkable showing. If figures were obtainable for non-Iowa companies who make investments in the state of Iowa, I venture to say that the showing would be more remarkable than this, because as a general thing the eastern companies loaning at a long distance, obtain a lesser rate on their loans, and would possibly not loan quite as heavily as our own companies would.

Mr. Fisher, in his report, has referred to the statistics gathered with reference to the foreclosures in the state of Iowa, and I think you will find this a remarkable showing, compared to what rumors you have heard. These questionnaires were sent to the Clerk of the District Court in the ninety-nine counties in the state. At the time of this convention, we have had replies from sixty of those counties, which I believe will give us a typical report. In other words, the Clerk of the District Court was either busy or court was in session, or for some other reason has not replied.

Insurance companies have invested in the state of Iowa over five hundred million dollars in farm mortgage loans. During the past two years, out of this five hundred million dollars, they have only foreclosed in the sixty counties, on eighty-one loans, with a total amount involved under foreclosure of \$1,224,200, and up to this date they have acquired by sheriff's deed only eleven of these farms at a total invested value of \$239,600. Twenty-three of these farms have been redeemed. The other forty-five are in process of foreclosure and time for redemption or deed is not up.

Our statistics, of course, do not show how many of these have been disposed of after sheriff's deed. Assuming that those in process of foreclosure are on the same proportionate basis, and the number acquired on the same proportionate basis of the others, there would not be to exceed \$360,000 of acquired land, which is one-fifteenth of 1 per cent of the total investments of the insurance companies.

It is interesting to note in these statistics that twenty-one of the sixty counties have no foreclosures whatsoever by insurance companies. The largest number in any one county was six foreclosures, and

in the majority of counties it ran from one to two. It is also interesting to note that in only nine counties in the state have any companies acquired land.

If you can show any other investment of five hundred million dollars in any other class of securities in as many different units as you have farm loans, to as many different individuals and types of borrowers as are represented in this five hundred million, and you will show me that such investments have had a less percentage of delinquents or loss, I would like to know what it is.

This showing is based on facts. There may be some clerical errors in the same, but they are taken from the records for the years of 1922, 1923, and up to the present time, covering almost two years and a half. If we had opportunity to check up on the lands that were finally acquired, I am certain that we would find a very large majority of these have been sold at little, if any, loss, and I am also satisfied that in many of the foreclosures which are now pending on which the time is not up, if we could check into the records, we could find that the certificates have been assigned and are held by some subsequent lien holder.

This showing is also a tribute to the wisdom and the judgment of the man in charge of the investment funds of those insurance companies. It confirms their ideas and the policy that they have carried out for many years in loaning their funds, that that policy is safe and sound and stable, as far as their investments in the state of Iowa are concerned, and it also justifies the furtherance of those investments and is one of the reasons why those investments have steadily increased during the past three years, despite the general agricultural depression.

It is a tribute to the state of Iowa, and to the agricultural interests that they have steadily plowed their way through a depression of this sort, paid their interest as promptly as they have on this half billion dollars investment and had enough left over to buy and keep up over five hundred thousand automobiles, to send between twenty-five and thirty thousand of their young men and young women to colleges and universities each year, to build roads and public buildings, and to invest hundreds of thousands of dollars in outside enterprises, which, if left in our own state, would have more vastly increased our own wealth than when unwisely spent outside.

Gentlemen, this convention is your convention. This meeting is particularly vital in that we wish to place before the public as much as possible the real facts about Iowa. We trust you will use this meeting to its utmost, that you may go away with a broader vision and a better viewpoint than you have had before.

**Mr. Waples:** As I have stated we have tried to make this program to cover some of the varied farming which is being carried on in Iowa and the increased uses for farm products. In our own city we have a very large factory, one of the factories of the Penick & Ford Plant. This company has recently announced that it is starting to build a sugar factory to make sugar from corn. At the present time they are using a very large amount of corn each day in the manufacture of corn oils and cereals and it was in view of the increased use to which corn is being put that we asked Mr. E. H. Bingham to come here and address us and at this time we will have Mr. Bingham's talk.

## "The Use of Corn in Industry"

By E. H. Bingham, Manager Cedar Rapids Grain Department, Penick & Ford, Ltd.

Speaking on the subject of "The Use of Corn in Industry," I will first ask your pardon if I digress and give you some information that may not, apparently, have any direct bearing on the value of farm lands.

Corn is a remarkable crop. There are very few crops where a person can put a seed in the ground and get one thousand per cent returns, as can be done with corn, provided you have the right kind of a crop. Of course, the average crop as you know, is about three hundred and twenty per cent, but it should be nearer six hundred and forty per cent of the amount planted. Possibly you will pardon me if I go back to ancient history. I am doing this to show that corn is an American product.

Columbus, when he made his report to Queen Elizabeth, said that he had passed through fifteen miles of corn fields. La Salle, in 1680, we are told, found enormous stores of corn in Illinois, and in 1685 the British are reported to have destroyed over a million bushels of corn belonging to the Indians, showing that at that time corn was an important factor in the welfare of the country.

Corn was originally found in this country, but it is a question whether that was its original state. Luther Burbank had an idea that it came from some other grain. There is in Mexico a tall grass known as *Teosinti*, and Burbank had the idea that this was the original progenitor of corn. Burbank crossed this *Teosinti* seed and after sixteen years produced a small ear of corn which was of an unusual variety and different from the ordinary kinds of corn that we are accustomed to see at the present time. This particular ear produced by Burbank was red and of a peculiar shape, but very small. It was grown to show that Mr. Burbank's theory was correct.

I have always been very much interested in the subject of breeding corn, and another thing that greatly interested me was the fact that some time ago when archeologists were digging in the Aztec Indian's ruins, near where the states of Arizona, New Mexico and Utah join, they found some kernels of corn in an earthen jug buried thirty feet under the ground, presumably having been there for hundreds of years. They planted that seed and secured a few ears of corn which were almost identical with the corn that Burbank raised on the *Teosinti*, which would tend to confirm Burbank's theory and indicates that perhaps all of our corn passed through this same stage and was originally produced by the Indians from *Teosinti* seed.

There is another kind of corn, supposed by some, to be the form in which all corn was grown at one time. This corn has an individual husk about each kernel, but this variety has now practically become extinct, as other varieties are so much more satisfactory that there is no object in breeding this kind any longer.

To show the variety in which corn is produced in various countries, I have a sample here of a very small corn grown in India; a sample of that grown in the Argentine, which is a hard, round variety; and corn grown in Peru, which is very large and has a very starchy kernel. I simply mention this to show the variety in which corn can be produced.

You, of course, know that we are very



careful in the breeding of animals, but you may not know that there are places where they breed corn in a similar manner and can give you the pedigree of an ear of corn for ten generations back. We all know that corn consists of various parts. There is the *hull*, which is the outside part of the corn; the *starch*, the *gluten*, and the *germ*. You can easily take a kernel of corn and see all these different parts by cutting it in half. You may be interested in knowing something of the products manufactured from corn.

In the first place, we grind in our plant at Cedar Rapids from 25,000 to 28,000 bushels of corn a day. This is the crop of a little over a square mile of corn as grown by the average farmer in Iowa. The Corn Products Company's plant at Chicago has about double this capacity, and their plant at Peoria also has a larger capacity than we have, and Clinton, Iowa, has about the same capacity as we have. The total grinding capacity of all the plants using what is known as the wet process, is about 88,000,000 bushels annually. The actual grind last year for all of these plants was about 65,000,000 bushels.

There are two distinct processes used. One is known as the wet method and the other as the dry method. The Dry Method is used by the Quaker Oats Company and others in the same line. We use what is known as the Wet process, which first steeps the corn for 48 hours. By steeping, I mean we soak the grain in warm water with a slight acid mixture which is kept in circulation all the time. This softens the corn and causes it to swell to two or three times its original size. We, then, put it through machinery which breaks it up in several pieces. In this process the germ comes out practically whole, because the machines simply break up the kernels but do not grind them up fine. The germs are separated from the balance of the kernel by pumping the entire mass into a tank with two openings, one at the top and the other at the bottom. The germs float out through the top opening and most of the remainder goes out through the bottom. Some little starch adheres to the germs, and this is carefully separated by further washing. The surplus moisture is removed from the germs through a press, and they are then dried with heat so that practically all the moisture has been eliminated. They are then put under tremendous pressure and the oil is extracted in this manner. The residue after the oil is extracted, is ground up and sold as corn oil cake meal, which is a very fine stock food, particularly for hogs.

The ordinary kernel of corn contains about 4 per cent oil, practically all of which is in the germ. There is a little oil in the balance of the kernel, but not enough to warrant extracting same on a commercial basis, and the oil in the balance of the kernel has different characteristics from that in the germ. We extract oil, only, from the germ. After the crude oil is extracted from the germ, it is refined and made into salad or table oil, which is a substitute for olive oil, and which is used for a good many other purposes. One firm in Chicago uses from 400 to 500 barrels of oil in a month, for the purpose of making salad dressing.

After the germs have been separated, the balance of the kernel consists of starch, gluten, and bran. The bran is the outside hull of the corn and is separated by sieves, and is then dried and put into the cattle feed. This separation leaves

the starch and glucose, which are separated from each other by pumping the entire mass over long tables with just a sufficient flow to permit the starch, which is a little heavier, to settle and the gluten runs off the end. The gluten is dried, and this, together with the bran and the residue from the steep water, is made into a high protein cattle feed. The first process of steeping takes out from the corn certain solubles, and in order to recover these solubles, the steep water is evaporated and the residue when dried is put into feed. These solubles are, as one chemist said, "the salt of the earth."

There is a certain chemical used by hospitals and physicians to differentiate between typhus and typhoid fever. When the supply of this chemical was cut off by the war, one of the corn products laboratories extracted some of this very chemical from the steep water and it was used by certain New York hospitals with entirely satisfactory results.

We are still in the infancy of the development of corn, and the more you study the more you find there is to learn. The superintendent of the Argo plant in Chicago said a person could spend his entire life studying a kernel of corn, and still not know all about it.

The starch, after the gluten has been separated from it, is either refined or converted into glucose or corn sugar. Corn sugar is a product very similar to the sugar produced by our bodies after we have eaten starch from potatoes, cereals, or other starch-bearing foods. Before our stomachs can digest starch, it must be converted into a form of sugar called "blood sugar," which is then digested. Therefore, glucose or corn sugar is a semi-digested food, and as such is recommended by physicians for invalids, because it is easily assimilated and is a very good food. A noted physician has said that a man can do more work on corn sugar than on any other element of food that we can commonly use.

Out of a bushel of corn we can get approximately 36 pounds of starch or 40 pounds of glucose, also 13 pounds of feed, and about 2 pounds of corn oil cake meal, and 1½ pounds of oil. These figures, of course, are only approximate. The gluten feed has that part of the corn which contains the highest protein. It is a much higher protein value than ground corn itself. For this reason farmers can afford to sell their corn and pay a higher price for gluten feed, for in the gluten feed they are getting products that are particularly valuable to their stock. When corn starch is converted, chemically, to sugar, by a process similar to that used in our stomachs, it is then boiled down until it becomes a very thick liquid which will barely run. If you should taste it, you would find it very much like old-fashioned gum drops, which were largely composed of glucose, and which were typical of that product.

We have heard a great deal, lately, about corn sugar. Although corn sugar has been manufactured for quite a long while, most of it bears a bitter taste, but recently corn sugar has been put on the market in which this bitter taste has been entirely eliminated. This sugar is entirely suitable for table use, although it is not quite as sweet as cane sugar. We are at the present time building a plant to manufacture this particular kind of sugar, which will be ready for operation this fall.

Another product of corn is imitation rubber or rubber substitute, which is made by vulcanizing corn oil, a sample of which

I have here. It is not quite as resilient as rubber, but is used in a good many places as a rubber substitute.

I could not give you at the present time all of the uses to which different parts of the kernel and corn plants are adapted. There are a great many of them but I will simply call your attention to some of these uses.

Glucose is used very largely in the manufacture of candy.

Starches, of course, are used for foods in puddings, and by bakers. It is one of the chief ingredients of baking powder; also used in making candy and brewing beers and ales. At the present time a considerable amount of corn sugar is apparently used in the manufacture of "hooch," but we believe that the demand for this purpose is rapidly declining. These products are also used in laundries; in the manufacture of paper; for cosmetics; manufacture of asbestos; and the adhesive gums on stamps and envelopes is largely made from corn starch. Glucose is also used for the manufacture of jellies, tobacco, shoe polish, various extracts, and in iron foundries. It is also used in strengthening the fibers of twine, manufacture of mucilage, inks, and "sparklers," such as used on the 4th of July. Different products of corn are used in the manufacture of gun powder and dynamite, and in fact there seems to be at the present time and in the future, an almost unlimited field for the use of corn.

In addition to considering corn as it is ordinarily grown, there is also the question of what can be done by changing its character by careful breeding. If you will read some of the government's pamphlets, you will find that they can change the height of the ear on the stalk. They can breed to get the ear low down, or higher up. They can breed corn to show either more protein or less protein; or more oil or less oil; but the most vital factor in which we are interested is that we can increase the yield of corn. I had a chart here from the Iowa experiment station, showing that the average yield of corn for Iowa for a period of 33 years has increased 10 bushels to the acre, as of course you know, and it is now a little over 40 bushels to the acre. This yield is not as large as it should be, as you can easily find records where people have raised 100 and 110 bushels to the acre. There has been a good deal of work done along this line, but naturally the people who are working toward this end often find some difficulty in educating the farmer. Prof. Holden tells how they did this at one time some years ago. They would get a sample from each farmer's planting in the spring and then they would take the corn and go to the poor farm and plant a row of each farmer's seed. In order to be sure that the test would be correct, they would plant the corn in three different locations. In the fall they would announce a picnic and at this time they would show the corn to the various farmers. There was a rather interesting incident in connection with one of these exhibits. When Prof. Holden was taking the farmers along the various trial patches, they came to a very small stunted row and right alongside of it was a very fine tall row, and as he explained, it took the farmer just as much time and trouble to cultivate the small kind of corn as it did the farmer who grew the large, healthy crop. One farmer asked Mr. Holden if there was anyone in that county foolish enough to plant corn like the little stunted row and said he would like to know who it was that did it. Mr. Holden

told him to go down to the other end of the patch and he would find the name of the farmer at the end of the row. He did so and came back with a very sad face and said, "My name is at the end of that row." They then went to another plot, which also showed the row with his name on, to have the same stunted corn with a fine, large row next to it, happening to belong to the man living across the road. The man who planted the poor seed told Mr. Holden that his grandfather had brought their seed over from Kentucky years ago and they thought it was the very best seed in the county.

This is one of the points in which you gentlemen are particularly interested in, namely, in raising a larger amount of corn on each acre of land. If the state of Florida was cultivated as intensely as Japan, we are told, that state would be able to support the entire population of the United States. As stated, the total capacity of the corn products plant is about 88,000,000 bushels per year, in this country. We are grinding about 65,000,000 and we are constantly looking out for new uses of corn. We have chemists and others trying to develop new uses and they are being developed from time to time.

For example: A man recently came into our office who had a new process for making starch into glue to fasten plywood together, and veneer on furniture. We are now selling this firm regularly in carload lots for the purpose of making this glue. At the present time the cost of Argentine corn in Europe is lower than American corn, and for this reason the corn products plants abroad are using Argentine corn in preference to American. The Corn Products Refining Company, in New York, one year, used about 6,000,000 bushels of Argentine corn.

The average crop of this corn is, in round figures, about 3,000,000,000 bushels, but as ordinarily less than 20 per cent of the corn grown in this country ever leaves the county in which it is grown, therefore, the entire amount of our crop that goes into commercial channels is never more than 600,000,000 bushels, of which the corn products industries grind about 65,000,000 bushels.

Corn sugar will, of course, be sold somewhat cheaper than cane sugar. It can be manufactured cheaper and it will be necessary for the manufacturers to keep the price below cane sugar as, of course, it is not quite as sweet, and therefore, we have to use more corn sugar for sweetening an article than we would were we using cane sugar. The cost of manufacturing corn sugar will, of course, depend on what price we are receiving for feed and at what price we sell other ingredients. Oil, for example, sometimes sells for 8 cents a pound and sometimes 10 cents. Corn sugar, either the refined or the unrefined article, is on the market at the present time and can be secured through wholesalers and jobbers, as the manufacturers do not sell direct to retailers, although they do sell to bakeries and manufacturers of various products of which corn starch and gluten form a part.

In answer to various questions, the following information was given: In our plant at Cedar Rapids, the main product, originally, is starch, but a large part of this starch is converted into either glucose or corn sugar. The largest proportion of our products at the present time is being turned into glucose. But we can put the starch out as refined starch or corn sugar, or glucose, whichever the demand calls for. We can get about 25 pounds of refined

sugar from a bushel of corn when we are equipped to make this particular product.

Replying to the inquiry as to the relative value of Argentine and American corn, they are about the same value, so that the corn products industries can afford to buy Argentine corn within a half cent a bushel of the price that they are paying for American corn. The contracts in the Argentine Chamber of Commerce provide that Horsetooth corn, such as is grown in this country and which we call Dent corn, is not deliverable on the contracts for the reason that such corn will not ordinarily stand the journey across the equator, which takes a month or two when bringing the corn from the Argentine to Europe.

With reference to the food value of corn sugar and the wholesomeness of same—one of the directors of the Near East Relief, says, in referring to the children: "Many of them are under-nourished, their entire bodies need building up, and the carbohydrates found in the corn sugar is what they want. Our orphanage directors testify as to the wonderful food values of corn syrup, and have put it to excellent economical use in the place of cane sugar. It may be the means of saving their lives."

I understand that Dr. Wells, at one time Dean of the Medical Work in the University of Chicago, in speaking of corn, is quoted as saying, "I would pay more for corn syrup for a food than I would for sugar; in fact, I would not give cane sugar as a sole food to any invalid, under any conditions, because it represents, first of all, a uniform single sugar, and would be absorbed in an abnormal way, that is all at one time, at relatively one digestion; secondly, it is so very sweet that it would be obnoxious, and that is another reason. In other words, corn syrup is something more nearly what we would get from the digestion of natural starchy foods, than cane sugar does."

There is no reason in the world why corn sugar may not or should not be used for table use, the same as cane sugar. Corn sugar is not of the same granular appearance as cane, but is a little more like powdered sugar.

**Mr. Van Alstine:** I believe it is greatly worth while for the corn belt farmer to make a campaign to start the use of corn sugar in the place of cane and keep away from imported sugar just as far as he can. At the present time we are told that our corn is sold on the world market and we don't get the benefit of the tariff. The difference with the home consumption of corn is very similar and if we can increase our home consumption we will be putting dollars in our pockets. At the present time we are consuming in the United States about ten billion pounds of sugar, of which eight billion is imported from foreign countries. If we could induce our people to use 25 to 35 per cent of corn sugar in lieu of cane sugar it would absorb our own surplus. Whenever a corn belt resident buys 25 pounds of sugar he would buy a bushel of his own corn. We would simply be buying our own corn from ourselves. When we buy a pound of cane sugar we have the sugar and the foreigner has the money; when we buy corn sugar we have the money and we have the sugar. When we put corn sugar on every grocer's counter we will be giving the farmer the benefit.

**Mr. Waples:** There is no question if this association would get behind a movement of that sort and increase the use of corn sugar we would be doing the best thing we can do for Iowa. If any of you have

an idea of how that can be started, what do you think? Should we have a special committee or have you any suggestions as to definite action?

**Mr. Van Alstine:** I haven't any idea of how the campaign can be started, but we should have a strong combination for us all along the line. I don't think anyone can tell the difference in the sugar. We find it just as good for our jells and table use. The manufacturers claim it is better for canning and particularly for preserves, since it takes a certain amount of sugar to bring about the necessary preservation of the food and you can use a sufficient amount of corn sugar in preserves without making them sickeningly sweet. We all know about years ago when beet sugar was placed on the market and it was some time before the beet people could induce the people to think beet sugar was as good as cane. The food value of our corn sugar is just as great and by using it we are helping our digestive system if we can just put across the idea that we are benefiting ourselves by buying our corn from ourselves.

**Mr. Waples:** Prof. Bliss has come to us today to give us another angle of varied products, and that is the dairy industry.

## Possibilities of Dairying in Iowa

By Prof. R. K. Bliss, Iowa State College, Ames, Iowa.

Your president invited me to point out some of the future possibilities of agriculture in Iowa along the line of dairying. With his permission I am going to point briefly to several lines of activity in Iowa agriculture.

First of all I want to answer the question asked a few minutes ago concerning the retail market value of soil fertility in Iowa soil. According to our soils department, the retail market value of the nitrogen, potassium and phosphorous contained in the upper seven inches of Iowa soil is 87 billion dollars and the retail value of the same soil elements contained in the upper forty inches of our soil is 425 billion dollars. This means that money loaned on Iowa land has very good security back of it. It also means that the resources of Iowa, if handled properly, are practically indestructible.

I was greatly interested in the report made by your president which showed such really small losses in connection with farm loans. The Iowa farmer intends to pay and will pay if he can get the money.

I was particularly pleased with the suggestion made by Senator Van Alstine as to the possible use of corn sugar. I think that we here in Iowa should all sign a pledge to use corn sugar.

The disturbing conditions in connection with agriculture the past few years has been due to the fact that the farmer has sold his produce on a low market and purchased in a high market. Iowa farmers enjoy a higher standard of living and have more conveniences than most farmers, because each hour of a farmer's labor in Iowa produces more than it does elsewhere. The average farm family in the United States produces enough food to feed itself, two additional families living in the city and some surplus for export. The average farm family in Iowa produces enough food to feed itself and seven other families. It is this increased production per man that enables the Iowa farmer to enjoy more of the comforts and conveniences of life than does the average farmer throughout

the United States. With three per cent of the farm population of the United States, Iowa produces eight per cent of the food.

The Department of Agriculture issued a statement the other day showing that the average efficiency of farmers in the United States has increased twenty per cent within the last ten years. I have no figures on Iowa, but I am confident that the increase is just as large here or perhaps even greater. According to a report issued by the Iowa Secretary of Agriculture, the production of corn in bushels per acre has increased 33 1-3 per cent in the last thirty years. The average production of bushels of oats per acre has increased 25 per cent in the last thirty years. Moreover, the acreage of both of these crops has increased, while the farm population has remained practically stationary.

Iowa presents wonderful possibilities along dairy lines. However, up until the present time the milking of cows has been looked upon as more or less of a side line. There are many farmers' herds in the state that are producing around 300 pounds of butter fat per cow. The average throughout the state, however, is only about 140 pounds. The college has always advised farmers to work into the business gradually, because dairying is a specialized occupation. Farmers have been advised to test their cows for butter fat production and to dispose of the least profitable cows. In short, to milk fewer cows and better ones, because it takes almost as much labor to milk a cow that produces 150 pounds or less of butter fat per year as it takes to milk a cow that produces 250 pounds or more of butter fat per year. Fewer cows, less labor, larger profits, has been the teaching.

Sixty cow test associations are now organized, in which the farmers themselves employ sixty men to work out their problems. We, of course, advise every farmer to produce enough milk and butter for his own family use. It is also possible to greatly increase the consumption of pure milk in this state to the betterment of our people. Suppose, for example, we could increase the consumption of milk one glass for each individual in this state each day. This would require 1,250,000 pounds of milk daily, or 456,000,000 pounds for a year. If you figure that each cow gives 6,000 pounds of milk during the year, it would take 76,000 cows to produce the additional milk required to supply each individual in the state with one additional glass of milk per day. Or to put it in the basis of a county, it would take 38 cows on each farm in an average county to supply this milk.

Iowa is not considered a butter state, but during the past few years the college has been working with the creameries and county farm bureaus in improving the product put out by these creameries. Last year we had three men working all the time and could not meet requests made for assistance. Substantial progress is being made along the line of improving the quality. Last year at the National Dairy Show, held at Springfield, Massachusetts, Iowa won four out of five of the prizes offered to individual creameries for the best butter produced, this with twenty-three states and two foreign countries competing. At the National Buttermakers' Convention at Madison, Wisconsin, with sixteen states competing, Iowa won five out of six medals offered to individual creameries, won the banner for the ten best creameries competing and four out of five medals offered for the judging of butter. Iowa brand butter is now selling

at a substantial premium on the New York market. All this work helps to market butter at a higher price.

Just a word in regard to poultry. We have records from 436 farms for last year which were operated in accordance with directions given by extension specialists. These farms increased the average egg production of their hens to 117 eggs per hen, or nearly double the average production per hen throughout the state. We have 30,000,000 hens on the farms of the state of Iowa. In order to illustrate the importance of the egg industry let me call your attention to the fact that a net increase of one egg per hen in this state would amount to \$450,000, provided you could sell such eggs for 18 cents a dozen. Poultry and poultry products, however, represent only about seven per cent of the farmer's income.

Where the best known methods have been used, Iowa has been quite successful in producing fruit. During the past eleven years the Extension Service has held summer spraying demonstrations in a total of 134 orchards in 75 counties. Sprayed trees have been compared with unsprayed trees. The trees were treated exactly the same except for the spray. The sprayed trees have produced an average annual yield of 4.86 bushels of clean fruit and 1.45 bushels of culled fruit per tree and the unsprayed trees have produced .5 bushel of clean fruit and 2.63 bushels of culled fruit per tree. It would seem that there are many sections in Iowa where fruit can be produced more cheaply than it can be shipped from distant points.

There are many places in Iowa that have been quite successful in growing truck crops. In the region of St. Ansgar, Iowa, farmers have raised from 400 to 700 bushels of onions per acre. Cabbage is also an excellent crop. Small fruit does well, especially where it is possible to supply some additional water through irrigation.

I have called attention briefly to the various kinds of things that can be grown in Iowa not with the idea of encouraging our farmers to undertake to grow such crops, but merely to show the possibilities of producing food in Iowa at some future time when our population will need it. Of course, our main crops at the present time is corn and hogs and our farmers must continue to produce these main crops for some time to come.

We have encouraged farmers to study the business side of their operations, to keep account of the income and outgo in order that they might derive as much net profit from their operations as possible. The selling or distribution of farm products is a question that ought to be studied, not only by the farmers but by others as well, because all the people in Iowa are interested in the more economical distribution of farm products. As has already been pointed out, the average farm family of Iowa produces enough food to take care of itself and seven additional families. Five of these additional families live outside the state and the food must be sent to them. The amount of money which Iowa has to spend depends very largely on the price received for this exportable surplus. In other words, broadly speaking, Iowa is a great big farm and the amount of money the people have to spend who live on that farm depends on what they get for what they sell off of the farm. If, for example, the value of food products in Iowa in any one year amount to \$600,000,000, farm value, more than half must be exported. Iowa will export at

least two-thirds, or \$400,000,000, of a \$600,000,000 crop. We are told that the producer of food stuffs get less than half of the consumer's dollar. It has been estimated all the way from 36 cents to 50 cents. For the sake of convenience let us assume that the producer of food gets 50 cents of the consumer's dollar. On this basis, \$400,000,000 of exportable surplus farm value will ultimately be shipped, packed and resold to consumers living outside of Iowa for \$800,000,000. If it were possible through efficient methods to save enough freight, storage, commission and manufacture, so that the farmer would get 60 cents of each consumer's dollar instead of 50 cents it would add \$80,000,000 to the farmer's income from food stuffs sold outside the state. This would mean that Iowa would be approximately \$80,000,000 richer. This saving would immediately go into channels of trade, for the most part, and all Iowa would be benefited.

Since Iowa is a food-exporting state, any system of distribution that will bring a larger share of the dollar paid for farm products back to Iowa means just that much more wealth to the state.

In regard to the future, I was glad to hear your president say that he believed we were around the corner. Personally, I think we have indulged in a little too much gloom here in Iowa. It has a bad psychological effect. If I go down the street and the first person I meet says that I look a little pale, and the next one says that I don't look well, and the next one says that I look bad, I am pretty likely to feel a bit off no matter how I felt when I first started.

I have faith in Iowa and Iowa's future. I believe that out here in the garden spot of the world the age old problem of agriculture is going to be worked out. I believe it first of all because Iowa people are descended from the very best blood of the white race. There is more of the old Puritan blood in Iowa today than there is in New England. Iowa is where the best New Englanders have settled. So it is with the peoples of northern Europe. Iowa has the highest literacy of any state. May we not all look to the future hopefully? Iowa's great natural resource, agriculture, wisely managed, is indestructible. Iowa has abundant raw materials and there is always a tendency for labor, raw materials and food to get together as economically as possible. The food products of Iowa are increasingly in demand. Between two and three souls are added to the population of the United States every minute, all clamoring for food. Each month 116,000 have added themselves and in a year the total increase is 1,400,000. Iowa's market is an ever growing one. With her boundless resources, her schools and churches and high moral standards and with intelligent organization and cooperation on the part of Iowa people, Iowa should face the future with confidence.

Dismissed for lunch to reconvene at 1:30 P. M.

#### AFTERNOON SESSION

**Mr. Waples:** Discussion of time of change of meeting. Fifty per cent want the meeting in the fall and about fifty per cent at the present time. As far as the by-laws and articles of incorporation are concerned it is up to the Executive Committee, but they have not wanted to change without consulting the entire organization.

**Mr. Davis:** There are very few of the organization present at the present time and I think we should wait until more are

here, but it doesn't make any particular difference to me at what time of the year the meeting is held.

**Mr. Waples:** We have found it necessary sometimes to hold the meeting a little later in June. Right now is commencement time in high schools and colleges and it takes attendance from our meeting, and the State Bankers Convention is always held in June and some of our members don't like to attend two conventions so close together. Another one I heard is this: In the fall of the year you are at the beginning of the farm loan season for the year and there will be more things of real interest coming up at that time to discuss. In Minnesota their association has several meetings a year. Of course, they are situated a little different, because the largest percentage of their members live in Minneapolis and St. Paul, with only a small membership outside in the state. The state of Nebraska also holds more than one meeting a year.

**G. M. Titus:** After you get back from your vacation in the fall you are busy and do not have so much time and this is the quietest time of the year, but I like the two session idea. As our legislature is going to meet next fall, if we meet in the fall we can consider matters for our legislature to take up and we might be the inspiration of better things.

**Mr. Shepard:** This is the first meeting of the Iowa Farm Mortgage Association that I have been privileged to attend. I have never missed a national meeting. It strikes me that the first two days in June, with a banquet the first evening, and a meeting the next day, I think you would have a good attendance. It seems to me that this is just about as good a time as you can hold it and having all your committees appointed and on the firing line and having time during the summer to think things over and go to the national convention in the fall, and I think we are all more likely to go to two conventions if they are not too close together and if you hold it the first few days in June, I think it is a very good time. I think, so far, this has been a very successful meeting.

**Mr. Fisher:** The idea in suggesting a possible change is that we may possibly get a larger attendance at some other time of the year. My only criticism is that we don't have a large enough attendance and if we had it at a different time we thought possibly we could have a larger attendance.

**Mr. Crosley:** In the abstract business this has come up every year and it has been thought June is the best time. Later in the summer vacation interferes and fall is the national convention and I believe this is the best time of the year to hold this meeting.

**Mr. Waples:** I think possibly we had just better let it rest. We will have a report of the nominating committee.

Nominating committee reports and suggests for action by this convention the election of the following:

President, E. H. Lougee.  
Vice president, E. L. Johnson.  
Treasurer, A. J. Fawcett.  
Secretary, Fred C. Fisher.

**Mr. Waples:** It is assumed that inasmuch as the national convention meets at Omaha and Mr. Lougee lives at Council Bluffs that he will entertain the entire Iowa delegation.

**Mr. Lougee:** I agree to entertain the entire Iowa delegation if you will withdraw the report of the nominating committee. It would be mighty unfair for this

association to make me their president, for I believe from the amount of correspondence that I receive from the president and secretary of this association that they have real jobs and it is necessary that they be on the job all the time. I have just gotten home from a four months' trip abroad and I took a trip last year and I took a similar trip three or four years ago and I shall probably take another one next year. It's a habit I've formed that I don't intend to get over, but it places me in a position that I can't serve this association with any credit to them or myself. I wish I could accept the compliment that has been offered to me and that I could serve in a way to feel satisfied that I have given to the association a year of real service, but I know that I can't do it and know that it is not to the interest of this association to make me its president and I agree again if you will withdraw the report I will be mighty glad to entertain the entire Iowa delegation. I am mighty serious and I know that you must agree with me.

**H. H. Shepard:** A man who has his business in such a running condition that he can leave it for four months must be a "gee whizzer" and I think Mr. Lougee must have somebody around his office who can carry on his business.

**Mr. Lougee:** If Fred Fisher would be willing to be president and secretary, I would be glad to wear the title.

**Mr. Waples:** All in favor of the question as put will signify by saying I, opposed the same sign. Motion is carried.

**Mr. Lougee:** I wish you would reconsider. I don't want you to "stick" me with that.

**Mr. Waples:** I think you will find Mr. Fisher a very efficient secretary and you will find that the letters written were by Mr. Fisher and not by me. We will have a further discussion of this subject later. We will now hear from Mr. Griff Johnson of the Equitable Life.

Mr. Griff Johnson said in part: Anything I may say will be like repetition.

Sometimes I am practically convinced there is nothing new under the sun and the best thing is work, economize and either get ourselves back to the farm, or urge all young men we possibly can to become permanent title holders of a parcel of productive land in this middle west at an early day, for farm lands in Iowa are not going any cheaper during the present age.

Recently, in a bulletin, I saw a selling plan as inaugurated by an out-state mortgage company. It impressed me as being so unusual that I wrote the company for a more specific statement. That company was kind enough to give me a letter fully explaining. They state they are so confident in the future of farms and the farming industry that they are offering to sell any farm they own, also some owned by their clients, and guarantee the purchaser 6 per cent interest and the return of his original invested sum at the end of five years from date of purchase. Or, if any one buys, only for an investment, and not for a home, the company will manage such farm, pay all taxes, keep buildings incurred, take all rentals, pay such purchaser 6 per cent on his investment and at the end of five years return to him his original purchase price, or sell the farm at that time and give him two-thirds of the profits. I believe that company will sell all its farms within a year. Some may say if they are so sanguine about the situation why not keep those farms for the five years, then sell and

get all the profit. My answer is that the mortgage company is primarily engaged in loaning money; not in foreclosing mortgages to get title to farms to start a real estate selling agency. I can learn from their letter that they are trying to put their farms back into the keeping and ownership of actual farmers who will make homes of them and build up agricultural interests. Can we Iowa people get an object lesson there? Namely, that Iowa farms should be owned and operated by Iowa farmers as their homes and not bartered by speculators, or non-residents.

But let us not wait to be shown. It is time that we busy ourselves very diligently in routing the pessimist, whether trying to set a minimum price on corn, wheat, cotton, cattle or hogs. Or, as Mr. Allfree has indicated, why let our money continue to go elsewhere into worthless projects when we have in Iowa acres of the best annual diamond crop producers to be found on earth.

Nothing is wrong with Iowa. I mean Iowa as originally given to us with its rich soil still intact, plus what little improvements we have done in the way of buildings, fences, drainage, roads, etc. There is opportunity for a great deal more if done right and economically. It is all here with our transportation facilities which, by the way, can be greatly improved. The trouble is with ourselves. A large company of us have lost our vision and some of us do not seem to care. We have abused Iowa shamefully the last few years.

We started on this wild whirl by letting the state be robbed of nearly all the Liberty Bonds its golden harvests had so liberally bought for us. Not satisfied with that we let others unload millions of dollars of worthless oil stocks, packing-house stocks, rubber-tire stocks, boomerang stocks and what not onto the state. Not satisfied with that, many of us concluded there was no end to the diamonds the grand old state would produce from year to year for us to wear and waste, so we suddenly became very much inflated with hot air stocks; considered ourselves rich on a coat pocket filled with neatly folded, broad bordered gold paper, turned the goose (namely, the farm) that quietly continued to lay the golden egg over to the hired man or the oldest son, or to a tenant and got ourselves to town, to live on the retired list, where we proceeded, perhaps, to mortgage the farm, or increase the existing one. Instead of the farm supporting one family sumptuously and having a chance to lay by a goodly sum each year, it was expected to support two families, on this plan, to pay the taxes, to pay the interest on one or two mortgages. As the Englishman might express it, it was a right down, jolly bunch, going down this toboggan slide hooting as though there was no end to it. But there was. We all know who got hurt, but the business sympathies of the state are so interlocked that nearly all were affected more or less by the terrific jar.

But the joy riders began to look for excuses. In some small districts of the state there had been a few farm sales and re-sales mostly on paper and among neighbors as a diversion, or side line from the usual oil stock sales, etc. This was only a diminutive side issue, a cloud in the sky no bigger than a man's hand, but it served the purpose for a scapegoat and all the troubles were heaped on. In passing let me say the 1919 land boom, so-called, would not have caused a ripple on the tranquility of Iowa business, or the agricultural interests of the state, for the riches in the productive elements of its soil

would have digested and fully absorbed this without effort, but the deplorable, criminal waste of millions in worthless channels made the load almost unbearable. Any other state in the Union would have gone bankrupt. But not so for Iowa.

There was the call from its fertile acres to the spendthrifts to come back, roll up their sleeves, go to work, economize, save, practice thrift and not only would the fattened calf be made ready for the feast, but all working together again, as of old, the bad debts would be paid and we could once more stand up like men and law-abiding citizens. Have we all gone back? No, not all. But last year thirty-one families left the little towns in one county and put back to the old farm homes. Other counties may have done as well. I do not know. All counties did something. What were the results? Last year was a better debt payer than any one of the three previous years. This spring more families went back to the farms and indications are strong that this will still be a better year for liquidating debts.

Friends, this is a wonderful state to live in and every mother's son of us should be proud of it. There are a few who never were farmers still doing a lot of grumbling. They have their faces turned toward Washington and are expecting a windfall from the government to liquidate their share of the damage. Good old Iowa is not going to lift such chaps out. Neither is Congress going to donate them out. Perhaps it would be well to repeat that lest we forget.

One fellow in Minnesota has tuned in on the right thrift wave when he says to a farm journal that the "auto has spoiled us farmers as it has gotten us into the habit of going visiting and when a fellow goes visiting he can't raise corn, hogs, turkeys, chickens or milk the cows."

Every business man knows that the farming industry is the basis of all business and the only way to keep business going is to keep the farmer going prosperously. He cannot be squeezed very long on prices or delayed and buffooned on transportation without general business being crippled. General business is not going to stop at this point and already the strong forces are getting closer to the farmer's assistance. Newspapers and other publications are coming in to help fight his battles on taxes and other financial matters. Nothing like having friends in court; ready and willing friends who are steadfast and putting their energies on the helping side.

Have you kept a close run on our Iowa land sales the past eight months? Those sold because somebody wanted them? Usually a neighbor? Most of them have been above \$200.00 an acre. Many of them \$300.00—or more. Have you noticed they are on a cash basis? No trade? Have you noticed there is always plenty of money to close such sales? No paper affair. No slipping back. No speculation. Bought because wanted is the sign pinned to every one of these deals. Have you also noticed the purchasers in many cases do not bear the usual United States name, so to speak, such as plain Smith, Jones and Brown, but it is Dominick Konicek, Ben Heronimus, Jacob Schmidt, Horn Strum, Joe Uhlenkamp, Herman Froelich and the like? Does that signify anything to you? Perhaps some of us calling ourselves Americans are losing out. Sold our birthright for a mess of pottage. I hope not.

You know my abiding faith in the future. You have seen the small leaflets recently broadcasted under the headings of "Keep the Farm, Pay the Taxes, Pay the Interest, Be an Optimist, Work and

Economize." In the vernacular of the news urchin of the street them's my sentiments. About a month ago I made up the statements of that leaflet and had the same printed to be mailed with our interest notices to encourage, but not to antagonize, and on this account to have it bear no authorship. Twenty thousand copies have been freely distributed in Iowa as a courtesy without charge and without thought of any advertisement and only with the hope of being some help. It has been re-printed in full, or in part, by a number of the county newspapers of the state with favorable editorial comment, also without any charge. It seems if we as loyal Iowa people had the right push, we would have sufficient vision to tell the world at large that Iowa is not for sale; that it is already sold to good Iowa farmers for themselves, their children and their grandchildren to further improve into rich, prosperous, lasting, homes.

Do you think that various institutions are putting the millions of trust funds, thrift funds, savings funds of the thousands of people in this Iowa agricultural industrial game for the fun of it, or with utter heedlessness? If anyone has any such notion, he has another and more intelligent thought coming to him soon with the light of a new day quietly slipping in—so quietly that he may not be able to see it until it is too late for his salvation. And this Iowa dirt is going to produce the pigs, the milk, the poultry, the eggs, the corn, the wheat, the oats, the alfalfa, the clover, the beef and other valuable products to pay the interest promptly on every dollar loaned under these mortgages, to pay the taxes on these properties, to sumptuously feed and care for all these good farmers and their families and when the call is made to pay in any of the principal of these same mortgages, or any renewals of any of them, there will be a prompt response and these same good farmers will see that it is done. If any one thinks he can shuffle through and not meet that call in due time like a man he had better get out of the way for the other fellow is right on his heels who will either help Iowa do it or see that it is done. Are we Americans going to get off our hobbies of pride, roll up our sleeves, dig in the dirt, rub against the calves and pigs, if necessary, and see that Iowa is helped properly to carry on or will others come in to do it and leave a rich legacy to their children. Take your choice. Be a man on the walk or run your bluff a little longer only to get pushed off and out beyond redemption.

But some are still saying it don't pay and they are still making calculations to prove that this Iowa golden corn ore producing pay dirt is worth only so much as their calculations would designate. Here is the real answer to all such.

Just across the country here a few miles is a farm of several hundred acres; rich soil, good fences, fine houses, barns, silos, etc. Several years ago the family bought the larger portion of it. The father, mother, five sturdy sons and one daughter moved in. They assumed a big mortgage debt for those days and a high interest rate. The neighbors began early to contribute their share of aid in condolence and expressions of feeling sorry. There is now not a dollar of mortgage against an acre of it. The same can be said of many other Iowa farms. The father is gone and the faithful mother is now more than 80 years old. She still retains title to 320 acres—the original home place in part. Each of the five sons has been given the same amount. In 1917 they paid a neighbor \$400.00 an acre cash for his 160 acres. They have recently offered \$300.00 an acre

for another neighbor's quarter section to fix it up for one of the grandsons. Three generations of farmers holding the original purchase and adding to at almost any price because they want it and need it for increasing homes for an increasing family. No better homes on earth in the land of Canaan, Florida or even California.

Yet, you and I have applications coming before us occasionally for a farm loan and in answer to the question thereon as to how old are you, the answer is 35 and what is your occupation, the answer is retired farmer and for what purpose is the loan wanted the answer is to pay on a home in town and some notes at the bank. Think of it. A healthy farmer, retiring at age 35. Perhaps he may be tired and will not cut much ice anywhere. Do you know of any tradesmen, merchants, professional men or bankers who can retire at age 35?

Have any of you noticed the movements recently of the National Association of Lumber Dealers? They seem to think city building is to be quiet for the next few years but farm improvements in the middle west will greatly increase during the same period. Do you have any idea of the close-up grip the farm owners of your community would take if you should go home and tell a very few of them that next week two or three men were coming with plenty of money for each one to buy a good farm. Nearly every farm in your county would suddenly become one of the best in the mind of its owner and he would advance the price.

Gentlemen, go out and buy a farm if you do not now own one. Do not try to buy a township, or let any one else try it. But buy 160 acres. That is enough. Put good buildings on it and permanent storage houses for all produce so you can sell such products when you are ready and when the price suits you without the aid of any co-operation scheme. Then keep that farm. Have it for yourself and your children. It will be great to have your family name permanently fixed on the county records to the title of such a farm and some day soon it will be worth \$500.00 an acre.

## Taxation and Tax Exemptions

By Geo. F. Heindel

I have in this book two speeches on taxes and taxation which will take me an hour to read. I have another one which I think I can give in about ten minutes. I went up to the room this noon and wrote it. I didn't want to prepare this speech until some recent events had been disposed of.

Standing on a platform of hypocrisy and preaching a gospel of hate, a man by the name of Brookhart was nominated by the Republican party of Iowa Monday to misrepresent us for six years in the United States Senate. The Chicago Tribune had a special supplement of eight finely printed pages yesterday containing the new revenue law adopted by Congress and signed by the President of the United States, accompanied by a statement from the President, between the lines of which you may read his opinion that it was promoted by politics rather than by any good economic principles. Now, it would be presumptuous of me to stand here and within a limit of ten minutes attempt to say much of anything that would be of value on the question of taxation, for if I should undertake to do so I would, of necessity confine my remarks to criticism of things that have taken place within recent years. This, unless accompanied by some constructive suggestions would serve no good purpose.

Taxes are high—Brookhart is nominated. They will be higher before Brookhart and his ilk get through handling the affairs of this country if we don't bestir ourselves. I want to say that Brookhart was nominated by a majority of over 32,000 because we have convinced a large part of our population that they are oppressed and that in some way legislation can cure economic and business ills.

I had an application the other day for a loan from a good county in Iowa; the taxes were \$5.50 an acre and I rejected that loan because I couldn't see how the man was going to pay his taxes and interest. However, that farmer's taxes were no higher, in fact not so high, as some others in the same community. I have a friend who owns bank stock in the same township. This bank stock has a book value per share just equal to the value per acre of the farm in question and the tax was \$8.00 on each share according to my informant. The farmer's tax was no higher than the tax of the banker. It was lower. The farmer is not paying more tax than anyone else who owns taxable property. We have gone wild on the subject of indebtedness. We have increased our indebtedness five-fold within fifteen or twenty years. We have increased our taxation five-fold in this country. We have been told at this meeting that we can issue bonds and pave all of our primary roads without increasing taxes. There is no use in trying to fool ourselves. If we issue bonds and pave our primary roads we are going to tax ourselves to pay both principal and interest. The fact that we do it by imposing a tax of two cents a gallon on gasoline doesn't answer the objection. I am not opposed to good roads nor am I opposed to a consumption tax on gasoline. What I am trying to say is that we will not settle this question of high taxes until we look the issues squarely in the face and fully appreciate that all of the public improvements and public service which we are demanding must be paid for. We must apply to public affairs the same principles we apply to our own affairs. We get nowhere condemning high taxes when we are demanding that the money be expended for public improvements and public service. Let us either practice economy in public affairs or pay the bill and keep still about it.

I said I was not opposed to a consumption tax of two cents a gallon on gasoline, but why select gasoline as the one commodity upon which we shall impose a consumption tax? If a consumption tax on gasoline is a good thing for building roads let us adopt the policy of taxing consumption and apply it to other articles, but at the same time let us not lose sight of the fact that every one of these taxes which we impose, no matter what the form, increases the total burden, and let us consider before entering upon a system of consumption taxation whether we should not, at the same time, attempt to reduce our property taxes which are now imposing so heavy a burden upon agriculture and other business enterprises. While we are seeking new methods and new subjects for taxation let us try to use some of them as substitutes for some of our present taxes rather than as additional sources for raising revenue.

One dollar out of every eight or practically 12½ per cent of our annual income is now taken for taxes, yet we try to fool ourselves and others into believing that so long as we have no property someone else is paying the tax, but whoever buys a pound of meat or a loaf of bread, in fact, helps to pay the tax of the butcher or baker, the income tax of the contractor

who built the building in which he does business, and the income and property tax of everybody who furnished anything which went into it. There is no system by which any consumer may escape payment of a part of the taxes.

Last year we voted six hundred million dollars for the purpose of roads in this country and the farmer, the banker, the lawyer, the merchant, the doctor and the preacher are all helping pay for them, but the people who had six hundred million dollars to invest in the bonds which were issued to pay for the roads don't help pay for them. This investment is exempt from taxation.

The six hundred million dollars is planted permanently. Had it been borrowed for manufacturing or other producing enterprises it would have been turned over again and again in buying labor and material to be converted into finished product and sold, but the money put into public improvement is permanently invested, it is never coming out, and there never will be a turnover.

One-fifth of the property in this country is exempt from taxation. The practical remedy for the vexing problems of taxation is first, that we apply to the public affairs the same economy, the same common sense and the same business judgment that we apply to our own affairs, and second, that we adopt a system of taxation which will equalize the burden. Every intelligent man knows that no effort to tax one class of citizens because they have more money than another will not get us anywhere. Regardless of the question of tax exemption, the taxes imposed upon the man with a large income are passed on and on until the consumer finally pays most of them. The farmer is the only producer in the world who doesn't control his commodity and he is the only consumer who cannot, in a degree, fix the price he will pay, hence ultimately the discrimination is against the farmer rather than in his favor.

It has been suggested here two or three times during this meeting that we should have legislation which will raise the price of the farmer's commodity to a point where it will yield him as large an income as the \$18.00-a-day mechanic. I don't know any \$18.00-a-day mechanics, but I do know that the last thing I want to see in this country is an inflation which will put farm products and other products on that basis. What we want to do is to deflate and we will not permanently help the farmer by inflating artificially his prices to a point that they will correspond with inflated labor prices. If legislation and other artificial regulation and control are eliminated, prices will all ultimately adjust themselves to practically the same level. This we want.

We talk about diversified farming and government aid of some kind to enable men to go into it. I think the first thing necessary to bring about diversified farming in the wheat country of the Northwest is diversified farmers. Those people up there are wheat farmers but they want the government to in some way guarantee them prices for their wheat which will enable them with 100 to 150 days labor to earn as much as men in other callings earn by working 300 days in the year. They don't want to be diversified farmers. I don't think you could give away 500 head of the best dairy cattle in the world in a wheat farming country if you imposed as a condition that the farmers to whom you gave them should be at home morning and night 365 days each year to milk them. You could do this in a diversified farming country, but not in a specialty country.

After all, the best remedies for our condition are old-fashioned honesty, industry, frugality and common sense, and if these are practiced and congress and legislature will cease their efforts to substitute statutes for economic principles and laws for industry and common sense, our most serious problems will soon be solved.

## Do Hard Roads Increase Land Values?

By Hugh H. Shepard

This subject "Do Hard Roads Increase Land Values?" can be answered in one word, Yes. I could spend days and weeks talking it over and not exhaust the subject. I have been a good road "bug" for many years. It happened by accident. I have been to Denver with a friend and we were going to drive home and went from Denver to Colorado Springs and through Western Kansas following the Golden Belt road. We came through beautifully marked highways that looked like the road to a circus with beautifully graveled roads out of Topeka, Kansas, the marked highways and improved roads were splendid. We left the marked highway at Topeka and undertook to find our way to Omaha through the middle of September after several days of rain and the roads were reported impassible. After stopping many times to inquire the road we finally arrived in Omaha at night, tired out and worn out. From Omaha we took the Lincoln Highway, which was in wonderful condition, and we were going so good when we passed Ames and seeing the sign, "Mason City 100 miles" we drove on to Marshalltown. It was Saturday night and it rained all night and the next day we left over the graded highway north of Marshalltown and it was so slippery a fly couldn't stand on it, but we stuck and finally worked our way to Eldora. At Eldora we got out and inquired our way to Iowa Falls, finally arriving in Iowa Falls at night and again it rained all night. We were both attorneys, and this being Monday morning, we had cases that would not hold over any longer and we finally pocketed our pride and decided the best thing would be to put the car in a box car and ship it home after 1,281 miles. We thought of the wonderful soil around Mason City and wondered why we couldn't have good roads. The shipment of the car home was a sacrifice to our pride, but we rode the cushions home.

That was ten years ago, and a little later I went down to Iowa City to the Homecoming and I was talking about the fine town we lived in and a road fanatic said, "You lost the Red Ball Route and you are going to lose the Interstate Trail" and we asked what the Interstate Trail was and he told us it ran from Kansas City to Des Moines and they were looking for a route to the Twin Cities and I told him I was going to my town and I was going to write to Mr. Hopkins and I wrote to Mr. Hopkins and told him we had the shortest route between Des Moines and the Twin Cities and we marked this trail out and formed our organization in 1915 and I was elected secretary with the wonderful salary of nothing. They told me it would take a lot of work and that we would have to spend a lot of money, but I told them if they would help me I would try to put it over. We knocked at the door of the Greater Des Moines Committee and they gave us \$100.00. The St. Paul Association refused to help us, but finally someone outside of the association gave us \$200.00.

Those were the large contributions toward making the trail from Des Moines to St. Paul. We got a few responses from the towns along the way. I spent \$20.00 for a list of automobile owners between Des Moines and St. Paul and I sent them a circular letter, telling them what we were trying to do, that we were trying to improve the road and make a real road out of it. We sent out 5500 letters and got back \$115.00.

In the fall of 1915 the Jefferson Highway was organized in New Orleans and we wrote them that we had 500 miles of road already laid out and marked from Kansas City to St. Paul and I am pleased to say that this got us the Jefferson Highway. In Cerro Gordo county we have paved from Mason City to the South County Line. Between Des Moines and Mason City the 135 miles have 45 miles paved and the remaining 90 miles are on gravel. You can go from Des Moines to the Twin Cities on a good highway. The pavement has been extended between Mason City and Clear Lake. Algona is paved to connect with Charles City. All you have to do is to look at a road map of Iowa to see the paved, graveled or dirt roads.

Des Moines and Mason City stand out as regards paving. The work that we have done for good roads has advanced the cause five years in Iowa. We are responsible for the roads in Manitoba from Winnipeg to the International Boundary completely hard surfaced at the present time. We are responsible for the hard surfacing of the roads in Louisiana, due to the 500 miles we had at the beginning of the Jefferson Highway idea. The governor of Louisiana made a trip over this highway and reported it splendid. That shows how an idea grows. We have millions of automobiles in the country today. Eighty per cent of the travel now is carried by automobiles. We have a live issue confronting us and we have to get good roads just as we had to get railroads a few years ago. We have had pleased expressions from the people who have helped to pay for these roads. The only help we had was from the federal aid and we are in favor of putting paving where it is needed, gravel where it can be used and leave the dirt roads where they can be used, but to keep them up. Our highway commissioners tell us that where travel exceeds 300 cars a day your dirt roads should be graveled, where they exceed 700 cars a day they should be paved. I was somewhat interested in hearing our friend from the southern part of the state, who is more informed in matters of taxation than in good roads, say that you don't get anything back from money spent on roads. He thinks it is money thrown in rat holes, but we know better than this. Here is a clipping out of a Minnesota paper:

"Trunk highways serve four out of five road users in Minnesota, government figures show, and that means 360,000 out of the 450,000 motor vehicles now registered. At an average of 5,000 miles the 360,000 cars and trucks travel 1,800,000,000 miles a year. A tenth of the collective vehicle mileage at the present running cost averaging 10 cents a mile, the bulletin figures, mean \$18,000,000 annual saving to trunk route users. A further saving at 2 cents a mile in running costs on adequately improved roads on shortened locations is figured at \$32,400,000 annually. Thus, the potential earning capacity of the Minnesota trunk highway system on present traffic figures approximate \$50,400,000 a year."

I am now running a Cadillac Suburban and get more than twelve gallons of gas to

the mile on the good paved and graveled roads and have used the original tires more than 16,000 miles and they are still good.

We have the authority of Prof. Eugene Davenport, saying, "There are already many and powerful influences tending to force the price of land above its commercial value and these influences are no mystery. For example, men buy land for any one of the following reasons:

1. As a means of farming.
2. For a home.
3. For the mere love of owning land.

The first two reasons are generally combined but only the first is economic and the home feature may so overshadow the other to make many a purchase impossible from a strictly economic point of view and therefore out of the question for the borrower.

Incidentally, last year I was pleased to know I was to get a benefit from my good roads activities. I found that the farm loan extensions were coming up in February when we had 5 per cent money for a little while and I could show the farms when they couldn't any other place in the state of Iowa and I saved one-half of one per cent because I was getting the men out when no other company could. The farmers got a little benefit and I realized a little myself.

I call your attention to a little work that I picked up recently, entitled "An Introduction to Economics," by Turner.

We usually get away from this and indulge in cheap talk without really getting down to the basic elements and find out what the economic principles are that control the subject matter.

All land under cultivation is valuable. Men do not labor to harness a valueless use and this they would do should they cultivate valueless land. One is marked as a poor business man who makes lavish expenditures upon cheap land.

Land is not cultivated when the cost of getting service from it is equal to or outweighs the worth of such services, because such lands afford no net yield, it is of no value. Only valuable land, land that renders net uses above cost, is cultivated.

The land, tools, seed and labor jointly produce a crop. A single agent is non-productive and is valueless unless there are other factors to combine with it. Any factor which is an integral part of a productive agent is valuable. Therefore, if you have a splendid farm with fine building, abundance of grain, but no way to get to it, your value is lost because of your inability to get to market.

Where land is valuable and the travel is heavy I think it is perfectly fair for the land owners to pay a portion of this expense because we advocate in northern Iowa that it adds about \$50.00 an acre to farm land to have paving. We have interviewed the farmers who have paving and they wouldn't be without it. We paid 25 per cent for paving our roads and we have interviewed farmers along the roads and there is not a one in Cerro Gordo county who would be without them for the price of what they cost. I participated in two of them myself.

I will just summarize by saying that the expense of hard surfacing is justified, that it does raise the value of land. We find that we have to have paved roads around Cerro Gordo county because our traffic records show we get over 700 cars daily. They have wonderfully graveled roads in Mitchell county and they are very satisfactory, because of the fact they don't have the heavy travel.

The Minnesota gravel roads that you hear so much about have nothing on the graveled roads of Iowa. We know how to build them, but they cause so much trouble and repair that hard surfacing is much more practical. There is an article in the Chicago Sunday Tribune of May 18th which quotes Commissioner C. M. Babcock: "An average mile of gravel roadbed on one of the main state routes last year cost exactly \$3,001 in maintenance and repair." Gravel on roads where they have heavy traffic is whipped off about as fast as it is put on. Don't kid yourself that you can build gravel roads so much cheaper than you can hard surfaced roads.

I live in northern Iowa and we paid for our paving up there, but I am perfectly willing to contribute my share to have this Lincoln Highway paved through Cedar Rapids. You people of southern Iowa haven't studied your roads and you are not up to date on roads. When you educate your farmer and he can see it through the light of other people he will understand better and you can get along with him. Don't kid yourself in thinking you can get along with a graveled highway on the Lincoln because you cannot. The traffic census shows there are 7,000 cars daily over this route.

## Receivership Clauses in Actual Operation

John F. Webber.

I am in full accord with just what Mr. Shepard has said to us on the road question and what we need in Iowa is a good old-fashioned campaign on education so the people will know more about the cost of roads. I can find you people who think it will cost them \$35.00 an acre to pave their roads and some who think it will cost \$60.00 an acre. As a matter of fact the figures will show that the Durant highway cost \$2.64 an acre, and graduates back until the highest is 93 cents and others along that same scale. In a county in Illinois last year they paved 23 miles of highway and they now have under contract about 15 miles more and I haven't seen a farmer along that highway or ten miles from them that is not boosting for a paved highway. They are all for it and what we need in Iowa is to let the people understand and then they will all be for it.

I must confess that I have had some personal experience in matters of that character during the past few years and have had considerable experience for other people and it has been considerable of a problem of what time I have been in the mortgage business that question has come up daily.

I recall some years ago in Jefferson county of a fellow who mortgaged a farm and finally left between two days and sent to the state of Montana I had a mortgage on the farm. I am using a form which calls for a receiver to be appointed without notice. I went in and got a receiver without notice. Some other fellows came in and had the receiver vacated. I immediately served notice and renewed application for receiver and got it. In the meanwhile two fellows had rented that farm for \$800 and paid cash to the fellow who had gone to Montana and were in possession. The matter came up for hearing before one of our district judges who is now a member of the supreme court. He not only named a receiver, but he said among other things, in his opinion of the case that the mortgage covered the rents as well as the mortgage. The receiver

turned around and rented it to these two fellows again. Their case never came to the supreme court. Now, we have a proposition in Iowa in a general way with reference to the appointment of receivers, this is without reference to contract or anything else. I think most of you here know something of that statute.

There is the general law of receivership that has been on the code books of Iowa for always.

There has been some question arise from time to time as to your right to have a receiver appointed in a mortgage foreclosure of that kind when there is no provision in the mortgage for a receiver.

There is the outstanding case, I think, on the subject, Gilbert against Berry, reported in 180 N. W., page 197. Now there was one of the outstanding cases that first denied the right of a receiver and one of the things entering into that case was the question of homestead. Justice Salinger, then on the supreme bench, wrote a dissenting opinion and I must say at this time that I think Justice Salinger's dissenting opinion is at least better law than the majority of opinions in some of these cases. Now, in that mortgage there was a clause, "A receiver shall be appointed to take possession and charge of the mortgaged premises at once, and to hold possession of same until the debt is fully paid, and until the time of redemption expires, and all rents and profits derived from the mortgaged premises shall be applied on the debt secured by the mortgage." And also in the same contract, the mortgagors "relinquish all our contingent rights in and to said premises, including the right of dower and homestead, to the said grantee." When that reached the supreme court they decided, I believe, for the first time, that that question of homestead in there was important. Now, under our law we have always had, or I understand, that the homestead could not be disposed of. You can mortgage the homestead, you can sell it. Now then, this mortgage is joined in by both husband and wife and so it carries with it the pledging rents and profits both. Now, if I can take away the rents and profits which are pledged isn't it just as reasonable to say you have to make a showing of inadequate security in order to foreclose on 4-40s of 160 instead of 3. Isn't it just as reasonable to say that the 3-40s are worth more than your debt, why include the 4? Now, that is the question that is up to us to consider. Time will not permit me to go into this matter at great length, but just let me call your attention to a case I had some experience in in the southern part of the state where a receiver was named on a default, involving a large farm of 1,100 acres. Eleven days after parties came in and by affidavits and put witnesses on the stand in showing that the land was worth twice as much. The receiver was vacated. Later on after execution sale, there being a deficiency judgment of approximately \$1,400.00, and then a renewal of an application for a receiver on the ground that the property didn't sell for sufficient to pay the debt. The district judge held that the fact that the land had not sold for a sufficient amount to pay the indebtedness was not significant. That reliable men had come in and testified that it was worth twice the indebtedness. This is what happened. It was getting along the middle of March. They boasted that they were going to skin the land and put it all in corn. The result was an application was made for a temporary receiver and a temporary restraining order was issued to prevent their doing this on the ground

that it would be waste and would result in detriment to the ground. In the meantime they compromised and agreed to leave the land in grass and drop the injunction proceeding and likewise the receivership, but that illustrates the question in regard to this receivership. I want to be understood as saying that when those things are provided for in contract they are entirely fair and ought to be reasonably controlled by companies.

There was a case decided on May 6th from Page county. Receiver appointed for 80 acres including a homestead. A receiver was appointed for a tract of land which included a homestead. Whether that would go clear through the piece or whether it will indicate the courts are turning away from what they determine ..... rulings on that, I don't know, but there was a case where a mortgage foreclosure was stated, no question, but that the security was not adequate for the debt. Some place along in the proceeding they got together and the party was going to give up. In fact, they had a public sale and got a job running an oil station and for some reason or other he saw fit to change his mind a few days later and decided to go through with that agreement. The foreclosure was followed up and the court appointed a receiver.

I tried a case in Wapello county involving a large tract of land. They sold this at \$122.50 an acre and took a mortgage back for \$25,000. It had been operated for a number of years as a dairy farm and it traded so fast you couldn't keep up with it and finally came into some hands in Des Moines. I put up a fight on that for a receiver and I got thrown out of court. The difficulty, I noticed in that case, was that man after man was put on the stand, to the extent of six or eight, who testified that the farm was worth \$200 to \$250 an acre, yet not a single one would go on record as saying he would pay \$100 an acre for it, and we put a number of witnesses on the stand who said it didn't have that value, but I could not get a receiver. The people in Des Moines got a tractor and plowed up every piece and today it isn't worth half of what it was five or six years ago, without reference to land booms or anything else. At the present price of clover seed you would spend one-half of its value in trying to sow it in clover.

In the case of Whiteside v. Morris and others, Commercial Savings Bank, of Des Moines, intervenor, 197 Northwestern, Page 56, the mortgage contained with reference to receivership the following provision:

"And if suit is brought to foreclose this mortgage hereby authorize the court to appoint a receiver, for the benefit of the mortgagee, of the rents, issues and profits."

Under the above provision, the court held that the pledging of rents and profits was in case of foreclosure only; that the rights of the mortgagee thereunder did not arise until such action was commenced and that before the bringing of such action, the mortgagor or his assignee could dispose of them without being liable to account to the mortgagee.

I think our courts have generally held this that you don't have any right until you have defaulted and brought an action.

Now, they have a case down here where a banker holds a second mortgage and they have gone ahead and grabbed the rents, not only for this year, but for next. They rented the land for this year and for next and then by the time the first mortgage holder could get into court they wrote to them and told them what they had done and told them to foreclose whenever they

are ready. The people can't get into court till next September and there is two years gone by. I wouldn't be surprised there may be a protest on that case. I think there will be.

I believe some place along the line courts are going to recognize some of your rights of contract.

## "Iowa Not for Sale"

By H. B. Allfree, Newton, Iowa.

"From times known people's minds have always been such that they were not absolutely certain, did not have complete confidence in either their possessions or within themselves. And, we have, everyone of us, often witnessed the case of the man selling his home or his farm and seeking other locations, and then when he had made this search and was honest with himself, how often he has come back and repurchased that which he first sold.

"So it is in this state of Iowa whose area is small, but where its capacity for real accomplishments in the way of production of wealth has no parallel, cannot be compared nor considered in comparison with any other like area in the entire world.

"There is not a farmer living outside of our state who is not envious of the Iowa farmer and his possessions. And, the idea of awakening the people of this state to what we own, to what we have and what we must not part with is the reason I say *Iowa is not for sale.*

"Let us make a careful survey of the conditions now existing in Iowa as pertaining to land values, remembering that one failure does not bankrupt the country, nor one success make everybody successful.

"We are constantly confronted with the statement that land is only worth what it will produce. Is it not true that there is no mathematician, nor accountant who can truthfully make an accurate return of the production of an Iowa farm? Cold facts and figures are wholly inadequate to set forth the real income of our farms.

"The men and women who originally settled Iowa did not come here with their pockets bulging with money. They came here, most of them, with one purpose and that was to establish homes and try to become successful people. Our lands were cheap but no cheaper than today in comparison with our other assets. Have you ever stopped to think what the cost must have been to take this barren, raw prairie and within a period, you might say, of sixty years transform it into what it is now? To build and supply all of the necessary equipment of the very highest type so that every parcel of land in this state functions? And to do this it was necessary to build our towns and build the railroads, and all of this had to be paid for, either directly or indirectly. The state has done it and has done it in the shortest period possible known for such permanency. Then in addition to this, to think of the thousands and thousands of good citizens we have sent elsewhere, not with their pockets empty but supplied with all they would need for the remainder of their lives. All of this coming out and from the soil.

"Our properties, both real and personal, have always advanced in comparison with our general assets. If you should look at the bank deposits of thirty years ago in Iowa, and then each year as they have increased, figure the value of your real property and its advancement you will find that the deposits and prices of land have grown side by side. This is what gives



our properties a quick marketable value. If we had not had the earnings from the soil then we could not have had the assets we now possess, and what one can realize for his property is not wholly always what it will return, but what the abilities are of those who are in that midst to be able to pay for it and who have the ability to buy it. You might own the most valuable piece of property in the world, but if it was located so that nobody else wanted it, if there was nobody in that locality who had any money to pay for it, then its value, even though it possessed a certain intrinsic worth, would not be recognized nor would there be any market for it.

"We school every youth in the state. The boys and girls from the country have crowded our high schools. The cost is enormous but it is the one big thing that causes our high taxes and to which not a single person dare object, because in the end this investment is going to pay a percentage that will make us ashamed of the small amount we really spend.

"There is no way to get away from the fact that the premises in the city of Des Moines at Sixth and Walnut have increased in value in the last thirty years. There has been a gradual increase but when you credit that corner with its income you cannot do so without also crediting the environments which made that increase. There is no way for the premises at Sixth and Walnut to increase without returning to the investor upon that increase a reasonable income, and, the only way it can return that income is for the tenants to pay it. These tenants in one way depend strictly upon the agriculture of Iowa to do it, for if Iowa did not possess its ability to produce wealth what other interests would substantiate, necessitate or establish the cities and towns and the population in the state?

"Anything that has value can be ascertained only from three things: From its past; what the present is and what the future will bring. Up to now we have considered Iowa only as an agricultural state. True, we have made wonderful advancement in other ways but they have never as yet been large enough to be recognized as a general asset, but the time has come when we must so recognize them and the future will bring this more thoroughly to us than we think.

"We have awakened to the possibilities of manufacturing in Iowa. The manufacturers are finding that the towns and cities of our state are the ideal locations for their businesses. This will mean an increased population, more available assets, and a demand for our products at our own doors.

"What an acre of land can produce in Iowa is almost an unknown quantity. It should not be so. We should never hear any talk in Iowa of restricted production or restriction in the commodities which we can raise and grow so much better than any other place in the world. Is it not as great a sin for the state of Iowa to violate itself in preventing the bringing of things into this world to feed her people as it is to violate any of the other commandments? We are superior, not boasting of it. It costs no more in Iowa, broadly speaking, to raise 75 bushels of corn per acre than it does in some countries to raise 20. Therefore, should we hold back and not raise that 75 bushels because our neighboring states cannot produce the same? Should we restrict that raising and fattening of hogs and cattle because we do it better and quicker than it can be

done any place else? Should we not go ahead, should we not do all we can; should we not attain the height of our possibilities instead of trying to conserve or hold back? It may not at all times be beneficial; it may not bring us as great a return, but in the end have we any right in this state of Iowa to restrict that which we fortunately are able to do and which is so greatly needed for the entire world?

"If you could build a structure that would be as good in 200 years from now as it is today, then would there not be a value there that no one has ever yet been able to figure upon such a structure? Our grandfathers, when they came out to this country, told us that our lands, like the lands of New England, would not last, that they would wear out, that they would deteriorate and in the end we would meet the same condition as those farms in the eastern part of the United States had met. This is not the truth. If experience teaches us anything, it teaches us that the land of Iowa is capable of increasing its production and properly handled there is no deterioration therefrom. We say, 'Yes, if intelligently and properly handled,' but is it not a fact that we need have no fear. No one has ever stopped to give proper consideration to the fact that your buildings, that all the structures that you build and all the things that you try to do in an artificial way are only temporary, but the farm lands of Iowa are no temporary matter—they produce year after year.

"The unending, everlasting perpetuality of the soil of this state in furnishing the crops and the yield of these crops increasing instead of decreasing.

"The fine new building of the Equitable Life will in time serve its purpose and be taken away, but not an acre in sight of its tower but what will be producing more than it is today when that time arrives. We have the proper climate, we have the proper rainfall and we need fear nothing. Therefore, with these things in mind why need we fear competition? Why should we not make all competition fear us, and we can and we do. We should have no apologies or explanations to make, and we should make none in our ability to lead the world in producing the things that sustain life.

"Every city man spends a large part of his earnings for a house to live in. It is wholly an outgo and never considered in any other way. Should not the homes on the farms be credited with a like amount and which the farmer has never been allowed to take into consideration? When Iowa is ten years further along with her road building program every available site along these highways will be in as much demand by the people residing in our towns and cities as they are now for homes of the farmers. This alone is going to add and increase the selling value of every acre of property in the entire state.

"We also have the markets at our door. Just think that there flows along our eastern border the water that will carry our products to any part of the world. We could not be better situated as to location.

"Iowa should be absolutely opposed to all restricted immigration. We do not mean by this that we should not hand-pick the people that come here, but knowing that we have the resources here to feed the world, then we should have as many of the world in our midst as it is possible for us to take care of. Furthermore, Iowa itself needs more inhabitants. There is not a county in the state that could not use 1,000 additional farmers. If the Farm Bureau would send its representative to the Northern European countries and let

them spread the propaganda of what can be done in this state it would be one of the greatest moves that could possibly come today. We know that the cry for restricted immigration comes from one source only. It comes from the source that absolutely domineers in its methods. To do this they use all of the jingo about immigration that the average person so much fears. But these people of ours, need they worry if there should come to our country a few wild-eyed radicals? They can neither upturn nor tear down or cause any real disturbance among us.

"We are not always so sure of ourselves anyhow when we talk about immigration and restrictions. We only have one sun shining on this world of ours—each of us enjoys it and maybe it was meant that we should all enjoy and be a part of that which the sun shines on.

"Investments are based upon the return they pay. The greater the security or margin, the lower the income. We have unfortunately had a conflicting policy in regard to our farm lands and their income. There is no one who will not recognize and admit that the safest and the soundest security known is real property, especially Iowa farm lands, where its acres can in no way be destroyed by the elements, but immediately upon admitting this we then try to figure a rate of interest from it that would be figured upon a more hazardous investment. Why does the banker who, with his training, his experience, and machinery of handling money is only able to pay 3 per cent to 4 per cent for the funds and then expect the Iowa farms to be figured upon a higher basis than this?

"The farmers' troubles are often magnified by the publicity that is generally given them, for the reason that the farmer is one individual whose credit can be attacked, whose financial standing can be impaired, but this does not as a rule prohibit him from going ahead with his vocation and doing just the same in depressed times as he would if the opposite was the case. There is no other business that could stand the scrutinizing of its affairs as the farmers business and yet continue. The merchant, the banker and all other businesses have suffered, I think even more so than the farm has, but the circumstances around them has made it so that the owners of these businesses or the ones engaged therein have had to keep a stiff upper lip and keep their affairs from becoming public, for if they did, this business would be at once wiped out. If our farmers could have known the actual facts as to the condition of other businesses during the depressed times, they would have then figured it was a general depression which they nor anyone else would be able to control. The farmers' troubles have been taken advantage of by the politicians and the agitators. Wonder if the politicians of this country and the men who like to work upon the sympathies of different classes of people do not under-estimate the real intelligence that really exists in the average man's head. The intelligence of the farmer as a class is superior and greater than any other class of people. Here in Iowa we have had farmers during these depressed times who have continuously accumulated wealth. They have worked hard, maybe harder than some of their neighbors, maybe they have been more fortunate, but the think that helped them would help their neighbors.

"I know a farmer who in 1914 bought a farm of something over 300 acres and went in debt \$28,000.00 for it. He has confined his efforts almost entirely to the rais-

ing of grain. His farm has produced sufficient so that in that time he has paid off his \$28,000.00 mortgage and he has enough money in the banks at this time to buy another farm and pay cash for it. Of course, he has had exceptional years, but in the high priced period his corn land paid in the neighborhood of \$100.00 per acre per annum return, and on that basis in comparison with present prices it would certainly be paying a most excellent return upon the investment. This farmer may have had exceptional ability, but his soil was no different than that of his neighbors and thousands of other farms in the state and it was its production that paid the debt.

Let us remember one thing which is plain truth: That if these conditions are economically wrong, if the condition of the farmer is not right, then there is only one place that it can be made right and that is on the farm and not in the halls of congress. If agriculture cannot stand alone, then there is no artificial support than can sustain it. If the intelligence of the farmers which they possess had been used in 1920 and 1921 in seeking their own relief on their own premises instead of waiting on politicians to continue to hand them false hopes we would today be in a much better situation. But we are getting along in this state. Have you ridden over it lately? Did you see any dilapidated buildings? Did you see any houses looking like they would tumble over or blow away? Did you find any uncultivated lands, any unkept fences? Did you not find everything in a most prosperous condition? Do you think this could continue to look this way if we had really had for the past five years the depressed times that a few would give us credit of having?

"Do not understand that we do not feel that the manner of deflation was made in a grossly unjust manner. The farmers of the middle west were absolutely treated unfair. I remember in the fall of 1919 of being in the east for some little period and I was constantly reading in the papers there where the mayors of those large eastern cities and the governors of the states were appointing committees to investigate the high cost of living. And the result of those short-sighted eastern people, who could only see the whole matter from one angle, and that was if they had to pay a trifle more for their loaf of bread yet they themselves could not think of taking less for what they were producing and furnishing to the world. But the matter started and once started the ball was hard to stop, and when it was stopped it seemed to have been in the central west where agriculture functions wholly with general business and therefore we were the people who received the blow.

"The only way we can feel in this matter is that the law of average, while it sometimes works slow, yet is generally in the course of time efficient in doing the things that we think will not be done, and if the farmer and the people who depend upon him in the middle west had to meet this deflation, there no doubt is going to come a time and very soon when he will not have to meet a condition which our friends in the east may have to and may have to meet very soon.

"I know down in my own locality of farmers who have paid their mortgages, who have relieved their farms of debt during the time when a part of the people of Iowa were making such a cry for relief. A business man fails and goes under in a financial way and we think nothing of it being one of the instances of life,

but a farmer does not fail that way, in fact, there are very few farmers who ever do fail. They may come to depressed times, they may have adversities come to them, but they keep on and on, and the percentage of success among their class is higher than any other class of people.

"At the present time we have the situation of the present generation or the young man who is starting out for himself who is passing up the farm or farming and seeking a vocation that will seem to bring him more immediate returns. But in periods of depressed times, in our towns, as at Christmas time when we distribute baskets you might say as indirect charity, did you ever know of any baskets being distributed to the farmers of Iowa? Absolutely no—it is unnecessary. If the average city man could have on his table the things that the average farmer has upon his table, he would never be able to be out of debt to his tradesmen. These are the things that a mathematician or an accountant cannot figure when he figures what the income is from a farm. A woman in my office recently told me that she sold in 1923 \$1,180.00 worth of eggs and chickens from their farm. She, with her husband, occupies 80 acres of land. They pay their interest promptly; they are reducing the principal; they are riding in a 1924 car and there are no installments due or coming due upon that car. These are the by-products of an 80-acre farm. Every 80 acres in Iowa is capable of the same results.

"The Iowa Milk Bottle has succeeded the bottle that formerly came from Milwaukee. If you do not think this is true go down through any of the factories where the men are doing real he-man work and see the number of milk bottles that they have beside them and which they use during their working hours. In one factory in my town they use 250 quarts of milk every day, and here is another thing where there should be no restriction. There can be no over-production in dairy products. There never has been and there never will be sufficient as the people's appetites increase for the dairy products.

"We are today awakening to the fact that the principal product of Iowa—corn—has other uses besides fattening hogs and beef. The corn products companies of the country are absorbing our corn and they have just commenced. Within the next few days you are going to see a new market that will have such a great demand for this article that we will be scratching every fence corner and every piece of additional land that we can find to produce it. In producing this corn for the fattening of these hogs and cattle of which we might say we are at the top of the list, if we are able to do this on a higher and more productive basis than any other country, then why should we not have the same ability to handle the marketing of the same? We can, and we will. If just a small part of intelligence that Iowa has furnished to the world in helping settle and bring about adjustments in other world matters could be used in helping form a plan whereby that which Iowa produces can be marketed in a more proper and efficient manner, we certainly would be bringing back to the state of Iowa today enormous sums that we do not now receive. Let nobody scare you about surplus or about South America. That is nothing but tales for those who want to bear our market down. We can compete with them and we can do it on land that sells for \$300.00 per acre. The valuation that the environments have built up around our land in Iowa must not be depreciated.

Everybody the world over has always recognized that valuation except some of us here at home.

"In the past we have had first call upon all of the investment funds of the country; the security of the Iowa farms has been recognized as the very top of the list. One reason for this is the fact that the return from that investment has been almost the full return that came direct from the borrower—the overhead you might say, or the cost of handling the investment of farm loans has been the smallest when figured by the length of time and the amount of any investment in the world, and the losses from those investments has been practically nil, and when you figure that today Iowa borrows a billion dollars upon her farm lands, not because she is in financial trouble but because all strong business is done upon credit and the credit we are able to demand and have in Iowa is the very best.

"We, as a people, are not worrying about any particular piece of legislation. After four years of continuous bunk handed us in regard to artificial legislation we are firmly convinced that we do not want to listen to it any longer. If our markets can be improved let us do it, but we must not spend out time whining and complaining about why there is not something done for us. All we want is to wake up the people of this state to what they have, let them fight for it and let them not forget that we must not let it be taken from us. We are no different today than we were 100 years ago, nor 3,000 years ago. Our minds run in the same way, our habits and manners and methods of living are identical in comparison with those times. Let not yourself be troubled about our habits or about the way we live, and stop preaching what they used to do. There were just as many notes given in proportion to the amount of wealth in the state of Iowa for county rights, of fence building machines and the like 40 years ago as there are notes given today for automobiles. We should be proud that the farmers of Iowa have, and can and do enjoy the things that we are all blest with. The man who buys a Paekard automobile to drive down the streets of his town should not make any complaint about the man who brings his family to town in a Ford. They are both entitled to that which they can obtain and we must quit preaching and talking that we are living a wrong manner. We are not. We are living as we always have and always will.

"The most vital thing about 'Iowa Not for Sale' is the fact that we must not let it go from our hands. Do we realize how much grief and how much sorrow is caused by these talks we make about our neighbors' farms and their property not earning a sufficient return; do you know the injustice we have done to the farmers of Iowa in constantly harping upon the fact that land would not pay a reasonable return, and that hundreds of men have been advised to sell their lands, and then what has been the result? I remember during the land movement a few years ago of a farmer down in my community, owning a splendid farm, well equipped, with only a small mortgage on it, independent you might say, in every way. His farm was a real attractive one and was in demand and he finally asked \$85,000.00 for the quarter section. He sold it then, he realized all of his money. Today he has not a dollar. It is all gone, all because the wise men on the side line told him he could not afford to continue to own it at that price. This is not an isolated case. There are thousands and thousands of them

all over the state of Iowa. There has never been anything that has held money together, held it so as not to be dissipated as real property. If you would take 100 men and present each one of them with \$10,000.00 and tell them they were to use these funds for a period of five years, but they would not be allowed to invest in real property, would it not be an absolute fact that at the end of the five years 95 per cent of them would have lost it completely? Let us remember that safety can only be found in real property. The property that does not burn up, that cannot be destroyed, the property that we have here in Iowa, that things never deteriorate either in the farming of it, handling of it or in the marketing of what it produces.

"*'Iowa not for sale.'* We do not need to sell it. The world wants us to keep it. They want us to keep it because the intelligence of its owners is such that they can bring forth for the world the things that are absolutely needed. And let us men, who deal wholly and directly, you might say, with the farmers who are as well versed in all the matters pertaining to their business as any other class of people in the world, let us bring to the farmer of Iowa this message: Stay on your land, continue to own it. If you do not own a farm buy one and the Farm Mortgage Bankers of Iowa and of the United States are absolutely going to use everything in their power to see that the resources that you need, see that the things you will have to have are furnished you. We know this can be done. We know that when we recommend to the investor your ware that we are recommending to him the things that are very safe security investment market.

"Let us keep constantly in our minds that we have no shop-worn goods to offer; that what we possess and own should not be for sale and that every banker, financial man and the man with money to invest should keep constantly in front of him the fact that the mines may be worked out and the oil wells go dry, but the farm lands of Iowa will neither fail, nor will the elements that protect those lands fail.

"Over to the town that I live in we have lost very few business men or men of affairs from our town in the last twenty years. We tell the outsiders that we have a "Live and Die Club" in Newton. If Newton is good enough to live in, it is good enough to stay in until the end, and I believe that we have the same unanimous opinion about Iowa and let us not change our ideas.

"See Iowa with her rolling prairie—her waving fields of ripening grain—her cattle on a thousand hills—her magnificent citizenship, then 'roam no more—no more is left for mortal eye.'"

#### Will Correct Wrong Thinking

The efforts of the bankers of the country to remedy the lack of public information on economic subjects were revealed recently by Frank W. Simmonds, deputy manager of the American Bankers' Association, in an address before the Idaho Bankers' Association.

"There never was a time when wrong economic thinking was more prevalent than it is today, or when right thinking was more needed," Mr. Simmonds said. "We are again experiencing a wave of mob psychology led by selfish blocs, political charlatans and

economic fakirs, the core of whose propaganda is a confusion of the meaning of money, credit and capital. More than half of our radical propaganda would be spiked if there were a general understanding that capital has a far broader meaning than mere money. Capital consists of factories, farms, railroads, buildings, machinery, tools and brains, and everything that is used to produce things.

"The demagogue ignores the fact that the real capitalists of America are the hundreds of thousands of frugal, thrifty people throughout the length and breadth of our land, owning their own homes, holding small units of stocks and bonds in railroads, industries and public utilities and representing thirty million savings accounts. When people understand that radical attacks are attacks upon their own interests and property, they will eliminate the services of the political charlatan who preaches a belief that business is bad because it is big, when, as a matter of fact, business usually grows big because it is rendering a needed public service and is being conducted along fair lines.

"Economic problems in recent years have outrun the ability of the majority to understand them. Economic education has been neglected, and has fallen twenty-five years behind our industrial development, and this today constitutes a peril unless corrected. The need for better public understanding, through economic education, is a ringing challenge for active leadership and cooperation in cultivating a sound, intelligent public opinion regarding business and governmental processes. With this goal in view, the American Bankers Association has mapped out and is conducting effective educational programs through the American Institute of Banking, the Public Relations Commission and the Public Education Commission.

"The educational arm of the American Bankers Association, the American Institute of Banking, has developed until it now has one hundred sixty chapters with an enrollment of over fifty-five thousand members and with thirty-three thousand junior bank officers and clerks as students. The course provides a practical education combined with a scientific study of economics, banking and finance, and affords training in public speaking so that the students are well prepared successfully to challenge and combat in the public forum, when necessary, the economic fallacies of the demagogue and the political charlatan. The Institute in reality is a university with an enrollment greater than that of Harvard, Yale, Princeton, Cornell, West Point and Annapolis combined."

There is no time in life when books do not influence a man.—Besant.

#### Can Not Rely on European Markets

"For the United States to plan its agricultural future on the assumption that Europe may be induced to buy large quantities of American foodstuffs at higher prices than now prevail would be to build on quicksand." This is the conclusion of the Institute of Economics, based on an exhaustive study of European needs, European purchasing power, and the competition offered by other food-producing countries. The study has been made by Dr. Edwin G. Nourse, a member of the council of the Institute and president of the American Farm Economics Association.

"The limited European market which now confronts the American farmer," says the Institute, "is the result of conditions which were developing even before the war. About the turn of the century American agricultural exports began to decline, owing to a combination of influences. European countries were increasing their own production of foodstuffs, and the competition of Canada, South Africa and Australia for the European markets was increasing. At the same time, the growth of our own domestic market was lessening our exportable surplus.

"The Great War reversed this current for a time. Not only were the European demands for foodstuffs increased, but, in consequence of the shipping problem, the United States became the most available source of supply. In response to the increased demand and to the cry 'food will win the war,' food production was greatly increased. Prices were high and unprecedented prosperity came to our farmers, resulting in the disastrous land boom with which all are familiar.

"When the war ended, it was naively assumed that these war-time demands and war-time prices would continue indefinitely. Immediately following the armistice they did continue for a time, being made possible by additional extensions of credit. This piling up of debts to the United States, however, could not go on forever, and the inevitable collapse came in 1920.

"Today," concludes the Institute, "the pre-war trend of decreasing exports has been renewed in intensified form. Europe's agricultural production is being restored faster than her industry, and, consequently, than the buying power of her cities. And the competition of rival producing areas is keener than ever before. The whole economic tide is against an increase of European demands and high prices for American foodstuffs in the immediate future. The solution of the farmer's ills must therefore be sought in internal readjustments to a changed world situation."

# Iowa as an Insurance Center

Past ten years have witnessed tremendous growth  
in the Iowa insurance business

**I**OWA is a great state. Frank Crane, a noted American lecturer, once said: "If congress were to offer me my choice of any state in the Union, as a reward for my worth and modesty, I should say unhesitatingly, give me Iowa; because Iowa is the most American state in the nation. In that great commonwealth there are few millionaires, few paupers, no scum, no dregs, to speak of. They are just plain United States folks."

Iowa's wealth is staggering. Her farms are worth more than all those of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New Jersey, Delaware, Maryland, West Virginia, South Carolina, Florida, Alabama, Arizona, Utah, Nevada, New Mexico, Montana and Wyoming combined. Her farm buildings are of more value than all those in New Hampshire, Vermont, Rhode Island, Delaware, Florida, Louisiana, Montana, Idaho, Wyoming, Arkansas, New Mexico, Utah, Nevada, Oregon, Washington and West Virginia combined. The increase of the farm land values of the state in the past ten years is greater than the increase in the value of all the farm land in Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Arkansas, Louisiana and Oregon combined. Her annual corn crop is of greater value than the wheat crop of all Canada or the Argentine. In fact, her corn is worth more in money than all the iron ore, or anthracite coal, or petroleum products, or the gold, copper or silver of all the United States. Her swine production is worth more than all the farm crops of any of the eleven mountain and Pacific states, except California. In fact, the swine of Iowa exceed in value all the farm crops of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New Jersey, Maryland, West Virginia, Florida, Delaware, Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, or Oregon.

Iowa has more automobiles per capita than any other state, and yet, the horses of Iowa exceed in value the total farm crops of twenty-seven states. Her women and children sell more eggs every year than would buy all the oranges raised in the United States, in fact, Iowa's hens produce more wealth each year than all of Colorado's mines. We are thought of as a poor apple state, and yet Iowa has more bearing apple trees than any two of the Pacific states. The cattle we market every year are worth

By *Hon. W. R. C. Kendrick*  
*Iowa Insurance Commissioner*



HON. W. R. C. KENDRICK

more than the whole tobacco crop of the United States.

Iowa is seventeenth in population among the states, and twenty-third in area; but she ranks first in total value of farm products, in value of live stock, in value of farm property per farm, in percentage of farm property improved, in percentage of total area in farms, in number of automobiles per thousand of population, in the value of her horses, in the value of her cattle, in the value of her swine, in poultry, in egg production, in farm implements, in tonnage of forage crops, in corn production, in timothy seed and in farm owned telephones.

But the greatest possession of Iowa is not her material wealth, nor her power of producing wealth, though both are stupendous. It lies in her people, in her free institutions, in her growing body of great traditions. She has produced many great men and women; but her greatest wealth is in that fine body of great men and women of whom the world does not hear.

A famous French statesman once visited the United States for his first time, and asked the reception committee to show him the most interesting place in this country. The chairman of that committee replied: "Cross Iowa in the day-

time." To you who are unfamiliar with this great commonwealth, I would highly recommend the same journey. You would find it extremely interesting and a delightful pleasure.

Even though Iowa is important as an agricultural state and has developed from a howling wilderness to the richest state in the nation within the memory of her older citizens, still greater development is yet in prospect, and that lies in the field of insurance. The growth of that industry in this state reads like fiction. From an obscure insurance state a few years ago, Iowa, today, ranks third in the number of home companies.

The enormous development of the insurance business in this state has occurred during the past ten years. It is an interesting fact that the amount of insurance in force of one of the larger Iowa life companies at the end of the year 1922 was considerably more than the amount of insurance of all Iowa life companies at the end of the year 1912. It is also a fact that the total admitted assets of each of two of our larger life companies at the end of 1922 exceed the total admitted assets of all the Iowa life companies ten years previously.

To better illustrate the comparative growth of Iowa companies during said ten years period, I have prepared some schedules covering life companies, assessment life associations, fraternal beneficiary societies, fire companies and casualty companies found on this page.

From these schedules, it will be observed that the legal reserve life insurance written during the year 1922 is 489 per cent of that written during the year 1912. That the premium income of such companies shows a gain of 286 per cent of that in 1912, and that the total income shows a gain of 297 per cent. That the amount paid to policyholders in 1922 shows a gain over the similar item in 1912 of 206 per cent, whereas the total disbursements show a gain of 269 per cent. That the capital stock increased 366 per cent, and the surplus 220 per cent.

It will be further observed that the figures affecting assessment life associations are practically the same in both 1912 and 1922. This is a remarkable showing in view of the fact that ten years ago there were three such associations in Iowa, and now there is only one.

The figures relating to fraternal beneficiary societies disclose an annual situation. While fraternal lost heavily in membership, due to re-rating of most fra-

ternals on an adequate basis, yet a remarkable gain is shown in their assets. During the ten-year period, the insurance in force in Iowa fraternal increased only 13 per cent, whereas the insurance written increased 119 per cent.

As affecting fire companies, it will be observed that their total admitted assets increased from \$7,599,931.71 to \$25,697,845.84. That the net risks in force increased from \$1,237,912,062 to \$3,125,474,607, and the net premiums in force increased from \$9,401,168.22 to \$17,640,644.38.

With reference to casualty companies, it will be noted that the admitted assets increased from \$465,298.19 to \$12,195,856.63; and the net premiums in force increased from \$86,924.82 to \$7,097,183.23.

An examination of the records in my department discloses a further interesting fact. Iowa life companies receive more in premiums from business outside of Iowa than all non-Iowa companies receive from business in this state. The balance in favor of Iowa companies at the end of the year 1922 amounted to \$13,040,356.34. I doubt that this record is excelled by any state west of the Mississippi river, and by few east thereof.

The statutes of Iowa provide that the capital stock of all insurance companies organized in this state and the legal reserve on all life contracts of Iowa companies be invested in a prescribed class of securities and those securities deposited in the insurance department for the protection of all their policyholders. As evidencing the rapid growth of the insurance business in this state, the securities deposited upon the creation of the department on July 1, 1914, amounted to \$56,790,095.38. At the conclusion of the nine-year period, that is, on June 30, 1923, the securities on deposit aggregated \$175,487,662.13; an increase during that period of \$118,697,566.75.

The phenomenal growth of the insurance business in this state has occurred during the most discouraging period of a company's existence—the formative period, when success or failure is in the balance, and the company officials are confronted with handicaps almost insurmountable. Now that the experimental stage is past and the companies are upon a solid financial foundation, there is every reason to believe that the insurance business in Iowa will experience a more rapid growth during the succeeding ten years than occurred in the decade just past.

There are 266 insurance companies in Iowa of which thirty-five are life and 231 other than life. Of these fifty-three have their home office in the city of Des Moines. I am frequently asked: "How do you account for so many large and

LIFE COMPANIES

	1912	1922	Gain
Premium Income .....	\$ 10,307,909.39	\$ 39,753,518.75	\$ 29,445,609.36
Total income .....	12,420,032.32	49,305,284.75	36,885,252.43
Paid to policyholders.....	6,039,690.24	18,506,226.44	12,466,536.20
Total disbursements .....	8,830,491.42	31,740,339.99	22,909,848.57
Ledger assets .....	40,784,298.41	145,160,689.47	104,376,391.06
Admitted assets .....	41,236,273.99	151,873,985.39	110,637,711.40
Reserve liability .....	36,763,748.41	130,145,857.52	93,382,109.11
Liabilities except capital.....	38,216,920.29	141,000,197.19	102,783,276.90
Capital stock .....	825,000.00	3,842,730.00	3,017,730.00
Surplus .....	2,194,331.12	7,031,082.78	4,836,751.66
Insurance in force.....	612,090,413.24	1,435,457,233.44	823,366,820.20
Insurance written .....	58,578,752.27	287,343,211.85	228,764,459.58

IOWA FRATERNAL BENEFICIARY SOCIETIES

	1912	1922	Gain
Assessments received .....	\$ 4,971,347.57	\$ 10,989,394.64	\$ 6,018,067.07
Total income .....	5,252,990.15	12,092,049.39	6,839,059.24
Paid to members.....	3,341,670.33	6,887,854.51	3,536,184.18
Total disbursements .....	4,549,366.64	10,542,352.15	5,992,983.51
Ledger assets .....	4,862,639.57	20,264,041.34	15,401,401.77
Admitted assets .....	5,362,539.09	21,638,309.31	16,275,770.22
Total liabilities .....	877,795.88	11,383,646.20	10,505,850.32
*Insurance in force.....	445,961,900.00	502,481,364.14	56,519,364.14
Insurance written .....	70,508,350.00	154,142,267.38	83,633,917.38

\*During this ten year period, Iowa fraternal were transferring from an inadequate to an adequate rate and lost a large number of old members.

ASSESSMENT LIFE ASSOCIATIONS

	1912	1922	Gain
Assessments received .....	\$ 1,261,475.71	\$ 1,260,514.85	\$ —960.86
Total income .....	1,332,033.54	1,357,869.62	25,836.08
Paid to members.....	475,413.09	498,157.49	22,744.40
Total disbursements .....	1,016,073.27	959,646.59	—56,426.68
Ledger assets .....	1,596,290.69	1,923,671.04	327,380.35
Admitted assets .....	1,469,881.47	1,947,480.81	504,599.34
Liabilities .....	663,926.17	609,669.57	—54,256.60
Insurance in force.....	84,753,000.00	72,896,500.00	—11,856,500.00
Insurance written .....	25,668,000.00	16,683,500.00	—8,984,500.00

\*In 1912 there were three assessment life associations in Iowa. At the end of 1922, there was only one.

FIRE COMPANIES

	1912	1922	Gain
Net prem. assessments and fees.\$	5,141,995.44	\$ 13,918,609.00	\$ 8,776,613.56
Net losses paid.....	2,781,733.35	8,673,897.94	5,892,164.59
Ledger assets .....	8,442,038.68	25,786,036.68	17,343,998.00
Admitted assets .....	7,599,931.71	25,697,845.84	18,097,914.13
Surplus .....	1,798,466.50	8,379,931.41	6,581,464.91
Net risks in force.....	1,273,912,062.00	3,125,474,607.00	1,851,562,545.00
Net premiums in force.....	9,401,168.22	17,640,644.38	8,239,476.16

CASUALTY COMPANIES

	1912	1922	Gain
Net prem. assessments and fees.\$	1,037,742.30	\$ 10,985,554.05	\$ 9,947,811.75
Net losses paid.....	439,006.17	4,898,195.23	4,459,189.06
Ledger assets .....	427,328.48	12,596,282.80	12,168,954.32
Admitted assets .....	465,298.19	12,195,856.63	11,730,558.44
Surplus .....	232,141.16	1,714,565.77	1,482,424.61
Net premiums in force.....	86,924.82	7,097,183.23	7,010,258.41

successful insurance companies in Iowa?"

My answer is:

1. The efficient conservative and honest administration of company officials.
2. The strict insurance laws of Iowa, particularly the law requiring the deposit of securities.
3. The close supervision of the state insurance department.
4. The fact that Iowa is located in the heart of the nation, possesses the most productive soil on the face of the earth, and is the richest state in the Union.

Bank of Winner

At a special meeting of the stockholders of the Bank of Winner, South Dakota, all of the old officers were re-elected for the year. They include: President, R. R. Jones; vice president, T. C. Montgomery; cashier, L. D. Evans; assistant cashier, Albert Scheinost. The following directors were elected: P. O. Beaulieu, Theodore Smook, T. C. Montgomery, L. D. Evans and Robt. R. Jones.

That is a good book which is opened with expectation and closed with profit. —Alcott.

# Why South Dakota Bankers Must "Lay Their Cards on the Table"

By Senator B. F. Myers

McCook County, So. Dak.

IF a bank is fundamentally sound, its affairs in such shape as to justify continued business, if its officers are competent and trustworthy, it should be supported whole-heartedly by its regular patrons, and by such others as are at present without banking connections.

This should be done, not alone for the sake of the bank, though it undoubtedly deserves consideration, but for the sake of ourselves, and for the community, because the bank, and the circulation of money and of credit, are essential under our present economic system.

The time has come, it seems to me, for full coordination of effort. If ever there was a condition that called for co-operation of banker, business man, professional man, farmer, and all individuals, it is now upon us. The farmer and the business man, and all others, must do business through the banker if he would best serve his own interest. The banker must continue to do business in order to survive, no matter how solid the foundation of his business.

But the man doing business with the bank has the right to know that he is doing business with a dependable institution and trustworthy individuals.

The unfortunate condition, and certain unscrupulous persons, have brought about a feeling of distrust that can be, and should be dissolved only by the utmost frankness. Case after case where a distracted banker has kept up the bluff and accepted deposits when he knew nothing short of a miracle would ever again bring the cash to light; case after case where unscrupulous man secured funds by blatant and dishonest protestations of solvency, seem to have made it necessary for the banker who hopes for continued confidence of the

community, to disclose fully the condition of his institution—and prove it.

No longer will a good-looking statement be satisfactory, without proof that the item "loans and discounts" is not a collection of "Cats and Dogs," that "cash and due from banks" does not contain a material amount "due" from a hopelessly involved bank.

In other words, the banker today has to prove his dependability—not proclaim it. To use the terse but expressive language of the streets, the banker has "got to come clean" or "lay the cards on the table."

He must brush aside the conventions and precedents that have long served to shroud the banking business with an air of mystery, and take the community into his confidence. He must do this in order to deserve, or at least, if he hopes to secure the confidence of the community.

It is realized that there will be many objections to this course, the hopeless case will protest in blind desire to hang on, but for the safety of the other bankers and of the public, this bank should be forced by the public, acting for itself, to close, since it seems the public has not been able to depend upon its delegated representatives to close such institutions as long as the bluff can be maintained.

The ordinary run of bankers will object to such frankness or various grounds involved in the traditions of his business, such as reluctance to disclose a customer's transactions, but these qualms, however justifiable under usual conditions, must be swept aside by public necessity.

It would be presumptuous for me to suggest just how this frank understanding between the responsible bank and the public is to be brought about, as this in many instances, as I realize, must depend upon local conditions. However, in many instances a committee might be formed of representative citizens, who command the confidence of the public, to which committee the bank should throw open its books, its note register, and its vaults. This committee could make its report to the community, not in detail but in general terms, and give its recommendation. The solid institution, the one which, with reasonable support will continue to function and to perform its part in readjusting the situation, has nothing to fear from the procedure, if the public, on its side, is fair and considerate and makes its committee truly representative, and not liable to influence or personal feeling, prejudice and passion.

This might be arranged, it occurs to me, by having the community, through its civic and agricultural clubs or organizations or in mass convention, nominate a group of individuals of from two to three times the number that are actually to serve and have the committee selected by the banker from these names. That seems fair enough—that's practical arbitration.

The banker who has something to conceal will still object, but we want to eliminate that fellow from the situation, anyhow.

But, the principal point that must be gotten across is to awaken the public to the fact that it is slowly but surely shutting off its own very breath of life, unless it seeks out the solvent and reliable bank, the dependable bank, and through it restores cash to normal circulation.

## Insurance a Business Asset

Calling attention to the fact that a survey of factories in a certain district revealed that of twenty in existence thirty years ago, twelve had ceased operations during the first five years, 33 per cent of the remainder during the next five years, and that at the end of thirty years but one survived; while the average age of an individual is 56.32 years, C. W. Collins, manager of revenue for the city of Denver, holds that business insurance should be more popular even than life insurance. This for the reason that business men as a class may reasonably be expected to give more considera-

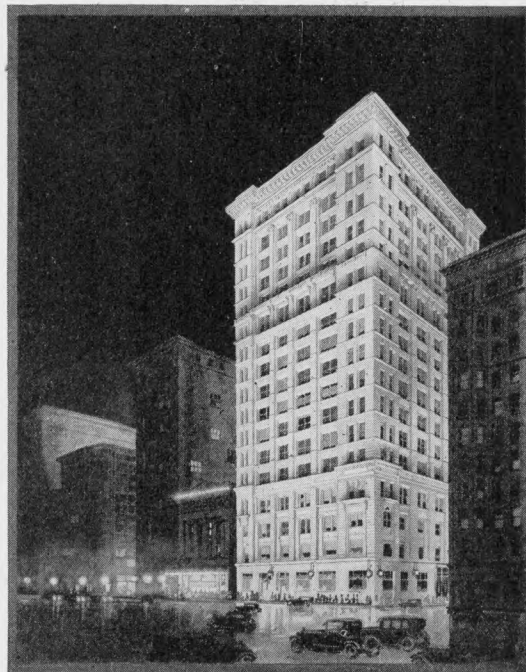
tion to all factors affecting the welfare of their business organizations.

Mr. Collins points out that by means of business insurance loans may be secured at nominal rates in abnormal times. In explanation of this statement, he says that when an insurance policy is taken out on the life of an executive a contract is entered into between the insured and the insurer under which the insurer agrees to loan a specified amount, depending upon the age of the policy, at a given rate, which cannot be changed. This rate is lower than the ordinary commercial rate at any time, yet when the price of money soars to abnormal

heights the same rate prevails. The business man takes his policy to the bank and finds it a preferred collateral. He may encounter business conditions which will make it impossible for him to raise money from any source, but his policy stands as a source of emergency.

Mr. Collins makes the point that if a client of his were contemplating a bond issue and there were few individuals who were responsible for the success of the business, he would strongly recommend insurance policies on the lives of these individuals, as with this additional safeguard he would expect the individual to receive a better price for the bonds.

Union Trust Building—Madison and Dearborn Streets, Chicago



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Correspondent  
Banks—*

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MARVIN HUGHITT, Jr.  
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BENJ. H. MARSHALL  
Marshall & Fox  
GEORGE A. RANNEY  
Vice-Pres. & Treas., International Harvester Company  
GEORGE G. THORP  
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Vice-President, Union Trust Company  
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HARRY A. WHEELER  
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Chairman of the Board, Union Trust Company

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link it with this company's sound insurance.

The name is a direct asset of Standard Life agents.

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Ask Standard Life agents "How is business?" and they will tell you—"Better every day."

Let us help you make "Better Business." Tie up with this forward moving company that has its agents' interest really at heart.

*J. Paisley*  
PRESIDENT

**STANDARD LIFE**  
THE NAME IS FITTING  
**INSURANCE COMPANY**  
ST LOUIS, MISSOURI

Business insurance stabilizes bank credit, Mr. Collins holds, because it stabilizes the stock of the corporation, which often represents the collateral behind the bank loans and also because it indicates conservatism and forethought on the part of the management. A corporation that carries business insurance can safely operate on a small balance in the bank, and in case of immediate temporary demands can put the insurance policy up as collateral, and if the money is required for a longer period the loan from the insurance can replace the bank loan.

Corporations are coming more and more to view business insurance with favor, Mr. Collins says. If the corporation is a closed one conditions may arise in which it will be necessary to raise money promptly or to sell an interest in the corporation, while the death of one of the stockholders may make it necessary to sell his holdings to an outsider. Insurance will provide protection in both of these cases. Where one man dominates the business and is largely responsible for its success, nothing is surer than that the business will be seriously affected upon his death. This being the case, it is vitally necessary that funds be available with which to carry the company through the period of readjustment, possibly reorganization and especially important is it to continue the usual dividends. The continuity of dividends may not only be maintained after the death of the principal executive, but they may also be maintained during periods of depression and loss by carrying an insurance policy on the life of the executive, the loan value of which will be available for this purpose during his life.—From Chicago Journal of Commerce.

#### Resigns at Nemaha

George Strietz has resigned as cashier of the Nemaha State Bank, Nemaha, Iowa, and will locate in California after July 1st. He has been connected with the bank at Nemaha since October, 1919. A new cashier is to be selected at an early date.

#### Installs Radio Market Service

The Farmers National Bank, of Webster City, Iowa, is planning the installation of a radio receiving set for the benefit of their customers in receiving market reports. The reports are to be broadcast by Station WHO, Des Moines, three times each day.

#### Is Elected Cashier

Emil Mack, for the past year assistant cashier of the Petersburg State Bank of Petersburg, Nebraska, has been elected cashier of the Farmers State Bank of Raeville. He succeeds Anton Wolff, who resigned.



# Facts About Insurance Tax Laws

**T**HE revenue act of 1921 provides that the proceeds of life insurance policies paid upon the death of the insured shall not constitute income. Therefore, insurance is not taxable income either to the decedent's estate nor to any beneficiary named in the policy, who receives the insurance upon the death of the insured, nor are the premiums paid on such insurance allowable deductions from the taxpayer's income.

### Business Insurance

Insurance payable to a corporation as proceeds of a policy upon the life of an officer or employe of the company is not taxable income to the corporation, nor are the premiums paid by a taxpayer on an insurance policy on the life of an officer, employe or other individual financially interested in the taxpayer's business, for the purpose of protecting the taxpayer from loss in the event of the death of the officer or employe of the insured, deductible from the taxpayer's gross income. If, however, the taxpayer is in no sense a beneficiary under such a policy, except as he may derive benefit from the increased efficiency of the officer or employe, premiums so paid are allowable deductions.

In either case the proceeds of such policies paid upon the death of the insured may be excluded from the gross income, whether the beneficiary is an individual or a corporation.

### Individual Insurance

Where the proceeds of a policy of insurance are left with the insurance company upon the death of the insured, and thereafter the same is paid to the beneficiary in installments, where the beneficiary has no option to receive the insurance in a lump sum upon the death of the insured, then such installments of insurance are exempt from the provisions of the income tax law and are not taxable income to the beneficiary. If, however, the beneficiary has an option to receive the entire proceeds of insurance in a lump sum upon the death of the insured, then it is considered that the beneficiary is making a loan to the insurance company and all dividends and interest in excess of insurance is taxable income to the beneficiary.

### State Inheritance Tax

All insurance payable to the decedent's estate is subject to the Federal estate tax, and all insurance in excess of \$40,000, procured by the decedent upon his own life, regardless of how payable, is to be included in decedent's gross estate from which there will be allowed a specific exemption of \$50,000.

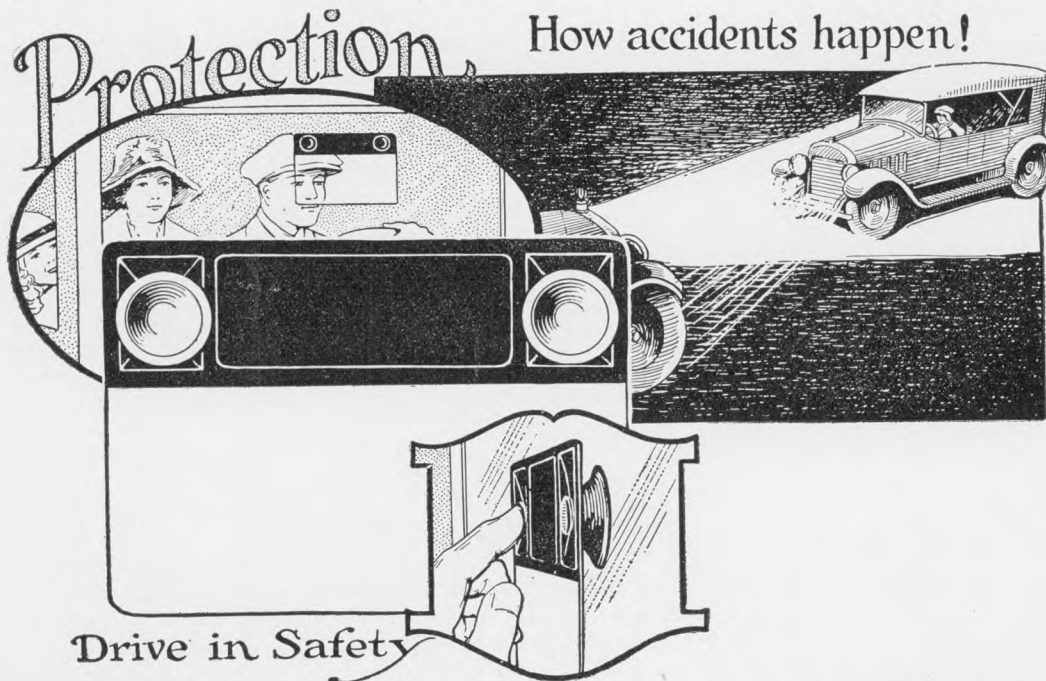
Where insurance is taken out to provide funds to meet decedent's Federal estate tax and other taxes and charges which are enforceable against his estate,

such insurance will be included as a part of the gross estate if there is an obligation legally binding upon the beneficiary to use the proceeds of such insurance in payment of such taxes or charges, and the manner in which the policy is drawn is immaterial.

It is only where the decedent procures the insurance upon his own life that the insurance in excess of \$40,000 will be considered as a part of his gross estate. Insurance is deemed to be taken out by the decedent upon his own life in all cases where he pays the premiums either directly or indirectly, whether or not he makes the application for the insurance. On the other hand, the insurance is not deemed to be taken out by the decedent, even though the application is made by him, where the premiums are actually paid by the beneficiary, who may be either a person or a corporation.

Where the decedent takes out insurance in favor of another person or corporation, as collateral security for a loan or other accommodation, and either directly or indirectly pays the premiums thereon, the insurance must be considered in determining whether there is an excess over \$40,000.

He is rich or poor according to what he is, not according to what he has.—Beecher.



### LOOKING AHEAD

Retaining the good will and friendship of present customers through the service you give means much to your Bank tomorrow.

Making the acquaintance of new

and prospective customers, on it depends the future growth of your Bank.

THE SERVICE GLARE SHIELD illustrated above makes a lot of friends for you and costs but little—it's the best Glare Shield made and

sold at the lowest price of any we know of. Won't you let us quote you in the quantity you can use? On receipt of fifteen cents we shall be glad to send you a sample.

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DES MOINES, IOWA.



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## FIRST TRUST AND SAVINGS BANK: CHICAGO

This experience has developed a highly specialized service in both banks, applicable to the needs of banks and bankers.

Calls and correspondence are invited relative to the facilities afforded for the transaction of domestic and international financial business of every conservative character.

Combined Resources exceed  
\$ 350,000,000.00

JAMES B. FORGAN, Chairman  
Board of Directors of both banks

FRANK O. WETMORE, President  
First National Bank of Chicago

MELVIN A. TRAYLOR, President  
First Trust and Savings Bank

## Personal Paragraphs

**William L. McKee**, formerly vice president of the Ft. Dearborn National Bank of Chicago, who moved to Los Angeles in 1923, has been elected an assistant vice president of the Hellman Commercial Trust and Savings Bank of Los Angeles.

—\$—

**Homer Jacobs**, formerly in the banking business at Mitchell, South Dakota, has been made a federal bank examiner in Texas.

—\$—

**Grant McPherrin**, president of the Central State Bank of Des Moines, was a speaker at a recent meeting of the Des Moines Chamber of Commerce. Mr. McPherrin spoke on business conditions.

—\$—

**Geo. F. Heindel**, of the Phoenix Trust Co., Ottumwa, is a candidate for the presidency of the Farm Mortgage Bankers Association of America, which will hold its annual convention September 16 and 17 in Omaha. Mr. Heindel was selected as a candidate at the regular spring meeting of the Board of Governors in Chicago.

—\$—

**Harry T. Blackburn**, veteran vice president of the Iowa National Bank, Des Moines, has resigned as a member of the Des Moines municipal water board on account of ill health and the press of other duties. Mr. Blackburn was originally named to that position for the purpose of securing "economy" on that board.

—\$—

**J. A. Power**, Leonard, North Dakota, banker, is being endorsed by various banker groups in the northwest to fill the vacancy in the office of the federal reserve agent and chairman of the board of directors, caused by the death of the late John H. Rich.

—\$—

**Ivan O. Hasbrouck**, cashier of the Central State Bank, Des Moines, was recently elected president of the Polk County Bankers Association.

—\$—

**Brigadier General Charles G. Dawes**, chairman of the board, Central Trust Co. of Chicago, Illinois, made an address to post commanders and adjutants from the 700 units of the American Legion in Illinois, at a reunion held at Belleville, Ill., on June 8.

—\$—

**Gould Dietz** has been elected a director of the Omaha National Bank, following his purchase of a large block of stock from George and Mark Woods of Lincoln, Nebraska. Mr. Dietz is asso-

ciated with his brother, C. N. Dietz, in the wholesale and retail lumber business in Omaha and in the Sheridan Coal Company, which operates extensive mines in Wyoming. He has been especially active in civic affairs in Omaha for thirty-five years and during the war was director of the Omaha Chapter of the American Red Cross. He was a delegate to the recent Republican convention at Cleveland and represented Nebraska in the group which brought about the nomination of General Dawes for the vice presidency.

—\$—

**Andrew W. Mellon**, Secretary of the Treasury, headed the list of recipients of honorary degrees awarded at the 170th Commencement of Columbia University. Secretary Mellon received the honorary degree of Doctor of Laws.

—\$—

**E. V. Krick**, national vice president of the American Institute of Banking, is being boomed by California chapters for national president. The election will occur at Baltimore in July.

—\$—

**William A. Burnham**, who has served for a number of years as vice president of the National Shawmut Bank, Boston, has resigned and associated himself with the Boston office of Hayden, Stone & Co. Mr. Burnham enjoyed a month's vacation preliminary to assuming his new duties.

—\$—

**George M. Reynolds**, chairman of the board of the Continental & Commercial National Bank, Chicago, recently spent two weeks at Battle Creek, Mich.

—\$—

**W. Frank McClure**, vice president of Albert Frank & Co., who has been chairman of the advertising council of the Association of Commerce for five years, has resigned in favor of Homer J. Buckley. Mr. McClure founded the council, and at a testimonial luncheon given in his honor at the Hotel La Salle, Chicago, he was presented with a painting and engrossed resolutions.

—\$—

The closing session of the joint convention of the Missouri-Kansas bankers was given nation-wide significance by resolutions offered by Richard S. Hawes of St. Louis. He urged that in voting for legislators, both state and national, hereafter, all party lines be disregarded. The present congress was denounced for "paternalism and for being governed by political expediency alone." Mr. Hawes made a ringing appeal for his motion of adoption and it went over with

## Advertisement No. 2

Written by the cashier of one of our correspondent banks—

# He says:

“On Saturday morning I wired two of our correspondents to purchase \$10,000 in call paper for our account. This morning I received an advice covering the purchase from the ‘Republic’—and a letter from the other bank, explaining that our ‘wire was received too late for business and that the transaction will have our attention on Monday. . . .’ In other words, the ‘Republic’s’ prompt service saved us two day’s interest, and convinces us that when it’s a case of unusual service, it’s usually ‘Republic’ service.”

*But as a real matter of fact, this is not unusual service at the “Republic.”  
It’s “Republic’s” usual service. May we not tell you more about it?*

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 OSCAR H. SWAN . . . . . Vice President  
 WM. C. FREEMAN . . . . . Vice President  
 CHAS. S. MACFERRAN . . . . . Assistant Vice President

LELAND L. HOBBS . . . . . Assistant Vice President  
 ORTON W. BARTLETT . . . . . Assistant Vice President  
 PLATT M. CONRAD . . . . . Assistant Vice President  
 THOS. D. ALLIN . . . . . Assistant Cashier  
 WALTER L. JOHNSON . . . . . Assistant Cashier  
 THOMAS H. O’CONNOR . . . . . Assistant Cashier  
 FRANK H. GAY . . . . . Trust Officer

## An Effective Correspondent



OUR intimate knowledge of conditions prevailing throughout the various sections of our country, gained by frequent visits of officers and representatives, is an asset worthy of consideration by banks contemplating the establishment of a New York connection.

This close understanding of the needs of banks, wherever located, is reflected in the effective cooperation which we are in a position to offer to our correspondents.

Established 1856

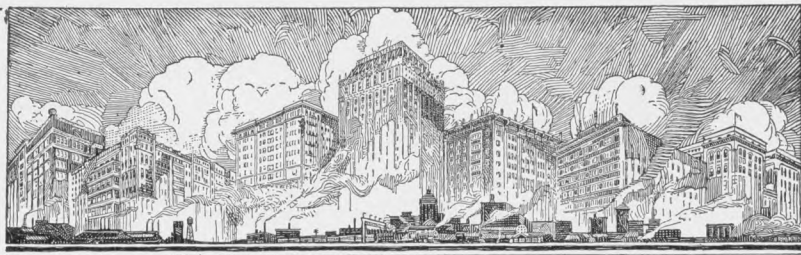
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for Banks and Bankers of the Northwest.

Over fifty years of bank fixture experience, coupled with a large competent and efficient production force, has made possible the completion of thousands of both large and small bank jobs. May we serve you?



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SIOUX FALLS, S. D.  
175 Rooms, 125 With Bath  
Rates: From \$1.50

The Cataract  
SIOUX FALLS, S. D.  
175 Rooms, 100 With Bath  
Rates: From \$1.50

The Fontenelle  
OMAHA, NEB.  
350 Rooms, 350 With Bath  
Rates: \$3 to \$5

Hotel Rome  
OMAHA, NEB.  
250 Rooms, 200 With Bath  
Rates: From \$1.50

The Lincoln  
LINCOLN, NEB.  
250 Rooms, 175 With Bath  
Rates: From \$1.50

The Lincoln  
SCOTTSBLUFF, NEB.  
100 Rooms, 65 With Bath  
Rates: From \$1.50

The Montrose  
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300 Rooms, 250 With Bath  
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::

DES MOINES, IOWA

a whoop. Fully fifteen hundred bankers attended the closing program and the electric amplifiers made it possible for all to hear every spoken work.

—\$—

Edgar L. Mattson, vice president of the Midland National Bank, Minneapolis, Minn., was recently in an automobile accident on a country road near Minneapolis, sustaining slight injuries when the car in which he was riding overturned.

—\$—

John L. Kennedy, president of the United States National Bank, Omaha, was one of the principal speakers at the annual middle west regional convention of the American Institute of Accountants held in Omaha. Economic conditions of the world would greatly benefit if the United States granted her financial and moral assistance to the European nations, Mr. Kennedy pointed out.

—\$—

Lloyd W. Smith, president of Harris, Forbes & Co., New York City, has been elected a director of the Harris Trust & Savings Bank of Chicago.

### Boom Webbles Candidacy

The many friends of E. Webbles, president of the First Iowa State Trust and Savings Bank of Burlington, were much pleased at the assurances given him at the convention of a very large measure of support for president of the Association next year. Mr. Webbles withdrew from the contest this year, announcing that he would be a candidate for president in 1925 and this action certainly seemed to be appreciated by the friends of the Wohlenberg candidacy. Mr. Webbles is eminently qualified for the position, being the successful president of one of the largest banks in Iowa, and he has received promises of support from all sections of the state.

### C. C. Trine Made President

Following thirty-nine years of faithful service, Charles C. Trine, vice president of the Marshalltown State Bank, was recently elected president by the directors, to succeed Albert F. Balch, recently deceased. Directors of the Marshalltown State Bank Building Company also elected Mr. Trine, who has been secretary of that corporation, to be president and fill the vacancy caused by Mr. Balch's death.

Step by step, from office boy, janitor and errand runner, at a salary of \$3.00 a week, Mr. Trine has climbed to the highest office at the disposal of these corporations, through years of continuous, efficient and painstaking service in the employ of the institution.

The vacancy on the board of directors has been filled by the election of Harry W. Jennings, cashier. He is another faithful employe of many years in the institution.

Charles S. Dewey, vice president of the Northern Trust Co., Chicago, has been appointed Assistant Secretary of the Treasury. He is said to be a relative of the late Admiral Dewey. Mr. Dewey is a graduate of Yale, 1904s., and married Miss Suzette Hall of New York in 1905. Fiscal bureaus of the treasury will be under Mr. Dewey's immediate supervi-



CHAS. S. DEWEY

sion. These include the bureaus having to do with the public debt, engraving and printing, the mint and the secret service. Garrard Winston of Chicago, now under-Secretary of the Treasury, formerly was assistant secretary in charge of fiscal bureaus. The place has been vacant since Mr. Winston succeeded to the office formerly held by S. Parker Gilbert.

*U.B. Frifty*

**The cheerful robin comes from a BLUE egg**

Western Advertisers—Omaha

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THE Chemical Bank has a lot of tradition behind it, but no ceremony inside. All you have to do is to walk in and you will find that the officer you want to see is equally anxious to see you.

CHEMICAL BANK CENTENNIAL  
100 YEARS OLD — 100% MODERN

## THE CHEMICAL NATIONAL BANK OF NEW YORK

BROADWAY AT CHAMBERS, FACING CITY HALL  
FIFTH AVENUE OFFICE AT 29TH STREET  
MADISON AVENUE OFFICE AT 46TH STREET

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### THE STATE CENTRAL SAVINGS BANK KEOKUK, IOWA

Capital .....	\$ 200,000.00
Surplus and Undivided Profits .....	329,574.16
Deposits .....	2,803,196.77

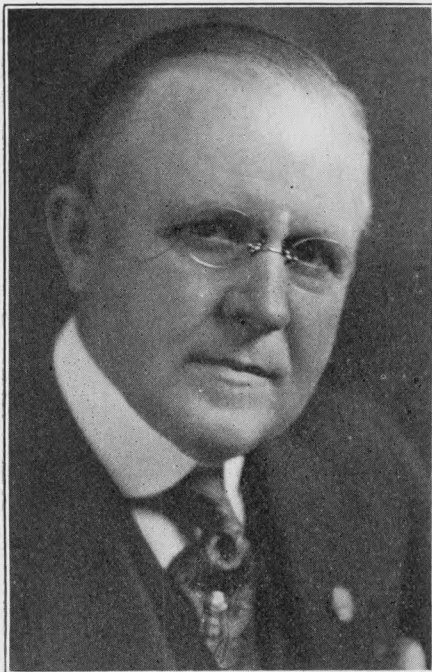
WILLIAM LOGAN, President  
L. J. MONTGOMERY, Vice President ASAPH BUCK, Vice President  
C. J. BODE, Cashier H. T. GRAHAM, Assistant Cashier  
H. BOYDEN BLOOD, Assistant Cashier

:: ACCOUNTS OF BANKS AND BANKERS INVITED ::

## McPherrin May Run for President

During the closing day of the Iowa Bankers Convention it was rumored that Grant McPherrin, President of the Central State Bank of Des Moines would be a candidate for the presidency of the Iowa Bankers Association next year.

Mr. McPherrin is particularly qualified to look after and develop the best interests of all members of the Association, having been a country banker at Clearfield, Iowa, a little later President and principal owner of an outlying bank in Des Moines, and during the past ten years Executive Officer in the Central State Bank in Des Moines.



GRANT C. McPHERRIN  
President, Central State Bank  
Des Moines, Iowa

During the past year he has been Chairman of the Executive Council of the State Bank Section of the American Bankers Association, and has been particularly active in espousing the cause of the independent country bank as Chairman of the Committee of the A. B. A. opposed to Branch Banking.

The country banks of Iowa have probably never faced a more serious ultimate problem than in this fight for their existence, and as a result of the efforts of Mr. McPherrin's Committee, branch banking will probably not continue to grow outside of certain large cities. However, it seems imperative that the fight against branch banking be continued, and that the Iowa Bankers Association be very firmly assertive against branch banking.

Mr. McPherrin's many excellent qualifications as a banker and as an executive

most ably qualify him for the position of president of the Iowa Bankers Association.

### Report of Comptroller

A summary of the returns from 8,115 national banks, March 31, 1924, shows total resources of \$22,062,888,000. This compares with \$22,406,128,000, December 31, 1923, the date of the preceding call, and \$21,612,713,000, April 3, 1923.

Loans and discounts of \$11,952,287,000, March 31, 1924, show an increase since December 31, 1923, of \$75,725,000, and an increase of \$284,328,000, since April 3, 1923.

United States government securities amounted to \$2,494,313,000 March 31, 1924, and show a reduction since December 31, 1923, of \$72,538,000, and a reduction in the year of \$199,894,000, while other miscellaneous bonds and securities to the amount of \$2,511,637,000, were increased \$33,794,000, between December 31, 1923, and March 31, 1924, and show an increase since April 3, 1923, of \$164,722,000.

The capital stock of national banks, March 31, 1924, was \$1,335,572,000, showing an increase since December 31, 1923, of \$9,747,000 and an increase in the year of \$16,428,000. Surplus and undivided profits amounted to \$1,581,268,000, March 31, 1924, and show an increase between the dates of the last two calls, of \$38,930,000, and an increase in the year of \$27,444,000.

### Is Political Candidate

Edward McDonald, president of the First National Bank of Coon Rapids, Iowa, has been nominated on the Democratic ticket for state treasurer.

He was a member of the 32d and 33d General Assembly, Carroll County. He helped to organize the Coon Rapids State Bank in 1892, and changed to national bank in 1900. Mr. McDonald bought out A. Dixon of the First National Bank, Coon Rapids, in 1909 and has been its president ever since.

### Calhoun County Meeting

The annual meeting of the Calhoun County Bankers Association was held at Manson, Iowa, with 120 in attendance.

An excellent banquet supper was served, everybody decorated with a paper hat and sounding a cat-call (forgetting business and all financial difficulties) and enjoying a real time of good bank friendship. The hall was well decorated with red, white and blue streamers and Japanese lanterns. A good program was presented and unanimous vote for all banks to close for the meeting of Group 2 and for all legal holidays was passed. The following officers were elected for the coming year: President, John D. Kolp, Manson; vice-president, John F. Gutz, Pomeroy; sec-

retary-treasurer, Chas. Beacham, Farnhamville. The main address was given by Senator C. F. Kimball of Council Bluffs.

### Dubuque County Bankers Meet

The regular meeting of the Dubuque County Bankers Association was held at the Chamber of Commerce in Dubuque, Iowa, on Tuesday evening, May 6th.

At this meeting the following officers were elected for the ensuing year: H. H. Reeder, president, Epworth Saving Bank, Epworth; Carl Kleinschmidt, vice president, Iowa Trust & Savings, Dubuque; Albert Wharton, secretary-treasurer, Consolidated National, Dubuque. Jos. W. Meyer, cashier of the Consolidated National of Dubuque, was the president of this association during the past two years.

Plans were made to have the bankers of Dubuque county attend the Group meeting at Elkader in a body, making the trip by automobiles. The association is also planning on holding an outing and social session for the members of the association during the coming summer.

### Reorganize at Early

The Citizens State Bank, of Early, Iowa, has been reorganized with the following officers and directors: President, Mathias Reiff; vice president, F. R. Blut; cashier, A. F. Yender; assistant cashier, L. R. Hirons. Other directors are as follows: F. W. Kirkpatrick, John Reiff and Fred C. Brockman. Mr. Yender returns to the position he held once before for a number of years.

### Election at Georgetown

The capital stock of the Georgetown State Bank of Georgetown, Minnesota, has been increased from \$10,000 to \$15,000. Officers of this institution are: H. A. Stein, president; Wm. Messner, vice president; P. A. Stennes, cashier; A. F. Hokanson, assistant cashier.

Art does not represent things falsely, but truly as they appear to mankind.—Ruskin.

No man can escape this vitiating effect of an offense against his own sentiment of right.—Eliot.

Reveal not to a friend every secret that you possess, for how can you tell but what he may some time or other become your enemy?—Saadi.

Calamities that seem insupportable when looked at from a distance, lose half their power if met and resisted with fortitude.—Cooper.

The strength of criticism lies only in the weakness of the thing criticised.—Longfellow.

# IOWA BOND DEALERS SECTION



WALKER HANNA  
President

*The Northwestern Banker Is the Official Publication of  
the Iowa Bond Dealers Association*

### OFFICERS

President.....Walker Hanna, Burlington  
Vice President.....Warren Ferguson, Ottumwa  
Secretary-treasurer.....John Corley, Des Moines

### BOARD OF GOVERNORS

Walker Hanna.....Burlington  
Warren Ferguson.....Ottumwa  
John Corley.....Des Moines  
S. E. Coquillette.....Cedar Rapids  
George M. Bechtel.....Davenport



JOHN CORLEY  
Secretary-Treasurer

## Iowa Bond Dealers Form State Association

THE Iowa Bond Dealers Association is the name of the new organization of Iowa bond firms organized at a banquet held at the Hanford Hotel in Mason City in connection with the thirty-eighth annual meeting of the Iowa Bankers Association.

The purpose of the new organization, as set forth by the constitution and by-laws is "to encourage a spirit of cooperation among Iowa dealers in investment bonds, to foster and maintain standards and ethics, and to otherwise promote the welfare of the profession for the protection of Iowa investors."

Walker Hanna, president of Hanna-Shreves, investment bankers of Burlington, was elected first president of the organization; Warren Ferguson, of the Phoenix Trust Company of Ottumwa, was elected vice president, and John Corley of Polk, Corley and Wheelock, Des Moines, was elected secretary-treasurer.

A special committee presented a constitution and by-laws for the new organization. It was adopted with minor changes and a vote of thanks was extended to the committee that had spent a great deal of time in the past few months drawing up the plans.

The Northwestern Banker was made the official publication of the new organization by a unanimous vote of those attending the convention.

Twenty-seven men representing twelve firms were present at the meeting. Those present were: H. C. Priester, president of Priester, Quail & Cundy of Davenport; W. H. Ferguson of the Phoenix Trust Company, Ottumwa; James A. Cummins of Ringheim Company of Des Moines; S. G. Glaspell, treasurer of

### OFFICERS ELECTED

President, Walker Hanna, Burlington  
Vice President, Warren Ferguson  
Ottumwa  
Secretary-Treasurer, John Corley  
Des Moines

White-Phillips Company, Davenport; C. H. Barber of the Federal Securities Corporation, Chicago; H. A. Dwelle of H. A. Dwelle Company, Mason City; C. T. Simmons of the First Iowa State Trust & Savings Bank of Burlington; R. E. Gamble of A. B. Leach & Company, Chicago; Frank Ward, manager of the bond department of the Iowa Loan & Trust Company, Des Moines; H. B. Eckey of the First National Company of Mason City.

S. E. Coquillette of the Merchants National Bank of Cedar Rapids; Walker Hanna, Hanna-Shreves, Burlington; E. S. Cowgill, First National Company, Mason City; George M. Bechtel of the George M. Bechtel Company, Davenport; J. S. Corley, Polk, Corley and Wheelock, Des Moines; Carl Wackerbarth of Dillon Read & Company; A. R. Bailie, Priester, Quail & Cundy, Davenport; G. H. Bandy, Iowa Loan & Trust Company, Des Moines; F. C. Welch, Peoples Savings Bank, Cedar Rapids; Hanford MacNider, president of the First National Company, Mason City; Charles Cushing, president of Brokaw & Company, Chicago; Maurice Leahy, Brokaw & Company; and Edward J. Kelly, Brokaw & Company.

The Board of Governors of the new organization consists of the officers and two other members. S.E. Coquillette

and George M. Bechtel were elected to serve on this board in addition to the officers elected.

### Open Chicago Branch

The officers of Priester, Quail & Cundy, Inc., Davenport, Iowa, have announced the opening of a Chicago branch office at 29 South La Salle Street. The formal opening took place June 1st. The new office is under the management of T. C. Beyland. The home office will continue to be in Davenport, Iowa, and will take care of the company's business in Iowa, Minnesota and Missouri besides the Tri-Cities. The Chicago office will take care of the company's rapidly expanding business east of here, particularly in the city of Chicago, Illinois, Michigan, Wisconsin and Indiana.

Mr. Beyland is a bond man of long experience and training. During the war he served as first lieutenant in the Railroad Transportation Department both in France and Germany. He began his financial career with Pearsons-Taft Company, Chicago, and later was made manager of the Chicago office of Stanley & Bissell, an eastern bond house.

Priester, Quail & Cundy, Inc., have made an unusual record of growth. Besides participating in the larger general market bond underwritings, they have underwritten a number of bond issues in the Central West. Their specialty has been public utility companies and industrials and their underwritings total many millions of dollars. Among the latter are: The Louis F. Dow Company of St. Paul, the Moline Body Corporation of Moline and Nichols Wire

Sheet & Hardware Company of Davenport and Kansas City. Some of the public utility companies financed by Priester, Quail & Cundy, Inc., are Northeastern Iowa Power Company, Consumers Power Company of Iowa, Western Iowa Power Company, Hawkeye Electric Power Company and the Michigan Public Service Company.

The officers of the company state that they anticipate that rates for investments will probably continue to show a downward trend for the balance of this

year. Large reserves of money will continue to accumulate in eastern financial centers, which condition is normally followed by stronger bond prices and continuing lower interest rates.

Contentment with today's lot makes candidacy for a better lot tomorrow.—Parkhurst.

It is the treating of the commonplace with the feeling of the sublime that gives to art its true power.—Minet.

### Wheelock Joins Polk, Corley & Company

The appointment of Lewis F. Wheelock, well-known investment banker of Des Moines, to the firm of Polk, Corley and Company, and a change of the firm name to Polk, Corley, Wheelock and Company, has been announced by officers of the institution.

Polk, Corley and Company have been in the investment and bond business in Des Moines for some time and, with the new expansion, are now one of the largest institutions in this line of business in the state.



LEWIS F. WHEELOCK

Mr. Wheelock will devote himself to bonds, handling transactions both locally and throughout the state. He is a graduate in law from the State University of Iowa, and was formerly connected with George M. Bechtel, investment banker, of Davenport, Iowa.

Mr. Wheelock had a year's active service in France and Poland during the World War. He was a first lieutenant with the 352nd Infantry for eight months in France, and was a member of the General Haller expedition to Poland for four months.

Polk, Corley, Wheelock and Company are now located in larger quarters on the second floor of the new Equitable building, having recently moved from the Hippee building.

The officers of the company, as given out with the change in name, are: President, Harry H. Polk; vice president, John S. Corley; vice president, Lewis F. Wheelock; secretary, S. M. Lorenz; directors, John S. Corley, Jay N. Darling, J. G. Gamble, B. F. Kauffman, George W. Koss, Harry H. Polk, and L. F. Wheelock.

**THE WHITE-PHILLIPS CO.**  
INVESTMENT BANKERS

<p><b>DUBUQUE, IOWA</b> B. &amp; I. Building</p> <p><b>GEO. WHITE, President</b></p>	<p><b>DES MOINES, IOWA</b> 219 Securities Bldg.</p> <p><b>DAVENPORT, IOWA</b> Putnam Bldg.</p>	<p><b>OMAHA, NEBRASKA</b> 720 Bankers Reserve Life Bldg.</p> <p><b>B. A. PHILLIPS, Vice President</b></p>
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**ANNOUNCING**  
the appointment of  
**Mr. Lewis F. Wheelock**  
to the Firm of Polk, Corley & Co.  
and a change of the Company name to  
**Polk, Corley, Wheelock & Co.**  
*Incorporated*  
Investment Securities

<p>New Offices: 201 Equitable Building Des Moines</p>	<p><b>OFFICERS</b> Harry H. Polk, Pres. John S. Corley, Vice Pres. L. F. Wheelock, Vice Pres. S. M. Lorenz, Secretary</p>	<p><b>DIRECTORS</b> John S. Corley Jay N. Darling J. G. Gamble B. F. Kauffman Geo. W. Koss Harry H. Polk L. F. Wheelock</p>
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**JOHN H. BRENNAN & CO.**  
INVESTMENT BANKERS

30 North La Salle Street  
CHICAGO, ILL.

This house affords its clients the utmost service of a modern and completely equipped Investment Banking Organization.

The bonds offered by us combine the highest possible yield commensurate with safety. An opportunity for wide diversity of investment. Prompt payment of principal and interest. Protection against depreciation in price.

We specialize in underwriting and marketing First Mortgage Bond Issues—secured by income producing Real Estate, in the larger cities throughout the United States; and the First Mortgage Bonds of industrial corporations having established dividend records and ample tangible assets. Our bonds are recognized as a Standard of Safe investment by Banking Institutions, Insurance Companies, Trustees and Executors of Estates.

*Your Correspondence Is Invited*



**Will Feature New Bond Service**

Recognizing the growing trend toward establishment of bond departments generally in banks throughout the country during the past year, the Nathan Advertising Company of Chicago, through its president, Henry Nathan, has announced the inauguration of a new advertising service contemplated to stimulate the sale of bonds and high-grade securities to bank customers.

With the flotation of the various government loans during the World War,



HENRY NATHAN

the numerical figures of bond holders jumped from approximately 300,000 to something like 12,000,000 to 15,000,000.

Mr. Nathan, in a recent interview for the Northwestern Banker, said that in his opinion, "it is only a question of time before a great majority of the banks on the country will have established bond departments. The extensive investigations we have made, covering practically all of the banks in the mid-west states, confirm this opinion.

"Among laymen it is the consensus of opinion that the banker, in addition to being an excellent judge of bonds, is conservative. He has rightly earned this reputation. When he approves of certain bonds, these securities are invariably accepted as good. His knowledge

of investments places him definitely in that class known as financial specialists and as such it is but right and proper that he should play an important role in bond distribution. To me it seems inevitable that he will do so.

"Further, it is evident to observers that those banks operating bond departments progress rapidly. With such departments they more nearly offer a 100 per cent financial service to their patrons. They have their savings and trust departments, their commercial department and safety deposit vaults. Serving often in the capacity of investment counsellors, it is but natural that

they should also function as distributors of bonds.

"As few bankers can devote much time to the development of advertising ideas and the actual preparation of advertising copy, our new bond advertising service will be placed at their disposal. Its purpose is to preach the gospel of bond investment and to promote the sale of bonds for the bank."

There is no great painter, no great workman in any art, but he sees more with a glance of a moment than he could learn by the labor of a thousand hours.—Ruskin.

## Co-operating with Banks

ONE of the most important functions of the modern bank is the buying of bonds, either for its own account or for the account of customers.

To such banks we offer co-operation in its fullest sense—statistical information on all securities, unbiased investment counsel and a wide selection of bonds. We invite inquiry regarding our facilities and offerings.

# BROKAW AND COMPANY

105 South La Salle Street, Chicago

Iowa Representatives:

EDWARD J. KELLY  
MAURICE F. LEAHY



Government      Railroad  
Municipal      Corporation

**BONDS**

FORGAN, GRAY & COMPANY  
Incorporated



Investment Bankers  
105 S. LaSalle Street      Chicago  
Telephone Dearborn 7363

**A Timely Service**

An interesting example of how an up-to-date investment banking house is often of genuine service to investors and taxpayers was noticed recently upon the day following the announcement that President Coolidge had signed the new revenue bill.

Coincident with the news item in the morning papers that the bill had been signed, in the financial pages of leading newspapers in New York, Chicago, Boston and other cities, appeared an announcement that Messrs. A. C. Allyn and Company, Chicago bond house, had available for immediate distribution copies of a booklet giving in full the text

of the new law, together with a digest of the new provisions. Naturally the demand for these booklets proved exceedingly heavy and it was necessary for the Allyn organization to secure not only one, but two additional supplies.

The booklets were printed in anticipation of the president signing the bill and advertisements offering the booklet were sent to various newspapers with instructions to await release by telegram. Therefore, when the announcement came over the wires that the bill had been signed, it was simply a matter of telegraphing the newspapers for release of the advertisement the following day so that those taxpayers who were suffi-

ciently interested, were able to secure a copy of the law as soon as they called for it in the morning.

**IN THE EYES OF THE LAW**

(Continued from page 18)

solute, although not due at the date of the bankruptcy.

Where a bank, holding a note of the bankrupt and also having funds of his on deposit sufficient to satisfy it, paid over the entire fund to the trustee in bankruptcy, through oversight, without first satisfying the note, it was entitled to recover the amount of the note from the trustee in a Court of Equity, without first offering to satisfy the note or bringing it into court for cancellation. If a bank, after the commencement of proceedings in bankruptcy, collects money on drafts deposited with it by the bankrupt before that time, it may apply the money towards the payment of a note of the bankrupt held by it.

Where, on motion of the receiver to compel a bank to turn over a deposit by the bankrupt, the bank claims a right to hold the deposit by way of set-off on claims not yet matured, its right to refuse a check of the depositor or the order of the court as to disposition of the deposits depends on whether a claim of the nature of the one set up is provable against the estate.

A bank will not be allowed to set-off its claim against a deposit made by a bankrupt, where the money was deposited under an agreement that the bankrupt should use it to pay salary and pay-roll checks and for certain other specified purposes. Nor where the bank received a deposit from a customer merely for safe-keeping, the money to be ultimately appropriated for the benefit of his creditors, and the bank knew him to be insolvent.

The mutual account between a bankrupt and his bank of deposit are closed by operation of law at the time when the petition in bankruptcy is filed, and no right of set-off exists in the bank as to deposits made after that time, even though neither party knew of the filing of the petition when the deposit was made.

On the bankruptcy of a bank or banker, a depositor, having a balance to the credit of his deposit account, is entitled to set-off the same against a note on which he is indebted to the bank.

**W. A. Addison Retires**

W. A. Addison, cashier of the First National Bank, Fontanelle, Iowa, has retired from his position on account of ill health. Mr. Addison is succeeded by C. O. Wilkinson, of Paton, Iowa, who has had several years of banking experience.

Mr. Addison has sold his interest in the First National to J. F. Baudler, E. R. Faurote, C. F. Hulbert and George G. Kilburn.

# BONDS

## for July Investment

WHEN your customers ask your advice about their July investments, you will find our current list of high grade and conservative securities including

### MUNICIPAL and CORPORATION BONDS

of great help to you in making your recommendations. These securities yield from

**6.00 to 7.00 Per Cent**

Send for this list today—  
or ask our representative

## Hyney, Emerson & Co.

BANK SERVICE DEPARTMENT

39 South La Salle Street, Chicago

1st Wisconsin Nat'l Bank Bldg.  
MILWAUKEE

118-120 Burdick Arcade  
KALAMAZOO

# Bonds Should Be Investigated After You Invest, as Well as Before

**L**OCKED up in the safety deposit boxes and secret hiding places are thousands of highly engraved pieces of paper known as bonds, prosaic enough in themselves, but in reality pregnant with significance. They have a twofold meaning and are the expression of two different forces. To the owner they may represent a life-time saving, the accumulation of an estate for the protection of dependents, the beneficiaries of an endowment or the investments of a trust fund for the protection and upkeep of associated interests, or they may represent the investment of the surpluses of an insurance company upon which depends the payment of liabilities and losses. This is the static aspect of a bond.

On the other side is its creative aspect. The bond may represent practically any kind of a project or development, for a bond reduced to its simple term is nothing more than a promise to pay—it may be secured or unsecured. Somewhere in its history there has been a dreamer who saw the possibilities of development in the project and started an idea on the road to the creation of a bond. It probably did not occur to him that his idea would ever come to you in the form of a bond to borrow your money.

The average individual has little conception of the intricate and manifold functions of an organization that is engaged in the creation of bonds. Modern bond houses are in reality bond factories, highly departmentalized and organized to render a complete service in finance. In no business extant today is so little left to assumptions and probabilities as in the organization engaged in the creation of bonds. To the individual purchaser or owner of the little piece of engraved paper locked up in the strong box, this probably has little meaning. Millions of dollars have been spent in teaching him that to "Investigate Before You Invest" is the sign post on the road to safety and independence. And yet more recently many established bond houses have told him to place entire trust and confidence in them. This is sound advice as far as it goes, but it does not go far enough.

Relying either upon some advisory agency or the bond house through which he made his purchase, he was convinced that the bond was good, safe and conservative in the judgment of these men, up to the point at which he bought it. He was, in addition, assured that in their opinion it would stay good, safe and conservative within the bounds of reason and subject to the unknown element of risk that is

By *Wm. A. Busch*  
*Wm. A. Busch & Co., St. Louis*

always contingent upon the future. But henceforth the value of the bond does not depend upon the wisdom or sagacity of its creators. It now depends upon the value of the property pledged to secure it. What is going to happen to the property in the next ten years—who is going to

keep it safe and conservative? He has neither the time nor facilities for watching his investment personally.

The property is now in the hands of the individuals who borrowed Mr. Average Citizen's money and upon their skill and wisdom in operation depends the success or failure of his investment. The property may be sold many times within the next ten years; the management may



**M**ORE and more  
local bankers  
are becoming bond  
buyers' counselors.

A man has confidence in his banker's judgment in other financial matters; therefore, it is only natural to refer to him in bond investments. We believe this to be a proper function of a bank.

At all times we are prepared to offer to banks with bond departments a comprehensive list of high grade issues at attractive yields and with a substantial bank concession.

## P. W. CHAPMAN & CO., INC.

116 S. La Salle St.  
CHICAGO

42 Cedar Street  
NEW YORK

P. W. CHAPMAN & CO., INC.,  
116 South La Salle Street,  
Chicago, Illinois.

Please send us your current list of special offerings for banks with bond departments.

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

N

frequently change; fluctuating labor conditions, the peril of strikes, varying material prices, financial crises, and all of the many constantly changing economic factors to which any business is subject, are all having their effect on the bond locked up in the strong box and forgotten. It is when this effect is adverse and when the managers of his investment are unable to successfully cope with changing conditions, that failure results and the piece of engraved paper becomes in reality that, and nothing more. If it does, what recourse has the owner of the bond in the ordinary chain of bond finance?

The question naturally arises, "Is it possible to overcome this element of un-

certainty and is this not a condition beyond the control of man, regardless of how wise or shrewd he may be?" This same question was asked fifty years ago when life insurance first made its general appearance and later again when other various types of insurance were introduced. Simple insurance is nothing more or less than the pooling of many risks to cover the probability of the actual loss to a few. The life insurance actuaries and statisticians know exactly what an individual's probability of living or dying is at any given time. In a like manner students of first mortgage bonds have determined the actual probability of failure in certain classes of mortgage invest-

ments. They have found that this mortality rate on first mortgage bonds is a constant figure over long periods of years and so proceeding in exactly the same way as in the case of simple insurance, they have pooled the risks of many to protect the few. Again parallel to simple insurance—each bond is made to pay an annual premium, which is ordinarily one-half of one per cent. This premium, as in the case of simple insurance, goes into a separate fund which is held in reserve and constantly built up through its premium incomes, so that in the case of the failure of any one risk, there are sufficient funds available from premium incomes to discharge whatever loss may be sustained.

Bonds can now be purchased that, in addition to all of the usual safeguards with which a modern bond factory surrounds its underwritings, carry with them the additional safeguard of an insurance against loss. This takes the form of a guaranty which is secured by the maintenance of a separate trust fund held in an amount sufficient to cover the risk incurred. It is quite necessary, of course, for the guarantors to be thoroughly familiar with the property underlying the security. They are ordinarily vested with rights of supervision, examination and general overseeing of the project as long as there are any bonds outstanding. To protect himself he must exercise a constant watchfulness over the property. Changing managements loses its perils for the bondholder under this sort of scrutiny, for in safeguarding his own interest the guarantor is of necessity safeguarding the bondholder.

Thus while Mr. Average Citizen has been taught the lesson of safety and conservatism and to "Investigate Before He Invests," it is now possible for him to fill his strong box with bonds that are "Investigated After He Invests" as well.

#### George Williams Has New Son

Mr. and Mrs. George Way Williams, of Des Moines, are the parents of a fine new son. Mr. Williams is vice president of the Iowa Loan and Trust Company.

#### Bank Directors Meeting

The directors of the Citizens State Bank, Oakland, Iowa, recently met and reelected the officers who have served the bank for the past term. The unanimous vote expressed the appreciation of the directors for the excellent business in the past year.

A man without character and a type of thought of his own, may appear to be many things, but in reality is little more than nothing.—Sterling.

## A Profitable, Worthwhile Service for Bankers

WHEN your customers talk investments to you, are you forced to answer them abstractedly, or can you make sound recommendations and back them up?

You can, if you are an authorized distributor of our 7% First Mortgage Real Estate Gold Bonds.

These bonds have never lost a dollar in principal or interest for any investor.

They carry full 7% interest, are secured by well-improved,

income-producing city property, may be had in a variety of suitable maturities and denominations (or may be purchased on the partial payment plan) and are always worth 100 cents on the dollar.

They will win friends and new customers for your bank. They will back up your recommendations.

Become an authorized distributor of these Safe 7% Gold Bonds. It is a profitable and worthwhile service.

*Write your name in margin of this ad and mail to us for complete information regarding our bankers' service and full data about these Safe 7% Bonds.*

**ROBERT S. STRAUSS & Co.**  
INCORPORATED

*First Mortgage Investments*

108 So. LaSalle Street  
CHICAGO

Kahl Building  
DAVENPORT

INSURANCE SECTION

How Dubuque Reduced Her Fire Loss by 72 Per Cent in 1923

THE Chamber of Commerce of the city of Dubuque is somewhat proud of the record of achievement made in the 1923 fire waste contest conducted by the Chamber of Commerce of the United States and the National Board of Fire Underwriters. Dubuque was awarded first prize in this contest in the class 3 cities of the United States.

The record submitted by the Dubuque Chamber of Commerce is remarkable. It shows that the total fire loss for the year 1923 was \$57,177.66, and the total number of fires was 411. The remarkable thing about the Dubuque record is the very low annual fire losses for the years 1921, 1922 and 1923. The losses for these years, as well as for the three previous years, are shown in the following record:

1918.....	\$ 89,468.00
1919.....	384,800.00
1920.....	475,147.00
1921.....	56,338.00
1922.....	44,093.00
1923.....	57,177.00

An interesting sidelight on this record is the fact that the radical reduction in fire waste took place coincident with the effective date of the city manager plan of government and the arrival in the city of Joe Fisher as chief of fire department.

The outstanding work done by the fire prevention committee of the Dubuque Chamber of Commerce was the arrangement for thorough and complete inspections of all mercantile property, schools, hospitals and churches. These inspections were made by forty-five members of the Iowa State Fire Prevention Association during Fire Prevention Week. These men spent two days in Dubuque and during this time made 601 inspections and over 13,000 recommendations.

In addition to these activities, talks were made in every school in the city, including the high schools, Columbia College and University of Dubuque.

Every pastor in the city made mention of fire prevention from their pulpits on the first day of Fire Prevention Week.

The Boy Scouts put out 350 posters pertaining to fire prevention in the windows of retail merchants throughout the city and on the bulletin boards of factories and wholesale houses. Newspaper

By *H. M. Van Auken*  
Secretary Dubuque Chamber of Commerce

MR. BANKER!

We are, it is said, a nation of "fire-worshippers." Every day thousands of dollars' worth of property and many lives are sacrificed on the altar of the fire-god. Are you doing anything in your own town to cut down fire loss? Is your chamber of commerce doing anything to minimize the awful loss? Dubuque, Iowa, has accomplished much along this line and the story of the work is given in full on this page.—*Editor's Note.*

publicity given to the program was most generous.

Stories of special interest were carried each day before and during the campaign, and facts and figures telling the appalling losses by fire were kept continually before the public. Nine window displays were arranged by local merchants and these attracted considerable attention and comment.

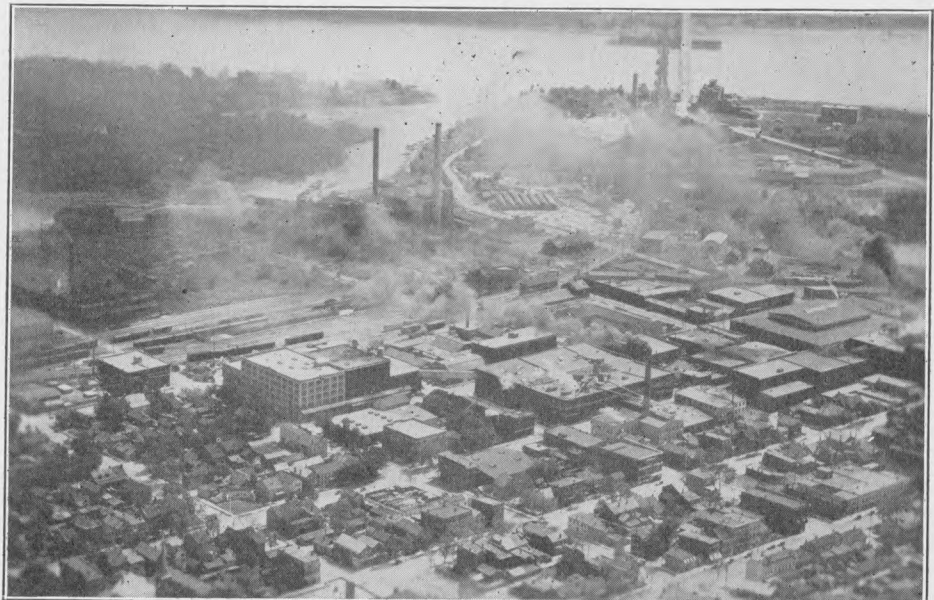
During 1923 the local fire department made 8,029 inspections of mercantile and industrial properties, schools, hospitals and churches. It succeeded in securing 100 per cent cooperation from the public

in carrying out various recommendations. The fire chief and his men are acquainted with the fire hazards of the buildings they inspect and when a fire occurs they are consequently able to fight it more efficiently. The fire department also gave eighty-six lectures and demonstrations during the course of the year. As a result of its arson activities two arrests were made and one conviction secured.

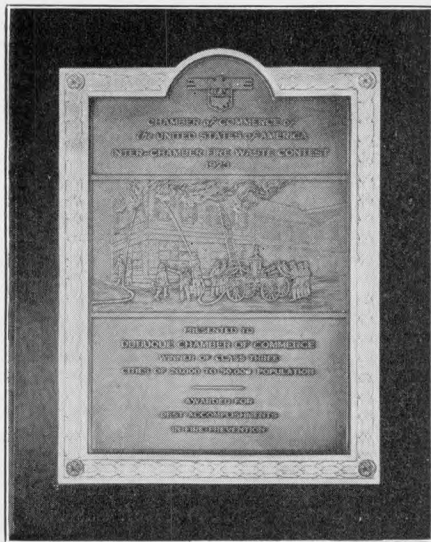
Chief among the year's accomplishments was the laying of new water mains costing \$131,000. A contract was awarded and work advanced on a new artesian well and pumping station including necessary pumps and machinery. Eighty-five new hydrants were installed during 1923. These are equipped with the national standard fire hose thread which has been adopted by the city of Dubuque.

A new fire alarm receiving station was built and modern alarm equipment installed in all fire stations. The wiring of the fire alarm system was placed underground in order that the possibility of interruption of service might be minimized.

Three new fire-resistive schoolhouses were erected during 1923. It is interesting to note that these are the first public buildings in Dubuque to be built of this type of construction. A new building



Birdseye View of Dubuque, Iowa



The plaque won by Dubuque in the Inter-Chamber Fire Waste Contest, put on by the U. S. Chamber of Commerce is reproduced above

code was prepared during the year which went into effect last April. It is said to be complete in respect to covering all fire hazards of building construction. Its provisions will be enforced by an adequate supervisory staff.

Among members of the fire prevention committee most active in the local cam-

paigned were: E. A. Fitz, chairman of the committee; Bishop E. D. Howard, now of Davenport; C. H. Reynolds, F. M. Jaeger, C. B. Trewin, Wm. Kretschmer and F. G. Stevenson.

The trophy awarded to the Dubuque Chamber of Commerce is a beautiful bronze plaque suitably mounted and bearing the following inscription:

Chamber of Commerce of  
The United States of America  
Inter-Chamber Fire Waste Contest  
1923  
Presented to  
Dubuque Chamber of Commerce  
Winner of Class Three  
Cities of 20,000 to 50,000 Population

Awarded for  
Best Accomplishments  
in Fire Prevention

Dressing for dinner is one of the penalties of getting rich.

Friendship, a dear balm,—  
Whose coming is as light and music are  
Mid dissonance and gloom;—a star  
Which moves not mid the moving heavens  
alone;  
A smile among dark frowns; a beloved  
light;  
A solitude, a refuge, a delight.

—Shelley.

### Central Federal Fire Licensed

The Central Federal Fire Insurance Company of Davenport, Iowa, has received its license from the Iowa insurance department. This company, organized by the officers and directors of the Federal Surety Company of the same city, will be separate and distinct from the Federal Surety, the two companies having separate and distinct assets. In other words, there is no pyramiding of assets nor does either company own a dollar's worth of stock in the other company.

The officers of the fire company will be the same as the surety company except that W. L. Taylor is first vice president and general manager. Mr. Pettibone is underwriting manager of the company. He will have the exclusive management of the underwriting. Mr. Taylor will look after the general executive affairs of the company and Clyde C. Smith of Des Moines will look after the field forces.

The fire company starts with a \$200,000 capital paid in and \$100,000 paid in surplus, without one cent of promotion expense. About ten or eleven thousand dollars was spent to get the company ready to start, including all furniture and fixtures, maps, a carload of sup-

## A Strong Officiary and Home Office Departmental Organiza Interests of Its Policyhol

An institution is but the lengthened shadows of the men and women who administer its affairs. The growth and progress of the Royal Union Life Insurance Company are directly attributable to the able executives who form its personnel.

- IRWIN A. KLINE, Assistant to President
- DR. CHARLES M. WHICHER, Medical Director
- WILBUR M. JOHNSON, Vice President and Actuary
- M. R. SCOTT, Associate Actuary
- A. C. SAVAGE, Vice President and Auditor
- R. A. YARCHO, Assistant Auditor
- B. M. KIRKE, Assistant Secretary
- GEO. F. GREENLEE, Assistant Secretary
- H. L. WORSLEY, Cashier
- TED ANTHONY, Agency Vice President  
(Active Supervision West of Mississippi)

A. C. T  
Presi

D. C. COSTELLO  
Secretary

## ROYAL UNION LIFE

Paid to Policyholders.....Over \$ 16,000,000.00  
Insurance in Force.....Over 112,000,000.00

plies, and two or three years' supply of registers.

Mr. Pettibone came to the new company direct from the Great American in New York, where he had been for the past ten or twelve years and for the



W. L. PETTIBONE

past three or four years had been manager of their reinsurance department; a man who has had twenty-five years' experience in the fire insurance business, starting in at Chicago as a map clerk and "going through all the chairs" of the business. He is especially well qualified to take over the management of a company like the Central Federal.

Clyde Smith needs no introduction to the Middle West agents. He has been one of the genial specials in this part of the country for several years. He will have the title of "executive special agent," but with headquarters in Des Moines, where he will also assist the Des Moines branch office in handling the business there.

#### Auto Losses for 1922

If placed in a single line, the automobiles stolen in the United States during 1922 would have extended from New York to Washington. Automobile thefts in the United States have assumed alarming proportions coincident with the rapid increase in motor vehicle registration during the past few years; today there is one automobile in this country for every eight persons. The insurance advisory committee of the Chamber of Commerce of the United States recently completed a detailed investigation of the automobile theft situation. Its findings

and recommendations are incorporated in a report which will be considered by the membership of the national chamber at its annual meeting in Cleveland next month.

The enactment of certification of automobile title laws by the various states is recommended by the committee as an important means of decreasing auto thefts. Fifteen states have adopted this type of legislation since 1919 when the first title law was passed in Virginia. Other states which have adopted similar laws since that time are Colorado, Maryland, Indiana, Michigan, Missouri, Ohio, Utah, Alabama, California, Delaware, Florida, North Carolina, Pennsylvania and Wyoming. The legislatures of several other states are considering the matter this year.

The chief feature of automobile title laws, according to the committee's report, is that the burden of proof regarding ownership is placed upon the possessor of an automobile. In order to register his car for license, the owner must first obtain a title certificate which will show his right to possess the automobile. In the event he sells the machine, the title is assigned and the new certificate recorded by the state. In this respect there is a decided similarity between such certificates and deeds in real estate. Both the deed and the automobile certifi-

## tion Comprise One of a Company's Greatest Assets in the ders and Its Field Staff

The successful experience and qualifications of the men and women listed herein in the various offices and departments they actively direct will continue to assure a strong and progressive management in the interests of this organization.

UCKER  
dent

WILLIAM KOCH  
First Vice Pres. and Field Mgr.

C. E. DAILEY, Assistant Treasurer  
L. E. BUTLER, Asst. Mgr. Mortgage Loan Department  
CARRIE A. VIESER, Manager Policy Department  
GRACE ZEHNER, Manager Claim Department  
SARAH STOLTZ, Manager Medical Department  
E. A. LE VAN, Manager Policy Loan Department  
RALPH J. WATKINS, Manager Conservation Department  
SARAH B. COOPER, Laboratory Technician  
JOE H. BYRNES, Superintendent Supplies and Printing  
W. C. HOFF, Vice President of Agencies  
(Active Supervision East of Mississippi)

## INSURANCE COMPANY

Royal Union Life Building  
DES MOINES, IOWA

cate are evidences of ownership and no legal transfer of property can be made without them. The report stresses the fact that a person would not consider purchasing a house or lot to which he could not secure title. Likewise in states which have automobile title laws, a man would not ordinarily buy an automobile without an accompanying certificate of title.

Incorporated in most of the laws now in force are provisions which tend to prevent the theft of cars, make more difficult the transfer of stolen machines and assist in their recovery. Penalties for violations of these provisions are included in all of the present laws. Some

of these deal with attempts to own, operate, sell or purchase cars without certificate of title. Others pertain to actual thefts and alteration of identification marks. Authority for enforcement is usually vested with the secretary of state, motor vehicle commissioner or other state authority.

The value of uniform legislation of this nature in all states is readily apparent. The committee, therefore, urges that these laws be placed upon the statute books of all states. This legislation should be uniform in principle, contain adequate provisions for enforcement and penalties for violations.

THE DES MOINES  
LIFE AND ANNUITY  
COMPANY

"THE COMPANY OF CO-OPERATION"

## Few Agents Realize—

until they have transacted business with the Des Moines Life & Annuity Company the true meaning of cooperation as commonly applied to the Life Insurance business.

They do not realize what friendly personal cooperation from the home office—which means individual attention to individual agents—means to their working spirit, consequently their production.

After all this IS the reason Des Moines Life & Annuity agents find courage and determination during these times to keep business good—and as a consequence IS good.

Indeed it is the real reason why live progressive agents find the Des Moines Life & Annuity their logical connection.

**J. J. SHAMBAUGH, President**

**DES MOINES LIFE  
AND  
ANNUITY COMPANY  
DES MOINES**

### Resigns as State Agent

Frank M. Pond has resigned as Nebraska state agent of the Alliance, of Philadelphia, and has bought all of the stock of the local agency of G. L. Martini, of Omaha, and will in the future devote his entire time to the affairs of the agency. J. E. Powell, formerly with the Southern Surety, of Des Moines, will be associated with Mr. Pond and will have charge of the casualty end of the business. Mr. Pond was Nebraska state agent for the Fidelity-Phenix for nearly twenty years.

### W. S. Chesbro Dead

W. S. Chesbro, assistant superintendent of the Prudential Life at Davenport, Iowa, died recently following a collapse in an elevator in his office building. Mr. Chesbro was a graduate of the law department of the University of Iowa and was fifty-five years old. He had been in the insurance business for twenty-seven years. Besides a host of friends, a widow and one son are left to mourn his death.

### Ince Elected Assistant Secretary

W. G. Ince has been elected assistant secretary of the Bankers Life Company, of Des Moines, by the board of directors. He is promoted from the position of home office cashier and is the ranking veteran of the office force.

### Will Enter Texas

Secretary L. J. Daugherty, of the Guaranty Life Insurance Co., has been notified that the company was granted a license to enter the life insurance business in Texas. Life insurance companies in general have found Texas to be a good state for operation, because of the large production of new business and the low mortality rate. For this reason the officials of the company are pleased to be able to extend their field to the southern state. The Texas territory will be divided into four districts and district managers will be appointed in a short time.

### Publish Pepper Box

The Farmers National Life Insurance Company has recently recommenced publication of its weekly called the "Pepper Box," which is devoted to the interests of its agency force. The paper was published in former years, but discontinued for a few months because of lack of an editor. Paul Y. Willett, of the conservation of the company, has recently been appointed assistant to the agency director and editor of the "Pepper Box" and publication has again been resumed.

In the adversity of our best friends we always find something which is not wholly displeasing to us.—La Rochefoucauld.



### Large Number of Insurance Policies

There has been a marked increase during the last ten years in the number of larger life insurance policies written. In May, 1914, the Equitable Life, of New York, averaged only twenty cases a week for \$25,000 or more, while during the last month an average of more than eighty such cases a week were recorded. So far this year there have been numerous policies written, running from \$30,000 to \$300,000, while ten years ago comparatively few applicants for more than \$25,000 each were received. Those who have given the subject considerable thought assert that there still is a big need for life insurance policies proportionate to incomes, in view of the fact that the estimated annual income of Americans is \$60,000,000,000. The total amount of insurance in force, including ordinary and industrial, is \$56,903,000,000.

### Agents Celebrate Stevens' Birthday

In honor of J. W. Stevens, founder and for many years resident of the Illinois Life and now chairman of the board, the agents of the company put on a special drive for business on his recent birthday. They broke all former records, with a total of 452 applications for \$11,371,500 of insurance, as compared with 409 applications on the same occasion last year, for \$1,336,160 of insurance, the greatest number of applications for the largest amount of insurance ever before received at the home office of the company in a single day up to that time. The average of the policies written during the drive this year was \$3,033, as against \$3,266 in 1923.

### Goes with National Life

D. F. Caldwell, field superintendent in the Middle West for the National Fidelity Life, of Kansas City, has been appointed supervisor for the National Life, U. S. A., for the greater part of Iowa, with headquarters in Des Moines.

### Bank Urges Life Insurance

In a letter to the borrowing customers of the bank, W. C. Carr, vice president of the Second National Bank, of Toledo, Ohio, urges them to carry sufficient life insurance to at least meet all their obligations. This for the reason, he points out, that in the event of sudden misfortune the insurance company will step in and pay their debts, while their families would have the protection of whatever other assets there were. With the statement that he believes it good banking and sound advice, Mr. Carr emphasizes the need for borrowing customers to take out enough life insurance to meet all their obligations while they are in the proper physical condition to obtain it.



## Select As the Logical Life Insurance Connection

One of the

*Oldest—Largest—Strongest—Most Reliable*

Organized in

"The Civil War Period"

1862

Harry S. Haskins, State Agent  
701-703 Hippee Building  
Des Moines, Iowa

## Salary Continuance Policy

### OFFICERS

E. M. SEARLE, Jr.  
President

H. E. WORRELL  
Sec.-Treas.

Pays fifty dollars, one hundred dollars, one hundred fifty dollars, or two hundred dollars a month (first payment immediately upon receipt of proofs of the death of the insured) and continues the payment of like amount for stated periods of from six months up to twenty years.

Ask us more about it.

## Omaha Life Insurance Company

OMAHA, NEBRASKA

## Your Insurance Connections

—you want to receive and give the same service in selling life insurance—the kind of service in keeping with your banking standards.

The North American National Life affords you such a connection. We will welcome the opportunity to place the facts in your hands and let you judge for yourself.

*The North American National Life*  
INSURANCE COMPANY

**STRONG AS THE STRONGEST**

OMAHA,

NEBRASKA.



## What Are You Worth to Yourself?

Would you insure the contents of your vault for one-fifth of the amount you might lose and consider it economy?

Or your \$50,000 building against fire at \$5,000 and feel that you were saving money?

Or your \$3,500 car for \$500?

Then how about yourself and that most valuable asset—your time?

We do not have to pay you ten or fifteen dollars every time you cut a finger or have a cold to prove the value of good disability insurance.

Good insurance costs money. Real insurance against sickness, regardless of house confinement, would cost less if sensible people would insure for larger amounts. First, enough to cover the expense of a short illness, including surgical operations, doubling the amount after two weeks, doubling again after four weeks, and again after three months, so that in case of a real physical breakdown, there will be guaranteed a definite income.

If this proposition appeals to your good common sense, write your name, age, occupation, and address on the margin of this advertisement, mail it to us, and a proposition will be submitted to you in writing.

Nearly Thirty Years in Business. Largest Disability Premium Income in Iowa.

# BANKERS ACCIDENT INSURANCE CO.

DES MOINES

F. L. Miner, Pres., E. C. Budlong, V. P.  
J. A. Kizer, Sec'y

"You can bank on the Bankers"

We have an agency proposition for banks that will interest you.

**Think!**  
**Mr.  
Banker:**



—here is  
*greater financial return  
for you—with one of  
America's Strongest  
Insurance Companies—*

Far-seeing bankers are associating with life insurance—in this company, one of the strongest, most progressive old line companies in the West.

They have built up a greater financial return and a more interesting and substantial business than in their past endeavor. This is the actual, outstanding experience represented by the figures of their achievement.

To you—we offer the same opportunity! Become our representative! Sell insurance in your own community or elsewhere! We will help you find business, close business and develop your agency. You will build up an unlimited income! We want men who can earn \$15,000 to \$20,000 per year.

We are one of the dominant old line life insurance companies in the West. Our policies in force total more than \$125,000,000. Our ratio of assets to liabilities is one of the highest, and our percentage of rejections is one of the lowest, found anywhere! We have policies with new selling features and settlement provisions, not yet issued by any other company.

We will maintain a deposit in your bank.

Write to us immediately, *now!* We will hold your correspondence in the strictest confidence.

Address A. L., care of this paper.

### Add New Territory

For convenience in handling the John Hancock Mutual Life's business in Kansas, the eight counties in the eastern part of the state adjacent to Kansas City, Missouri, have been added to the territory covered by general agent John H. Flora.

The eight counties referred to are as follows: Brown, Doniphan, Atchison, Jefferson, Leavenworth, Wyandotte, Douglas and Johnson.

### Bankers Take Action

At the convention of the seventh district of the South Dakota Bankers' Association, comprising the northwestern part of the state, held at Mobridge, S. D., a resolution was passed that the bankers of that group should encourage the writing of life insurance only for companies that are willing to invest a portion of their surplus in farm mortgages from that section of South Dakota.

### Mutual Life's Field Club Meeting

The annual meeting of the \$250,000 Field Club of the Mutual Life, of New York, will be held July 18th and 19th at the Ambassador Hotel in Los Angeles immediately preceding the annual meeting of the National Association of Life Underwriters. At this meeting each member who has qualified ten times for the club will receive a medal in the form of a ten-pointed star to commemorate this distinction.

### Is Made General Agent

George C. Mauss, associated with the Des Moines agency of the John Hancock Mutual Life, has been promoted to be general agent of the company, with headquarters at Wichita, Kansas. Mr. Mauss has had charge of agents in Iowa for the last four years.

### New Boone Agent

Robert Marshall, who has been salesman for the Boone Coal Co., has entered the insurance business at Boone, Iowa, taking the local agency for the Massachusetts Mutual Life. Mr. Marshall, who has a large acquaintance in this city and county, has opened his office in the room of the Boone Coal Co. on Eighth street.

### Will Extend Loans in Dakota

The Equitable Life, of New York, has just put into effect its home purchase plan, which enables owners of homes and prospective home owners to borrow money at a very low rate of interest in connection with life insurance plan, in North Dakota, and is making such contracts through both the Fargo and Grand Forks offices.

Custom reconciles to everything.—  
Burke.

**Celebration Held**

The Northwestern National Life held a three-day convention in June of 1924 to celebrate the passing of the \$200,000,000 mark in insurance in force, which is expected early next year. A business session was held at the home office, with an adjournment to one of the Minnesota lakes. The retirement was \$125,000 of direct personal paid-for business written during the year ending May 1, 1924, and paid for before June 1, 1924. The company paid the railroad and sleeping car fares of the agent, with his entertainment at the convention.

**New Medical Director**

At the annual meeting of the Manhattan Life, G. Holbrook Barber, M. D., was appointed medical director and F. Taylor Emery, M. D., was appointed consulting medical director.

**Talk by John G. McHugh**

John G. McHugh, secretary of the Chamber of Commerce and member of the Chamber of Commerce of the United States, was the speaker of the day at the last monthly meeting of the Minneapolis Life Underwriters' Association held at the Radisson Hotel.

Mr. McHugh recently returned from the meeting of the national organization at Cleveland. In his address he explained that part of their work was the adoption of a code of ethics which he likened to that of the Minneapolis Association, whose standard, he said, was as high as any.

**Honor New Officials**

June was designated "Paisley Month" and September is to be "Whitfield Month" for the International Life, of St. Louis, and will give the field men an opportunity to pay tribute to their new company executives. The Standard Life, controlled by the same interests, previously had set June aside as "Paisley Month" and September as "Whitfield Month."

**Great Northern's Gain**

The Great Northern Life, of Chicago, for the first four months of 1924 had issued business amounting to \$2,500,000, bringing the total business in force as of April 30th to \$21,250,000, a net increase over business in force since December 31, 1923, of \$1,400,000.

**New Agency Director**

Chester I. Dale, for several years agency director of the International Life, of St. Louis, Mo., has gone with the Lincoln National Life Insurance Company as agency director and will work directly out of the home office at Fort Wayne, Indiana.

**DIRECTORS**

James P. Hewitt  
E. T. Meredith  
Clyde E. Brenton  
Harry F. Gross  
M. L. McCoy

James P. Hewitt, Pres.  
E. S. Kinney, Secy.

**National Life Association**

Home Office  
DES MOINES  
IOWA

**DO YOU REALIZE**

that the National Life

**Doubled Its Assets**

during the last four years?

A FACT indicating the progressive and substantial character of this Des Moines company—and of interest to every thinking banker.

Business in Force \$82,000,000.00

**Save 30%****On Your Automobile Insurance**

You can save 30 per cent on your Automobile Insurance by placing it with these companies.

We write—

*Automobile Liability and Property Damage.*  
*Automobile Fire and Theft.*  
*Automobile Plate Glass.*

—also General Plate Glass Insurance.

Thousands of policyholders can tell you of the savings we have made possible for them—and of the unqualifiedly square treatment they have received.

As a banker you should take advantage of the 30% savings.

As a bank you can safely recommend this insurance—and this company.

—And then—why not "cash in" on the popularity of these companies through your Insurance Department.

*Write us about our rates and  
our banks agency proposition.*

**Iowa Mutual Liability Insurance Co.**

**Iowa Automobile Mutual Insurance Co.**

J. W. LOVELLETTE

*Secretary—General Manager*

**CEDAR RAPIDS, IOWA**

**D**URING eighteen years of Western Life's successful progress the most valued asset accumulated in its business is the Non-Ledger Asset of Public Confidence and Approval.

The financial assets speak for themselves and are the accumulation of trust funds held for the benefit of Policyholders and Beneficiaries to be distributed at the maturity of the Policy Contract.

The asset of Public Confidence and Approval is less concrete than the assets in the financial statements but nevertheless is most apparent whenever reference is made to Western Life.

A disposition to render a real service and develop a family of satisfied Policyholders has resulted in a steady development of Western Life as an institution of service to the people of the West.



"Out of the West Comes the Best"

## Among Bankers

You will find the Iowa National Fire Insurance Company of Des Moines, occupies an enviable position.

Its standards of operation, agency practice and co-operation with its policyholders makes it a company that bankers like to recommend to their clients.

Iowa National banker agents know that their company is backed, financed and managed by reliable, successful business men.

A successful banker should pick out a successful Fire Insurance Company to recommend to his clients. That's one of the reasons for the Iowa National popularity and success.

FRANK L. MINER  
President

C. M. SPENCER  
Vice President and Secretary

C. S. VANCE  
Vice. Pres. & Underwriting Mgr.

**Iowa National Fire Insurance Company**  
DES MOINES, IOWA

### Sioux City Change

Chris Berthelsen and Fritz Borman have purchased the A. A. Ellerd Insurance Agency at Sioux City, Iowa. The new firm will represent the Aetna Life and affiliated companies as general agents and will be known as the Berthelsen and Borman Insurance Agency. Mr. Berthelsen has been engaged in the insurance business in Sioux City for more than five years and Mr. Borman has been a special agent for the Ellerd Agency since the end of the war.

### Escape Earthquake Loss

The Japanese earthquake and fire caused a profound shock to the insurance community late last year as demonstrating the hazards of the business in territory within seismic zones, though American companies were practically unaffected by the resultant losses. Through the medium of the American Foreign Insurance Association, the Continental and Home have been doing business in Japan for a short time, but all policies carried a strong earthquake clause which eliminated any possibility of loss. An inconsequential loss only was sustained by some American companies which were caught on reinsurance under marine contracts.

### Iowa Agents Convention

The date for the annual convention of the Iowa Association of Local Agents has been set. Guy W. Andrews, president of the association having announced September 23d-24th as the time for the two-day session at Sioux City. Convention headquarters will be in the West Hotel. The date was selected in order that the officers of the association may have an opportunity to attend the national association convention in Milwaukee the first week in September.

### Iowa Blue Goose Splash

R. P. Osier, wielder of the goose quill of the Iowa Blue Goose, announces the Iowa field men's midsummer meeting will be held at the Manhattan Hotel, Lake Okoboji, July 17th-18th. The program will be issued soon. In the meantime field men are urged to make reservations at the Manhattan, because the meeting is held at a time when the hotel accommodations at Lake Okoboji are hard to secure.

### Joins "Hole in One" Club

Clarence A. Lay, general agent at Davenport for the Guardian Life Insurance Co., joined the local "hole in one" club when he made the twelfth hole at the Credit Island course in one stroke. The distance on this hole is 115 yards.

### Itinerary for Commissioners Convention

The National Convention of Insurance Commissioners has completed its itiner-

ary for its meeting at Seattle, July 28th-August 1st. The eastern delegation will go by way of Toronto to Winnipeg. Those from the Middle West and South will join them there and leave Winnipeg July 19th, with stops at Calgary, Lake Louise, Banff and other points, reaching Seattle on the evening of July 27th. The party will leave Seattle August 2d, with visits at Portland, Spokane and Butte, and will arrive at St. Paul August 7th.

**Buy Out Creston Agency**

A deal was completed recently whereby J. G. Hadley and H. T. Schoon became owners of the E. Goodman real estate and insurance business in Iowa. Mr. Hadley has been in the real estate business in Afton for a number of years and Mr. Schoon was assistant cashier in the Afton State Savings Bank. They will go under the name of Hadley and Schoon.

**New Grinnell Agent**

Rev. W. B. Wilson, of Grinnell, Iowa, has secured a contract to represent the Massachusetts Mutual Life Insurance Company in Poweshiek, Iowa, and Tama counties. A number of agents will be appointed in this field, and Mr. Wilson will have supervision of the district.

Mr. Wilson will be associated with the Davenport district, of which Mr. Carl LeBuhn is general agent. The Davenport agency has been operating for ten years, and now has over \$16,000,000 insurance in force in the east half of Iowa and western Illinois.

**Form State Association**

An advisory committee of life underwriters, which will cooperate with the home associations in promoting activities advantageous to policyholders, was the outcome of a conference of life insurance men at Des Moines.

The committee at present has sixteen members, two from each of eight local associations. J. Frank Yost, of Des Moines, is chairman of the body and Frank McDevitt, also of Des Moines, secretary and treasurer. A new member will be elected from each of the local associations yearly.

**Will Write Group Insurance**

Vice President Robert K. Eaton, of the John Hancock Mutual Life, of Boston, in a notice to agents informs that the company is now writing group insurance in accordance with the announcement made at the last annual meeting, having prepared and issued a special policy contract for this purpose. Mr. Eaton also announces that the group department is being organized at the home office with Charles F. Glueck as manager, and that assistance will be rendered by



**Have You Created a "Barrier" to Future Sales?**

How many applicants have you had rejected as unfit? Each of these rejected applicants, simply because he prizes life insurance all the more highly through being rejected, is a "Barrier" to your future sales. For, to conceal his own defects, he ridicules the idea of insurance to his friends, thereby injuring your solicitation.

Why make your soliciting harder? Medical Life has a policy for these impaired prospects—a very liberal policy at attractive rates. Add Medical Life's unusual facilities—Standard, Sub-standard and Child's Endowment policies—to your sales equipment. Make all of your sales efforts pay returns.

Detailed information about this money-making agency proposition forwarded upon request.

*The "Life Insurance for Everyone."*  
**MEDICAL LIFE**  
 INSURANCE COMPANY OF AMERICA  
 WATERLOO IOWA

I. G. LONDERGAN, Vice President & Gen'l Mgr.

E. E. BROWN, Agency Supervisor

**NORTHWESTERN**  
**LIFE INSURANCE COMPANY**  
 DOUGLAS AND SEVENTEENTH OMAHA, NEBRASKA

**Opportunity in Iowa**

Having recently entered Iowa we have some exceptional opportunities for

**General Agents—or Agents**

We offer—Prosperous Territory—Real Cooperation and Nonforfeitable Renewals

*You should write us NOW*

**Clyde G. Smith**  
 PRESIDENT

**The Integrity of Ideals**



"First—We believe that The Lincoln National Life, in order to have the right to succeed, must be of real service to its clients, and that any unusual success must result from unusual service rendered.

"Second—That real service consists of issuing safe protection to the greatest possible proportion of applicants at the lowest possible premium."

A building program founded on the bed rock of service.

This same spirit of service in real and generous measure awaits those who

**LINK UP WITH THE LINCOLN**

**The Lincoln National Life Insurance Company**

"Its Name Indicates Its Character"

Lincoln Life Building

Fort Wayne, Indiana

Now More Than \$300,000,000 in Force.

OLD LINE  
**GUARANTY**  
*Life-Insurance-Company*



DAVENPORT --- IOWA

## Are You Looking for This?

**I**F YOU are seeking a company whose chief aim is to keep each one of its agents satisfied and help them to become really big producers, doing so by its hearty cooperation;

And a company that strives to give policy-holders every possible advantage, and is financially strong and capable enough to do so—then you are looking for the GUARANTY LIFE.

In all of these the GUARANTY LIFE is the kind of company every agent is seeking. Strong, progressive, growing rapidly—the GUARANTY LIFE offers a number of progressive men an excellent opportunity—everything that means success.

And—if you are an agent of ability, the GUARANTY LIFE is looking for you. Let's get better acquainted—now!

**L. J. DOUGHERTY, Secretary-Gen. Manager**

### One Great Virtue of Insurance Lies in the Peace of Mind It Gives

But the accounting day will come. Select carefully, then, the company you recommend that neither you nor your patrons may be disappointed.

*The test is in the Claim Settlements.  
We BANK on ours and so may you.*

CHOOSE THE GREAT WESTERN—IT'S GOOD

**Great Western Insurance Company**  
DES MOINES, IOWA

this department to the field in the writing of this class of insurance.

The John Hancock rates are similar to those of participating companies writing group insurance. The provisions of the contract are liberal in every respect, and the company will give its usual excellent service to the group policyholders.

The company is prepared to write the group insurance on both the non-contributory and the contributory plan. In the former plan the employer pays the whole premium, and in the latter case a portion of the premium. Arrangements are made to have the policies continued by the employe in case he terminates his service. Policies will be issued in amounts varying from \$500 to \$5,000 maximum on each employe.

#### Buying Money by Simply Paying Interest

By Ralph A. Tracy,  
Supervisor of Agents

The following selling talk can be used in approaching the banker and business man on life insurance.

I had a very pleasant interview with a prominent banker in Georgia. I asked him if it were not true that most of his customers found it easier to pay interest than to repay the principal.

He gave me a searching look over his glasses and proceeded to explain to me that he could lend all the money the government could mint if he could tell the borrowers that they could keep it just as long as they kept the interest paid. I pulled up my chair a little closed and confidentially asked him if he would pay the interest at three per cent per annum on \$25,000 if we would deliver the principal sum to his bank immediately upon the death of his cashier. He saw the point and signed for \$25,000.

It presents the subject of life insurance in a unique way that is almost certain to arouse interest.—Fidelity Field Man.

#### "Where Does the Big Money Go?"

Commenting on the recent series of articles published in the "Dearborn Independent" under the heading, "Where Does the Big Money Go?", T. T. Lowdermilk, at Judsonia, Arkansas, has the following to say:

"Where does the big money go?"

"If, in my solicitations for life insurance I have occasion to answer this query, I say, 'We are investing this money in the best securities in the world, land mortgages, U. S. bonds, and like investments, so that our policyholders will by and by collect the value of their policies. We certainly are not investing it in Henry Ford auto stock or other auto securities.'

"Then, in my feeble way, I would attempt to show my prospect what it means to him and his family to own a

life insurance policy in my company, how after his death, when his sorrowing wife was asking the neighbors to help her get a job to afford the privilege of placing a shelter over her little ones, instead of gazing upon the shattered remains of a wheezing Henry flivver of the vintage of 1914, that cost her husband \$600, she would have the assurance of cashing in on her good old life insurance bond in the sum of \$1,000, \$2,000, or whatever sum he had been able to protect her with.

"Then I would ask him where the three billion five hundred million dollars that Henry has tickled out of the people on the seat of his flivver has gone? What has Henry done with the billion dollars profits made on the seven million flivvers he has unloaded upon the people? How has he alleviated sorrow, suffering and hunger with these immense profits, and my answer will be all sufficient. Let Henry do some explaining."

**Stung**

Stung with the javelin of inquiry, someone has figured out that the honey bee must necessarily sink its shaft into 56,000 clover heads in order to obtain a pound of honey.

Not satisfied with this situation, the seeker for proof that it takes a lot of calls to win, informs us that there are about sixty flower tubes in each clover head, which means the busy bee works its proboscis pump sixty times fifty-six thousand times for a pound of winter supply.

Some salesmen will make as many as ten or twelve calls in a day, but whoever heard of a salesman trying out 3,360,000 prospective places in order to get sixteen ounces of honey?

A salesman is "in clover" when he follows the example of the industrious bee and its system of the law of average. —The Silent Partner.

**Hanna Made Vice President**

At a meeting of the board of directors of the Greeley State Bank, Greeley, Nebraska, Don C. Hanna was elected vice president of that institution. Mrs. Hanna takes the place of the late P. J. Kerrigan. The vacancy on the board of directors has not yet been filled.

**Farmers State, York**

At a special meeting of the board of directors of the Farmers State Bank of York Nebraska, J. P. Gillilan was elected vice president of the institution. He was formerly associated with the Nemaha County Bank of Auburn, and was likewise county treasurer of Nemaha county.

Children think not of what is past, nor what is to come, but enjoy the present time, which few of us do.—La Bruyère.

**Grow with the Universal**

Directed by men who have had long experience in the life insurance business—the Universal Life is growing safely and persistently—and its banker agents are growing with it.

Each and every official of the Universal Life deems it a pleasure to work with Iowa bankers, and on this basis the company has become closely connected with the hundreds of Iowa bankers who are anxious to have their insurance department show a real profit in 1924.

Write us now and let us explain our proposition in detail.

**UNIVERSAL  
LIFE INSURANCE CO.  
DUBUQUE, IOWA**  
*"Universally The Best"*

1905

1924

**Mutual Trust  
Life Insurance Company**



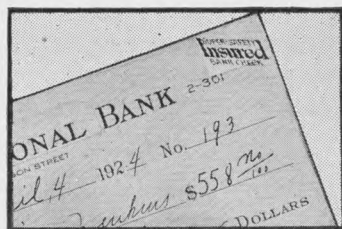
Insurance in Force - - -	\$88,442,000.00
December 31, 1923	
Total Admitted	
Assets - - - - -	10,941,045.07
Policy Reserves - - - - -	9,439,248.00
Dividends left on Deposit (drawing 5 per cent interest) - - - - -	226,337.68
Other Liabilities - - - - -	192,804.53
<b>SURPLUS:</b>	
Assigned - - -	\$432,944.32
Unassigned - -	\$649,710.54
	<hr/>
	1,082,654.86
	<hr/>
	\$10,941,045.07

Just write a line and we will explain our special bank agency plan.

Home Office—Chicago Temple Building

77 W. Washington St.

CHICAGO, ILL.



## Something additional to help you get new accounts

**H**ERE is a big, broad step in banking service by means of which thousands of banks are adding new accounts—and more surely holding their present business today. Checks that, in themselves, furnish bank and depositors with positive protection against the check raiser. Protection that does not depend upon chemical or mechanical devices. They are good as far as they go—but insurance is the only *positive* protection.

It is a feature of service which is tangible—something people can see and *realize* every time they make out a check. And it is backed up by a most comprehensive merchandising plan—a real, powerful selling-plan for banks.

Super-Safety **INSURED** Bank Checks are advertised regularly, every month, to the millions who read America's most influential publications. In each ad we spread the gospel of "paying by check"—give people the sound, convincing reasons for handling funds through a checking account.

This we capitalize, for banks furnishing Super-Safety **INSURED** Checks, by furnishing interesting, compelling display matter, and actual advertising material.

Yet this service, and the protection of these checks, cost you no more than unprotected checks of equal or even approximately the same quality. Let us tell you how and why.

**SUPER-SAFETY  
Insured  
BANK CHECKS**

## The Bankers Supply Company

World's largest manufacturers of bank checks

New York      Chicago      San Francisco  
Atlanta      Dallas      Denver

## IS A SERVICE CHARGE THE REMEDY FOR THE UNPROFITABLE ACCOUNT?

(Continued from page 13)

gives the bank reimbursement in a measure for actual services rendered.

"It is really hard to tell whether a charge of this type would be satisfactory in the smaller districts or not, as they are not burdened with the large number of small accounts as we are here in Des Moines where so many people are employed on a salary basis in clerical positions with insurance companies and other concerns of a similar nature."

### Service Charge Has Merits

By J. E. MORTON  
Cashier Iowa Loan & Trust Co. Bank  
Des Moines, Iowa

"We have not made an analysis of the cost of small accounts for several years and I am unable to lay my hands on the information we had at one time. The policy of making the service charge in Des Moines appears to be working very satisfactorily. The policy of making a similar charge by the banks in smaller community centers would necessarily have to be considered from a different angle. They no doubt would not be subject to the continuous shifting of small accounts as in the city and the overhead in connection with the handling of their accounts might be materially different.

"The funds of the small depositor who does not care to be burdened with the expense of the service charge is being very well taken care of in the savings department where funds may be deposited and withdrawn in small amounts by calling at the bank. While this involves some overhead, this can be materially decreased by the saving of pass books when the account is closed and reopened."

### Using Your Own Medicine

Not so long ago, a Metropolitan agent, in the course of his collection calls, slipped on a treacherous stairway, plunged through an open window and was killed when he struck the frozen ground. Later it was found that, aside from a few hundred dollars in insurance, he possessed no estate. The small claim was absorbed by the funeral expenses, and his wife and children were left without means. Let it be said without disrespect that he was not highly successful as an agent.

More recently, another agent was killed in an automobile accident. His estate consisted of nearly \$20,000 insurance, including a \$5,000 accident policy. Now it so happened that in this district accident and health business had received scant attention. But the agent in question believed in the contract. His

first prospect had been himself. Many sales had followed.

The obvious moral is that one agent believed in the thing he was selling and found success as a result. The other looked on his agency as a mere means to a living. And in any selling endeavor, enthusiastic belief in your product is one of the first requisites.

There is a St. Louis manager who never goes out on a canvass without a whole life contract, issued to himself, in his pocket. In the course of the canvass he displays the policy—"I carry one myself," he explains. His whole life production is high.

Now this is not a plea for business on agents. But when agents go forth to preach protection as an obligation, shouldn't he begin at home? By so doing he not only fulfills his own obligation, but he gives concrete proof of his belief in the thing he sells.—From "Tower Talks."

### Garner Banker Retires

Isaac Sweigard, president of the Farmers National Bank, Garner, Iowa, has retired. He is succeeded by J. N. Sprole, vice president. Mr. Sweigard is seventy-five years of age and has been with the bank for more than twenty-five years.

### Read This!

You will undoubtedly run into cases where the prospect is willing to take out life insurance if he can see his way clear to take care of the premium deposits, and says that he could see that way if only the deposits were to be monthly instead of quarterly. Frank W. Pennell, of the Mutual Benefit in New York City, handled such a case—and in solving the problem wrote the prospect for more than twice as much.

The prospect said, "Do you know I believe I would like to buy my life insurance in monthly payments, paying for it the first of each month just as I do the rent. In that way I would be ready every month to meet the premium. I believe I can put as much as \$30 a month in life insurance on that basis."

Mr. Pennell offered a plan providing for \$12,000 insurance, accommodating him by the quarterly payment plan. He wrote him three \$4,000 policies, dated one month apart, and wrote them on the quarterly basis. In this way there were twelve payments due, one the first of each month. The premium amounted to \$29.60 a month. This suited the prospect's needs and resulted in the sale of \$12,000 insurance instead of \$5,000.—Dotted Line.

Culture is like wealth; it makes us more ourselves, it enables us to express ourselves.—Hamerton.



# IOWA FARM MORTGAGE SECTION

*The Northwestern Banker Is the Official Publication of the Iowa Farm Mortgage Association*



**E. H. LOUGEE**  
President



**F. C. FISHER**  
Secretary

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## Farm Purchasing Power

*(Address delivered at banquet of Iowa Farm Mortgage Bankers Convention).*

**I** APPROACH this subject with considerable trepidation. For some time the term "farm purchasing power" has been the grand hailing sign of distress. I do not expect to use it in this way tonight. Because of this I will offend some and please others. For it is a fact that the condition of the farmer is an issue around which rages a controversy. Some say he is bankrupt, unhappy, broken in spirit; others assert that he is prosperous, independent, with a forward outlook on life. The answer is important.

It is more than ordinarily important at this moment because industry and commerce in the United States need, during the next few months, the sustaining influence of a sound agriculture.

Since the depression of 1921 urban prosperity has been well maintained. The building industry had enormous deficiencies to cover. Railroads entered upon a large replacement program. Wages were kept high and workers well employed, resulting in good consuming power in the cities. Agriculture played only a small part in the general recovery.

Now business is facing another uncertain period with decline in activity setting in and with some of the supporting factors greatly weakened. Will agriculture in this emergency prove the reserve force that offers hope to the business world? I believe that it will.

Before I have finished my remarks this evening, if not already, some of you will accuse me of optimism.

I explain it this way. I lived in the far west several years and have never been able to quite get back to normal.

The optimism I pass on to you tonight is also true, or if I must qualify this I insist that I believe it is true. It is my purpose to present the facts honestly as I see them. There is much said about optimism and pessimism that is superficial. Our problem is to get at the facts and be willing to face them. Part of the time they will be favorable; and part of the time unfavorable.

Agriculture has been gaining strength since the disaster of the depression. Its income for the year ending this June 30th is two billion dollars greater than the low year, 1921-22. The outlook for the coming

*By H. W. Moorhouse*

*Vice President Howard-Moorhouse Agricultural Business Service, Chicago*

crop year, as far as it can now be analyzed, promises cash returns approximately as large as this year.

Nor is the purchasing power of agriculture much lower than in pre-war days. The farmers' income, after allowing for higher taxes and interest, can buy 95 per cent of the volume of goods that it could in 1913. This sounds more hopeful than the figure of 75 per cent which is based upon a price comparison alone and does not take into consideration the volume of production.

I want to talk over with you very carefully this evening just how we measure farm purchasing power. This is a subject which has been possessing all of our minds the last few years and I think we ought to be sure that our minds are meeting on it.

Does farm income measure farm purchasing power? Does a comparison of farm prices with other prices measure it? Does a comparison of farm income with prices of goods which farmers buy measure it? How can we get the correct answer and know whether the farmer is able to buy as many or more or less of the good things of life than he was at some previous period?

The popular method recently has been to take a definite unit of a farm commodity and say, for instance, that one bushel of wheat would buy so many other goods in 1913 and will buy 84 per cent as many now. Or one hundred pounds of pork would buy so much of such and such commodities in 1913 will buy 59 per cent of that now. An average is then taken of the various products to arrive at the general purchasing power figure of 75 per cent. This method leaves out of account the number of bushels of wheat or the quantity of pork or the volume of products generally which farmers have to sell. Naturally this is a grave error and influences the result favorably or unfavorably, as the case may be.

The true way to compute farm purchasing power would be as follows: Take gross income from sales of products, and money borrowed, subtract debts repaid, subtract

taxes and interest and compare the result with retail prices of goods purchased. Unfortunately, we do not have all the facts at hand to use this formula. The best we can do is to take gross income, subtract taxes and interest and compare with wholesale prices. This is superior to a price comparison alone and gives a figure for farm purchasing power of 95 per cent of pre-war which can be relied upon as substantially accurate.

You may ask why we do not subtract farm wages as well as taxes and interest. Because the farm laborer is here counted as a farmer. When we speak of purchasing power of the farmer we mean all those engaged in farming whether as owner, renter or laborer.

So far I have been generalizing. Any particular listener may say: That may be true on the average but it does not apply to my section. Very true. Let us tonight note some of the variations from the average.

In the two years since the depression of 1921-22 the dairy region of the north-eastern and extreme north central states, and the cotton states have been better off than the average, while the corn belt, the wheat states and the cattle ranges have not fared so well.

Let us particularize even further. The cotton crop this last season was better than the year before and the price was considerably higher. The south was looked to as in a fine condition, comparatively. Yet five states had a smaller income than the preceding year. Southern prosperity was decidedly spotted.

In the corn belt, the purchasing power of Iowa farmers is higher than in most of the corn belt states and averages up pretty well with the rest of the country. Farm income in Iowa has come back since the depression in about the same ratio as agriculture generally, namely, around 25 per cent. This is mainly accounted for by the market increase in the per acre yield of corn which has increased from 32 bushels in the past fifteen years. This is a much greater increase than for other corn belt states and has made possible a heavy hog production which has tended to compensate for the lower prices.

# 5% Farm Loans 5%

Life insurance companies have invested millions of dollars in Iowa farm mortgages. They have more funds for this class of security. Urge your customers to refinance while the rate is low.

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*Farm Mortgage Bankers*

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Cedar Rapids, Iowa

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# Farm Loans

**Five Reasons Why You Will Appreciate Our Service**

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2. Our Inspection Service is prompt.
3. We loan up to \$100 an acre on Iowa land.
4. We use our own funds—closing promptly.
5. Service to applicants is our first thought.

Send us your applications if you want genuine service.

**FARMERS BOND & MORTGAGE CO.**  
Fifth Floor Hippee Bldg. DES MOINES

*Twenty-five Years in the Mortgage Business*

Inside the state of Iowa there is variation in income as between districts. This variation is not as great as in many states, for Iowa's agriculture is fairly homogeneous, but it is marked enough that I wish to call your attention to it in this map showing the degrees of change in income this year from last.

An interesting shift is taking place in the wheat situation this year which will affect favorably the hard winter wheat states centering around Kansas. Less wheat was planted this season than last in all of the wheat regions, but conditions have been so good in the Kansas area that a 60 per cent larger crop is forecasted for Kansas, 60 per cent larger for Nebraska and 20 per cent bigger for Oklahoma. With the average price of wheat promising to be a little higher this year those sections are due to reap a rich harvest of cash as well as wheat.

There is one subject which I hesitate to say much about to you, since it is your specialty; namely, the fixed charges of agriculture, taxes and interest. These charges are proving a great burden. They take a large fraction of gross income; before the war, 10 per cent; now close to 20 per cent.

We estimate that farmers pay 900 million dollars in direct taxes, 675 million for mortgage interest and 175 million for interest on personal loans; one and three quarter billion dollars in all, as an annual fixed charge. This is almost three times as much as before the war.

Please remember, however, that the farm purchasing power figure, 95 per cent of pre-war, which I gave you earlier this evening, allows for these higher fixed charges.

I have tried to give you an airplane view of the agricultural situation. In general, it is more favorable than the pictures which have been drawn recently. We recognize that in certain regions and localities and in individual cases the distress has been acute. We realize also that the abrupt fall in farm income from the peak of 1920 must have caused, inevitably, tremendous discouragement.

Since then, however, we have had two years of improvement. We are beginning another crop year which promises to hold its own with this year. We have had time for readjustments and it is becoming easier to think in terms of the present instead of pre-war which is now twelve years in the past. The period is here for us to build upon the present. This year was better than last. Next year will be as good as this. Let us lay the ghosts of long ago and look to the future.

Iowa prosperity is directly dependent upon agriculture. Iowa's farms produce four times as much wealth as her factories. Moreover, the leading manufacturing industry is slaughtering and meat packing—an industry which is a direct adjunct of agriculture. With the income of farmers fairly well stabilized the business men and bankers of Iowa can look to the future with more confidence.

To an amazing extent agriculture is woven through the industry of the whole country. The Chicago Association of Commerce tells us that the value of the output of the meat packing industry of Chicago is greater than all other manufactures of the city combined and that iron and steel, second in the list, has a value only one-sixth as much as the meat industry. We find the influence of agriculture paramount in the biggest industrial and financial centers. It is a matter of nation-wide gratification, therefore, that in this present period of business uncertainty this great

branch of activity has secured a solid footing and can lend support to the whole industrial and commercial structure.

#### Population Figures

The population of the United States totaled 112,826,000 on January 1, 1924, according to estimates announced today by the National Bureau of Economic Research, Inc., 474 West 24th Street, New York City. This compares with 110,883,000 on January 1, 1923, and census count of 105,711,000 on January 1, 1920.

The most remarkable gain was recorded in the last half of 1923, the net increase being 1,162,000, a greater growth than in any other half year during the last two decades and probably greater than any six months period in the nation's history. The gain for the entire year was 1,943,000.

The National Bureau of Economic Research estimates the population of the Continental United States for each half year since January 1, 1920, to have been approximately as follows:

January 1, 1920...	105,711,000
July 1, 1920...	106,422,000
January 1, 1921...	107,575,000
July 1, 1921...	108,533,000
January 1, 1922...	109,298,000
July 1, 1922...	109,898,000
January 1, 1923...	110,883,000
July 1, 1923...	111,664,000
January 1, 1924...	112,826,000

All the figures after January 1, 1922, are necessarily tentative, for the Bureau of the Census has not as yet published complete monthly data for births and deaths covering the periods since 1921.

#### Banker Sells Home

L. Whitlatch, president of the State Bank of Allison, Iowa, has sold his residence property and in all probability will build another home next year.

#### D. G. Wiley Elected President

D. G. Wiley, of Orient, Iowa, at present County Auditor of Adair county, has been elected to the presidency of the Greenfield Savings Bank of Greenfield, Iowa. Mr. Wiley succeeds W. W. Burrell, deceased. Mr. Wiley is a veteran banker, being connected with the First State Bank of Adair county at Orient for thirty years, at which time he made the bank one of the strongest in the country.

#### Fred Zabel Is Proud Father

A daughter was recently born to Mr. and Mrs. Fred Zabel. Mr. Zabel is vice president of the Union Davenport Trust & Savings Bank, also dictator of the Davenport lodge of Moose.

#### Pocahontas Bank Organized

Organization has been completed for the new First National Bank of Pocahontas, Iowa, capitalized at \$75,000.

## Phoenix Trust Company

Ottumwa, Iowa

DEALERS IN

Iowa and Missouri

Farm Mortgages

## Some July Bond Suggestions

Our semi-annual circular describing the bonds we offer and recommend for safe investment is now ready for distribution.

The Statistical Division of our Bond Department renders a free information service to banks and investors in analyzing any securities in which they are interested.



## THE NORTHERN TRUST COMPANY

CAPITAL AND SURPLUS \$5,000,000

Northwest Corner LaSalle and Monroe Streets

CHICAGO

# 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.



**Position Wanted** as assistant cashier or cashier of good country bank. Eight years' actual banking experience in one institution. Desire change. Twenty-eight years old and married. Best of references. Can invest. Speak German. Address No. 2734, The Northwestern Banker—5-6-7.

**Bank Position Wanted** by young lady with several years' experience in general bank work. Five years in present location. A-1 bookkeeper. Operate Burroughs Posting Machine. Would like to have a savings department or position as head bookkeeper, but will accept any place and work up. Prefer to be in large bank in city where there is chance to advance. Address No. 2731, The Northwestern Banker—6-7.

**Wanted:** Position by young man as assistant cashier. College graduate. Three and one-half years' experience in country banking. At present employed but desire change. Available on short notice. Can invest \$1,000. Address No. 2735, The Northwestern Banker—6-7.

**Position Wanted** as assistant cashier in country bank. Single man twenty-six years of age. Can speak Swedish and Norwegian. Five years' banking experience, including nine months as cashier in country bank in North Dakota. Can use posting machine, also operate typewriter. Address No. 2738, The Northwestern Banker—7.

**Position Wanted** in good bank by married man 36 years old. Fifteen years' experience as assistant cashier and cashier.

Can furnish references as to character, ability, etc. Address No. 2739, The Northwestern Banker—7.

**For Sale:** One Burroughs posting machine in first-class condition. Used about one year. Price right. Write Leach & Thompson Co., Spencer, Iowa—7.

**Position Wanted** with Investment of a few thousand dollars if conditions are right. Nine years' experience in the banking business, four years as cashier and the remainder of the time as assistant and acting cashier. Steward of a state institution for four years, also considerable experience in the handling of farm leases. Common school education, two years of normal school and a course in a business college. Hold certificate from American Institute of Banking, short course, and have completed 100 lessons in the American Extension University correspondence law course. Have interest in three farms so keep in close touch with farming situation. Feel competent to take the cashiership or a small bank or to act as assistant in one of larger size. Address No. 2740, The Northwestern Banker—7.

**Position Wanted** as assistant cashier or bookkeeper in Iowa bank. Seven years' thorough banking experience in country bank. Twenty-eight years old and married. Best of references. Address No. 2741, The Northwestern Banker—7.

**Mortgage Man Wanted:** An experienced lender who knows the mortgage

business and can select and secure farm loans of the highest class only in eastern Iowa, might make a connection by addressing INSURANCE, care The Northwestern Banker. Give experience, qualifications and full particulars.

## Kelliher Banks Consolidate

The First State Bank of Kelliher, Minnesota, has been merged with the Citizens State Bank of that city. Business is being continued under the charter of the Citizens State Bank.

## Celebrate Fortieth Birthday

The First National Bank of Sauk Center, Minnesota, recently celebrated its fortieth birthday. C. M. Sprague, the first cashier of the bank, is now the president and has been the actual head of the institution during its entire existence. The bank has deposits of \$879,300 with capital of \$50,000 and surplus and undivided profits of \$50,831.

## Bejou Bank Will Reopen

The Farmers State Bank of Bejou, Minnesota, is to be re-opened according to an announcement given out recently by A. J. Viegel, state superintendent of banking. J. F. Farrell is president, and W. N. Morrell, Jr., is cashier.



## WHERE TO BUY

A Buying Guide for Bankers



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prepared to sell quality  
merchandise and furnish  
prompt shipments.*

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We are the logical firm to supply your needs. Our immense stock makes it possible to fill your orders promptly. You'll find our prices right, too.

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Iowa's Leading Bank and Office Equipment Store

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Workmanship and Quality Assured  
When You Order From  
**LEMARS PRINTING COMPANY**  
MASON CITY, IOWA

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**J. S. WILSON FLORAL CO.**  
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DES MOINES

# News of South Dakota Banks and Bankers

Official Publication South Dakota Bankers Association



A. KOPPERUD  
President

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Secretary

## Real Action Displayed at Convention of South Dakota Bankers Association

By Rex V. Lentz

APPROXIMATELY 350 bankers attended the 33rd annual convention of the South Dakota Bankers Association, held June 17 and 18 at Huron, So. Dak. The first day's program was opened at the Elks Hall in the Marvin Hughitt Hotel, by President A. Kopperud, the president giving his annual report. A very interesting talk was given by F. L. Kelso, president of the South Dakota Farm Bureau, on the great work that the farm bureau is doing in the state and how they are cooperating with the bankers of South Dakota for a bigger and better Sunshine State.

At the afternoon session the Hon. Carl Gunderson, lieutenant-governor of South Dakota, pointed out to South Dakota bankers some real facts and figures on the condition of South Dakota.

The Wednesday afternoon session of the convention was particularly interesting to every member present, inasmuch as many of the members took part in an informal discussion advocating several changes in the state banking laws. A motion was made by R. B. Eldredge, vice president of the First National Bank of Pierre, So. Dak., that the association go on record as in favor of repealing the guarantee bank fund law which now exists in the state of South Dakota. This motion was adopted after considerable discussion, by members of the convention. Right along this line M. Plin Beebe, president of the Bank of Ipswich, a member of the State Depositors Guarantee Fund Commission, told the bankers that there is a necessity for more minute restriction, absolute need of strong enforcement and closer supervision to avoid banking catastrophes similar to those



DEAN H. LIGHTNER  
Newly elected president of South Dakota Bankers Association

which the state has just suffered. Dean H. Lightner, cashier of the Citizens Trust and Savings Bank, Aberdeen, made a suggestion that a motion be put before the convention that that part of M. Plin Beebe's paper relating to the guarantee fund bank law, should be copied and sent to every member of the association to be read and suggestions sent in to the legislative commission for action at the next session of the legislature. J. L. Driscoll, state treasurer of South Dakota, gave a very interesting and instructive talk on the finances of the state.

The resolutions passed by the convention were as follows:

"Resolved, That this meeting of the South Dakota Bankers Association take formal action regarding the passing of one of the former presidents of this association, Mr. Harry Wentzy, of Rapid City. We desire to express our appreciation of the high qualities, ability and public service of Mr. Wentzy during his lifetime and to say that the South Dakota Bankers Association has lost one of its most willing and capable workers and the state has lost one of its outstanding citizens.

"Whereas, Congress has failed to pass adequate legislation to bring about a balance between agricultural and manufactured products and has taken the position that this is a problem to be worked out by the farmers, themselves, and that such result can only be secured by cooperative marketing along the line of the pooling of commodities; in view of this situation, we believe the time has come for the people of South Dakota and the northwest to unite in a definite marketing program:

"Therefore, Be It Resolved, That the South Dakota Bankers Association pledge their most hearty support to commodity pooling in the marketing of farm produce; and

"Resolved, That the membership here present extend a vote of thanks to the retiring officers of this association for their efficient efforts during the past year, which has been so full of responsibility.

"Resolved, That the sincere and hearty thanks of the association be rendered to the people of Huron and particularly to the banking fraternity, for the courtesy

1810



1924

*A Distinctive Service for Your  
New York Business*

**THE  
MECHANICS & METALS  
NATIONAL BANK**  
OF THE CITY OF NEW YORK

**Capital, Surplus and Profits, \$26,500,000**

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Chairman of the Board

JOHN McHUGH  
President

*A Bank for Bankers  
In Our Territory*

**Security National Bank**

SIoux FALLS, S. D.

**Capital, Surplus and Profits, \$500,000.00**

OFFICERS:

W. Z. SHARP, President  
D. A. McCULLOUGH, Vice President  
JOHN BARTON, Cashier  
DELMAR C. LOWE, Assistant Cashier  
J. V. LOWE, Assistant Cashier  
OLIVER A. BRAY, Assistant Cashier  
F. W. KONEMAN, Manager Farm Loan Dept.

ESTABLISHED 1890



and hospitality extended during our stay in the city."

Officers were elected as follows for the ensuing year: Fred B. Stiles, vice president, First National Bank, Watertown, elected president; Dean H. Lightner, cashier Citizens Trust and Savings Bank, Aberdeen, elected vice president; Frank Boerger, Milbank, elected treasurer.

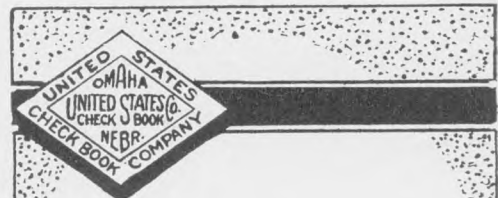
Additional members of the Executive Council are Andrew Kopperud, Webster, retiring president, ex-officio, member for one year; F. W. Bryant, Mitchell, Group 3; G. W. Burt, Watertown, Group 4; W. R. Penfold, Belle Fouche, Group 7 and Ed. Youngquist, Carter, Group 9.

Eastern bankers, manufacturers, mortgage and bond houses would have been thoroughly convinced if they had been present at the 33rd annual convention of the South Dakota Bankers Association, that the state of South Dakota, and every banker is looking forward to a very optimistic future. In spite of the conditions of the past year, South Dakota bankers are optimistic and are now working along a safe, conservative road, which is bound to show real results within a short time.

J. L. Mitchell, vice president\* of the First National Bank of Sioux City, Iowa, made a flying trip to the South Dakota convention Tuesday night and spent Wednesday renewing old acquaintances.

—\$—

Messrs. M. M. Wheeler, cashier, First National Bank, Deadwood, So. Dak.; R. B. Eldredge, vice president, First National Bank, Pierre, So. Dak.; H. R. Kibbe, president, Commercial Trust and Sav-



"Omaha's Live Stock Market is not equalled anywhere. Fifty-eight live wire commission firms to serve shippers of live stock. When a customer of yours is shipping, remind him that OMAHA is HIS market."

**U.S. CHECK BOOK CO.**

Omaha, Neb.

ings Bank, Mitchell; J. R. Klatt, cashier, Dakota State Bank, Tripp; K. B. Cressey, vice president, First State Bank, Sioux Falls, gave very interesting extemporary talks on the question of repealing the South Dakota guarantee fund bank law.

—\$—

**R. A. Gilmore**, cashier of the Bank of Jefferson, Jefferson, So. Dak., was one of the golf devotees at the convention.

—\$—

**John Barton**, cashier of the Security National Bank, Sioux Falls, attended the convention, accompanied by Mrs. Barton, for the first time in five years. The South Dakota bankers were glad of the opportunity to welcome him to the Huron convention.

—\$—

**Fred Stiles**, new president of the South Dakota Bankers Association, gave a brief talk on the real work of the Agricultural Farm Credits Corporation. South Dakota bankers were glad to get the inside information from their new president.

—\$—

**L. J. Welch**, the genial secretary of the association, was to be found "buzzing" around, greeting old friends, making plans for entertainment and supplying information to those who requested it.

—\$—

**C. L. Frederickson**, cashier of the Live Stock National Bank of Sioux City, Iowa, was found on deck early Tuesday morning, greeting old friends and telling all about the wonderful opportunities Sioux City has as a live stock city.

—\$—

**K. B. Cressey**, vice president of the First State Bank of Sioux Falls, reports very fine progress on the First State Bank of Sioux Falls.

—\$—

**M. Plin Beebe**, president of the Bank of Ipswich, Ipswich, So. Dak., was congratulated quite a few times on the splendid paper which he read at the Wednesday forenoon session.

—\$—


**G. C. Fullinwieder**, president, National Bank of Huron, very ably served as chairman of the entertainment committee of the Huron bankers. Everyone who attended the Tuesday evening dance can truthfully say that Mr. Fullinwieder was a real success.

—\$—

**L. T. Morris**, vice president of the Citizens National Bank, Watertown, made an automobile trip through miles of mud to be present at the Wednesday session of the convention. Real enthusiasm, we say.

—\$—

**S. T. Kiddo**, president of the Live Stock National Bank, Chicago, former South Dakota banker and president of the association, was present at the Huron convention, and pronounced it a real success.



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The Bank of America  
Now in course of construction

## —At the New York End

**THE BANK OF AMERICA**  
ESTABLISHED 1812  
NEW YORK CITY

Capital, Surplus and Undivided Profits over \$11,000,000

# Policyholders' National Life Insurance Company

SIOUX FALLS, SOUTH DAKOTA

*Sound Management  
Real Co-operation  
Service that is Service*

*These are the three paramount reasons why the Policyholders National Life Insurance Co. is so popular with South Dakota bankers.*

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 PRESIDENT  
**S.H. Witmer**  
 VICE-PRES.  
 MGR. AGENTS  
**H.O. Chapman**  
 SECRETARY  
 TREASURER

“A SOUTH DAKOTA COMPANY”


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we stand ready to serve the financial and commercial interests of this territory.

## Citizens Trust & Savings Bank

ABERDEEN, SOUTH DAKOTA

**C. N. HERREID, President**



**D. H. LIGHTNER, Cashier**

**OMAHA PRINTING CO.**  
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**\$7,000,000**

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**CENTRAL TRUST**  
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**Advertise in the Northwestern Banker**

Paul Leeman, vice president of the First National Bank of Minneapolis; and L. W. Scholes, assistant cashier of the First National, very ably represented the First National Bank of Minneapolis. Old friends were glad to see them again this year.

—\$—

John Barton invited the association to hold its convention at Sioux Falls in 1925. R. B. Eldredge, of Pierre, invited the association to hold its convention in Pierre, and M. M. Wheeler, of Deadwood, earnestly invited the bankers to Deadwood for 1925. At the Wednesday afternoon session, Sioux Falls was selected as the 1925 convention city.

#### Is Elected President

Ray Tierney, former state bank examiner and for ten years president of the Chadron State Bank, was elected president of the American State Bank of Sidney, Nebraska, at a meeting of the board of directors of the bank. Mr. Tierney has acquired the McNish interests and succeeds the late Jesse C. McNish as the president. He immediately entered upon his new duties.

Mr. Tierney was for ten years president of the Chadron State Bank. He has also had a wide experience in the cattle industry and is what might be termed an expert in that business. For the past year or more he has been in the employe of the state, being identified with the Department of Trade and Commerce.

#### Cash Reserves Increase

Cash reserve in the state banks of South Dakota increased more than \$1,000,000—from \$25,790,496 to \$26,913,038—in the five and a half months prior to March 31, according to a comparative report made public by John Hirning, superintendent of banking.

#### Group Nine Meets

Fairfax was chosen for the next meeting of Group Nine Bankers convention, South Dakota. The president for next year is G. E. Kvitrud of the Farmers State Bank of Fairfax; vice president, William Jelinek of the Citizens State Bank of Bonesteel; and the secretary-treasurer is J. V. Tistulka of the First National Bank of Fairfax. The executive committee follows: J. E. Burns of the Peoples State Bank of Dixon, J. D. Freemeier of the St. Charles State Bank, H. L. Millay of the Gregory National Bank, J. A. McCullough of the Winner State Bank, John Stewart of the Farmers State Bank of Dallas. C. V. Youngquist, of the Carter State Bank, was selected as the group member of the executive committee of the state association.



# NEBRASKA BANK NEWS

## OFFICERS OF THE NEBRASKA BANKERS ASSOCIATION

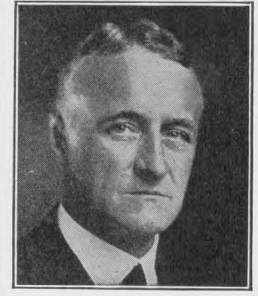
President... C. A. Minick, Vice President First National Bank, Crawford  
 Chairman Executive Council... C. A. Smith, Vice Pres. Tilden Natl. Bank  
 Treasurer... H. C. Nicholson, Vice Pres. Packers National Bank, Omaha  
 Secretary... Wm. B. Hughes, 908 Woodmen Building, Omaha  
 General Counsel... Edward M. Martin, Brandeis Theater Building, Omaha

## EXECUTIVE COUNCIL

H. G. Wellensiek.....President Harvard State Bank  
 Carl Weil.....Vice President National Bank of Commerce, Lincoln  
 H. C. Nicholson.....Vice President Packers National Bank, Omaha  
 Fred Kuenneth.....Vice President First National Bank, Hastings  
 S. J. Weekes.....President O'Neill National Bank  
 Mark Spanogle.....Cashier Bridgeport Bank  
 Dan V. Stephens.....President Fremont State Bank  
 George W. Woods.....Cashier Lincoln State National Bank  
 J. H. Donnelly.....Cashier State Bank of Omaha  
 J. B. Gibson.....President Nebraska State Bank, Norfolk  
 Walter M. Rodman.....President American State Bank, Kimball  
 P. L. Hall, Jr.....Cashier First National Bank, Greenwood  
 C. A. Smith.....Vice President Tilden National Bank  
 I. R. Alter.....Cashier First National Bank, Grand Island  
 W. P. Rooney.....Cashier Chadron State Bank, Chadron  
 F. W. Thomas.....Vice President First National Bank, Omaha



C. A. MINICK  
President



WM. B. HUGHES  
Secretary

### Group One Meets at Lincoln

George Liggett, of Utica, Nebraska, is now president of Group Number One, the Nebraska Bankers Association. He was elected at the annual business meeting held recently at Lincoln, and along with him were chosen Henry Schneider, of Plattsmouth, as vice president, and J. A. Sire, of Dewitt, as secretary.

A resolution, unanimously passed, stated that:

More county associations of bankers should be organized.

Weak banks should be consolidated with stronger ones wherever it would help the banking system.

Every bank should have a board of directors thoroughly conversant with the conditions of the institution.

The bureau of banking is of sufficient importance so that it should be constituted a separate department segregated from other activities.

The working of the guaranty fund commission law has fully proved its worth, but the present law would be more efficient if all applicants for state bank charters were examined by the commission.

Excessive interest on short time deposits violates all rules of economics and results in unstable banking; few places in this district would be justified in paying more than 4 per cent interest on deposits of six months.

Legislation to establish the double liability of a stockholder in a bank as a lien on his property from the date of failure of the bank should be urged, and time be extended one year in which to pay deposits in a failed bank.

The Lincoln Clearing House Association was thanked for its entertainment of the association.

At the annual banquet in the evening at the Lincoln hotel, furnished by the Lincoln Clearing House Association, E. M. Warner of the association greeted

the visitors, and then turned over the meeting to Claude Wilson of Lincoln, who introduced John E. Curtiss, secretary of the Nebraska Railway Commission, as the speaker of the evening. Musical entertainment was given by Elizabeth Funke, Archie Jones, Bernice Thompson and Koby Sirinsky.

Mr. Curtiss' address was one of optimism, patriotism and good humor. He declared that Nebraska and the nation have everything for which to be glad, and for which to uphold the government.

Some railroad problems were also explained by the speaker. Considerable misunderstanding of the part that freight rates play in economic distances is prevalent, he declared, and too much is blamed on the railroads. If the freight rates were now put on a pre-war basis, the carriers would stand for a loss in running expenses of about \$1,000,000,000 a year. But the charges can be cut some, and the rail commission is doing all in its power to cut them.

### Group Six Meeting

F. M. Rentschler of the Stockman's Bank at Springview, Nebraska, was elected president of Group Six of the Nebraska Bankers Association at its twenty-fifth annual meeting held at Crawford. Mr. Rentschler was secretary of the group last year. Clyde Davenport of the Nebraska State Bank at Valentine was elected vice president and I. A. Goss of the First National Bank at Hays Springs was elected secretary. An enthusiastic meeting was held and the attendance was large, there being 200 bankers from the district registered. Speakers were Dan V. Stephens of Fremont, W. H. Brokaw, director of the extension department of the state agricultural college, and K. C. Knudson, secretary of the department of trade and commerce.

### Colfax County Bankers Meet

The Colfax County Bankers Association held their annual meeting in the office rooms of the Farmers State Bank at Howells, Nebraska. It was one of the largest attended and most successful gatherings in the history of the association, every bank in the county having been represented. Business of interest to the members was discussed and a decision reached to hold quarterly meetings in the future, the next one to be held at Howells. Officers for the ensuing year were elected as follows: J. D. Wolf, president; John H. Moeller, vice president; Jaroslav Folda, secretary; L. R. Coufal, treasurer. The several banks of the county were represented at the meeting as follows: Banking House of F. Folda, by E. F. Folda of Omaha and Jaroslav Folda of Schuyler, Schuyler State Bank by R. O. Brownell, Schuyler Savings Bank by F. W. Shonka, Rogers State Bank by F. W. Dudek, Richland State Bank by F. W. Shonka, First National Bank of Leigh by John H. Moeller and Julius Zastera, Leigh State Bank by E. M. Nelson and Wm. Vlach, Colfax County Bank of Howells by John M. Folda and F. C. Hrabak, Howells State Bank by L. R. Coufal, Farmers State Bank of Howells by J. A. Novak, Clarkson State Bank by Emil Folda and Emil Petr and the Farmers State Bank of Clarkson by J. D. Wolf and Adolph Dudek.

### Is Elected President

At a recent meeting of the stockholders of the Minatare Bank of Minatare, Nebraska, G. F. Haas, who has been vice president for several years, was made president. W. F. Graham, cashier, was also added to the board of directors.

The Bible stands alone in human literature in its elevated conception of manhood, in character and conduct.—Beecher.

## HOW WE TALK TO OUR NEBRASKA FARMERS

(Continued from page 20)

not necessary to have pure-bred cattle in order to attain this standard. Good grade Holstein, Jersey or Shorthorns can be relied upon to produce the goods. Products of the milch cow was one of the few commodities which did not suffer during the deflation period.

Corn, hogs, cattle, the milch cow and the lowly chicken are all mortgage lifters. Build up your herds with good sires, cut out the undesirables every year, manage to raise two crops of pigs each year, rotate your crops. Plant alfalfa and tame grasses which are great producers in the central and western states. These lands make very desirable fields for rotating crops.

Farm less land and farm it better. Eliminate useless waste in old and worn-out machinery; use fewer but better horse power, a good horse will consume very little more feed, if any, than a poor one. Have enough milch cows to defray all household expenses for the entire family, and use the hogs and fat cattle for mortgage liquidators.

Especial stress is laid upon alfalfa on the farm. Everything from a chicken to a horse will feed upon this plant in one stage or another, and the farmer who

adheres to the outline regarding the cow, pig, alfalfa, tame grasses and rotating crops, is seldom found in stringent circumstances.

Counsel with your banker. If he is not willing or able to counsel with you, change bankers. There is always plenty of money awaiting to be used for production. Use your head and keep your feet on the ground; hug the milk stool close; wear the skin off your hands carrying slop to your pigs; plow deep while the sluggard sleeps and do not expect to liquidate a \$3.00 debt with a \$1.00 crop; time alone will take care of this little item. When you have observed the simple rules laid out in the above, then you will have solved the farmers' problems.

In conclusion, do more thinking, less joy riding; pay less attention to the yellow sheets that parade under the title of newspapers; and even the legitimate press of today would do well to give more space to constructive molding of public sentiment rather than record the pessimistic and calamity side of our existence.

### Will Help Club Work


Fifty dollars will be appropriated by the Houston County Bankers Association to stimulate interest in boys' and girls' club work as a result of action

taken by that body at a meeting in Caletonia, Minnesota. Officers of the association are C. J. Scofield, president; Hollis Briggs, vice president; L. J. Beddow, treasurer, and J. M. McCaffrey, secretary. The organization believes that boys' and girls' club work is a project which should be encouraged, due to the greater efficiency which results and because of the training in citizenship and thrift which it offers. The agricultural committee consisting of J. A. Heymann, W. F. Deters and John White are authorized to decide in what manner the money shall be distributed. Present plans of the committee are to cooperate with the Houston County Agricultural Society in distributing the amount where it will offer the greatest stimulus to the work.

### New Bank at Pilger

A new bank, to be known as the Pilger State Bank, has been organized at Pilger, Nebraska, and is now running. Emil Folda is president of the new organization, which is capitalized at \$25,000; James Zoubek is vice president and Fred Jelinek, of Clarkson, cashier.

The desire of riches does not proceed from a natural passion within us, but arises rather from vulgar, out-of-doors opinion of other people.—Plutarch.


<p><b>OFFICERS</b></p> <p>S. H. Burnham President</p> <p>H. S. Freeman Vice President</p> <p>P. R. Easterday Vice President</p> <p>J. H. Burnham Vice President</p> <p>A. J. Sawyer Vice President</p> <p>W. B. Ryons Cashier</p> <p>Leo J. Schmittel Assistant Cashier</p> <p>B. O. Campbell Assistant Cashier</p>		<p><b>DIRECTORS</b></p> <p>S. H. Burnham</p> <p>E. J. Hainer</p> <p>Geo. W. Holmes</p> <p>H. S. Freeman</p> <p>A. J. Sawyer</p> <p>Charles Stuart</p> <p>F. M. Hall</p> <p>C. B. Towle</p> <p>P. R. Easterday</p> <p>E. J. Burkett</p> <p>W. R. Ryons</p> <p>J. C. Seacrest</p> <p>S. C. Waugh</p> <p>F. H. Woods</p> <p>Joe L. Burnham</p>
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**First National Bank**

LINCOLN      NEBRASKA

Since 1871 this bank has served its correspondents faithfully and with a personal interest that has resulted in, not only great satisfaction, but likewise a lasting friendship.

Capital and Surplus \$1,050,000.





JUST as water finds its level, so will a certain particular type of concern be attracted to a bank that is first of all sound and conservative but at the same time progressive, and—when it suits the occasion—aggressive. The Seaboard seeks other customers like its present clientele.

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**SEABOARD NATIONAL BANK**  
OF THE CITY OF NEW YORK

MAIN OFFICE  
Broad and Beaver Streets

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115 Broadway at Cedar Street

UPTOWN BRANCH  
20 East 45th Street near Madison Ave.

**WHAT THE BANKER SHOULD KNOW ABOUT AUTO FINANCING**

(Continued from page 11)

lar payments had been agreed upon. Many loans are made with maturities of six months or a year that depend for payment on savings from salaries or earnings from business. If this is true, why not make the note call for payments each week or month? You might lose some interest, but you won't charge off many notes. I believe that lots of loans are asked for and granted that if reduced to the required number of regular payments both borrower and banker would agree should not be made.

**"THE ADCHEQUER"**

(Continued from page 14)

which to sit quietly until the fall elections are over. But the elections will not re-establish public confidence in banks.

*Banks must help themselves*—just as bankers have been telling farmers that they must find a solution of their problems—how?—through a constructive program in agriculture.

*Bankers must meet their problems constructively.* They can do it and do it effectively through *publicity.*

If ever there was a time when the public needed to be told all the truth about banking—given instructions, information, the elementary workings of a bank and its methods of rendering service to its customers and to its community—it is now.

Economy is all very well but practicing economy on the bank's advertising is not bringing money from hiding places into the bank. And the money in our communities is *not all in the banks,* any man with ordinary sense knows that—and he knows *why.*

When the average bank customer begins to doubt the soundness of his bank, he may say never a word, but he stops putting his money in the bank. Thousands and thousands of individuals are today carrying or keeping their money at hand and doing business on a cash basis and the one and only reason is a lack of bank confidence—not in one particular bank—but in *all banks.*

There is one corrective remedy for this situation and that is *publicity.*

If you doubt this, look to the public utilities of this country. Ten years ago their credit was at low ebb. A third of the traction lines of the country were in bankruptcy and a material part of the other public utilities were in the hands of receivers or bankers committees. The companies were subjected to political blackmail in every local, state and national political campaign. The public had been educated to believe

# An Essential Service

To the outstate banker is the collection of live stock proceeds for his customers at the South Omaha Market.

Our experience and location at "the yards" insures prompt and painstaking care in this important business and makes an account with us very valuable.

## Packers National Bank

UNION STOCK YARDS  
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Offering Wide Selection

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which we render to our customers in connection with live stock matters, is of inestimable value.

This is made possible by our location in the Stock Yards.

We urge you to take advantage of it.

### STOCK YARDS NATIONAL BANK of South Omaha

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 J. S. King, Vice President W. H. Dressler, Cashier T. G. Boggs, Auditor

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## The Federal Land Bank

Has Demonstrated—

**FIRST:** The economic soundness of amortized farm loans for agriculture.

**SECOND:** The salability of bonds secured by farm loans assembled in groups at a low interest rate.

**THIRD:** The benefit to borrowers and the attractiveness to investors which the cooperative feature adds.

**FOURTH:** Dependable low rate funds.

The best country banker, like the good merchant, sells his customer that which will in the end benefit the customer most.

**FEDERAL LAND BANK of OMAHA**

that every public utility manager was a Simon Lagree and every utility owner a brigand.

There was begun a definite program of educational publicity all over the country. It was a big program—so big, in fact, that the public could not avoid seeing the advertisements and articles carried in publications of all classes—newspapers, magazines, trade and fraternal periodicals.

As a result the public utilities are in an unusually strong financial and credit position today. Publicity was the right medicine for the demagogues who sought to destroy their business.

And *publicity* is the one dependable remedy on which banks can depend for a renewal and revival of public faith and confidence in the banks of the country.

### WHAT THE DAWES PLAN WILL DO FOR AMERICA AND EUROPE

(Continued from page 17)

found to be justified, we must take our share.

#### INDUSTRY

An examination of pre-war German industry showed that it had obligations outstanding which had been undertaken in building up German industry something in excess of five billion gold marks. As pre-war German industry had been able to carry on effectively, it was evident that with the same plant capacity, a mortgage placed upon German industry of five billion gold marks would not represent too great a burden in principal and interest, nor one that would react upon the people in a harmful way. It further was found that during the depreciation of the German mark the industrial organizations of Germany, in order to keep their capital in something that would not depreciate, had extended their plants, replaced old machinery with new, reconstructed buildings and had altogether placed their plants in such shape that their ability to produce is far in excess of that which prevailed before the war.

The pre-war burden of indebtedness of German industrial organizations having been entirely wiped out through the depreciation of the German mark in which such indebtedness was undertaken, there seemed no question but that German industry of today could more easily bear a mortgage burden of five billion gold marks on a basis of 5 per cent interest and 1 per cent sinking fund than pre-war industrial Germany could bear under its pre-war indebtedness. It was also realized that in order to have economic stability in Europe that such plan as was undertaken should be one that would be faithfully carried out and that the nations of the world outside of Germany must have confidence that the German people considered it to

their interest to live up to its provisions. It was therefore considered important for all concerned that German industry be tied into the plan in some way that would result in its having a burden which was entirely separated from that of the German government and in some such manner as to hold German industry regardless of any default of the government in order that it might be directly interested in the payment of reparations. The committee of experts therefore placed a mortgage of five billion gold marks on German industry to help meet German reparations and thereby accomplish two very important things. First, it found a means of obtaining an annual payment which was to go toward reparations of 6 per cent on five billion gold marks, or 300,000,000 gold marks, without changing in any way the basic conditions which prevailed in German industry before the war and consequently without increasing taxes nor the cost of living to the German people, and second, it wound German industry into the situation in such manner that its interests would be jeopardized to an important extent in case of default, thus increasing the confidence of the Allies in the sincerity of Germany's acceptance of the plan.

#### RAILROADS

A study of the German railroad situation was made at the same time and it

was found that vast sums in marks had been spent not only for the purpose of keeping the railroads up-to-date, but as well to increase their transportation capacity. Railroad equipment and railroad facilities were found to be modern and effective. Further, the pre-war indebtedness of the railroads had been eliminated through the depreciation of the mark.

The investigation showed that the German railroads could be conservatively valued at 26 billion gold marks and it was found that, based on pre-war conditions in Germany, the German railroads could be expected to earn a minimum net income of one billion gold marks that could go toward reparations and on a basis which would allow the payment of proper wages to railroad employees and the fixing of freight and passenger rates that were in line with those which prevail in other countries and that would not act to curtail industry, trade and commerce. It was therefore decided to issue eleven billion gold marks in bonds, to be trusted for account to the Reparation Commission, which were to pay 5 per cent interest and 1 per cent sinking fund, or a total of 660,000,000 gold marks a year for reparations. The balance to make up the one billion gold marks, after payment of the 660,000,000 interest and sinking fund on the bonds, is to be obtained from a transport tax,

which is expected to pay 290,000,000 gold marks annually.

As the German railways, when taken out from under the German government and incorporated, could be used as effective security for reparation payments, the eleven billion bond issue actually being so made through delivery of the bonds to the Reparation Commission, and as the one billion gold marks which the railroads would pay toward reparations would not entail any change in taxation or expense to the German people, the committee has found a means to enable the annual payment toward reparations of 950,000,000 gold marks without disturbing the economic situation of Germany. Of course, if the German government had previously received from the railroads 950,000,000 gold marks net for its budget, this would not be true, but as the railroads under government ownership have been run at a loss in recent years, whereas it is believed that as a corporation with a proper business management an amount considerably in excess of 950,000,000 gold marks can be obtained from the railroads, it is fair to accept the whole of this amount as being available without changing conditions under which the German people have been living as to income and purchasing power of income.

(Continued in the August Issue of the Northwestern Banker)



TO BE *accurate, prompt and resourceful*  
—this we recognize as the essence  
of satisfactory correspondent service.

THE OMAHA NATIONAL BANK  
THE OMAHA TRUST COMPANY  
OMAHA, NEBRASKA



## Needed At All Times

IN times like these, a bank can make of its advertising a power for accomplishments which will have a far reaching effect upon the future.

Customer contact; Customer loyalty; customer good-will—these are the things of prime importance at this time, because with the turn for better business evidently just ahead, with crops beginning to move toward their markets, with the elections out of the way in November, you will need them to assist you in securing for your bank the lion's share of the banking business that will follow this fall.

No banker can afford to neglect his advertising today just because he sees no immediate deposits awaiting its invitation, no more than an engineer can allow the boilers of his locomotive to grow cold just because he must wait at a crossing a few minutes for another train to pass.

The road will soon be clear ahead and the signal to progress should find your bank with steam up, ready to go.

While Craddick Service advertising is ever alert to every opportunity for securing deposits for its clients in dor-

mant times as well as in good times, it is perhaps the only service that can function equally as well in increasing customer contact, customer loyalty, customer good-will for your bank when times are as they are today.

Craddick Service advertising is not a sunshade to be used only when the sun of prosperity and good times is shining brightly upon your bank, but is as well a good old-fashioned umbrella that will protect your interests when the rains of adversity and poor business are whipping about your shoulders.

While some bankers, unaware of their opportunities at such times, are attempting poor economy by eliminating much or all of their advertising efforts "for the present," Craddick Service clients are today calmly, cheerfully, hopefully, intelligently proceeding with their advertising efforts, gathering to themselves rich rewards in better understanding with their customers.

Let us give you more detailed information about our service and how easily and economically it may be applied to your bank's needs.

CRADDICK SERVICE, INC. - MINNEAPOLIS - MINNESOTA

*Southern Office: ATLANTA, GEORGIA*

# C R A D D I C K





C. A. CHAPMAN  
President



# MINNESOTA BANK NEWS



## OFFICERS MINNESOTA BANKERS ASSOCIATION

C. A. Chapman, President.....President First National Bank, Rochester  
F. P. Fellows, Vice President, Vice President Capital Trust & Savings  
Bank .....St. Paul  
J. J. Maloney, Treasurer, Cashier Farmers State Bank.....Heron Lake  
G. H. Richards, Secretary.....Minneapolis



G. H. RICHARDS  
Secretary

### Minnesota Bankers Convention

The thirty-fifth annual convention of the Minnesota Bankers Association was held in St. Paul on June 4, 5 and 6. C. A. Chapman, president of the association, presided at the meetings and introduced the speakers.

The evening meeting preceding the convention proved a real success this year, the same as it did last year. At these gatherings topics of interest were discussed and many new ideas helpful to the banking fraternity brought forward by the members present.

On the first day of the convention Geo. W. Hinman, of Chicago, spoke on business and politics. He emphasized the fact that bankers and business men should take a more active part in the election of our representatives to congress if we don't wish to turn over the control of the government to the radical element of the country.

On the second day of the convention Samuel B. Wilson and Ralph Parlette both gave very interesting addresses.

On the last day of the convention A. G. Divitt, of Fargo, N. Dak., spoke on the danger to constitutional government involved in proposed amendments to the constitution.

On Wednesday evening a very delightful entertainment was prepared for the guests on the large dancing floor at the Mercantile building of Montgomery, Ward & Co. Dancing, vaudeville and refreshments kept all the delegates in a happy and cheerful mood.

A very optimistic feeling was expressed by almost all of the bankers present and they are all firm in the belief that general business conditions are rapidly improving. In fact, Minnesota, with its large diversification of industry and agriculture is having very little trouble at this time.

Robert W. Lindeke, vice president of the Merchants National Bank, St. Paul, was elected president of the Minnesota Bankers Association at the closing session of the convention. J. J. Maloney of Heron Lake was chosen vice president,

and J. K. Marton of Little Falls was selected as treasurer.

### Buys Rochester National

The First National Bank, of Rochester, Minnesota, has purchased the stock of the Rochester National Bank, the oldest banking institution in the city. H. M. Nowell, president of the Rochester National, has been in the banking business for the past 48 years. The Rochester National had deposits of half a million dollars.

No change will be made in the management of the First National, the officers being: J. H. Kahler, chairman of board; C. A. Chapman, president; Burt W. Eaton, vice president; L. J. Fiegel, cashier; F. L. Josselyn, assistant cashier; E. A. Cegal, assistant cashier.

### Buy Interests at Kasson

C. L. Palmer, of Britt, Iowa, his son, C. G. Palmer, a former cashier of the bank, and G. Skogsmark, present cashier, have purchased the interests of W. N. Parkhurst in the National Farmers Bank, of Kasson, Minnesota. This institution was organized in 1902 by Mr. Parkhurst and J. G. Little, Sr. It is capitalized at \$40,000, with a surplus of \$10,000.

### Celebrates 20th Anniversary

The Farmers and Merchants State Bank of Blooming Prairie, Minnesota, recently celebrated its twentieth anniversary. To commemorate the occasion, the bank sent out to its customers and friends a four-page folder, tabulating the growth of the institution. This bank now has resources of nearly a million dollars. Officers include: E. O. Haberstad, president; O. G. Anderson, vice president; G. R. Johnson, cashier; O. O. Olsen, assistant cashier.

### Farmers State, Wabasso

The Farmers State Bank of Wabasso, Minnesota, has been reorganized with the following officers: Wm. Raveling, president; Val. P. Jenniges, vice presi-

dent; Wm. F. Smasal, cashier; W. R. Remark, assistant cashier; Wm. Raveling, Val. P. Jenniges, Aug. Bloedow, J. M. Little and A. J. Fritz as directors.

### Minnesota Banker Dead

A. J. Kile, chairman of the board of directors of the Farmers and Merchants National Bank of Minnesota, Minnesota, died recently at his home in that city. He was a pioneer business man in Minnesota.

### Changes at Glenwood

George W. Hughes and R. C. Klinkenberg, president and cashier of the First National Bank, Glenwood, Minnesota, recently disposed of their interests in the First National Bank to M. Z. Daily, A. L. Warner and Tom O. Mason, and at a special meeting of the directors the following officers were elected to fill the vacancies of Mr. Hughes and Mr. Klinkenberg: A. L. Warner, president; M. Z. Daily, cashier; who, with W. F. Dougherty, C. M. Torrrens and Tom O. Mason, comprise the board of directors.

Mr. Warner, the new president, is also president of the Bankers National Bank of Minneapolis.

Mr. Daily, the new cashier, comes to Glenwood from Faribault, Minn. For a number of years he was cashier of the First National Bank at Elk River, and later vice president of the Faribault State Bank. He has been in the banking business in Minnesota practically all his life.

### Duluth School Savings

Students in Duluth, Minnesota, schools deposited \$14,625.65 through the Duluth Banks School Thrift Association during the month of May, which establishes the highest savings record for that month since the association was organized. This amount is an increase of \$2,651.34 over the amount local pupils saved during May, 1923. During the month a total of 50,912 deposits were made, which is an increase of 12,695

deposits over the record in May, 1923. New accounts gained during the month totaled 152.

Speaking of the benefits to the school through thrift work, Carl T. Wise, principal of the Lincoln junior high school, says: "The outstanding educational values of school banking are personal thrift, the actual mechanical part taken in banking, and united thrift effort. Classifying the school as a civic unit, one may say that students gain a community consciousness, have community effort, and the results gained therefrom show to what extent that consciousness is effective. In a democratic form of government, concerted effort for worthwhile projects can not be over-estimated in education."

#### First National, Delano

A. H. Ney, of the First National Bank of Delano, Minnesota, has been elected cashier of the Security State Bank of Maple Lake, Minn. W. B. Lennan, formerly of the First National Bank of Mason City, Iowa, has been elected assistant cashier of the First National Bank of Delano to succeed Mr. Ney.

#### Has 30th Anniversary

The Citizens State Bank of Slayton, Minnesota, recently celebrated its thirtieth anniversary. This institution is capitalized at \$40,000 and has deposits

of \$400,000.00. Officers include: Leon A. Williams, president; M. E. Garrison, vice president; L. Anderson, cashier; M. J. Moriarty, assistant cashier; H. O. Kragness, assistant cashier; F. M. Kuhlman, bookkeeper and stenographer.

#### De Graff Banker Dead

James J. McQuaid, president of the Farmers and Merchants State Bank of De Graff, Minnesota, and a resident of Swift county since 1876, died recently at his home in De Graff. Mr. McQuaid was 86 years of age at his death and was a native of Ireland. He was actively engaged in the grain and stock business and farming until the time of his death. The cause of death was pneumonia.

#### New Bank at Hammond

A new bank known as the Security State Bank has been opened for business at Hammond, Minn. The new bank is located in the building formerly occupied by the Farmers State. Officers of the new institution are: President, N. Schouweiler; cashier, G. N. Reppe; assistant cashiers, W. E. York and A. S. Funk. The new institution is capitalized at \$20,000.00 and has deposits of \$440,000.00.

#### Realtors and Bankers Meet

Plans for furthering commercial and agriculture activity in Otter Tail county were discussed at meetings at Fergus

Falls of the Otter Tail County Real Estate Board and the Otter Tail County Bankers Association. A feature of the plan was an extensive advertising program, which will be financed by private subscriptions and through a grant from the Otter Tail county commissioners.

W. H. Evans, Minneapolis realtor, officially represented the Minnesota Realty Association. Mr. Evans spoke before the real estate men in connection with the reorganization of the Otter Tail board, which is now being effected, and before the bankers on "The Present and Future Farm Land Market in Minnesota."

He pointed out that a large number of men who sold their farms are now buying them back or purchasing others, that the number of farm purchases in the state is on the increase and that many people from outside Minnesota are now acquiring land in the state.

#### Duluth Chapter Elects

George Jacobson, of the First National Bank, was elected president of the Duluth, Minnesota, chapter, American Institute of Banking, at the annual meeting and banquet of the institute at the Chamber of Commerce. Other officers elected are Russell Burns, American Exchange, first vice president; S. J. Nelson, Northern National, second vice president; secretary, Julia Cum-

## At Your Service in the Northwest

CHARLES B. MILLS, President  
E. L. MATTSON, Vice President  
W. R. MURRAY, Vice President  
E. V. BLOOMQUIST, Secretary  
TRYGVE OAS, Cashier  
V. E. HANSON, Asst. Cashier  
J. H. SHARPE, Asst. Cashier  
C. L. KEITH, Asst. Cashier  
H. D. DAVIS, Asst. Cashier  
J. K. CORNELYSEN, Asst. Cashier

A. UELAND, Counsel  
A. J. HERRINGTON, Credit Manager  
L. L. D. STARK, Asst. Trust Officer

MIDLAND  
NATIONAL BANK

MINNEAPOLIS

Resources \$17,000,000.00



## Bureau of Canadian Information

The Canadian Pacific Railway through its Bureau of Canadian Information, will furnish you with the latest reliable information on every phase of industrial and agricultural development in Canada. In the Reference Libraries maintained at Chicago, New York and Montreal are complete data on natural resources, climate, labor, transportation, business openings, etc., in Canada. Additional data is constantly being added.

## Development Branch

If you are considering the establishment of your industry in Canada, either to develop your Canadian business or export trade, you are invited to consult this Branch. An expert staff is maintained to acquire and investigate information relative to Canadian industrial raw materials. Information as to such raw materials as well as upon any practical problem affecting the establishment of your industry, including markets, competition, labor costs, power, fuel, etc., is available.

No charge or obligation attached to the above services. Business men and organizations are invited to make use of it.

**CANADIAN PACIFIC RAILWAY**  
Department of Colonization and Development

C. P. R. Building  
Windsor Station Montreal, Can. Madison Ave. at 44th St. New York 165 E. Ontario St. Chicago



mings, Bank of Commerce & Savings; treasurer, Howard Bernard, American Exchange; executive council, Paul Rudolph, First National; J. R. Colbeck, Minnesota National; Lucille Filiatrault, Bank of Commerce & Savings.

Robert McGee, of the City National Bank and retiring president of the institution, presided. Rev. Harry G. Walker was the principal speaker and chose as his topic, "Confidence." He emphasized the need of confidence between the public and the banker, and the need of confidence of people in themselves and in the times in which they live. Other speakers were George Glick and Lewis G. Castle.

Clyde Peterson, Central high school student, entertained with songs. A dance followed.

**Resigns as Cashier**

G. M. Seaberg, who has been cashier of the Truman National, Truman, Minnesota, for the past twenty years, has resigned from that position to take care of his extensive real estate holdings. His duties as cashier are being looked after by Vice President R. G. Vandry.

**Kanabe Bankers Organize**

At a meeting of all the bankers of Kanabe County, Minnesota, held at Mora, a county organization was effected to be known as the Kanabe County Bankers Association, and the following officers were elected to hold office until the first annual meeting:

V. W. Peterson, president; A. T. Westrom, first vice president; E. J. Palmer, second vice president; Frank P. Powers, secretary; M. F. Skoglund, treasurer. Chas. T. Peterson, chairman of Educational Committee; Geo. H.

Norum, chairman of Agricultural Committee; Geo. H. Newbert, chairman Banking Practice and Ethics Committee; C. J. Eklund, chairman Legislative Committee.

The constitution and by-laws recommended by the Minnesota Bankers Association was approved and various matters of interest were discussed. The association also passed a resolution, whereby all banks in the county will close on Saturdays at 1 o'clock p. m., during July and August. This is in accordance with a similar resolution passed by the Isanti and Chisago County Bankers Associations.

**Retires at Bricelyn**

George S. Smith has retired as president of the First National Bank, of Bricelyn, Minnesota, on account of ill health. He is succeeded by E. O. Lund. P. J. Flo has purchased Mr. Smith's stock in the bank.

**Minneapolis Banks Merge**

The Republic State Bank and the Security State Bank of Minneapolis have been merged under the name of the Security State Bank and will use the banking home of the Security State at Nicolet and Eleventh Streets. The new bank will have total resources of about \$700,-

**Working Assets at Work  
THE INVENTORY**

Commercial Research is the *fine sieve* which successful business uses to secure greater profits from the possibilities hidden in the Working Assets.

It is this sieve that separates the Quick from the Dead in Inventories. It determines *true* lines, quantities, prices—and all other factors which are potent in effecting a higher rate of turnover.

It is one thing to know the annual turnover; quite another, and more important, to know at all times, all the motive forces behind turnover and how these forces can be increased in power.

A comprehensive system for analyzing markets and merchandise—a *control* system for merchandise inventories—is a fundamental necessity toward securing more frequent turnover. Such a system puts the Working Assets to work more fully; decreases costs, increases profits; makes smoother progress and greater strength assured.

**ERNST & ERNST**

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ROCHESTER	TOLEDO	KALAMAZOO	DAVENPORT	NEW ORLEANS
BOSTON	COLUMBUS	PITTSBURGH	INDIANAPOLIS	DALLAS
PROVIDENCE	YOUNGSTOWN	WHEELING	ST. LOUIS	HOUSTON
PHILADELPHIA	AKRON	ERIE	KANSAS CITY	FORT WORTH
BALTIMORE	CANTON	CHICAGO	OMAHA	SAN ANTONIO
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	LOUISVILLE	MEMPHIS	SAN FRANCISCO	

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**ST. PAUL                      MINN.**



Bank With Us                      Start Now !!!

**American National Bank**  
Robert at Seventh  
The Strong Bank for Everyone

for Good Service

000. Geo. F. Kirscher continues as president of the bank, with A. R. Chestnut as vice president and C. A. Peterson, cashier. Edward Mattson, who was in charge of the insurance department of the Republic State will continue in that capacity for the Security State.

**Hold Annual Peony Show**

The 1924 peony show, put on by the First National Bank of St. Paul, was a great success, with thousands of blooms on exhibition. The show is open annually to amateurs only, and is divided into two classes. Besides the sweepstakes prize, in both classes, five prizes in each of twenty-five classes were awarded.

**Will Direct Potato Shipping**

Fred P. Fellows, former vice president of the Capital Trust and Savings Bank, St. Paul, also former president of the Minnesota Bankers Association, is the new director of the finance and accounting department of the Minnesota Potato Growers Exchange, with headquarters in St. Paul. He will be in charge of the financing and marketing of the several million bushels of potatoes marketed annually by this association.

**L. M. Lilly to Leave**

L. M. Lilly, vice president of the Farmers and Merchants State Bank and of the Grand Avenue State Bank, St. Paul,

severs his business connections with both institutions July 1 to become vice president and general manager of the Chicago Acceptance Corporation, at Chicago. Mr. Lilly organized both of the banks which he is now leaving.

**Ottertail Bank Election**

At the meeting of the Farmers State Bank of Ottertail, Minnesota, the following directors and officers were elected:

Directors: H. H. Brutlag, H. A. Schultz, Herman Grefe, Ernest Dreyer, Chas. Wegener.

The officers are: H. H. Brutlag, president; H. A. Schultz and Herman Grefe, vice presidents; C. F. Stephens, cashier.

**Control Changes at Glenwood**

Control of the First National Bank of Glenwood, Minnesota, has been changed to A. L. Warner and M. Z. Daily, the latter being active as cashier, Mr. Warner, president.

R. C. Klinkenberg, cashier of the First National Bank, has resigned to go into the wholesale salted peanut business, and insurance.

**Tells About Europe**

Europe, regarded from the standpoint of production and employment, is in excellent condition, better than an American visitor has any reason to expect, in the opinion of E. W. Decker, president of the Northwestern National Bank of Minneapolis, who arrived home recently after a two months' tour of Italy, France, Belgium, Holland and England.

Mr. Decker, with Mrs. Decker and their two daughters, Susan and Elizabeth, sailed from New York on March 27, disembarking at Naples and traveling northward.

There are two things, however, which Europe must do to bring about the return of genuine, stable prosperity, Mr. Decker declared. They are:

"Settle the reparations question and balance the budgets of the various nations.

"Stabilize the currencies of the several countries, which only can be done by adoption of a permanent gold basis.

"In both Italy and France, agricultural conditions are very good, with no unemployment whatever, the fields beautifully cultivated and crops excellent, due to plenty of rain. Italy is prosperous, with a big export business, a balanced budget and widespread confidence in the ability and integrity of Premier Mussolini. France has virtually completed her restoration of the war area.

"The French people show a tendency toward more modified feelings toward Germany, especially in regard to the Ruhr and the reparations question. Belgium also is on the upgrade. Holland has been hit hard by the volume of Ger-

## GENERAL MOTORS ACCEPTANCE CORPORATION

NEW YORK CITY

March 31, 1924

Capital ..... \$9,000,000  
Surplus & Undivided Profits . . . . 3,749,000  
Total Resources . . . . . \$12,749,000

---

**DIRECTORS**

CURTIS C. COOPER, *President*  
ALBERT L. DEANE, *Vice President*  
IRÉNÉE DU PONT, *President, E. I. du Pont de Nemours & Co.; and, Director General Motors Corporation.*  
LAMMOT DU PONT, *Vice President, E. I. du Pont de Nemours & Co.; and, Director General Motors Corporation.*  
PIERRE S. DU PONT, *Chairman, E. I. du Pont de Nemours & Co.; and, General Motors Corporation.*  
O. H. P. LA FARGE, *General Motors Corporation.*  
JOHN J. RASKOB, *Chairman Finance Committee, General Motors Corporation; and, Director E. I. du Pont de Nemours & Co.*  
JOHN J. SCHUMANN, JR., *Vice President*  
DONALD M. SPAIDAL, *Vice President*  
ALFRED H. SWAYNE, *Vice President and Director, General Motors Corporation.*

**OFFICERS**

ALFRED H. SWAYNE, *Chairman*  
CURTIS C. COOPER, *President*  
JOHN J. SCHUMANN, JR., *Vice President*  
ALBERT L. DEANE, *Vice President*  
DONALD M. SPAIDAL, *Vice President*  
JAMES H. McMAHON, *Vice President*  
REUNE MARTIN, *Treasurer*  
GEO. H. BARTHOLOMEW, *Secretary*

LIVINGSTON L. SHORT, *Counsel*  
F. STANLEY PARSON, *Auditor*

JOSEPH L. MYERS  
*General Manager, Financial Sales Department.*

**T**he obligations of this institution are regarded as an appropriate and sound medium for short term investment by a large banking clientele. They may be obtained in convenient denominations and suitable maturities.

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BRANCHES

ATLANTA	DAYTON	NEW YORK
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BUFFALO	DETROIT	PITTSBURGH
CHICAGO	KANSAS CITY	PORTLAND, ORE.
CINCINNATI	LOS ANGELES	ST. LOUIS
CLEVELAND	MINNEAPOLIS	SAN FRANCISCO
DALLAS	WASHINGTON, D.C.	
LONDON, ENG.	TORONTO, CANADA	

man marks dumped on the country by Germany and by the loss of shipping business caused by the collapse of German industry. England has turned the corner in her post-war adjustment, with unemployment still a big problem but decreasing. The English are great financiers. They have cut expenses, increased taxes and are coming steadily closer to the pay-as-you-go system."

**Declares Conditions Unfair**

"The reason the farmers in this section are not richer is because the cards have been stacked against them," declared E. G. Quamme, president of the Federal Reserve Land Bank, recently at a meeting in St. Paul in which he assured the president of the American Wheat Growers' Association that it had the support of the St. Paul association.

"The farmers of the northwest are just as thrifty as ever. They are more efficient. They are producing more per capita than ever before.

"The East is prospering on cheap food produced at the expense of the western farmer."

Ole Sageng, candidate for United States senator, and W. J. Brown of Thief River Falls, president of the wheat growers, spoke as well. Other speakers were W. B. Bosworth of Ada, Edward Hagen, Chippewa county, and John Burgess, Minneapolis, vice president of the Metropolitan Bank.

Approved and Listed by the Underwriters Laboratories Inc.

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**"GRADE A"**  
**BURGLAR ALARM**

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**O. B. MCCLINTOCK CO.**

PAID UP CAPITAL MORE THAN \$400,000.00

**MINNEAPOLIS, MINNESOTA**

30 CHURCH ST.  
 NEW YORK

647 SANTA FE AVE.  
 LOS ANGELES

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**POLITICS AND BUSINESS**

Politics would not disturb business periodically if all office seekers had the courage of their convictions. Honesty should be a factor in politics as well as in business. It is every citizen's duty to vote and all voters should be in politics.

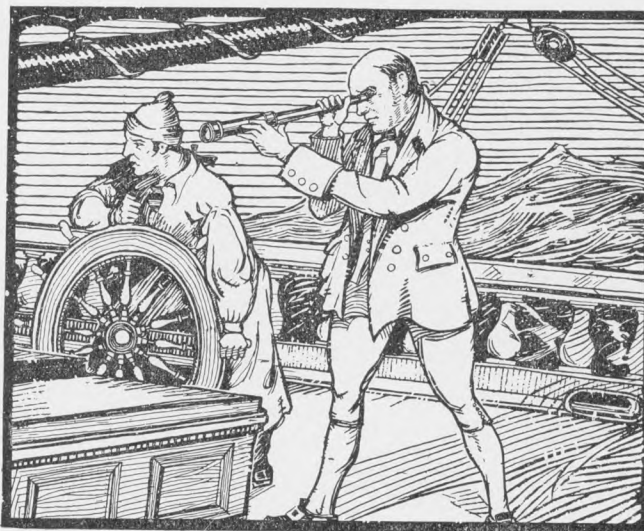
**THE FIRST NATIONAL BANK**

DULUTH, MINN.

CAPITAL, SURPLUS AND PROFITS, \$4,000,000.00

The bank of complete personal service.

Northwestern Banker Advertising Pays



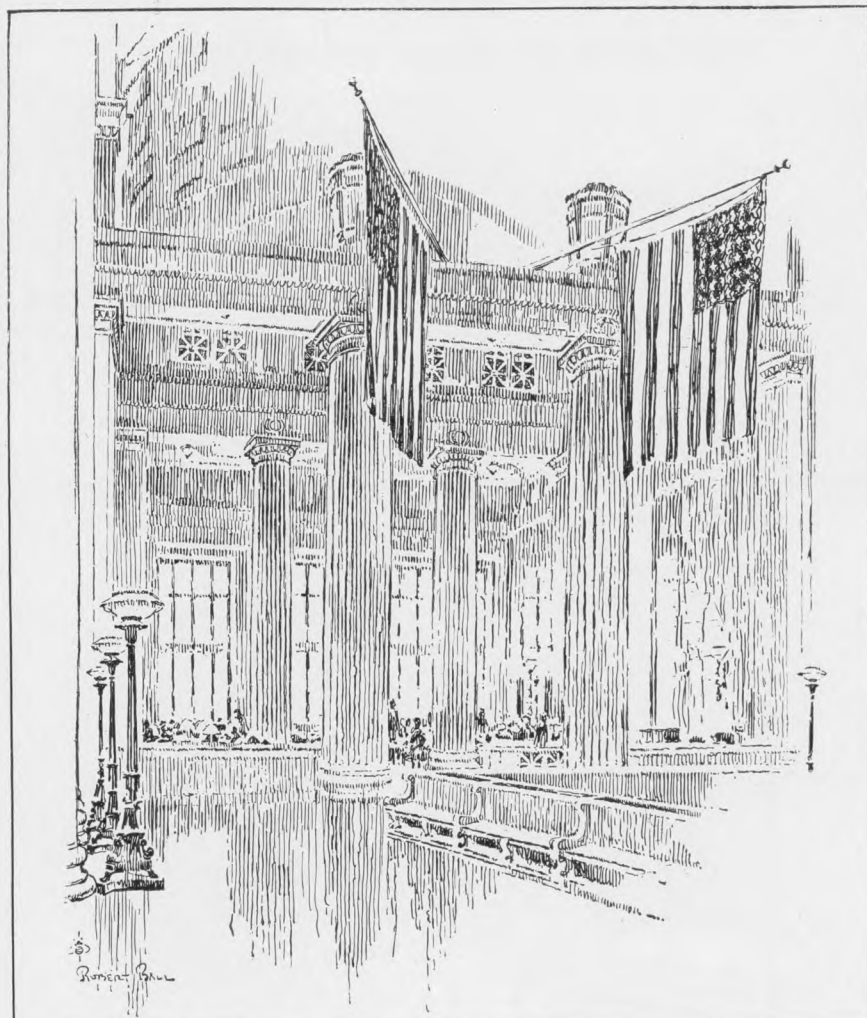
TWO SUCCESSFUL CAREERS

IN MAY of 1776, Stephen Girard became lost in a dense fog in Delaware Bay while sailing a trading sloop from New Orleans to Canada, and found it necessary to hire a pilot to bring him to Philadelphia.

Seeing the advantages afforded by this city, Girard remained here and, by ability and untiring work, grew to be the richest citizen of his time.

Organized in 1832, The Girard National Bank has followed to success the business principles of Girard and has become one of the foremost financial institutions of Philadelphia.

**THE GIRARD NATIONAL BANK**  
 PHILADELPHIA



"THE Continental and Commercial Banks, and the components from which they sprang, have always had the guidance and leadership of men—men capable of thinking in terms of states and sections and continents, men of vision and purpose with minds to conceive and the will to execute large plans. Like the Banks and the buildings, the present directors and officers have been brought together by a centering—a centripetal process, which may be defined as a process of natural selection when applied to men."

.... An excerpt from "The Making of a Modern Bank," a copy of which will be sent to any banker free upon request.

## The CONTINENTAL and COMMERCIAL BANKS CHICAGO

Resources More Than \$500,000,000

"An Extra Measure of Service"

### Elected Cashier

Clarence S. Johnson has been advanced from assistant cashier to cashier of the Security State Bank, of Houston, Minnesota. He succeeds the late Norman E. Forsyth.

### Heymann Elected President

J. A. Heymann has been promoted from the position of cashier to president of the Caledonia State Bank, of Caledonia, Minnesota. A. M. Eiken, formerly assistant cashier succeeds Mr. Heymann as cashier.

### Elect New Officers

C. A. Schrunck, of Minneapolis, Minnesota, has accepted the position of cashier of the Farmers & Merchants State Bank, of Russell, Minnesota, to succeed Ludwig Hanson who resigned. M. Glemestad was elected first vice president.

### First National, Courtenay

The First National Bank of Courtenay, North Dakota, has been reorganized with the following officers in charge: President, H. W. Hooper; vice presidents, R. B. Milne and C. H. Prosser; cashier, George E. Berg; assistant cashier, D. H. McCully. All the stock is now owned by Courtenay people. The bank is capitalized at \$25,000.00. Surplus, \$4000.00.

### File Application

The Mercantile State Bank of Minneapolis, Minnesota, has filed application with the comptroller of the currency for conversion to the Mercantile National Bank.

### Elected Vice President

Jens Svee succeeds the late C. J. Chamberlin as vice president of the Ramsey County National Bank of Devils Lake, North Dakota.

### Ponsford Elected President

James J. Ponsford has been elected president of the First State Bank of Stewartville, Minnesota. He was formerly vice president of the bank. M. J. Dixon, formerly cashier, has been elected vice president and H. N. Lenton has been promoted from assistant cashier to cashier. Lloyd Benedict has been elected assistant cashier.

### Wells Banker Dead

Clarence E. Anderson, cashier of the Wells National Bank of Wells, Minnesota, died recently in a hospital at Red Wing, following an operation. He had been ill for several months.

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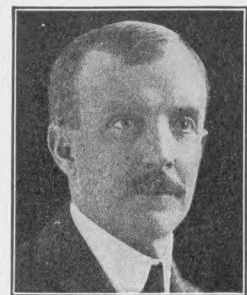


M. R. PORTER  
President

# NORTH DAKOTA BANK NEWS

## OFFICERS NORTH DAKOTA BANKERS ASSOCIATION

M. R. Porter, President, Vice President Scandinavian-American Bank.....Minot  
Blanding Fisher, Vice President, President Ramsey County National Bank.....Devils Lake  
R. H. Garmer, Treasurer, President First Bank of Flaxton.....Flaxton  
W. C. Macfadden, Secretary.....Fargo



W. C. MACFADDEN  
Secretary

### NORTH DAKOTA BANK NEWS

The Green State Bank has changed its corporate name and headquarters from the Greene State Bank, Greene, North Dakota, to the Security State Bank at Tolley, North Dakota.

The Security State Bank of Milton has moved to Orr and is now operating under the title of Security Bank of Orr.

C. I. F. Wagner succeeds Jas. A. Brown as cashier of the Farmers and Merchants Bank of Rolla. Mr. Wagner was formerly vice president.

The Michigan City Bank, which has been operating under a special deposit arrangement, reopened for general banking business on June 2d.

Mary E. McSherry is the new book-keeper with the Pisek State Bank.

Michael Tschida succeeds Jos. P. Hess as director and vice president of the Merchants State Bank at Glen Ullin.

The State Bank of Hannah, which has been operating under a special deposit arrangement, reopened for general banking business on June 2d.

Clarence Thompson succeeds R. O. Knudsen as assistant cashier of the State Bank of Bremen.

A charter has been issued to the Union Bank of Portal with an authorized capital of \$15,000.00. The directors are as follows: Jerry Daley, Arthur Kateley and C. H. Marshall.

#### Is Elected Vice President

R. D. Gillies, cashier of the Cando National Bank of Cando, North Dakota, since 1904, has been elected vice president of that institution. The cashiership has been filled by the election of K. K. Brainard, formerly cashier of the First National Bank of Durand, Wisconsin.

### Another Bank Reopens

The sixth bank to be reopened in North Dakota through assistance of the \$10,000,000 agricultural credit corporation, with headquarters in Minneapolis, was reported recently, when the First State Bank of Hastings, Barnes county, resumed business.

The bank closed last fall because of "frozen assets" and low reserves. The credit corporation aided in reorganization and loaned money direct to the stockholders.

The bank has a capital of \$15,000 and deposits of \$175,000. A. Eggan is president and O. T. Olson is cashier.

### Missouri Slope Meeting

Herman Leutz of Taylor was elected president of the Missouri Slope Group, North Dakota Bankers Association, at the annual convention held at Mandan, North Dakota.

Other officers are: George Leonhart, Hazelton, vice president; E. O. Tollefson, Dickinson, secretary; E. A. Ripley, Mandan, treasurer; R. E. Truesdale, Mott, member of state nominating committee; A. H. Peterson, retiring president, member State Bankers Association Council.

Dickinson will entertain the group next year.

### Two More Banks Reopen

The State Bank of Hannah and the Michigan City Bank of Michigan, North Dakota, have been reopened for business. The officials of the State Bank of Hannah are: President, C. B. McMillan; vice presidents, Thomas Prior and Alec Reid; cashier, M. J. Dixon. The capital stock of the bank is given as \$40,000, surplus, \$10,000 and deposits, \$300,000.

The officials of the Michigan City bank are George Reed, president; Oliver Knudson, vice president; and Lulu Knudson, cashier. The capital of this bank is \$10,000, surplus, \$2,000 and deposits, \$150,000.

### Northeast Bankers Meet

The present state government was commended, need of legislation to prevent further issuance of tax-exempt securities was expressed, and elimination of banks of small usefulness by consolidation or liquidation was urged in resolutions adopted by the northeastern district of the North Dakota Bankers Association at Grand Forks, North Dakota.

J. H. Lyford, of Fairdale, was elected president; P. E. Johnson, of Petersburg, vice president; C. S. Robertson, of Milton, secretary-treasurer.

### Valley City Bank Reopens

The Bank of Valley City of Valley City, North Dakota, has been reopened. The same officers, with the exception of E. O. Nestoss, cashier, and J. J. Early, will have charge of the bank, it was stated.

### Robbery at Abercrombie

Robbers recently broke into the State Bank of Abercrombie, North Dakota, and escaped with \$5,000 in cash, \$4,200 in Liberty bonds and an undetermined amount of collateral. Wires were cut and a telephone employe gagged. A posse followed the trail into Minnesota near Wheaton.

### Lindquist Elected President

F. D. Lindquist, vice president of the State Bank of Dundee, Minnesota, has been elected president and August Suding has been advanced from assistant cashier to vice president. F. D. Sontag is cashier and H. N. Rye is assistant cashier.

Children know,  
Instinctive taught, the friend and foe.  
—Scott.

Wheresoever you see your kindred,  
make much of your friends.—Proverb.

A distant relative who is "close" is  
both far and near.

## Independence Day

1776-1924

**O**NE HUNDRED and forty-eight years ago today a little group of serious-minded men cut the bonds of race, of family blood, of natural loyalty and of commerce that they might have the freedom of strong men—able and anxious to perform the duties of productive citizenship, in industry, in thrift, in moderation and in respectful recognition of lawfully constituted authority.

As we celebrate this day let us be proud and grateful for their purpose; let us pledge ourselves anew to the kind of freedom they established.

**DROVERS**  
**National Bank**  
 Union Stock Yards-Chicago

### Garner Banker Resigns

Isaac Sweigard, president of the Farmers National Bank, of Garner, Iowa, has resigned. He is succeeded by J. N. Sproule, former vice president.

### Stanhope Banker Dead

Hans Fardal, one of the organizers of the Stanhope State Bank, of Stanhope, Iowa, and inactive president of that institution until the past year, died recently at his home in Stanhope after an illness extending over the past two years. His son, Elmer G. Fardal, has been president of the bank since his father's retirement in January of this year.

### Palmer Banker Dies

F. S. White, at one time cashier and later vice president of the Farmers Savings Bank, of Palmer, Iowa, died recently at Webster City, Iowa, following an extended illness. Mr. White had retired from business several years ago on account of ill health.

### Is Elected President

O. G. Hamilton has been elected president of the People's State Bank, of Guthrie Center, Iowa, succeeding to the position left vacant by the death of the late Senator F. M. Hopkins.

Mr. Hamilton was for a time cashier of the Farmers Savings Bank, Hepburn, Iowa, acted as receiver for the Clarinda Trust and Savings Bank, and later became vice president of the Clarinda National Bank. Two years ago Mr. Hamilton succeeded his brother, the late W. K. Hamilton, as cashier of the People's State Bank. He was former county superintendent of Guthrie county for nine years.

### Installs Radio Set

The First National Bank, of Webster City, has installed a radio set for the benefit of their reports as received three times each day from Station WHO, Des Moines.

### Ida Grove Banker Married

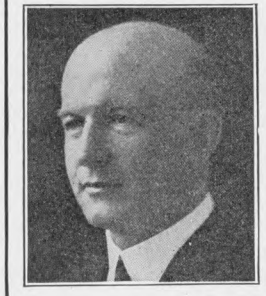
Reese F. Kiner, assistant cashier of the Anderson Lipton & Co. Bank at Ida Grove, Iowa, was married recently at the Little Brown Church in the Vale, Nashua, Iowa, to Miss Ludmilla Clara Hlavaty, of Wagner, South Dakota. They will make their home in Ida Grove.

### New Banks at Beaver

A new bank known as the Farmers Savings Bank, of Beaver, Iowa, has been opened for business with capital stock of \$20,000. Henry Bruns, Sr., is president of the new institution. Other officers include: H. A. Bruns, cashier; Lenon Sifrit, assistant cashier.

# IOWA BANK NEWS

## COUNCIL OF ADMINISTRATION Iowa Bankers Association



C. E. NAREY  
President



FRANK WARNER  
Secretary

### ADMINISTRATIVE COMMITTEE

C. E. Narey, President, President First National Bank.....Spirit Lake  
Carl M. Keck, Vice President, Vice Pres. Commercial Savings.Washington  
Fred S. Richards, Treasurer, Cashier First National Bank.....McGregor  
Frank Warner, Secretary .....

### GROUP CHAIRMEN

C. C. Jacobsen, Chm. Group 1.....President First State Bank, Mapleton  
E. F. King, Chm. Group 2.....President First National Bank, Webster City  
M. C. Sweney, Chm. Group 3.....President Mitchell County Savings, Osage  
Wm. Reinecke, Chm. Group 4.....Cashier Strawberry Point State Bank  
Fred Durbin, Chm. Group 5.....Cashier Malvern National Bank  
W. C. Bergman, Chm. Group 6.....President First National Bank, Newton  
W. R. Finlayson, Chm. Group 7, Pres. First National Bank, Grundy Center  
Joseph Kelso, Chm. Group 8.....Cashier Bank of J. Kelso, Bellevue  
D. V. Ferris, Chm. Group 9.....Cashier First National Bank, Diagonal  
C. D. Evans, Chm. Group 10.....Cashier South Ottumwa Savings, Ottumwa  
T. R. Richardson, Chm. Group 11,Cash. Commercial State Bank, Mediapolis  
A. M. Henderson, ex-officio.....Cashier First National Bank, Story City

## Twelve Hundred Iowa Bankers at Mason City Convention

“Shop talk” and development of a greater Iowa form basis of best meeting in history of state association

FROM north, south, east and west, nearly fifteen hundred bankers gathered to attend the thirty-eighth annual convention of the Iowa Bankers Association, held at Mason City, June 16, 17 and 18.

C. J. Wohlenberg, president of the Holstein Savings Bank, was elected president for the ensuing year; M. C. Sweney, president of the Mitchell County Savings Bank of Osage, was elected vice president; and N. C. Hoffman, cashier of the Murray State Bank, was elected treasurer. Dubuque was selected for the 1925 convention city.

Royal entertainment by the Mason City hosts, a brilliant array of speakers, and fair weather contributed to an enjoyable and profitable meeting that was warmly indorsed by countless groups of bankers and their wives in their conversation heard around convention headquarters

By J. J. Wengert

Associate Editor Northwestern Banker

### NEW OFFICERS ELECTED

President—C. J. Wohlenberg, Holstein  
Vice President—M. C. Sweney, Osage  
Treasurer—N. C. Hoffman, Murray  
Secretary—(re-elected) Frank Warner, Des Moines

and at the various places of entertainment.

W. G. C. Bagley, vice president of the First National Bank of Mason City, deserves much credit for his work as chairman of the entertainment committee. Due to him, golf, sightseeing tours, musicales, stag parties and the annual dance were all made most enjoyable events.

Preliminaries to the convention were held Monday afternoon at a gathering of the presidents and secretaries of the ninety-nine county bankers associations. C. R. Wooden, of Centerville, president of the organization of officers of the county bankers associations, presided at this meeting and gave a brief talk on some of the problems of the day.

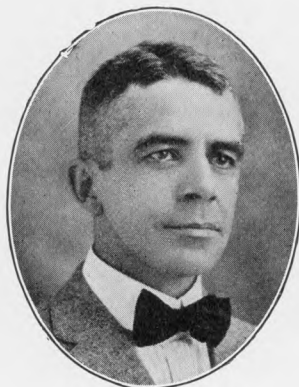
C. E. Narey, of Spirit Lake, president of the Iowa Bankers Association, then spoke on the successful work of the legislative committee during the past year following which R. O. Byerrum, secretary of the Scott County Bankers Association and cashier of the Bettendorf Savings Bank, introduced the question, “Should we have a state law to forbid

banks paying in excess of 4 per cent on time money?”

Others who spoke on this topic were F. S. Richards, chairman of the committee of Group Four; A. S. Lund of Northwood, president of the Worth County Bankers Association; C. G. Cole, of Manchester, president of the Delaware County Bankers Association; George W. Gates, of Marble Rock, president of the Floyd County association, and J. B. Van Horn, of Iowa City, president of the Johnson County Association.

“County Credit Files” was the subject of discussion led by Carl E. Childs, secretary of the Poweshiek association, a Grinnell banker. Earl Barger, of Charles City, secretary of the Floyd County Bankers Association, and W. A. Sandburg, of Lytton, president of the Sac county association, followed.

Another topic discussed was whether



M. C. SWENEY



N. C. HOFFMAN

1876

1924

## The Measure of Service

is reflected in the satisfaction expressed by customers of a bank.

Many out of town banks have expressed their satisfaction and approval of the prompt and efficient way in which the Consolidated National Bank handles their business.

Years of experience enable us to help you in every way—and you will find that our officers take an earnest interest in your problems.

The Consolidated National Bank will give you its full measure of service as your Dubuque correspondent.

### Consolidated National Bank

UNITED STATES DEPOSITORY

DUBUQUE, IOWA

## Burns Brothers Company

Des Moines, Iowa

DEALERS AND  
DISTRIBUTORS

## Investment Securities



313 Fifth Avenue

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or not a state committee should be appointed to appoint a general clearing house plan.

"The Worth of Diversifying Loans" was discussed by Ivan O. Hasbrouck, of Des Moines, president of the Polk county association; Fred H. Wray, of Waterloo, president of the Black Hawk county association; and Harry T. Broders, of Hartley, president of the O'Brien association.

Methods of improving the state vigilance committee work was discussed by H. C. Berger, of Storm Lake, secretary of the Buena Vista county association; George Kriebs, of Elkport, president of the Clayton county association; George W. Gates, of Marble Rock, president of the Floyd county association, and Al Sanderson, of Melbourne, president of the Marshall county association.

J. F. Weber, president of the Wapello county association, and an officer of an Ottumwa bank, led the discussion on the new bank tax law, dealing chiefly with what bankers can do in its administration.

W. A. Dexter, of Toledo, president of the Tama county association, and Carl H. Lane, of Indianola, president of the Warren county association, also spoke on this subject.

"What Can Iowa Do for Herself?" was a question which Harry B. Allfree of the First National Bank of Newton, a member of the legislative committee of the association and vice president of the Iowa Good Roads Association, opened for discussion.

At the close of this meeting the following officers were elected for the ensuing year: President, Al. Sanderman, cashier of the Melbourne Savings Bank and president of the Marshall County Bankers Association; vice president, A. P. Cronk, cashier of the First National Bank of Everly and president of the Clay County Bankers Association; secretary-treasurer, H. L. Swenson, cashier of the First National Bank and secretary of the Clayton County Bankers Association.

The convention proper opened at 9 o'clock Tuesday morning, with C. E. Narey of Spirit Lake, president of the association, presiding. Following invocation by the Rev. Cuthbert F. Hinton, of St. John's Episcopal Church of Mason City, the address of welcome was made by C. H. McNider, president of the First National Bank of Mason City. Mr. McNider's welcome was brief but it drew a hearty applause from the delegates assembled in the convention hall.

E. W. Miller, president of the Commercial National Bank of Waterloo, presented the ivory gavel to Mr. Narey at the close of the annual address of the president. Committee reports were then presented in the form of a sixty-page booklet.



W. W. Head, president of the Omaha National Bank and of the American Bankers Association, spoke next on the program. Mr. Head's subject was, "Too Much Joy Riding." He pointed out the reason for the present disparity of prices and stressed the importance of equity in costs of production and taxation. He concluded his address with the comment that artificial price-fixing would not be successful over a period of years.

Senator H. S. Van Alstine, vice president of the Gilmore City Exchange Bank, spoke on "Corn Sugar as a Market for Iowa Corn."

The morning's session was concluded with a meeting of the American Bankers Association members from Iowa. The following elections were made:

Thomas Watts, of Grand Junction, was elected member of the executive council; A. M. Henderson, of Story City, was made member of the council to take his seat if the Iowa members of the national association grows to 1,100 members; I. O. Hasbrouck, of Des Moines, was made state vice president and Melvin Ellis, of Charles City, nominating committeeman and S. T. Cole alternate committeeman.

Vice presidents for the various divisions were Mr. Knapp, of Des Moines; Gus Steuben, of Davenport; H. B. Allfree, of Newton; and C. E. Beman, of Oskaloosa.

The Iowa Entertainers opened the afternoon session and were followed by one minute reports from the various group chairmen. Addresses by E. H. Lauer, of Iowa City; Major A. P. Simmonds, of New York City; and H. E. Byram, of Chicago, president of the C. M. & St. Paul Railway, filled the rest of the afternoon.

Mr. Lauer, a rapid and energetic speaker, described the bankers short course, which is being offered by the university, and told of the interest that is being displayed in its development by men who have had some experience with it.

Major A. P. Simmonds, of New York, who was in the military intelligence bureau during the World War and still retains a connection with it, spoke of the dangers of the encroaching radicalism in America.

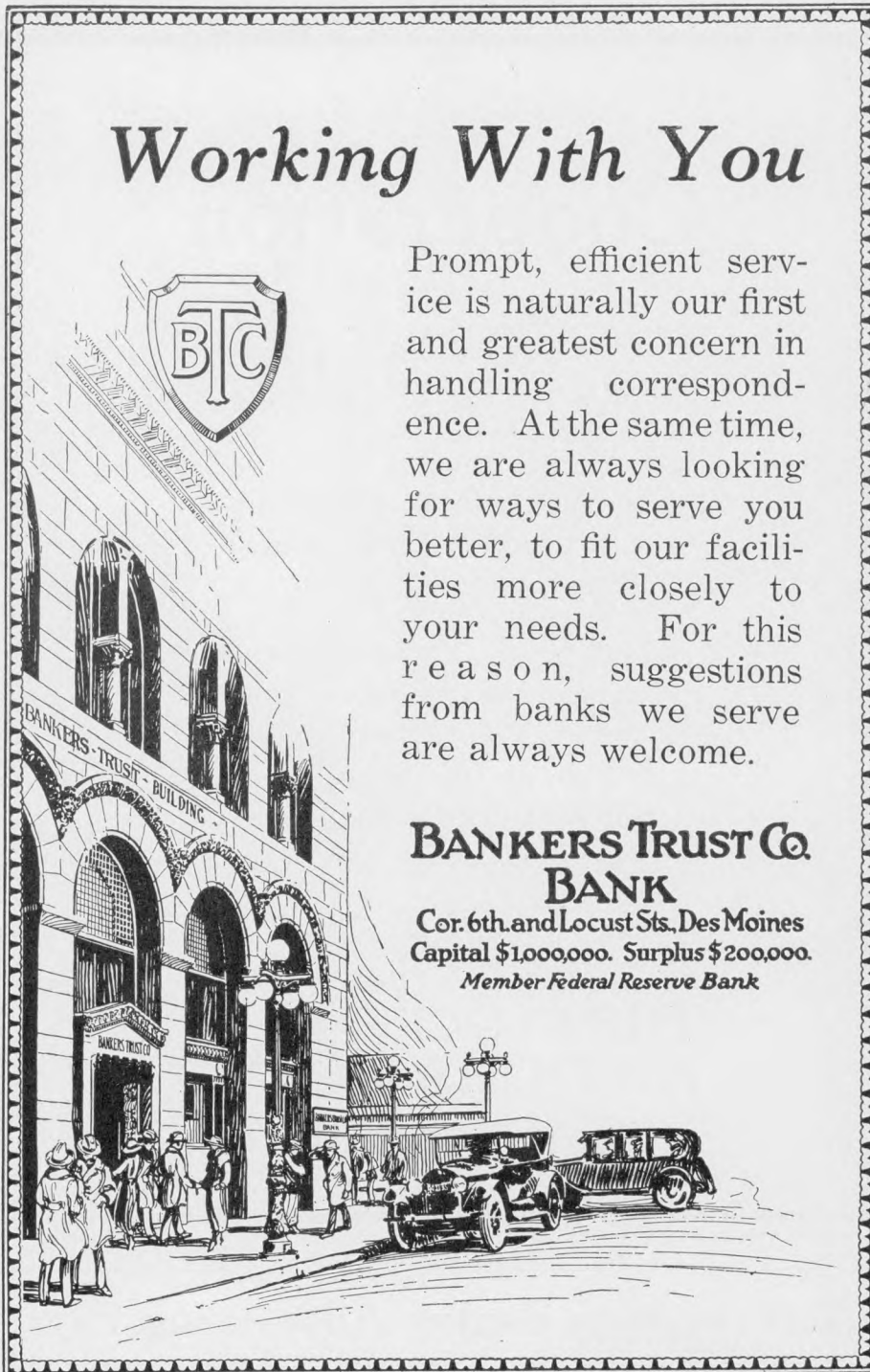
H. E. Bryam, president of the Chicago, Milwaukee & St. Paul Railroad, concluded the afternoon program with his address on "Public Interest in Transportation Problems." He stated that railroads are now making a "fair return" on their investments and therefore cannot be accused of maintaining exorbitant rates. He stated further that the railroads welcomed discussions of rates and concluded with the assertion that it is apparent that the intent of some group leaders to take the railroads out of the hands of their present

## Working With You

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Capital \$1,000,000. Surplus \$200,000.  
Member Federal Reserve Bank



### THE OLD LINE CEDAR RAPIDS LIFE INSURANCE CO.

General Agency Chances Open  
in Four Western States

A Good chance for Bankers with  
Ability of Management

C.B. Robbins, Pres      C.B. Svaboda, Secy.  
HOME OFFICE: CEDAR RAPIDS, IOWA

# Cooperation

Accepting accounts from bankers is an easy and delightful piece of business.

Paying for these accounts in service rendered is an entirely different business.

The Stock Yards National Bank desires accounts from banks and has developed ways and means of serving these banks in exceptional ways which make them permanent customers.

**THE STOCK YARDS  
NATIONAL BANK**  
of Chicago

**Northwestern Banker Advertising Pays**

managers must be considered by the public not as a promise but as a threat.

The convention closed with the Wednesday morning session which was featured by addresses by Fred I. Kent, vice president of the Bankers Trust Company of New York, and the Honorable Kenesaw Mountain Landis, former federal judge and now commissioner of baseball at Chicago. Mr. Kent's address on "America and the Dawes Plan" is printed in this issue.

Judge Landis spoke on various forms of fraud. He took a rap at Germany's "Mark Game," pointed out interesting fallacies in the attitude of those opposing the bonus and said something concerning gubernatorial and presidential pardons. His address held the undivided attention of the audience for nearly an hour, following which invitations were presented by various cities for next year's convention. Dubuque came out successful and the convention was adjourned.

#### Peoples State Bank Reorganized

Owing to the death of Hon. F. M. Hopkins, president of the Peoples State Bank, Guthrie Center, the official force was recently reorganized at a meeting of the directors. O. G. Hamilton, formerly cashier, was chosen president, K. B. O'Dair, cashier, H. L. Cowden, assistant cashier, Charles Flanery and W. F. Moore, vice presidents.

The word of God tends to make large-minded, noble-minded men.—Beecher.

Faithful are the wounds of a friend.—Proverbs of Solomon.

Treat your friend as if he is to become your enemy.—Liberius.

The fewer desires, the more peace.—Wilson.

A man's mind is known by the company he keeps.—Lowell.



## The FIRST NATIONAL BANK, Waterloo, Iowa

#### DIRECTORS

B. F. SWISHER  
Pickett, Swisher & Farwell  
R. J. HOXIE  
Secretary Waterloo Fruit & Commission Co.  
A. M. PLACE  
Vice President  
E. PEEK  
Vice President Waterloo Bldg. & Loan Association.  
H. W. GROUT  
Real Estate  
C. A. MARSH  
President

THE First National Bank of Waterloo is equipped to give you the highest degree of SERVICE, and do it promptly and efficiently at all times. Fifty-eight years of steady conservative growth enables this bank to extend such service.

#### OFFICERS

C. A. MARSH, President  
A. M. PLACE, Vice President  
WILL A. LANE, Cashier  
P. W. FIGHNEY, Assistant Cashier  
O. L. MORRIS, Assistant Cashier

Total Resources Over \$2,900,000.00.

#### DIRECTORS

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J. O. TRUMBAUER  
Vice President Farmers Loan and Trust Co.  
H. A. MAINE  
President H. A. Maine & Co.  
WILL A. LANE  
Cashier

Chartered 1865

# Seen and Heard at Mason City

Fred Jones, deputy superintendent of banking for the state of Iowa, attended the convention and spread cheer in his wake with a score of mirth-provoking stories. "Fred" at one time was contemplating a life behind the footlights but banking proved too popular.

—\$—

W. G. C. Bagley, vice president of the First National Bank of Mason City, acted as general promoter and announcer at the big "Pow-wow" and prize-fight at the armory. Tex Rickard has nothing on W. G. C. when it comes to staging some classy battles.

—\$—

Gordon Shaffer of the Second National Bank of New Hampton, blew some wicked notes on his accordion at the big "Pow-wow"—which all proves that you can get a lot of keen enjoyment out of a new kind of banker note.—Mr. Shaffer's are of the very latest variety.

—\$—

Robert L. Leach, superintendent of banking, was on hand at the convention with the report that banks in general are rapidly getting in better shape.

—\$—

C. B. Mills, president of the Midland National Bank of Minneapolis makes a mighty good policeman—there's a story out that he had a lot of fun with the help of Ben Larsen, cashier of the Security Trust & Savings Bank of Fort Dodge. It seems that there was a raid—but then we aren't going to print all the details—anyhow, we must admit that "Charlie" makes a good "copper."

—\$—

Percy Hall of the Mechanics and Metals National Bank was there with a smile and cordial greeting for his numerous Iowa friends. "Percy" was formerly secretary of the Iowa Bankers Association.

—\$—

A. F. Dawson, vice president of the First Iowa National Bank of Davenport,

reports that the new home of the recently merged First National and Iowa National banks is rapidly nearing completion and that early fall will probably see them doing business in the big new building.

—\$—

C. H. McNider, president of the First National Bank of Mason City, was the hit of the convention with his address of welcome. Mr. McNider, who is a former president of the I. B. A., announced that he would only talk about a half an hour and then proceeded to put out a real genuine welcome in just about three

minutes. Needless to say, Mason City lived up to his promises.

—\$—

Basil I. Peterson, vice president of the Stock Yards National Bank of Chicago, was perhaps the most distinguished looking man at the convention—needless to say, he was a distinct and decided success at the big ball at the armory.

—\$—

A. K. O. Cochrane, author, and golfer par-excellence of the Union Trust Company of Chicago, shot a mean 37 on the country club course at Mason City—he

For *SIXTY-TWO YEARS* we have rendered a service that has won us the confidence and friendship of our correspondents. We know this, because we have grown and our service has grown proportionately in importance and value.

We solicit your business on the basis of this service.

*"A big, friendly institution where the spirit is democratic and it is a pleasure to do business."*

## The Foreman National Bank

*The Foreman Trust and Savings Bank*

*(Succeeding Foreman Bros. Banking Company)*

S. W. Cor. La Salle and Washington Sts.  
Chicago, Ill.

Combined Capital, Surplus and Undivided Profits exceed \$6,000,000

W. M. HETHERINGTON, President J. C. COLLIER, Vice President  
H. A. KOESTER, Cashier H. C. W. SCHOLZ, Asst. Cashier

### FIRST NATIONAL BANK

DUBUQUE, IOWA

Capital, Surplus and Profits \$ 500,000.00  
Resources - - - - 4,900,000.00

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### FIRST NATIONAL BANK

SPIRIT LAKE, IOWA

CAPITAL - - - - - \$50,000.00  
SURPLUS AND PROFITS - - - - - 45,000.00

Whatever may be your business in Spirit Lake, the First National Bank meets the requirements of those desiring complete banking service, and invites your patronage on that basis.

G. E. NAREY, President

OFFICERS

J. H. ROZEMA, Cashier

### PACKERS SECURITIES SPECIALISTS

Information—Quotations



**TRUE-WEBBER & CO.**  
INVESTMENT BONDS  
209 SOUTH LA SALLE ST. CHICAGO

## Keeping Your Business Up to Your Standard

Your service to clients must not suffer—even when it's on out-of-town matters.

As your correspondent in this territory this strong, progressive institution will give your business the same care, the same prompt attention, you yourself would give it.

### Security State Bank

KEOKUK, IOWA

## Transparent Insertable Label Guides

A new transparent guide has been developed by the General Fireproofing Company, with these exclusive advantages:

**Double Indexing**—Slip in the label—guides can be read from either front or back.

**Two-Line Label**—Ample space for two typed lines—upper line at extreme top edge of tab, where it is wanted. Labels furnished in perforated sheet form.

**Reversible Tabs**—Tabs read from either side—hence guides are reversible. For example, first and third position guides are interchangeable in thirds.

**Ease in Using**—Labels can be instantly inserted. Tabs clean

cut and smooth—easy to handle in file.

**Strength and Wear**—One-piece construction—tabs are part of the linen ledger or gray pressboard guide, with added strength and protection of 7½ point celluloid fold. No cut out or dove-tailing of foreign materials to weaken the tab.

**Complete Size Range**—Made in all standard card and vertical filing sizes. Tabs 1" to 4"—fifths and thirds. Special size guides to order.

We sell desks, filing cabinets, safes, office supplies. Let us mail you samples of these new guides for your inspection.

### KOCH BROTHERS

Fourth and Grand Ave.

Des Moines, Iowa

## HOLSTEIN SAVINGS BANK

Capital \$90,000.00

Surplus and Profits \$70,000.00

This bank invites correspondence from banks and bankers. You'll find a warm, courteous atmosphere in all of your transactions with this institution.

CHAS. J. WOHLBERG, President

HOLSTEIN, IOWA

was the envy of every embryo golfer at the convention.

—\$—  
**James Cummins** of Ringheim Company, Des Moines, reports a "wet" convention—he was a member of the early morning swimming party at Clear Lake.

—\$—  
**C. J. Wohlenberg**, president of the Holstein Savings Bank, motored down to Mason City with his wife and family—accepted the nomination for president of the association—was elected—and made a distinct hit with his poetical acceptance—the poetry being inspired by a card sent by Walter W. Head at New Year's.

—\$—  
**L. A. Andrew**, president of the Iowa Farm Credit Corporation, and former president of the I. B. A., attended the convention and renewed acquaintances with old-time friends.

—\$—  
**Ivan O. Hasbrouck**, cashier of the Central State Bank of Des Moines, was there with his golf clubs. He was usually teeing-up for his first drive just when the sun came over the horizon.

—\$—  
**Hanford MacNider**, president of the First National Company of Mason City, presented the Hon. Kenesaw M. Landis to the convention. It is understood that Judge Landis prefers Hanford's Straight-Eight to the general run of pullman cars.

—\$—  
**John Corley** of Polk, Corley and Wheelock, Des Moines, had the distinction of being elected the first secretary-treasurer of the new Iowa Bond Dealers Association. John is quite a golf player and it is whispered about that he had a private match with A. K. O. Cochrane—however, no one has the official dope on this rumor.

—\$—  
**D. R. Wessling** and **A. R. Wolf**, both of Lytton, Iowa, and both dealers in Wessling Services, were at the convention with smiles and hand-clasps for their friends and customers—they conveyed the "Pal" spirit that they advertise.

—\$—  
**Walker Hanna** was unanimously elected president of the new Iowa Bond Dealers Association. The new association has long been an idea of his and the presidency of the association shows the appreciation of the members for his work and inspiration.

—\$—  
**Henry C. Priester**, president of Priester, Quail and Cundy, investment bankers of Davenport, was the "Sees all—Knows all" man at the organization meeting of the Iowa Bond Dealers Association. "Hy" answered all questions whether they dealt with the Dawes plan



**T**HE old "Iowa National" goes steadily forward, combining conservative management with progressive service to the bankers and business interests of Iowa.

Visit us when you come to Des Moines. Let us show you the finest *Safe Deposit Vaults* in the state.



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Clyde E. Brenton	<b>Vice Pres.</b>
H. T. Blackburn	<b>Vice Pres.</b>
Geo. E. Pearsall	<b>Vice Pres.</b>
Albert J. Robertson	<b>Vice Pres.</b>
J. R. Capps	<b>Cashier</b>
Walter H. Miller	<b>Asst. Cash.</b>
R. L. Chase, Jr.	<b>Asst. Cash.</b>
James F. Hart	<b>Asst. Cash.</b>
J. Burson	<b>Asst. Cash.</b>
Sherman W. Fowler	<b>Asst. Cash.</b>

**DIRECTORS**

Geo. N. Ayres	F. H. Luth
H. T. Blackburn	M. Mandelbaum
Clyde E. Brenton	E. T. Meredith
Howard J. Clark	Homer A. Miller
Gardner Cowles	Geo. E. Pearsall
J. H. Cownie	Ralph H. Plumb
E. C. Finkbine	M. Shloss
J. B. Green	E. R. Stotts
Wm. C. Harbach	O. P. Thompson
G. M. Van Evera	

**IOWA NATIONAL BANK**  
 DES MOINES SAVINGS BANK AND TRUST COMPANY  
 Iowa's Largest Bank - Des Moines - Sixth and Walnut

At your service—  
in Eastern Iowa  
and  
Western Illinois



# Peoples Trust & Savings Bank

CLINTON, IOWA.

Remember it this way—"PEOPLES TRUST"

WE INVITE the Davenport business of banks and bankers in the confidence that correspondent relationship with us will prove mutually pleasant and profitable.

## AMERICAN COMMERCIAL & SAVINGS BANK

of  
DAVENPORT, IOWA



"The Bank of Stability and Progress"

### If You Choose

the Blackhawk National of Waterloo for your banking connection, in this territory—you need not worry about the manner of efficiency in the handling of your items, nor the matter of service—because those are the two factors upon which the Blackhawk National was founded.

**Blackhawk National Bank**  
Waterloo, Iowa

**OFFICERS**

**R. O. Hutchison**  
President

**James Loonan**  
Vice President

**Charles W. Knoop**  
Cashier

**E. A. Schaefer**  
Asst. Cashier

**Lila Marcham**  
Auditor

or the price of a certain bond on the Alaska Stock Exchange.

—\$—  
**Frاند Ward**, manager of the bond department of the Iowa Loan and Trust Company of Des Moines, motored up to Mason City and dispensed his cheery smile freely to everyone. He was only seen to frown at one time—and that was when some one cut in on his dance at the armory.

—\$—  
**Howard Fuller**, vice president of the Iowa Loan and Trust Company of Des Moines was an interested front row spectator at the prize-fights on Monday evening. Howard says that he enjoys a prize-fight better than anything—with the possible exception of Sunday-school picnics.

—\$—  
**Emil Webbles** and **C. T. Simmons** attended the convention as representatives of the First Iowa State Trust & Savings Bank of Burlington. Mr. Webble's candidacy for the presidency in 1924 is rapidly gaining momentum.

—\$—  
**George Malcolm**, cashier of the Drivers National Bank of Chicago and Frank

**1000 Rooms**  
Each With Bath

**Rates**

- 44 rooms at \$2.50
- 174 rooms at \$3.00
- 292 rooms at \$3.50
- 295 rooms at \$4.00
- 249 rooms at \$5.00
- and up

Enjoy Your Stay in  
**CHICAGO**  
*in the Heart of the Loop*

Convenient to all theaters, railway stations, the retail and wholesale districts, by living at the

**MORRISON HOTEL**  
THE HOTEL OF PERFECT SERVICE  
Clark and Madison Sts.  
The Home of the  
**Terrace Garden**  
CHICAGO'S WONDER RESTAURANT

Covert of that institution, attracted considerable attention as the "gold-dust twins" of the windy city. Mr. Covert has recently become connected with the Drovers and is now travelling Iowa.

—\$—  
**W. H. Witte**, cashier of the Farmers Savings Bank of Bennett, Iowa, who always takes an active interest in the affairs of the association, expressed himself concerning the Mason City meeting by saying that it was to be classed as the most worthwhile, constructive and pleasant convention that he had ever attended.

—\$—  
**George Emery**, vice president of the Stock Yards National Bank of Chicago, was seen everywhere around the convention. He seemed to be busy and happy greeting old friends and making new ones for the Stock Yards National.

—\$—  
**C. A. Barr**, vice president of the Continental & Commercial National Bank of Chicago and former vice president of the Des Moines National Bank, was a prominent figure at the convention. Mr. Barr seemed to be enjoying himself thoroughly renewing his old acquaintances.

—\$—  
**J. A. Parden**, recently appointed bank examiner for the state of Iowa, was a real benefactor to weary travelers when he met them at the station in his big limousine and whisked them up to convention headquarters at the Hanford.

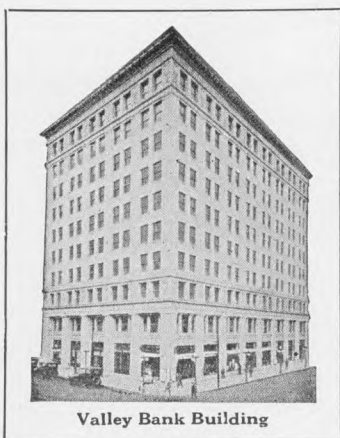
—\$—  
**George Kuhns**, president of the Bankers Life Company of Des Moines, entertained the bankers with his portable radio set—Mr. Kuhns reports a very good demand from the bankers for these portable sets that he demonstrates.

—\$—  
**W. D. Howe**, Irving Bank-Columbia Trust Company, was very enthusiastic about the greatly improved business conditions in the middle west. He returned to New York by way of the Illinois Convention at Decatur.

—\$—  
**Frank Stewart** of the Camp-Thorne Company of Chicago was one of the early risers at the big meeting—he sold about a million bonds before breakfast and then absolutely refused to sell any more that day.

—\$—  
**J. Rider Wallis**, cashier of the Federal Bank & Trust Company and **Albert Wharton**, assistant cashier of the Consolidated National Bank of Dubuque, are largely responsible for Dubuque's winning out in the race for next year's convention city. They've promised a royal entertainment for 1925.

God only needs to deliver a sinner to his own conscience to be avenged of his sin.—Wilson.



Valley Bank Building

Established 1872  
**Combined Capital and Surplus**  
**\$1,100,000.00**

**T**HE *Des Moines* business of Iowa banks is *invited*. These banks are thoroughly equipped in every department

**Valley National Bank**  
 AND  
**Valley Savings Bank**  
 DES MOINES, IOWA

<b>R. A. CRAWFORD</b> President	<b>C. T. COLE, Jr.</b> Vice-President	<b>JOHN H. GINSBERG</b> Asst. Cashier
<b>D. S. CHAMBERLAIN</b> Vice-President	<b>W. E. BARRETT</b> Cashier	<b>C. M. CORNWELL</b> Asst. Cashier



Write for Free Samples and Prices

*When Bankers Are Friends*

One of the banker's frequent tasks when the head of a family has died, is to advise the widow and children in selecting a memorial.

He is a true friend of the family when he suggests that they consult Capitol Hill first. Here they are protected against exorbitant charges and select only from monuments of proven quality.

**CAPITOL HILL MONUMENT COMPANY**  
 100 E. LOCUST ST.      Established 1888      DES MOINES, IOWA

**CITY NATIONAL BANK**

Capital,  
 Surplus  
 and  
 Profits  
**\$750,000.00**

CLINTON IOWA



**OFFICERS**  
 Alfred G. Smith, Chairman  
 Alfred C. Smith, Pres.  
 Halleck W. Seaman, V.Pres.  
 George L. Curtis, V.Pres.  
 Oliver P. Petty, Cashier.

A bank where the service is gratifying to all. A bank where hundreds of Iowa bankers have maintained an account for years.

If you are contemplating a new correspondent get in touch with the City National.

**ASSETS OVER SIX MILLION DOLLARS**

*The*  
**MERCHANTS  
NATIONAL BANK**  
CEDAR RAPIDS, IOWA

## Our Declaration

**O**N July 4, 1776 the United States of America issued its Declaration of Independence—a declaration which tore asunder its chains of bondage and gave it an opportunity to develop into the greatest world power since the dawn of history.

Our Declaration to the banks and bankers of this territory is to serve them efficiently—

Give their account our personal attention—

Assure them that our strength and resources are at their command—

If our Declaration of banking service is in line with your desires in the handling of your Cedar Rapids account send it to The Merchants.

**RESOURCES**  
**\$13,000,000.00**

James T. Hamilton, Chairman

James E. Hamilton, President  
P. C. Frick, Vice President  
E. E. Pinney, Vice President  
Edwin H. Furrow, Vice Pres.  
H. N. Boyson, Vice President

Roy C. Folsom, Vice President  
Mark J. Myers, V. Pres. & Cash.  
Fred A. Groeltz, Vice President  
S. E. Coquillette, Asst. Cashier  
E. B. Zbanek, Asst. Cashier

**M. C. Sweney**, president of the Mitchell County Savings Bank of Osage, was very frank in admitting that he had all of the essential qualities of a successful vice president for the Iowa Bankers Association. His speech of acceptance drew a large volume of applause from the convention.

—\$—

**N. C. Hoffman**, cashier of the Murray State Bank, and newly elected treasurer of the I. B. A., has an enviable reputation as a hunter—in other words he is “some shooter”—he insists, however, that he shoots only with a shotgun and not with African dominoes.

—\$—

**C. C. Jacobson**, chairman of Group One and president of the First State Bank of Mapleton, motored to Mason City with his wife and daughter. “Charlie” is a regular Barney Oldfield when it comes to cross-country driving.

### Tug O' War Called Off

Great disappointment was expressed at the annual Iowa Bank group meetings when it was announced that a tug o' war at the state convention in Mason City between the big boys and the little boys was to be called off. The little boys were to be represented by A. S. Bagnall of the Live Stock National of Chicago; John Miller, Farmers State Bank, Paton, Iowa, and C. J. Wohlenberg, president of the Holstein Savings Bank, Holstein, Iowa.

The big boys were to be represented by S. E. Coquillette of the Merchants National Bank, Cedar Rapids; Dunlap C. Clark, Continental & Commercial National Bank, Chicago; and Martin Newcomer, Cedar Rapids National Bank, Cedar Rapids.

Odds were being given on the little boys' team.

### Postville State Bank

The Postville State Bank of Postville, Iowa, held its regular annual meeting of stockholders and directors recently, at which all of the old officers and directors were unanimously reelected. The annual report of business for the year shows the bank to be in its usual strong condition. A dividend of 5 per cent was declared, payable immediately; \$1,000 was placed in the surplus fund and \$4,000 was placed in the undivided profit account. The Postville State Bank is one of the old institutions of northeastern Iowa, having been originally established in the year 1870.

### Resigns as President

At a meeting of the board of directors of the Logan Trust & Savings Bank, Logan, Iowa, Almor Stern tendered his resignation as president and as a director of this bank and retires from connection with the bank. William Canty was elected president and will give a



portion of his time to the management thereof. Dr. M. A. Humphrey was elected chairman of the board of directors. Mr. Stern retains his farm loan business and will give that line his attention, and this business is entirely separated from any connection with the bank.

#### Halversons Buy Interest

At a meeting of the stockholders of the West Union State Bank, West Union, Iowa, a deal was concluded whereby H. R. Halverson and H. S. Halverson obtained the controlling interest in the bank. A complete reorganization of the bank will be made. H. R. Halverson becomes president; H. S. Halverson, vice president; Ben Servatius, vice president; J. H. Werre, assistant cashier. David Beck and Gust Anderson were elected directors. Arrangements were completed for the charging off of all poor paper and the building up of an adequate reserve.

#### Work on Building Progresses

Construction work on the new Union-Davenport Trust & Savings Bank at the southeast corner of Main and Brady streets, Davenport, Iowa, is progressing so rapidly that hopes are held by officials of the institution that they will be able to occupy the building early in October.

A carload of marble, which will be used in the mammoth lobby of the bank, arrived and will be placed within the next few weeks. Several carloads of marble will go into the building.

Plastering of walls on the upper floors is also in progress, while the passenger and freight elevators have been installed and are now in use.

#### Renews Incorporation Articles

Renewed articles of incorporation of the St. Anthony Savings Bank, St. Anthony, Iowa, were filed recently at the office of the county recorder, renewing the incorporation which had expired by limitation. The bank is capitalized for \$20,000. The directors are E. E. Cooper, E. G. Albee, W. D. Drew and John Mackin, of St. Anthony, and W. H. Harlan, of Nevada. Cooper is president of the bank, Mackin vice president, and Albee cashier.

#### Tama County Bankers Meet

W. A. Dexter was elected president of the Tama, Iowa, County Bankers Association at the meeting of members held recently in Lewis' Park, near Montour. D. E. Goodell and Chalmers Winders, of Tama, were elected vice president and secretary-treasurer, respectively. Between fifty and sixty finan-

ciers of the county attended the meeting, which was held as a picnic, with lunch served at noon by ladies of the Montour American Legion Auxiliary.

Frank Warner, of Des Moines, secretary of the Iowa Bankers Association, gave a talk on the protective value of the organization which has selected and armed 3,400 special deputies in the state with 34 and 44 calibre revolvers, rifles and sawed-off shot guns, resulting in a very material decrease in the number of bank robberies.

J. O. Trumbauer, vice president of the Leavitt & Johnson National Bank in Waterloo, gave a very interesting and entertaining talk, and other talks were given by H. K. Denmead, cashier of the First National Bank of Marshalltown; G. R. Wrage, director of the Gladbrook State Bank; and J. H. Willett, director of the First National Bank of Tama.

#### Greenfield Banker Dead

E. H. Beckford, connected with the Adair County Bank, of Greenfield, Iowa, for the past forty years, died suddenly at his residence in that city.

He was president of the institution.

#### Des Moines A. I. B. Elects

Raymond G. Miller of the Capital City State Bank was elected president of the Des Moines chapter of the American Institute of Banking in the meeting at the Harris-Emery tea room.

Paul M. Thompson of the Mechanics Savings Bank was elected vice president; J. N. Coffey of the Home Savings Bank, secretary; C. A. Erickson of the Security Trust and Savings Bank, member of the board of governors. C. J. Flory, C. L. Varnum, J. E. Brasburg, L. A. Warren board of governors. Delegates to the national meeting in Balti-

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## BANK EQUIPMENT

AMERICAN FIXTURE CO.  
KANSAS CITY, MO.

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## Bankers Know

that the first element in saving is to stop up the leaks, yet some bankers still proffer personal surety—a dangerous and wasteful practice.

Scholars and practical business men choose bonds executed by a surety company in preference to a personal guarantee and courts prefer, many require, corporate surety.

We offer the services of a company which is accepted as surety by the United States Government.

## Federal Surety Company

Davenport, Iowa

*The Federal Agent in Your Community is Waiting to Serve You*

## The New Spirit of Banking

The bank of yesterday was inclined to be a cold, impersonal financial machine.

The most significant development in the bank today is its growing friendliness and helpfulness.

It is this spirit that you will find a part of all of our dealings with banks and bankers.

Every transaction must measure up to a standard of accuracy, promptness and friendliness.

## Waterloo Bank & Trust Co.

Waterloo, Iowa



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

## “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  
FRANK B. YETTER, Vice Pres.  
WM. H. GEHRMANN, Vice Pres.

more will be J. E. Atwood, C. L. Varnum, L. M. Tesdell, H. R. Clingman, John Rowe, W. N. Scott, Ralph H. Peterson, K. L. Pattoroff, Irene Meyers, E. A. Regan and L. A. Warren.

T. J. Hyne of the Des Moines National Bank was awarded the scholarship by the Des Moines Clearing House for receiving the best grade in the final examinations of the chapter year. James Hart, assistant cashier of the Iowa National Bank, is a candidate for the national executive council.

### Award School Prizes

A number of cash prizes were recently awarded by the Farmers Savings Bank of Plymouth, Iowa, to the pupils of their local school for highest ranking in grades.

### Titonka Banker Dead

Fred R. Amesbury, one of the organizers of the Titonka Savings Bank of Titonka, Iowa, and president of that institution since 1917, died recently at Sheffield, Iowa, after being sick only a few days with influenza.

### Guthrie County Bank Notes

Forty members of the Guthrie County Bankers Association were entertained recently in Bayard, Iowa, by the banks of Yale, Jamaica, Bagley and Bayard. The occasion was the annual meeting of the county association. The entertaining banks had arranged for 6:30 dinner at St. Patrick's Parish Hall, following which Hon. Glen F. Kimball, of Council Bluffs; Mike McDonald, of Bayard, and Carl S. Foster, deputy superintendent of banking, all gave interesting talks. An orchestra provided music during the dinner. H. L. Moore, of Panora, was elected president of the association, succeeding J. C. Chamberlain, of Bayard, C. H. Sayre, of Guthrie Center, was re-elected secretary-treasurer. Preliminary plans were made for the annual picnic.

H. L. Moore, of Panora, was elected a director and vice president of Yale Savings Bank to fill the vacancy caused by the death of F. M. Hopkins. Mr. Moore is also connected with banks at Panora and Bagley.

Guthrie county bankers were much pleased at the election of S. L. Rutt, of Casey, to the presidency of Group Six. Mr. Nutt had served for some time as very efficient secretary of this group.

Mr. and Mrs. S. L. Rutt, of Casey, in June attended the commencement exercises of the United States Naval Academy at Annapolis. Their son was a member of the graduating class. Mr. Rutt is president of the Rutt National Bank at Casey.

#### Renews Bank Charter

The Crawford County State Bank of Denison, Iowa, has renewed its articles of incorporation for a period of twenty years. This institution has been established since 1884. It is capitalized at \$100,000, has deposits of \$1,000,000, surplus of \$25,000 and undivided profits of \$16,000.

#### Fire Does Damage

A fire of unknown origin did slight damage to the interior of the Citizens State Bank of Oakland, Iowa, in the early morning of June 10th. About 4 o'clock a. m. the night watch noticed a small streak of smoke coming from the window in the toilet room on the ground floor. The alarm was turned in and the chemical engine arrived in short order and very quickly extinguished the flames. The fire started apparently in an old sweeping compound barrel. The walls on each side of the barrel were burned through to the brick and had the fire not been found just when it was serious damage might have been done.

#### Trine Elected President

After nearly forty years of service with the Marshalltown State Bank of Marshalltown, Iowa, C. C. Trine, vice president, was elected president of the institution to fill the position left vacant by the death of the late Albert F. Balch. Mr. Balch has served in practically every capacity with the bank of which he is now president, having started in years ago as an errand boy at a salary of \$3 per week.

Harry W. Jennings, cashier, was elected a director of the bank, filling the vacancy caused by Mr. Balch's death.

#### Reorganizing Forestburg State

At a special meeting of the stockholders and directors of the Forestburg State Bank, Forestburg, South Dakota, the bank was reorganized and re-capitalized by substantial local business men and farmers and new officers elected as follows: President, S. S. Judy; vice president, E. C. Ellingson; cashier, R. B. Laird; directors, S. S. Judy, G. B. Wilder, R. W. Burrill, J. T. Fairfield and E. C. Ellington. The stockholders, besides the foregoing, are Thomas Ferguson, Fred Gibbs, Henry Ostenson, A. Zoss, John Maurer, Fred Maurer, I. S. Strand, Isabell M. Judy, Robert Laird and Adie B. Judy.

#### Changes Name

The name of the Gold and Co. State Bank, Big Stone, South Dakota, has been changed to the Big Stone City State Bank. Officers of this bank are: W. H. Gold, president; A. P. Heinen, vice president; C. F. Schaefer, cashier; M. H. Gold, assistant cashier; M. G. Clark, teller.

Pall Mall Office  
London



## Guaranty Service in London

THIS COMPANY established its first office in London more than a quarter of a century ago as the pioneer among American banks in England. The growth in the volume and scope of business necessitated additional facilities, and this Company now has three offices in the British Capital and one in Liverpool.

These offices are complete American banks, handling business in the American way. They afford our correspondents and customers exceptional facilities, as well as the advantages resulting from intimate knowledge of both American and foreign business.

## Guaranty Trust Company of New York

NEW YORK      LONDON      PARIS      BRUSSELS  
LIVERPOOL      HAVRE      ANTWERP

## At the Stockyards—

*The Live Stock National Bank offers every service when your customers buy or ship to the Sioux City stock yards.*

*Located in the center of activities at the fastest growing market in the world—an account here enables you to give the best of service to your customers.*

*We invite your Correspondence*

## The Live Stock National Bank

*Located at The Stock Yards*

*SIoux CITY, IOWA*

## IOWA STATE TRAVELING MEN'S ASSOCIATION

### THOSE ELIGIBLE TO MEMBERSHIP ARE:

white male persons over 18 and not more than 55 years of age, who travel for business purposes any portion of the year in addition to their other duties.

This Association Offers:  
Accident Insurance at actual cost  
—It has never exceeded \$9.00 a year.

many bankers are members of this association. If you have not joined, send for an application now.

**H. E. REX, Sec'y and Treas.**

Fleming Building

DES MOINES, IOWA



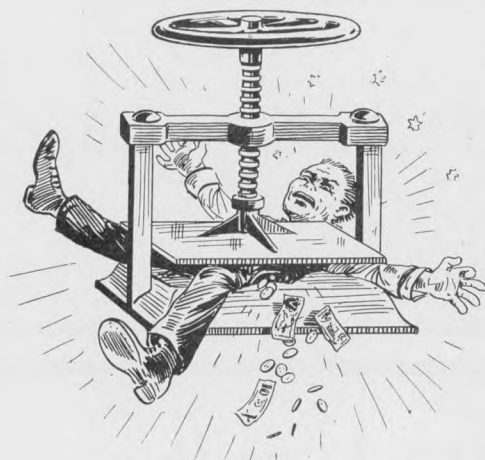
## NOTARIAL SEALS

*Des Moines  
Rubber Stamp Works*

"SAME DAY SERVICE"

206 Fifth Ave.

DES MOINES



## The Old Way Squeezing Out the Chautauqua Guarantee

How often have you said, "Never again?"

How often have you been told that it was the only possible way; that a Chautauqua could not operate without the guarantee?

**BUT IT CAN. WE ARE DOING IT.**

**We have a proposition for your town for next year.**

**Write for our plan. Write for references.**

**THE TRAVERS CHAUTAUQUA**

5th Floor Liberty Bldg.

DES MOINES, IOWA

### Rockford Banker Dead

B. A. Wallace, pioneer business man and banker, connected with the Rockford State Bank of Rockford, Iowa, since 1887, died recently at his home in Rockford. He had been president of the Rockford State Bank for several years, and was well known to members of the Iowa Bankers Association.

Mr. Wallace came to Iowa from Ohio, his native state. He entered the employ of the Rockford State the year of its organization, 1887, later became its cashier, and more recently its president.

Burton Carrott, vice president, has been elected president of the bank to succeed Mr. Wallace.

### Remsen Banker Ill

Frank Spiecker, cashier of the First Trust and Savings Bank of Remsen, Iowa, has been confined in a hospital for the past three weeks and will probably take a four months' rest on account of high blood pressure.

### Merger at Armstrong

The State Bank of Armstrong is being consolidated with the First National Bank of Armstrong, Iowa. Through the terms of the merger, the depositors of the State Bank are fully protected and the payment of their deposits are guaranteed by the First National. Prior to the merger, the First National had capital stock of \$50,000, surplus and profits of \$25,000 and deposits in excess of half a million dollars. Selection of officers after the consolidation has not yet been announced.

### First National, Perry

At a recent meeting of the directors and stockholders of the First National Bank of Perry, Iowa, Dr. H. A. Foltz was elected vice president. Other officers include: J. M. Grimes, president; C. R. Lyon, vice president; H. L. Thomas, assistant cashier.

### Farmers National Reopens

The Farmers National Bank of Red Oak, Iowa, has reopened for business. L. A. Hatswell, a retired farmer, is the new president of the bank. C. L. Ellis of Marcus, Iowa, for the past three years associated with the office of the Federal National Bank and who has been assisting Receiver E. B. Wilson, becomes vice president of the concern and will make his home in Red Oak. A. O. Norene, former cashier, is back at his old job and C. S. Fridolph is the new assistant cashier.

Six men, two of whom were former directors, composed the list of directors. They are L. A. Hatswell, O. K. Olson, F. W. Dixon, C. L. Ellis, Walter Sellergren and Clifford Powell. The directors met Saturday night and elected officers.



## Symbols of security

Through over fifty-two years, RAND McNALLY & COMPANY, in their Bank Publications, have offered bankers information that can be relied on implicitly. Our vast resources have been combined with painstaking accuracy, infinite, patient research and intimate knowledge of banking needs, to uphold this cherished reputation. So you will find that when that perplexing question arises in your business, one or the other of the RAND McNALLY Bank Publications always answers it!

And as the vaulted domes and marble columns of your bank symbolize *security*, so the name RAND McNALLY on each of these publications is your absolute assurance of accurate and authentic information.

- RAND McNALLY Bankers Directory—Blue Book
- The Bankers Monthly
- Key to the Numerical System of the A. B. A.
- Bankers Equipment - Service Guide
- Bankers Equipment Bulletin
- Banking and Business Ethics
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### RAND McNALLY & COMPANY

Dept. G-29, 536 S. Clark Street, Chicago

Largest Publishers of Banking Publications in the World. Established 1856.  
Official Numbering Agent, American Bankers Association

WELL-SECURED new bond issues. Prompt information concerning them. Country-wide distribution of them.

*At your service*

Chicago, Davenport, Iowa,  
Minneapolis, St. Paul, Omaha,  
St. Louis, Kansas City

## The Chase National Bank

of the City of New York  
57 Broadway

CAPITAL .....	\$ 20,000,000
SURPLUS AND PROFITS .....	24,071,647
DEPOSITS (March 31, 1924) .....	424,613,202

**OFFICERS**

ALBERT H. WIGGIN  
President

**Vice Presidents**

SAMUEL H. MILLER	HENRY OLLESHEIMER
CARL J. SCHMIDLAPP	ALFRED C. ANDREWS
REEVE SCHLEY	ROBERT I. BARR
SHERRILL SMITH	

**Assistant Vice Presidents**

EDWIN A. LEE	M. HADDEN HOWELL
WILLIAM E. PURDY	ALFRED W. HUDSON
GEORGE H. SAYLOR	GEORGE HADDEN
JAMES L. MILLER	

<b>Comptroller</b> THOMAS RITCHIE	<b>Cashier</b> WILLIAM P. HOLLY
--------------------------------------	------------------------------------

**DIRECTORS**

HENRY W. CANNON	EUGENE V. R. THAYER
ALBERT H. WIGGIN	CARL J. SCHMIDLAPP
JOHN J. MITCHELL	GERHARD M. DAHL
GUY E. TRIPP	ANDREW FLETCHER
JAMES N. HILL	REEVE SCHLEY
DANIEL C. JACKLING	H. WENDELL ENDICOTT
CHARLES M. SCHWAB	WILLIAM M. WOOD
SAMUEL H. MILLER	JEREMIAH MILBANK
EDWARD R. TINKER	HENRY OLLESHEIMER
EDWARD T. NICHOLS	ARTHUR G. HOFFMAN
NEWCOMB CARLTON	F. EDSON WHITE
FREDERICK H. ECKER	ALFRED P. SLOAN, Jr.
ELISHA WALKER	

WE RECEIVE ACCOUNTS OF BANKS, Bankers, Corporations, Firms or Individuals on favorable terms, and shall be pleased to meet or correspond with those who contemplate making changes or opening new accounts.

Through its Trust Department, the Bank offers facilities as: Trustee under Corporate Mortgages and Indentures of Trust; Depository under reorganization and other agreements; Custodian of securities and Fiscal Agent for Corporations and Individuals; Executor under Wills and Trustee under Testamentary Trusts; Trustee under Life Trusts.

**FOREIGN DEPARTMENT**

# In Sioux City

We stand ready to serve the financial and commercial interests of this territory.

## SECURITY NATIONAL BANK

Capital and Surplus \$700,000



A. B. DARLING, President

V. O. BONESTEEL, Vice President  
GEO. C. CALL, Vice President

L. R. MANLEY, Cashier  
R. E. BROWN, Assistant Cashier

## Steady, Substantial Growth

Commenced Business September 20, 1920

### DEPOSITS

DECEMBER 31, 1920.....	\$401,240.71
DECEMBER 31, 1921.....	\$1,023,010.71
DECEMBER 31, 1922.....	\$1,237,671.60
DECEMBER 31, 1923.....	\$1,666,461.16

Capital \$250,000.00

Assets Two Million Dollars

## THE UNITED STATE BANK

DES MOINES, IOWA

Royal Union Life Building—Seventh and Grand

## 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  
Chairman of the Board  
GLENN M. AVERILL  
President  
GEO. B. DOUGLAS  
Vice President  
MARTIN NEWCOMER  
Vice President  
KARL H. REHNBERG  
Vice President  
GEO. F. MILLER  
Vice President

CHAS. C. KUNING  
Cashier  
PETER BAILEY  
Assistant Cashier  
MARVIN R. SELDEN  
Assistant Cashier  
GEO. W. SWAB  
Assistant Cashier  
ANNA R. SMOUSE  
Assistant Cashier  
BERTHA M. WOLF  
Assistant Cashier



### Celebrates Golden Anniversary

The Mitchell County Savings Bank of Osage, Iowa, observed its golden anniversary recently and throughout the day patrons and friends of the institution attended the "reception and open house" at the bank and were given suitable souvenirs of the occasion.

The bank was organized May 28, 1874, as a private bank and was known as the Mitchell County Bank, with Sweney Bros., Charles and J. Henry, as proprietors.

A neat folder sent to friends of the bank, giving a short history of the enterprise, concludes with the following remarks:

"This bank continued its healthy growth under the management of its founders, but in 1880, J. Henry Sweney retired in order to take a law course, and James I. Sweney, the younger brother, succeeded him in the firm. On December 3, 1906, the bank was incorporated under the present name of the Mitchell County Savings Bank, with Charles Sweney as president and James I. Sweney as cashier. Two years before, M. C. Sweney joined the bank force as assistant cashier.

"In January, 1915, due to failing health, Charles Sweney retired and James I. Sweney was elected to fill the vacancy and M. C. Sweney was elected cashier. In 1919, M. C. Sweney was elected president, succeeding James I. Sweney, who withdrew to devote all his time to his own interests, and Paul D. Sweney, a son of James I. Sweney, who had served for several years as assistant cashier, was elected cashier.

"From small beginnings the bank has grown steadily with the community, working at all times to promote the general welfare, and the reward has been found in the loyalty, confidence and support of those it has served, which has brought about steadily growing resources until, at the present time, the deposits are more than half a million dollars."

### Monticello Banker Dead

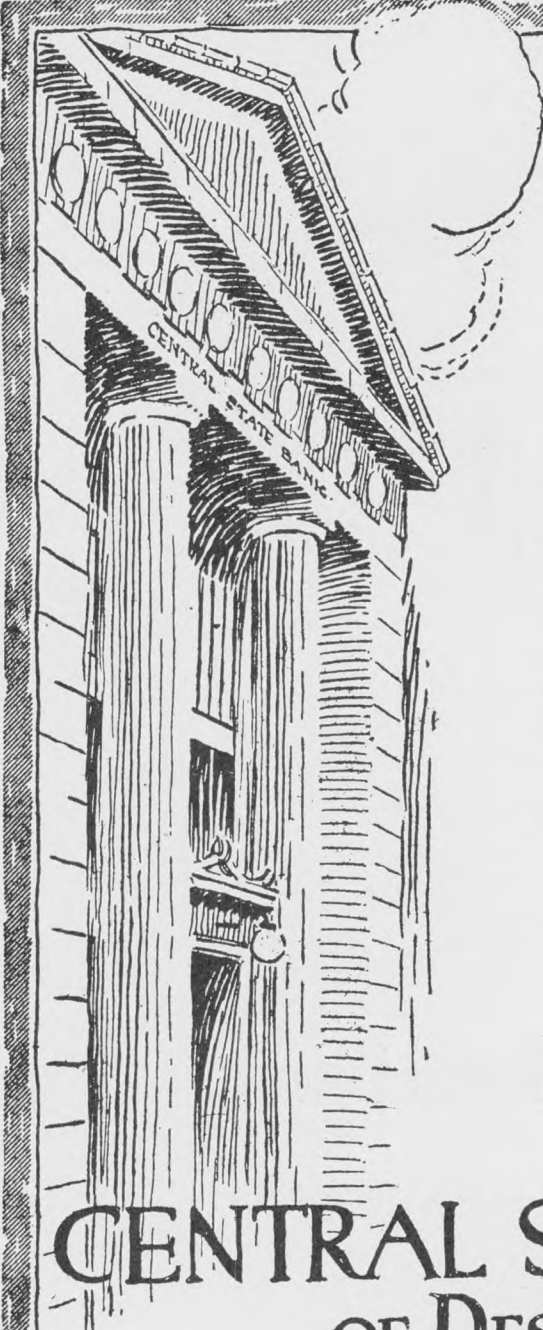
H. S. Richardson, of Monticello, Iowa, and for some time cashier of the Monticello State Bank of that city, died recently of heart trouble.

### Elected Vice President

H. P. Hancock has been added to the officery of the State Bank of West Union, Iowa, as vice president. Mr. Hancock is a West Union attorney.

### Is New Cashier

Frank Chatman has assumed the duties of his new position as cashier of the Mitchell County Savings Bank of Osage, Iowa. Paul Sweney, who retires from that position to go to Peoria, Ill., will make the change about July 1st.



## Investment Service to Banks

WHEN seeking employment for surplus funds we wish to call your attention to our bond and investment department.

In this department we carry a well diversified list of market bonds, bonds of Iowa municipalities and cities, local corporation issues, and first mortgages on real estate.

These securities are carefully selected and represent an investment of the bank's own funds.

A circular describing any of our holdings will be mailed you on request.

# CENTRAL STATE BANK

## OF DES MOINES

*Banking, Trusts & Investments*  
*Safe Deposit Vaults*

Member Federal Reserve System

Nearly Half a Century of National Banking on Walnut Street



## Year After Year—

—an increasing number of banks choose this institution as their Des Moines correspondent.

Why?

Because the Des Moines National is adequately equipped and ready at all times to serve its correspondents promptly and carefully through its several departments, specializing in every phase of modern banking.

We cordially invite banks and bankers in this section of the Middle West to write us in regard to business problems. If we can serve you, we will be only too glad to do so.

# Des Moines National Bank

6th & Walnut Sts.

Capital \$1,000,000

"The White Bank"

Total Resources More Than Sixteen Million Dollars

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**R. H. COLLINS**  
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If you or your secretary will drop us a line, we shall be pleased to forward full information.

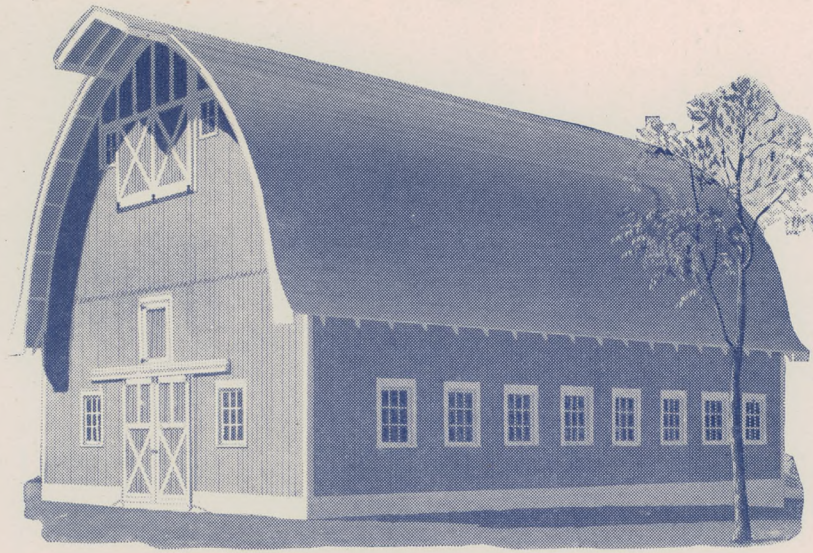
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