

NORTHWESTERN BANKER DES MOINES

APRIL, 1926

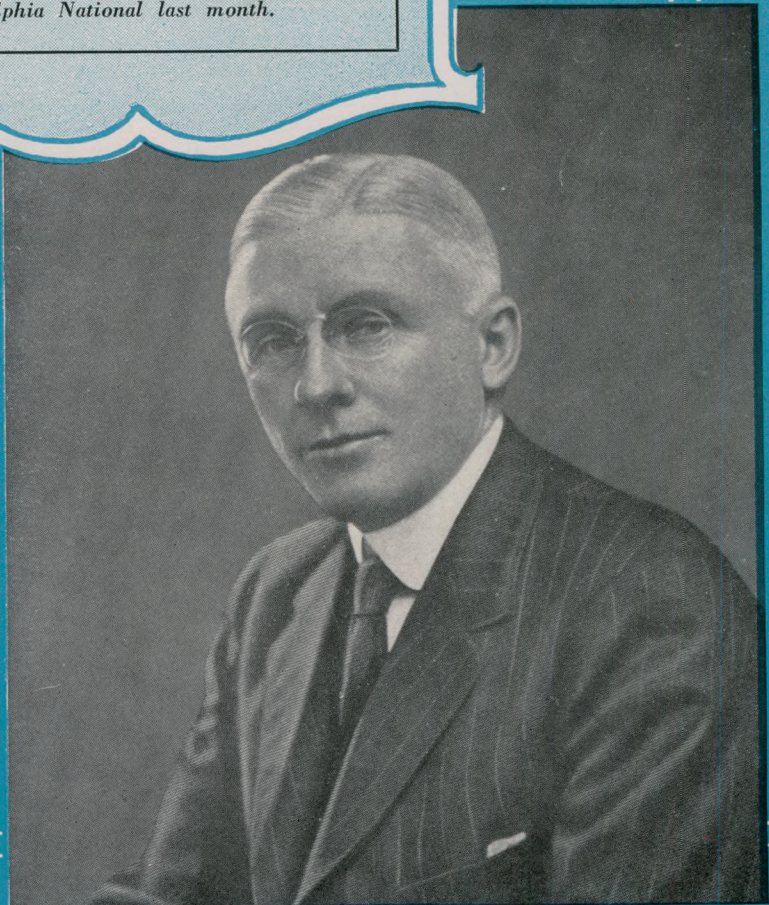
Korrek Etikette for Country Bankers

Special Bond and Investment Section

(Page 25)

THE PHOTO BELOW:

Joseph Wayne, Jr., now president of the new Philadelphia-Girard National Bank of Philadelphia. The new bank was formed by a merger of the Girard National and Philadelphia National last month.



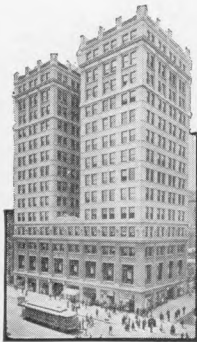
Northwestern National Life Insurance Company

MINNEAPOLIS, MINNESOTA

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apply our service ideal in your
case in meeting your banking
needs.



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NORTHWESTERN BANKER

DES MOINES

The Oldest Financial Journal West of the Mississippi

THIRTY-FIRST YEAR

CONTENTS FOR APRIL, 1926

NUMBER 464

	Page		Page
Across from the Publisher.....By Clifford DePuy	10	In the Directors' Room.....	18
Frontispage.....Joseph Wayne, Jr.	12	Selling the Vigilance Plan.....	19
In this Issue.....	13	Better Golf .....By "Chick" Evans	20
By Thy Loans.....By P. C. Lien	14	News and Views.....	21
Letters of Recommendation.....	15	Legal Department.....	22
Ten Years Ago.....	16	Special Bond and Investment Section.....	25
Korreet Etikette .....By Roscoe Maey	17	Special Florida Section.....	59
Personal Paragraphs.....	74	Minnesota News.....	97
Insurance Section.....	81	North Dakota News.....	101
Bankers and Their Wants.....	88	Iowa News.....	103
South Dakota News.....	89	Index to Advertisers.....	118
Nebraska News.....	93		

DE PUY PUBLICATIONS AND THEIR TERRITORY

NORTHWESTERN BANKER
DES MOINES

MID-CONTINENT BANKER
SAINT LOUIS

UNDERWRITERS REVIEW
DES MOINES

IOWA BANK DIRECTORY
DES MOINES



TRANS-MISSISSIPPI BANKER
KANSAS CITY

INSURANCE MAGAZINE
KANSAS CITY

SOUTHWESTERN BANKERS JOURNAL
FORT WORTH

LIFE INSURANCE SELLING
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Official Publication of
THE SOUTH DAKOTA BANKERS ASSOCIATION
THE IOWA FARM MORTGAGE ASSOCIATION
THE IOWA BOND DEALERS ASSOCIATION

The Foreman Banks



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of Our Service

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IN INVESTMENTS
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and Savings Bank
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AND ILLINOIS, EXCEPT CHICAGO, IN CAPITAL,
SURPLUS AND PROFITS



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Total Resources Over \$20,000,000.00

Two of the oldest and strongest banks in Iowa, the Union-Davenport Trust & Savings Bank and the Scott County Savings Bank, each backed by nearly half a century of progressive banking, consolidated on April 1, 1926, to form the Union Savings Bank & Trust Company—a banking institution of ample size to meet all demands.

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Start—Stop---

Handling hand-written checks is like driving in traffic



You're working in a bank. A pile of checks is before you. You start to go through them. You speed along for a while—then stop . . . what under the sun is that amount?—it looks like 37. . . . If only these people could write clearly . . .

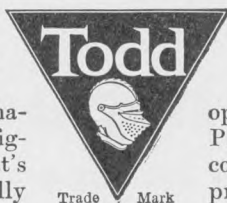
And so it goes—start—stop, start—stop. Puzzling over the amount line . . . wishing you didn't have to be a hand-writing expert. Time after time those hard-to-read hand-written checks halt you like a traffic officer's hand stops you in motor-ing. An hour's work takes two hours. And always a chance for a mistake that takes time to find.

On the other hand, if those checks were written on the Personal Pro-tectograph, you would be as free from "stops" as you are when speeding along the highway in open coun-try. For this remarkable ma-chine writes in large, clear fig-ures, legible at a glance. What's more, these figures specially

designed, for utmost safety, are shredded into the very fiber of the paper—positive protection against erasures and "pen changes." The Personal Protectograph costs only \$18, a price every depositor can pay.

An opportunity for someone in every bank

Many bankers have told us of their appreciation of this machine and have welcomed it as insurance of better relations with their depositors. Many tellers, clerks and others are co-operating in popularizing the Personal Protectograph by be-coming agents for its sale at profit to themselves.



Trade Mark

The New
Personal
Protectograph
\$18
Slightly higher
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*Send for the
bankers' plan*

For those who are interested, we have developed a complete plan whereby banks may aid in the quick distribution of the Personal Protectograph. Nearly two thousand banks, many of them large city institutions, have

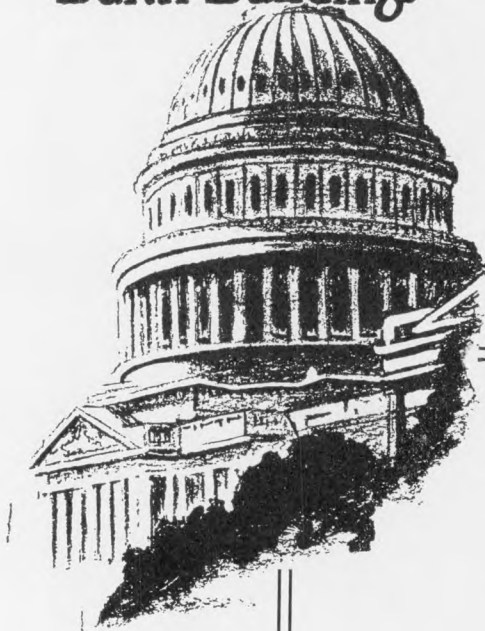
already found this plan practical and advantageous. Details are yours for the asking. The Todd Company, Pro-tectograph Division. (Est. 1899.) Rochester, N. Y. *Sole manufacturers of the Protectograph, Super-Safety Checks and Todd Greenbac Checks.*

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Protectograph Division
1149 University Ave., Rochester, N. Y.
Gentlemen: We would like to know more about the advantages to us of the plan by which already nearly two thousand banks are introducing the Personal Protectograph to their depositors. Please send full particulars.

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Address.....
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TODD SYSTEM OF CHECK PROTECTION

The LYTLE Co.
*The Capitol
 Better
 Bank Buildings*



Some of the Finest
 Bank Structures in
 the Northwest Are
“Lytle Built”

“Master Builders”

YEARS ago there were organized in England various groups of workmen who represented the many different trades and crafts. Each separate unit was called a Guild, and to it belonged those who were the most skilled in their particular capacity, whether it might be printing, decorating, carpentry or masonry. Not only were these workmen highly efficient in their special trade, but they exercised the most painstaking care in the performance of their work, and used only the best of materials. They were **Master Builders**.

There are today builders who take the same pride in their work, who put into it the best of skill and materials, and who also, due to the application of the most modern means and methods, are able to keep the cost at a nominal figure. Leading the Northwest in craftsmanship of this high type stands THE LYTLE COMPANY, Bank Architects and Building Engineers.

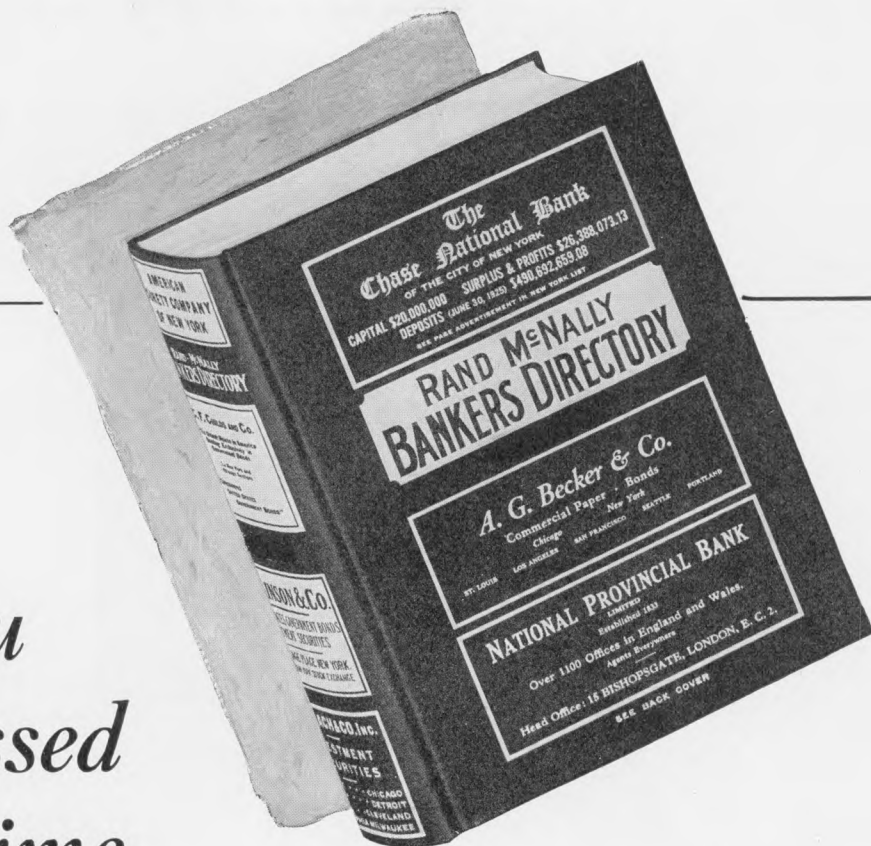
The Lytle Company is a **Master Builder**—a creator of banking homes—an originator of permanent structures for all banking purposes.

The Lytle Company does not slight material or workmanship. They build for permanence. They know the value of convenient interior arrangement. They know that you want in your bank the proper investment value. And above all, they realize that economy is a real virtue—and practice it.

If you are contemplating a new banking home, ask your banker friends about Lytle Bank Construction. Then talk to the Lytle Company. They will cooperate with you in every way—always.

J. A. RAVEN, President

The Lytle Company
Bank Architects and Building Engineers
Sioux City, Iowa



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are pressed
for time*

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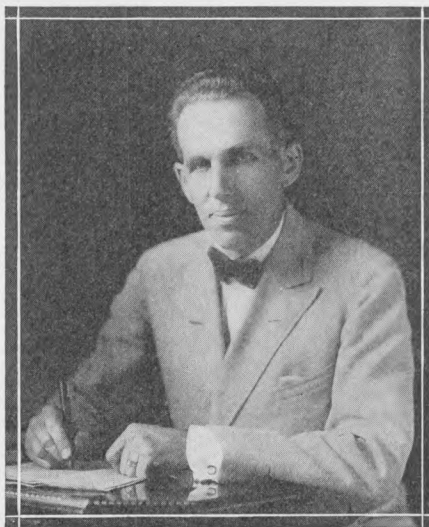
ACROSS THE DESK FROM THE PUBLISHER

GEORGE JEAN NATHAN, in an article in the *American Mercury*, argues that too much system in our modern business concerns frequently spoils good service.

With a part of Mr. Nathan's suggestions I agree, namely, that the human element and the personal service should not be lost sight of in all of our modern machinery with which we do business.

Mr. Nathan says: "The way to please a customer is not to do everything that he expects the shop to do—the customer takes that as a matter of course; the way to please him is to do various small things that he doesn't expect it to do.

"But these small things the perfectly systematized shops never take into consideration. And, as a result, they lose customers every day to the little unsystematized concerns who kick the system professors, salesmen of triplicate checking books, installers of self-opening showcases, inventors of auto-



By Clifford DePuy

matic goods-packers and other such up-to-the-minute nuisances out into the street and install in the stead of them and their devices a little old-fashioned trading common sense and a little old-fashioned understanding of human nature."

In the banking business certainly no one can object to the modern machinery and modern equipment which makes the work easier and quicker and more accurate, both for the banker and for the customers.

The part which must not be lost sight of and which Mr. Nathan brings out is that personal service, acts of courtesy and kindness are really the things which tie the customers to your institution.

Personally, I can see no reason why the up-to-date banker can not use whatever modern equipment he wishes, and at the same time keep in close personal touch with his customers and thus render them good service.

The Trend Toward Bonds

THE NORTHWESTERN BANKER has conducted recently a bond survey among the bankers in this territory.

The striking thing about the survey, which has been revealed by the hundreds of letters received at our office, is the increase in the amount of bonds and securities which were owned by banks a year ago and which are owned now, the increase being all the way from 18 per cent to over 500 per cent.

For example, a bank which had \$8,455 a year ago now has \$51,363 in bonds, an increase of 507 per cent. Another bank which had \$1,000,000 in bonds a year ago has \$1,682,615 in bonds at this time, or an increase of 68 per cent. These figures are indicative of a definite trend on the part of banks to purchase bonds not only for use as secondary reserve, but also for resale through their bond departments to their customers.

The situation is well summed up in a letter we received from a prominent country banker who said: "From a bank standpoint, we believe that the bond business has just started and is a lifesaver to the small country bank where crop conditions are more or less of a gamble, and where they can not afford to carry large cash reserves for six or eight months awaiting the harvest of the next crop. It not only gives them a fair earning power by using bonds as a secondary reserve, but it also shapes their bank investments so that it is not necessary to take on questionable loans during more prosperous times."

Here, as we see it, is the entire answer to the tremendous increase in the purchase of bonds by banks during the last few years in this section.

If the community derives its main income from one product or one manufactured article, and any-

thing happens to that article in any given year and the banker has loaned all of his money in that community, both the bank and the bank's customers are bound to suffer. If, on the other hand, only a part of such funds are loaned in the community, and the other part is placed in good substantial bonds which can be liquidated in an emergency, the bank will not only be in a much better shape, but will be in a

position to render a greater service to its customers and to its community.

This survey indicates a very definite trend towards the increased purchasing of bonds by those banks which are interested in rendering a greater service to their customers and placing their institutions on a sounder and better basis by keeping their assets liquid at all times.

Reducing the Service Charges

IN THE March issue of THE NORTHWESTERN BANKER we suggested that the service charge which bankers are making on accounts averaging less than \$100 should be better understood by the customers of banks if bankers expect to maintain the good will and friendship of their patrons.

Recently the Clearing House Association of Memphis, Tennessee, passed a ruling that all banks should charge \$1.00 per month on accounts which average less than \$100 in their daily balance.

Many of the members of the Clearing House objected to this. In order to get around this ruling, those who objected are advertising that they will loan \$100 to each customer at 3 per cent interest, the borrower agreeing not to check on this \$100 during the year, thus the daily balance on the de-

posits will never fall below \$100 and the customer will save \$9.00 a year.

Even if the interest rate was 6 per cent, the customer would still save \$6.00, or be able to reduce the cost 50 per cent during the year as far as the service charge is concerned.

Some banks may look with disfavor on this loaning plan in order to help the customer reduce his charge and allow the bank to still come within the ruling of the Clearing House, but whatever individual banker's ideas may be on the subject, we still maintain that the customer should be given definite reasons why the service charge is being made. He should be "sold" on the service which the bank is rendering and for which it must make a service charge.

Improved Conditions

THE NORTHWESTERN BANKER has been receiving numerous letters during the past month from its subscribers throughout the territory, in which they give an expression of the financial situation and business outlook in their local communities.

In all of these reports there has been a decidedly optimistic note based on improved conditions in these various localities.

One banker wrote us as follows: "The farmer's condition has improved during the last year and the majority of our farmer customers show, on their financial statements the first of the year, a decided increase during the year 1925."

In another letter the writer said: "It is my personal opinion that the economic conditions in this territory will show a decided improvement within the next few months. I base my claim on the better financial condition, and the more settled frame of mind of the farmers, brought about by the higher level of prices on the products from which they obtain most of their spending money."

"The Brookmire Economic Service estimates

that for the year ending July 1, 1926, the gross income of Iowa farmers will be about 712 million dollars, as compared with 692 million dollars for the year ending July 1, 1925. The two items, which vary most in the Iowa farmer's income, are corn and hogs. The Brookmire people estimate that for the year ending July 1, 1926, the Iowa farmer will get an income of 260 million dollars from hogs, as compared with 256 million dollars the year previous. In the case of corn, they estimate 80 million dollars for the year ending July 1, 1926, as compared with 60 million dollars for the year previous."

The cashier of another bank, in his letter, said: "Our farmers are satisfied with the price of corn, as they are getting from one dollar to one dollar and twenty-five cents per bushel through the feeding process and are all making money."

Such reports are certainly conclusively evidence that conditions are rapidly improving throughout the richest agricultural area in the world.



ADOLPH J. VIEGEL
Commissioner of Banks, Minnesota

Adolph J. Viegel has been Commissioner of Banks for the state of Minnesota since May 1, 1923. He has had a substantial amount of both city and county banking experience. In Minnesota the Commissioner of Banks acts also as receiver for closed banks. At the present time Commissioner Viegel is at the head of a department which has 180 employes on its roster.

NORTH WESTERN BANKER



These Kind Words Help

KIND words and an occasional bouquet always help. Hence, we are greatly pleased with recent comment from subscribers. R. P. Galt, cashier of the Farmers State Bank, Silver City, Iowa, writes in to say: "We enjoy THE NORTHWESTERN BANKER greatly and think you are getting out a very helpful journal." W. H. Bangs, veteran vice president of the First National of Fairfield, Iowa, says: "We want you to know we get a lot of 'kick' out of your magazine and it is an excellent paper." J. R. Carley, president of the First National of Grand Forks, North Dakota, is likewise congratulatory, saying: "THE NORTHWESTERN BANKER is one of the best publications of its kind that we receive both from the standpoint of appearance, editorials and general news items."

Special Bond Issue

TO KEEP step with the increasing interest of bankers in all lines of investment, THE NORTHWESTERN BANKER, three years ago, began publication of a special bond and investment section in its April issue.

The banker's interest in bonds and investments has continued to grow, until this phase of banking has become one of the largest departments of this magazine. The present issue containing a special bond and investment section starting on page 25, is the largest ever published by THE NORTHWESTERN BANKER and should be a textbook on investment to every reader.

Of especial interest to the banker will be the article telling of the investment survey completed last month by this magazine on page 26. "What Bonds Should the Banker Buy," on page 25, presents a clear-cut analysis of the bank's secondary reserve investments and how to arrange them. Every banker will likewise be interested in the article on page 29, entitled, "How Our Bond Department Helps Our Bank Business," as well as a dozen other splendid articles, all with the purpose of acquainting our many readers with every phase of the bond and investment business.

IN THIS ISSUE

Features of this Issue

IN THIS issue there is likewise a wealth of feature articles, all of interest and profit. Our many readers who have been laughing and smiling with Roscoe Macy, a new feature contributor to THE NORTHWESTERN BANKER will chuckle again this month when they read "Korrek Etikette for Kountry Bankers," on page 17. It is replete with homely banking philosophy, and a smile in every line.

"By Thy Loans They Shall Know Thee," on page 14, is another gem of this issue. It is as practical as an old broom, sound as a dollar and interesting, too.

"Chick" Evans on Golf

NOW that the first balmy zephyrs of springtime are wafting the promise of better days ahead, bankers everywhere in towns large and small, are thinking of fairway and green. Verily, America seems destined as a nation of golfers.

Every banker-golfer, with an ounce of ambition, wants to improve his game if possible. To meet this desire THE NORTHWESTERN BANKER has arranged for a series of articles on "Better Golf For Bankers," by one of the world's foremost golf instructors, Charles "Chick" Evans, of Chicago, the first of which appears on page 20 of this issue.

Mr. Evans happens to be a very interesting writer as well as a great player, and he knows bankers thoroughly. "Tee Off" with "Chick" in this issue, be sure to "follow through" with the entire series and you'll "Hole out" at the end of the season with a lower score than you ever thought possible.

Joseph Wayne, Jr.

THE merger of the Philadelphia National Bank and the Girard National Bank, both of Philadelphia, into one organization, the Philadelphia-Girard National Bank, with total deposits of more than \$200,000,000, brings into the financial limelight one of the leading bankers of the country, Joseph Wayne, Jr., president of the new bank, whose photo appears on the cover page of this issue of THE NORTHWESTERN BANKER.

Mr. Wayne was born in Philadelphia, in 1873, graduating from Philadelphia schools, and entering the employ of the Girard National in 1890 as an office boy. He occupied various positions with the bank until his election as president and director in 1914.

In addition he is a director of the Philadelphia Federal Reserve Bank, the Provident Mutual Life Insurance Company, the Germantown Trust Co., the Penna. Fire Insurance Company, the Lee Tire and Rubber Company, the American Ice Company, the Provident Trust Company, the Independence Indemnity Company, and the Insurance Company of North America.

Mr. Wayne was a member of the Executive Committee handling all loans in the Third Federal Reserve district during the war. Golf, tennis and cricket are his recreations, and he is a member of a half dozen clubs.

Convention Dates

- April 28-30 Reserve City Bankers, Atlanta, Ga.
- May 3-6 Spring Meeting, A. B. A. Executive Council, Pinehurst, S. C.
- June 7-9 Wisconsin, Wausau.
- June 9-11 Minnesota, Minneapolis.
- June 15-16 South Dakota, Watertown.
- June 17-18 Illinois, Springfield.
- June 21-23 Iowa, Sioux City.
- June 22 North Dakota, Grand Forks.
- October 4-7 A. B. A. Convention, Los Angeles.



PETE C. LIEN

BY THY LOANS THEY SHALL KNOW THEE!

The bank's best advertising is its reputation for saying
"no" to the "dead-beat" and unsecured borrower

By Pete C. Lien

Cashier, Farmers and Merchants Bank
Revillo, South Dakota

TEN years ago, the village banker was considered the King of the town, the Czar of the community and the lofty ideal to which proud fathers pointed to their sons as an example. It was every father's ambition to see his son some day working in The Home State Bank. The village banker was never omitted from any committee of importance; he held a life-long position as treasurer of the school, the church, the lodge and a hundred other community organizations, and for any member of the Finance Committee to question or glance twice at Banker Brown's annual financial reports would have been a heinous crime.

What a proud day for little Johnnie Jones, when Banker Brown laid his hand on Johnnie's shoulder and gave him that bright new penny. The penny is treasured yet in the old clock which hangs over the homemade bookcase filled with the unread "Fall and Decline of the Roman Empire," that Pa bought from that stranger with the little mustache the day he was plowing corn on the north forty.

For years Banker Brown had reigned supreme in his little kingdom. The young gazed at him from a distance with admiration, the old came to him with their troubles and sought his counsel and advice. On Decoration Day it was always Banker Brown who was called upon to introduce the speaker of the day from the gorgeously draped band stand, and when he spoke even the children in their mother's arms silenced their squalling and listened with reverence to the voluptuous wisdom that flowed from the tongue of their leading citizen. It seemed that nothing would usurp his throne.

When any stranger happened to stay over at the Commercial House and expressed a desire to Silas Westbrook, the landlord, that he would like to look the town over, if old Silas had gotten his evening chores done and the three cows milked, the stranger would always find him willing to accompany him on a tour

of inspection. After taking the traveler through the Railroad Park and showing him the statute of Ephraim Janes, one of the home boys who "fit" and died at Gettysburg, Old Silas would always manage to trace his steps toward the domicile of Banker Brown. Standing before the front entrance of the banker's home, Silas would strike a pose quite similar to that of his admirer, Daniel Webster, turn to the stranger and with one hand majestically waiving east by west, proudly repeat: "And they say it cost him over *Forty Thousand Dollars.*"

But how times have changed. Today Silas rarely passes Banker Brown's place except on his way to church, and the place is but a mere whistling post for him to spit out his cud of J. T. before he enters the House of God. In passing, he generally turns to his wife and with a nod of his head informs her that he can't see how the old devil can keep his bank open until fall. The Finance Committee of the Methodist Church work late into the night auditing the books of their treasurer, and every time Pa comes from town he carries something that bulges in his hip pocket and the "bulge" is generally buried under the mattress in Pa's room. When the "bulge" is exceptionally large, sometimes Pa carries it out to the barn with him, when he does his evening chores, but the bulge is always gone in the morning. When the dog barks at night or on a windy night when the old tree on the north side of the house rubs against the roof, Pa is always up in a minute and running around the house as though he expected someone.

* * *

Such is the history of the home town banker in towns all over the Northwest. Everywhere you hear the cry from the bankers: "How can we re-establish confidence in banks?"

In places where banks are beyond redemption and where their earnings for years to come must go into their note pouch, then the question of confidence is

indeed a difficult one. In such cases, the banker will need a ton of "guts," two tons of willpower and a determination to bring the old ship safely into port, and we must admit that a hardy, weather-beaten Captain can bring many a schooner safely through a storm.

Not long ago, a Civil War veteran came in to cash a check drawn by a bankrupt on a distant city bank. The old gentleman carried no account with us and I refused to cash the check for him as he was financially irresponsible and the maker of the check a trifle worse. Grabbing the check from my hand, he stamped to the door and in a snarling voice commanded me to depart for that warm place which is mentioned in the Bible, and informed me emphatically that I was everything but a gentleman.

I remember that during the same day, a bankrupt trying to handle a \$10,000 shipping association business on a shoe string and a flock of post dated checks drawn on our bank, called in and demanded a loan of \$1,000 for thirty days on a straight note. I gently informed him that we did not care to make a loan to a bankrupt and his only hopes of securing credit with us was to die off and be born anew. There were possibly a half dozen customers in the bank at the time, and if I remember correctly it took him all of ten minutes to advise me what he thought of me and the institution with which I was unfortunately connected. In the course of his business transactions, he came in touch with all of the farmers in the territory and lost no time in telling them of our "terrible" attitude toward bankrupts. The old Civil War veteran, too, had his friends and cronies and he is still harping about the "cur" in the bank, who refused to cash his check without an endorser.

One would think that such free lance advertising would leave the wrong impression on depositors in general, but we know

(Continued on page 90)

THE DANGER BACK OF THE LETTER OF RECOMMENDATION

A LETTER of recommendation — just a piece of paper saying that John Jones is everything that the persons with whom he does business want him to be. And your name signed to the statement. Perhaps you think you know John very well. Undoubtedly he is a good customer of yours, and his request isn't much to grant considering the business he does with your bank. So you give him a good send-off.

But—the world is full of Jekyll's and Hyde's. Your next door neighbor may be a shouting deacon in the church on Sunday, and a bootlegger all the rest of the week. You never can tell.

A short time ago a bank in one of our larger middle-western cities was asked by one of its customers for a number of letters of recommendation. The man was a good customer of the bank, kept a rather large account on the books, took care of his obligations promptly, and had in every way conducted his affairs in a seemingly open and above-board manner.

The bank was very glad to grant his request, and gave him fifteen letters to other banks and business houses, some of them addressed "To Whom It May Concern," and others to certain individuals, many of them personal friends of the writer of the letters. A few of the letters were rather general in character, but several others spoke in glowing terms of the customer being introduced. On some of the letters was placed the customary stamp to the effect that the statements given were intended only as an expression of opinion. Others contained no such statements.

In about two weeks the fireworks commenced. The party recommended in the letters used them to establish credit in the purchase of property and personal effects that he had no intention of ever paying for. Many institutions, good business friends of the bank, were defrauded and swindled of large sums of money. Later, it developed that the man who had received such flattering letters of recommendation was a well-known confidence man, and already had several penitentiary terms to his record.

In an effort to discover just how far the average bank feels it wise to go in letters of this nature, THE NORTHWESTERN BANKER asked a number of bankers to

A Lawyer's Advice

"In short, I think the safe rule to follow in this matter of making statements as to financial worth or credit standing may be said to be not to make any statements which you do not know to be true of your own knowledge, or if you do not know them to be true, then to state expressly that the information given is merely a matter of opinion or belief and should not be acted upon without verification."

By Charles E. Heckler, Counsel,
Illinois Bankers Association.

tell us how their institution handled recommendations, and we are giving their replies for the benefit of our readers.

I. R. Alter, vice president and cashier of the First National Bank of Grand Island, Neb., and also president of the Nebraska Bankers Association, believes that while the bank issuing the letter should use a great deal of care, it is also necessary that the bank or business firm receiving the letter should extend courtesies only in strict accordance with the statements given. Mr. Alter says:

"These letters, although ostensibly for the purpose of an introduction, are very often used as letters of credit or are at least relied upon to influence a credit. The issuance of a letter of recommendation to a party who is not really entitled to an appreciable amount of credit, or our refusal to do so, creates one of the most embarrassing situations we come in contact with. The addition of paragraphs or rubber stamp notations which limit our responsibility or endeavor to in any way discredit the recipient of these letters, is both contradictory and should, and apparently does, destroy the intent of the letter so we do not use either. It, therefore, seems to resolve itself into a close scrutiny of the letter by the bank to whom presented, and the granting of courtesies strictly in accordance with the statements in the letter and if the letter is dictated as it should be, I can see no reason for a come-back.

"I do recall one or two cases, however, where letters have been used either to attempt to establish a credit or to influence the sale of stock in which the recipients of the letter were interested, the former meeting with no success, but unfortunately some stock no doubt was placed on the strength of our letter to the latter, but is probably fulfilling the promises and the net result of that was more caution in the future when requested to issue letters of recommendation to those who as

individuals were substantial and whose character was above reproach, but who might be organizing and promoting and offering stock which should not appeal to all classes of investors. The fact is that with the exception of letters which are purely means of identification we refrain from issuing unless the re-

quest is urgent and the letter absolutely justified."

O. D. Pettit, cashier of the First National Bank of Sioux City, Iowa, mentions that his bank does not issue letters of recommendation only in special cases. He says that "we generally tell them that the letters of recommendation are out of date and ask them to refer to us instead, although in some special cases of responsible people, we give them letters of recommendation and identification where they are to be used in a business way."

"I have no recollection of a letter of recommendation having been harmful to the bank."

A banker in southeastern Iowa tells us that in his estimation a letter of recommendation carries very little weight with the person or business man who receives it. Regarding the policy of his bank in this connection he says:

"It is our policy to issue just as few general letters as possible. We always suggest that it is a better policy for anyone to have an inquiry directed to the bank, and let us answer it, instead of giving a letter addressed to the "world" in general.

"We feel that an open letter of recommendation carries very little weight, and is given slight consideration by any business man, and that we are really doing our customer a favor if we persuade him to refer to us, rather than to carry such an open letter.

"When we know the designation of the person, making a request, we frequently write a letter of introduction and recommendation to a bank located at that point, giving our customer a copy to serve as identification, and find that this has aided materially in securing courtesies for our people.

"In writing a letter of recommendation, it has been our policy to be very frank, as we do not feel that it is fair to use a lot of high-sounding words with very little

meaning, just to make the bearer of the letter feel good, and possibly create a wrong impression in the mind of the reader."

Frank Abegg, cashier of the First National Bank of Alliance, Neb., believes that in writing letters of recommendation it is wise to limit the opinions expressed, and make the letter deal with specific facts only, and those facts being known by the bank to be certainties. He says:

"We generally give our customers who are leaving for another location, or who wish to go away on business, letters of recommendation. We generally try to safeguard our bank in the issuance of the same by limiting our opinion.

"At this time we are unable to recall any specific instance where a letter of recommendation which we issued has been harmful to our bank as we have always tried to guard ourselves in giving definite facts.

"I believe that a banker should give any customer whose business has been satisfactory a letter of recommendation and also at the same time I think that the banker who issues the letter of recommendation should ascertain the bank to which he expects to transfer his business and at the same time that the letter of recommendation is issued write the bank giving them the outline of the manner in which he handled his business."

The above expressions from various bankers indicate the importance of using extreme care in issuing letters of recommendation as to character or credit standing. It is true also, that the public is likely to attach more importance to such letters when they come from a bank, and they should, than if the letter came from almost any other source.

Regarding legal liability incurred through letters of this nature, Charles E. Heckler, counsel for the Illinois Bankers Association, recently expressed the following opinion:

"The rule of law as to liability for misstatements as to financial, credit or business standing is one of general application and has no special reference to banks. It may be said to be a general principle of law that when one person undertakes to make a representation to another person concerning a business matter it is the duty of the person speaking to tell only what he knows and to tell the truth; and that if a person makes a statement of fact to another intending that the person to whom the representation is made will or may act in reliance on the truth of the statement, and at the time the statement is made the speaker knows the statement is untrue or has no reasonable ground to believe it is true, and the person to whom the statement is made relies upon the truth of the statement and acts upon the information given to his injury, the person making the statement will be liable to

the person injured for any damage sustained.

"It is wholly immaterial that the person making the statement gave the information gratuitously or that he did not profit personally. The rule of law corresponds with the rule of morals, that it is the duty of everyone who undertakes to speak at all to tell the truth. This rule applies to statements made with reference to the financial worth or credit or business standing of a person as well as to statements with reference to any other business matter. Where a person makes a statement to another which he knows to be false, intending that the person to whom it is made shall rely upon it, and the person to whom the statement is made does rely and act upon the truth of the

statement to his injury, the liability is clear.

"Formerly the rule seemed to be that to render a person liable for making a misstatement it must appear that there was a fraudulent intent in making the statement, and, therefore, a person would not be liable for making a misstatement in cases where he honestly believed the statement to be true, even though it was false in fact. In recent times the tendency of the courts seems to be to hold that a person may incur a liability for making a misstatement in cases where he is not guilty of deliberately and knowingly stating a falsehood; that it is enough to charge him with a liability if he makes a false statement as one of fact, whether he

(Continued on page 79)

Ten Years Ago Today



Brief bits of news from *The Northwestern Banker*, April, 1916

Will A. Lane, cashier of the First National Bank, Indianola, Iowa, is receiving the endorsement from numerous members of Group 6, who are anxious to see him elected as secretary when the group meets at Ames, on May 18th. Mr. Lane will make an active, efficient officer who will handle the duties of secretary in an able manner.

1916

C. B. Mills, vice president of the Scandinavian-American National Bank, Minneapolis, in a recent communication, said: "My son, Carl, and I have just been looking over the March issue of *THE NORTHWESTERN BANKER* together, and compliment you on the general good appearance of the magazine. Business remains good with us. Deposits a year ago were a shade over \$6,000,000 and they are now more than \$12,250,000." Such a record surely reflects credit upon Mr. Mills and the other officers of their fast growing institution.

1916

The Live Stock Exchange National Bank of Chicago have issued their Live Stock Year Book for 1915, which contains much valuable information to every stockman, farmer and banker. M. A. Traylor, president of the bank, in his foreword on "Successful Stockmen," said: "The successful stockman studies his situation, adapts himself and his work to changing conditions without switching recklessly from one thing to another, and above all he hustles wisely while others idly wait."

Ford E. Hovey, formerly president of the Denver Union Stock Yards Bank, has been elected as a vice president of the Stock Yards National Bank, of South Omaha, and commenced his active duties the first of this month. J. C. French is the other vice president of the Stock Yards National Bank and has been responsible in no small degree for its continued growth and development, which is making necessary an addition to its administrative staff.

1916

Arthur Reynolds, vice president of the Continental & Commercial National Bank, Chicago, believes that the war will not be ended for at least another year. "They have spent at least forty billions of dollars over there now and it would seem that they would be compelled to quit from sheer financial exhaustion. But history has shown us that a nation can continue at war for an entire year after financial exhaustion or seeming exhaustion. That Europe is approaching strained financial circumstances is evidenced by the fact that American loans are being talked of in financial circles. The move is just starting and I expect to see the European nations get some American money. But they will get it only on the American securities they now hold. And they hold about three billion dollars' worth of American credit. Their borrowing will improve the financial situation in this country. The financial situation is becoming brighter. There is an increased demand for money and as a result the interest rates are becoming firmer."



ROSCOE MACY

KORRECT ETIKETTE

for the

KOUNTRY BANKER

By Roscoe Macy

MOST well-grounded bankers have long recognized the fact that the intricacies of the profession necessitate a code of etiquette which is not applicable to any other activity. However, no attempt had ever been made to incorporate the finer points of banking propriety into a treatise for the ready reference of the busy banker until the writer undertook to codify the results of many years of practical experience and of observation of the habits of representative bankers, and to present the result in condensed form for the benefit of readers of THE NORTHWESTERN BANKER.

The Daily Salutation

The first great care of the Korrect Banker is in his daily choice of a uniform salutation to customers. This choice should be made immediately upon arising in the morning. Generally it will consist of a reference to the state of the weather. Glancing out the window, you note the appearance of the elements, and upon this build your greeting for the day. It will be well, in many cases, for the conscientious banker to construct a chart, outlining the various choices available for each particular weather phase; if this procedure is followed, it will never become necessary to use the same descriptive phrase twice during any spell of weather of reasonable duration. Thus:

- “Dreadful
- Nasty
- Disagreeable
- Gloomy
- Frightful
- Damp
- Terrible
- Depressing
- Melancholy
- Dismal
- Murky, or
- Somber

day, ain't she, John?"

“The Teller’s Handshake”

There are three kinds, says Mr. Macy, author of this delightful chat on banking etiquette. The Prone, Supine and Vertical. All have their place in banking routine, but Mr. Macy relates a sad experience with the Supine Method.

It seems that the Duke of Agar-Albolene, noted lecturer, visited Lynnville, Iowa, and the head of the reception committee brought the Duke to the bank, to show him to Mr. Macy (or to show Mr. Macy to the Duke) (let's not argue that point). Then, in Mr. Macy's own words: “The duke had a commanding presence and I was probably a little nervous in my greeting. I stuck out my paw under the grating in the most approved Supine Fashion, and stammered, effusively, ‘Pleased to meet up with you, Duke! Make yourself right at home.’

“There was a perceptible glint of surprise in the Duke's eye for a moment, there being nothing in his Coat of Arms about a teller, or a teller's hand, Supine, but his British composure was not to be permanently ruffled. He thrust his hand in his pocket, and with a rumbled, ‘Thanks, my good man,’ left a two bit piece in my hand, Supine!”

may be used, one each day, during a spell of cloudy weather, and a similar chart may be constructed to express, day by day in a different way, the state of any sort of weather. Should the weather change after you have chosen your phrase for any particular day, you need not alter your choice, as no one notices what you say, anyhow. Other convenient salutation topics are the state of the roads, current funerals, and election returns.

Dealing with the Overdraft

Whenever there is presented at the window a check upon Joe Jay, whose account is overdrawn daily except Wednesdays and Saturdays, do not shove it back with a forbidding frown and an unequivocal “No Good!” Instead, examine your ledger with a look of wonderment, rub the back of your hand across your eyes and look again, and then say, apologetically, to the holder of the check, “We must have made a serious mistake on our books, because we do not show a balance sufficient for the payment of this check.” This may possibly arouse suspicion in the public mind as to the efficiency of your bookkeeping, but it will insure the retention of Joe's business for your bank.

Be Yourself

When the door of your bank is rattled either before or after banking hours, by

one seeking admittance, there is only one correct procedure for the “Banker Who Cares.” Stride to the door, open it two and one-quarter inches, and yell, “Well, what in Time d'yer want? Cantcha read that there sign? It's eight minutes past four!” By this method, you tend to guard against a repetition of such untoward occurrences. Do not open the door with a bow and a scrape, for this is both hypocritical and obsequious, and never under any circumstances hide behind your desk in the hope that your customer will give it

up and go away; he may keep you hiding there for half an hour, and finally discover you in your undignified position by peering in through the front window.

Personal Services

Always be frank with the customer who seeks a service. Consult your ledger openly—it is permissible even to read off his balance aloud, thus: “Two dollars and thirty-one cents. Sorry, Mr. Allgone, but I'm very busy this afternoon,” or “Eighteen hundred eighty-two, forty-six—why, certainly, Jason; glad to accommodate you.” More involved cases may necessitate an extended soliloquy audible to the customer, such as “Well, the balance is small, but your great-aunt, Mehitable, is in poor health and may remember you in her will. I'll just take one more chance on you, Matthews. What provisions do you want in your contract?” Such a process will place this feature of banking on a business-like basis.

The Banker at Leisure

The March 1st rush being over, the busy banker finds it possible to do more of his banking in the directors' room; here, the request for an interview may find you dozing over your afternoon cigar, your chair reared back against the wall, and your feet cocked up on the table in the conventional informal banking atti-

tude. Great care must be exercised to insure the correct reaction to the approach of each particular visitor. A frown and a shake of the head will answer for the calendar salesman; a simple gesture performed with the left wrist and forearm will indicate to the checkwriter agent that you are not buying today; for the bond salesman, it is considered good form to lower one foot to the floor and assume an attitude of weary attention; at the entry of a good customer, place both feet firmly upon the floor, indicating that you would even be willing to rise, should it prove necessary; and when the comely lady depositor, in distress over her overdraft, enters your presence you should leap to your feet and offer her a chair.

Handling Customers

One of the first lessons to be learned by the banker is the proper attitude to assume toward each particular species of customer. In the presence of the heavy depositor, it is generally considered quite the thing to adopt a deferential air, agreeing with everything he says, and wringing your hands constantly in an obvious effort to please. On the other hand, an attitude of brusque importance will invariably put the small depositor in his place, while the approach of the borrower should call forth even more impressive indications of the high authority of your position in the world. The needy seeker after credit will usually be in a more or less nervous state of mind, and it should be your aim constantly to enhance his nervousness as the interview proceeds. A sudden clearing of the throat, or the dropping of a paperweight—small things like these will tend to induce in

the importunate borrower a desire to fall on your neck in gratitude if you finally grant the loan—or, should you refuse it, he will be grateful to you for not calling in an officer and having him clapped in jail.

The Teller's Handshake

Probably the greatest problem which confronts the modern banker is the discovery of a method whereby he can shake hands gracefully through a teller's wicket. In many up-to-date bank buildings, these wickets are built permanently into the cages; even where this is not the case, the process of unlocking the wicket with a key and swinging it open robs the handshake of its spontaneity. On the other hand, the truly sensitive banker cannot thrust his palm through or under the wicket without experiencing a sense of discomfort—almost as though something has come between him and his depositor.

Conventionally, there are three broad classes of teller's handshakes: The Prone, the Supine, and the Vertical. None of them has been uniformly successful.

The Prone method calls for the extension of the hand beneath the grating, palm downward. Now, the hand extended with the palm downward has been traditionally accepted as a gesture of re-

nunciation, rather than invitation. Furthermore, there is ordinarily little space left between the hand and the counter, and the customer or friend is likely to feel some hesitation in inserting his own hand into that small space. He may suspect a trap.

The Supine method calls for the presentation of the hand beneath the window, palm upward. At first thought, this seems the logical procedure, and it is the one which I adopted, after careful consideration, when I first entered the banking profession. I often found myself somewhat disconcerted, however, when the fellow on the other side of the grating, instead of grasping my hand, would instinctively retract the deposit he was about to offer, and recount it, misinterpreting my gesture as an indication that I had noted an error in my favor in the original count, and was anxious to get my hands on the money before he could discover his mistake. But I was not completely cured until the day the great English publicist, the Duke of Agar-Albolene, visited our town in the course of a lecture tour, and was led into our bank by a member of the reception committee, who was showing him the sights of the city.

The duke had a commanding presence,
(Continued on page 78)

Birthdays of the Month

*Send 'em a card.

Robert Alexander, Sec., White-Phillips Co., Davenport, April 2nd.
Otto Hill, V. P., Union-Davenport Tr. & Sav. Bk., Davenport, April 4th.
S. E. Coquillette, V. P., Merch. Nat'l Bank, Cedar Rapids, April 4th.
W. L. Baker, Pres., Minnehaha Nat'l Bank, Sioux Falls, S. D., April 9th.
J. A. Raven, Pres., The Lytle Co., Sioux City, Iowa, April 14th.
H. N. Boyson, V. P., Merchants Nat'l Bank, Cedar Rapids, April 15th.
Sam Burns, Pres., Burns Brinker Co., Omaha, April 18th.
V. C. Bonesteel, V. P., Security Nat'l Bank, Sioux City, April 23rd.
W. M. Hetherington, Pres., First Nat'l Bank, Dubuque, April 24th.
Ray Cundy, V. P., Priester, Quail & Cundy Inc., Davenport, April 27th.
Carl Weil, V. P., National Bank of Commerce, Lincoln, April 28th.

IN THE DIRECTORS' ROOM

That Diminishing Value

"Listen what I learned in school today, Daddy," shouted the young hopeful. "George Washington once threw a silver dollar across the Potomac."

"Yes," grunted father. "And I suppose it was worth about ten cents by the time it landed."

Bringing Him Around

"Dey had to t'row water on Sam Johnson's face at his wife's funeral," volunteered a recent mourner.

"Dasso? He done fainted?" asked a friend.

"No, indeedy. He's jes' an uncommonly soun' sleeper."—*American Legion Weekly*.

Crowning Insult

The motorist en route for Chicago was stopped at night in the center of a little hamlet by the local traffic officer.

"Say, mister," said the constable, "you've got to dim your lights going through town."

"Yes, yes, I know," replied the motorist impatiently. "By the way," he added, "how far is it into town?"

Faster the Train, Harder the Bottle

(Literal translation of a notice in the *Paris-Marseille Express*)

It arrives very frequently that the employes walking upon the line are wounded by the objects solid, the bottles empty in particular, launched from the carriage doors and of which the shock becomes more violent as the rapidity of the train is more grand.

Monsieurs the travelers are pressingly requested to abstain from this practice.

Wretch!

"I wish I had enough money to get married," reflected the Guy.

"Yes?" asked the Girl softly. "And—and—what would you do?"

"Well," replied the Guy, after careful consideration, "I guess I'd get properly intoxicated."

Always Right

"What's a super-man, pop?"

"A woman, son."

The Inevitable

"Do you play cards for money?"

"No; merely with money."

How the Vigilantes Sold Themselves to Clinton County, Iowa

Recapture of Clinton bandits by Iowa and Illinois vigilantes again proves the vigilance idea is practical and efficient

IT MAY not be advisable to stage a robbery or a jail delivery in your county to "sell" the people on the vigilante or home guard idea. But that is the way in which the people of Clinton county, Iowa, were won to the vigilante cause a few weeks ago—and it is mighty effective sales talk! The attempt of two bandits to escape from the Clinton county jail with the aid of three outside "pals" and the subsequent capture of all of them was a great triumph for the vigilantes of the Iowa and Illinois county bankers' associations.

Here is the story. Alfred Fairfield and John Redman had staged a daylight holdup of a messenger carrying a C. & N. W. payroll from a Clinton bank to the railroad shops. The bandits were convicted and on February 9, 1926, were in the Clinton county court house receiving their sentences. A big gray automobile parked near the court house; a man stepped from it and sauntered leisurely on the court house lawn. The prisoners were then being taken back to the jail. They had gone but a short distance when the man who had been loitering on the lawn pulled a shotgun from beneath his overcoat and ordered the deputy sheriff to release the prisoners. Things happened rapidly during the next few minutes. Many shots were exchanged. The manacled prisoners shuffled their way to the automobile and within two minutes the first scene was over.

The bandits headed for the high bridge connecting Clinton with Fulton, Illinois, dashed across it and were speeding into Illinois. Within a remarkably short time the vigilantes of Clinton county were posted and the town guards (as the Illinois vigilantes are called) were also posted and waiting for the bandits. The bandit's car was being trailed very closely by the vigilantes and sheriffs from several counties.

At Thomson, Illinois, a posse of citizens compelled the bandits to turn around and seek another road of escape. Causing the desperadoes thus to retrace their way very materially aided in their capture since they were thwarted from continuing in the direction of Milwaukee or Chicago. Pursuers were now only a few rods behind the bandit car and with steady exchange of shots the chase was growing hotter as it neared the town of Chadwick, Illinois, some thirty miles from Clinton.

The vigilante organization was soon to

By **H. R. Boles**

Assistant Cashier, Peoples Trust & Savings Bank, Clinton, Iowa

score heavily. From Chadwick came six men on a truck. Two of these were cashiers of banks in Chadwick. They met the bandits on a steep hill and there "fought it out." The Chadwick vigilantes narrowly escaped death several times when shots from the bandit's guns crashed through the truck's windshield or shattered the driver's cab. The vigilantes of Clinton and Whiteside (Illinois) counties were now closing in from behind and there was no chance of escape. The driver of the bandit car stepped out and was instantly killed by a shot from one of the vigilantes. This completely destroyed the morale of the bandits and the four survivors quickly surrendered. The entire chase had lasted two hours and had trailed through three counties and four towns.

To the readers of THE NORTHWESTERN BANKER this is more than an account of an exciting jail delivery and recapture. It is the story of complete vindication for the time and money expended in organizing the vigilante movement. Travelers arriving in Clinton during the morning reported guards were on duty at every crossroad watching traffic for the fugitives. Undoubtedly the capture of these men would have been effected had they chosen any other route out of Clinton. When captured they were proceeding toward Milwaukee or Chicago and without vigilante resistance there would

have been small chance of their capture. It is interesting to note that two of the six men who comprised the Chadwick vigilantes or town guards are bank cashiers. Five of the six men are married men with two or three children. These men realized what this encounter might mean to their own families. They were simply offering their lives to preclude the escape of law-breakers. In this splendid example lies the reason for the assured success of the vigilante movement as fostered by the county bankers' associations.

Vigilantes who took any part in the capture of the bandits were recently entertained by the Kiwanis Club of Clinton. On this occasion they were presented with a check for one hundred fifty dollars from the Clinton County Bankers Association. Later, one of the Clinton newspapers presented a fund of four hundred dollars accumulated from subscribers who appreciated the splendid deed of these men.

In discussing the capture of the bandits, several suggestions were made by the vigilantes which may be helpful to other county associations. It was agreed that handcuffs are a most necessary part of vigilante equipment. Immediately after capture the bandit should be handcuffed to preclude him shooting his way to liberty again in case he might get hold of another weapon. Another very important suggestion—the man in charge of vigilante operations should be a man of coolness and presence of mind. In the

(Continued on page 78)



Above are pictured the vigilantes of Chadwick, Illinois, who battled the Clinton county, Iowa, bandits and assisted in their final capture.

FROM TEE TO TEE

with

"CHICK" EVANS

By Charles "Chick" Evans

Editor's Note:—This is the first of a series of articles on "Better Golf Makes Better Bankers," by former international golf champion, "Chick" Evans, written especially for The Northwestern Banker. A similar article will appear in each issue during the rest of the year. Mr. Evans is not only a veteran of many championships, but an excellent instructor, and, from sixteen years' experience in the bond business, is well versed in the language of both golfers and bankers. Let "Chick" Evans help your golf game through The Northwestern Banker!

IF THERE is one thing more than another that bank directors demand of their officers and employes today, it is efficiency. To keep to the highest point of efficiency one must be physically well. Now it is impossible for a man to



"CHICK" EVANS

attain physical well-being without some form of out-door recreation. And of all the sports with which I am acquainted I am sure that golf is the best suited to the average man or woman of sedentary habits and varying age. Golf has lengthened the life of many a big business man and enabled him to carry on into old age. Surely we need all the bankers of our great country to head our financial institutions and help us on to even better prosperity than it has been our privilege to enjoy.

Golf is not alone an advantage, great though it may be, to the individual banker, but it is also a benefit to the community and the nation of which bankers are always an important part; and the mutual health, interest and friendship that is built up upon the links redounds equally to the advantage of all. I have found this particularly true in rural communities where the country banker is

always the prominent member of the country club.

Knowing this so well, and so long, I congratulate the editor of THE NORTHWESTERN BANKER on the inauguration of a department of golf in this magazine and I feel highly honored by the request to aid in spreading a knowledge of golf amongst the bankers of the Northwest.

I wonder if it is necessary for me to assure them that golf is not only a healthful game but a pre-eminently friendly one; and if any word that I may say chances to lead them into this charmed world of good-fellowship I shall be happy indeed.

There is one thing perhaps in which I think that I can aid the banker who is a beginning golfer, and that is in equipment, for the golfer must have the right sort of tools for his work.

First, there is the matter of clubs. A set of clubs for the average business man or banker should consist of a driving-brassie, spoon, midiron, jigger, mashie, dead-stop, niblick and putter. To the actual beginner I advise the use only of a brassie, a midiron, a mashie and a putter. Unless one plays every day it is impossible to learn the use of the in-between-lofted clubs. Too many clubs to get one out of trouble may lead to carelessness, and it is almost criminal to overburden the caddy with seldom-used clubs. This year I have decided to use a dollar-and-a-half cotton golf bag when actually playing around the course, so that I can lighten the load of the dear little fellow who is at my side. If I travel I can put it inside of my big heavy bag. I hope others will follow me in this and then we won't have men with their right shoulder higher than their left.

There are a great many styles of putters, as many almost as the golfers who use them. In this club the shaft is more important than the blade. It must not be springy. It must have balance, too. Balance is something I cannot explain, but an experienced golfer can feel. I think that the face of a putter should be nearly perpendicular and that it should be of aluminum. The length of the club depends upon one's style of play. The manufacturers have standard lengths and I would follow them, bearing in mind the all-important comfortableness of feel. No one can lay down an absolute rule for

golfers to follow, for they have putted badly and well with every conceivable style of putter.

Balls should be carefully selected to suit one's individual game, but when once selected that particular ball should be used throughout the season. "Know your ball!" is a good motto for a golfer.

For those who have played before I advise starting the season with clubs in perfect shape. First examine the shafts: they must be straight and alive. No dead or crooked wood will serve the purpose. If the preference is for steel shafts I think it is better to have them all steel, but whichever you prefer, steel or wood, stick to it throughout the season. All clubs that need it should be reshafed before the season begins. Choosing the proper length of shaft is a difficult undertaking and much individual care should be given to it. I usually leave the length and whip of the shaft to the manufacturer.

It is a good thing for one's game not to be able to blame one's clubs when the game goes wrong.

Comfort has much to do with the enjoyment of golf, and although I am not an authority on golfing clothes I suggest they be selected for practical reasons, such as comfort and trimness. I prefer knickers to long trousers, a light hat or cap to shade the eyes when the sun is too strong, and a bare head when it isn't.

My best of best wishes go out to you for a long, pleasant journey on the new-old road of golf and may every step along the way lead you to increasing joy.

Approves "Better Golf for Bankers"

The announcement in the March NORTHWESTERN BANKER that the noted golf player, "Chick" Evans, of Chicago, will conduct a special course of lessons in golf, starting in the April issue, written especially for NORTHWESTERN BANKER subscribers, is meeting with much approval among this magazine's readers. Before autumn, there should be little, if any, excuse for any banker in the Middle West remarking, "I don't understand golf and wouldn't know how to swing a caddie if I owned one."

"I want to congratulate you on this series of articles," writes A. K. O. Cochran, Iowa representative for the Union Trust Company of Chicago (incidentally, Brother Cochran is no apprentice at the game, being one of those lads who give a hundred to charity every time their score is above 77½). Monsieur Cochran comments as follows:

"I have just read in the March NORTHWESTERN BANKER that 'Chick' Evans

(Continued on page 116)

NEWS AND VIEWS OF THE BANKING WORLD

By Clifford De Puy

The ladies of the Des Moines Bankers Club entertained their husbands at the ladies annual party recently and started an innovation at the banquet which might be well followed throughout the United States.

In view of the fact that the ladies were giving the party you might assume that there were long speeches and many of them. But such was not the case. In fact, not a single speech was made, but at each place the following verses were printed on a neat and attractive card:

"Greetings to guests and to husbands!

We hope you'll all have a good time;
There will not be a long speech of welcome,
But only this poor little rhyme!

"So as soon as the dinner is over,

Meet us out on the big dancing floor,
There will be lovely music to lure you,
And we hope you will have fun galore."

A. E. Bryson, for many years publicity director of Halsey, Stuart & Co., of Chicago, has been appointed vice president of that organization.

Mr. Bryson has been a close student of bond and investment advertising, and has made a real success of that branch of the work for his company, and his many friends are delighted that his services have been thus recognized by his organization.

Haynes McFadden, the popular publisher of the *Southern Banker*, has been on the sick list for some time, but is much better now. In a note from him recently he said, "They gave me a rough ride, but I hope I'll soon be as good as new."

His many friends are certainly wishing him a speedy recovery to normalcy again.

The bond business in Iowa and adjoining states has been increasing all the way from 18 to over 500 per cent with many banks. This is the information which has been secured by THE NORTHWESTERN BANKER, based on a recent questionnaire which was sent out to over 1,000 banks.

If anyone doubts that this territory is not coming back with speed and velocity as far as the bond business is concerned, they should see these figures.

Speaking of THE NORTHWESTERN BANKER, Mr. S. Douglas Malcom, general manager of the advertising department of the American Express Co. of New York, referring to the March issue, said, "That was an exceptionally interesting number of THE NORTHWESTERN BANKER,

and I have sent it around to our officials."

Many officials do this every month, because they find so many worthwhile articles which are valuable to all of the officers of their institution.

"Analysis of the Savings Market" has just been issued by Albert Frank & Co. This is the address of W. Frank McClure, vice president of their organization, before the Financial Advertisers' Association in Columbus last October.

If you have not received a copy of this booklet and will write to Mr. McClure, 134 S. La Salle Street, Chicago, I know he will be glad to send you one.

W. O. Boozer, secretary-treasurer of the Florida Bankers Association, has announced the dates of April 23d and 24th for the annual convention of their state association, to be held in Jacksonville.

That should indeed be a very wonderful convention because most all of the members present can discuss one problem, namely, the percentage of increase in their deposits during the last few years. No state in the Union has shown such wonderful increase in deposits as has Florida.

Perhaps the following story also applies to some past due loans:

"Oh, ah, by the way," remarked the doctor in some embarrassment, "how about that little bill I sent you last month?"

"Oh, yes," agreed the patient airily. "Well, you know you told me not to worry over anything."

One of the Representatives from New York has the name of Celler. It is unnecessary to state that he is a "wet." The House committee on alcoholic liquor traffic decided it would investigate the effects of prohibition, and this is what Representative Celler remarked:

"The Committee on Alcoholic Liquor Traffic has been sleeping over ten years. You can't expect much from sonnambulists. With one notable exception, La Guardia, these committeemen are so dry they will not allow anyone to 'drink in' the morning air, and even prohibit a golf bag to have a 'stick' in it."

The Chase-Mechanics merger has been approved by the action of the shareholders, and thus completes the largest bank consolidation in the history of the United States.

The amalgamated institutions will have combined resources of \$1,051,455,420. The Chase National Bank will be the second largest in the country, exceeded in size by only the National City Bank.

In paying a tribute to Col. John B. Coolidge, Vice President Dawes very appropriately said, "Colonel Coolidge died in the knowledge of the honorable success of his own son—a knowledge which is the greatest boon that can come to a father in his life, and which can decorate with happiness even the long and painful days when the shadows of death are lengthening."

The twelve Federal Land Banks had net earnings available for distribution, on January 31st of this year, of \$28,654,855.47.

Real estate acquired by the bank through foreclosure totaled \$7,194,520.42, and this amount was charged off.

After this amount was charged off there was left available for dividends, over \$15,000,000. This is certainly a very good showing in spite of the amount of loans that were considered as "no good."

P. C. Lien, cashier of the Farmers & Merchants Bank at Reville, S. D., in a letter to THE NORTHWESTERN BANKER concerning the bond situation, said, "From a bank standpoint, we believe that the bond business has just started and is a life-saver to the small country bank where crop conditions are more or less of a gamble, and where they can not afford to carry large cash reserves for six or eight months, in anticipation of a crop failure in the locality. It not only gives them a fair earning power by using bonds as a secondary reserve, but it also shapes their bank investments so that it is not necessary to take on questionable loans during more prosperous times."

The fact has recently been brought out by statistics gathered by many banks that only 15 out of every 100 bank customers use more than one department. If this fact is true, here is certainly a fine opportunity for banks everywhere to advertise to their customers the departments which these customers are not now using.

After you get a customer into your bank to use one department, it should be easy to sell him the services he can secure from the others.

The Farmers State Bank of Kearney, Neb., has sent out a folder on the Nebraska Guarantee Fund, and on this same folder published a statement of their bank.

One of the questions asked in this
(Continued on page 76)

THE HOLDER IN DUE COURSE OF A NOTE

By the
Legal Department

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. If the inquiry can be definitely answered without the preparation of a brief, the answer will be given by our attorney free of charge.

If, however, the inquiry involves extensive research in a Law Library, and the preparation of a complete brief, The Northwestern Banker will so notify the subscriber and upon his instruction, we will ask our attorney to prepare a brief of the case at a cost to the subscriber of only \$10. The preparation of a brief is entirely optional with the subscriber. In writing for information, kindly enclose a 2-cent stamp for reply and address, "Legal Department," care The Northwestern Banker, 555 Seventh St., Des Moines, Iowa.

A BANK oftentimes may accept from one of its borrowers a note payable to the borrower in settlement of the borrower's note to the bank. The borrower may place his blank endorsement on this note and fully guarantee payment of the same. The bank in a transaction of this kind from appearances has even more security for the payment of the indebtedness due the bank than if only the borrower's note were held.

However, there is a possibility that the bank may have great trouble in securing payment of said note when due. A bank completed a transaction in the manner stated above and was obliged to start an action in court to recover on the promissory note.

The court record showed that parties designated as May and Day executed and delivered to Yutes the note sued on, that Yutes endorsed this note to the bank, and was given in return therefor the note he had signed for the money borrowed from the bank.

As May and Day had defaulted in the payment of the note after maturity, the bank sued on the note, making as defendants in the action the two makers of the note and Yutes as endorser. The bank claims to be a purchaser of the note sued on before maturity in good faith, in due course, for value. May and Day admit the execution of said note, but pleaded in court that this execution and delivery were induced by misrepresentation and fraud on the part of Yutes, the payee. They also deny that the bank was the purchaser of said note in due course, and in good faith. A provision of the law is as follows:

"Every holder is deemed *prima facie* to be a holder in due course, but when it is shown that the title of any person who has negotiated the instrument was defective, the burden is on the holder to prove he or some person under whom he

claims acquired the title as a holder in due course."

The court found the evidence sufficient to support the finding that the note was obtained by Yutes by fraud and misrepresentation. Therefore, the burden was upon the plaintiff to prove that it was a holder in due course.

The law defines who are holders in due course:

"A holder in due course is a holder who has taken the instrument under the following conditions:

"First. That it is complete and regular upon its face.

"Second. That he became the holder of it before it was overdue, and without notice that it had been previously dishonored, if such was the fact.

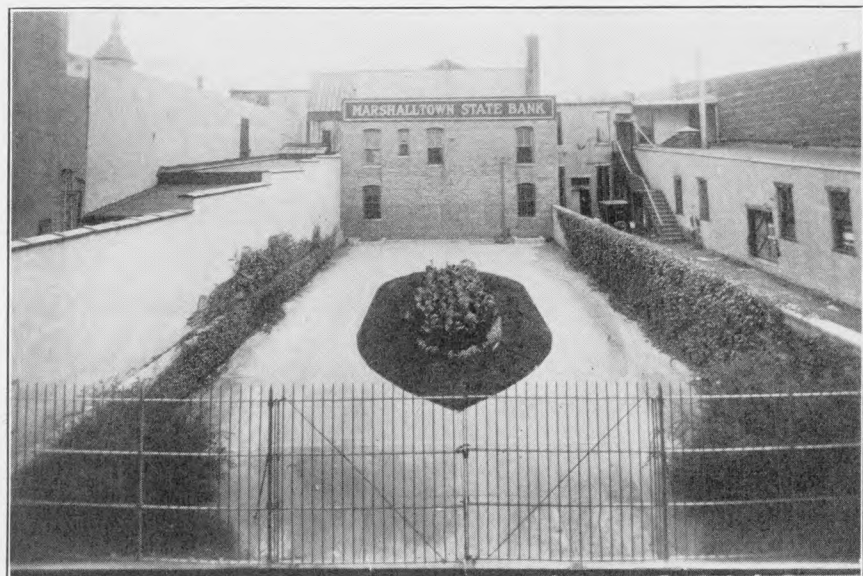
"Third. That he took it in good faith and for value.

"Fourth. That at the time it was negotiated to him he had no notice of any infirmity in the instrument or defect in the title of the person negotiating it."

The bank contends that the evidence that it was a holder in due course is undisputed and uncontradicted. The cashier of the bank at the time of the purchase of said note was the only witness that testified relative to the purchase of said note by the bank. He testified, in substance, as follows: That he was cashier of the bank; that he represented the bank in the purchase from Yutes of the note sued on; that he had known Yutes for a considerable length of time, during which he did his banking business with the bank; that at the time of the purchase of the note said bank held a note which was executed by Yutes, which

(Continued on page 71)

Dressing Up Your Back Yard



Most banks are proud of their massive front doors, their polished counters, and fixtures, but the vacant lot back of the bank sometimes tells a different story.

Martha Porter, a Des Moines newspaper writer, sent in the above photo to THE NORTHWESTERN BANKER, with the following comment (Marshalltown papers please copy):

"While in Marshalltown, Iowa, last summer, I admired the back yard of the State Bank. Later a photograph was sent to me. It occurred to me this photo might be of use to you to encourage small town banks to set the good example in civic pride by making the average back yard a beauty spot. This beauty spot in rear of this bank has done much to advertise it and cause favorable comment. It was the idea of the bank president, Mr. C. C. Trine, whose private office overlooks the back yard."



EXPERIENCE

57 Years of Seasoned Experience in every phase of banking service has qualified this bank to act for you as "A Thoroughly Satisfactory Chicago Correspondent."

We cordially invite you to utilize the broad experience, conservative counsel and sincere helpfulness which our correspondents uniformly enjoy.



FREDERICK H. RAWSON
Chairman of the Board

HARRY A. WHEELER
President

CRAIG B. HAZLEWOOD
Vice-President

UNION TRUST COMPANY CHICAGO

SAFETY SPIRIT EXPERIENCE CALIBER CONVENIENCE COMPLETENESS PRESTIGE



A BANKERS BOND HOUSE

Through our organization over 1500 bankers in the middlewest are kept in touch with prevailing high grade investment opportunities. Analyzing and recommending millions of dollars of Bonds annually requires care which only years of study can give. It is our aim to offer to midwestern Bankers the full benefit of our conservative experience and we are adequately equipped to give such investment counsel.

A large part of the Bonds recommended are purchased by Bankers who are building up a secondary reserve. We specialize in Bank paper in the form of short term Notes, and mortgage Bonds such as the following:

	Due	Price	Yield
Northeastern Iowa Power Company	5-1-26		4.50%
Central Light & Power Company	3-15-27	100	5.50%
Sac County Electric Company	3-1-28	99	6.00%
Pacific Mills	2-1-31	96 ³ / ₄	6.25%
Woodman of the World Building	3-1-44	99	6.10%
Texarkana & Fort Smith Railway	8-1-50	100 ¹ / ₂	5.46%

A request will bring you a carefully selected list of Bonds suitable for Bank investment.

PRIESTER • QUAIL & CUNDY • INC.



BONDS FOR INVESTMENT

First National Bank Building
DAVENPORT, IOWA

29 South La Salle Street
CHICAGO



What Bonds Should Bankers Buy, and How Should They Be Chosen?

By Walker D. Hanna

President, Hanna-Shreves Co., Burlington, Iowa

COUNTRY banking is changing along with the times. In the old days the country bank purchased all the farm mortgages and took ample care of any industry in its territory. Today, the cream of the farm mortgages are being absorbed by the insurance companies, the federal and joint stock land banks on account of their low rates. This rate automatically eliminates the country bank, together with the per cent being paid on time deposits. Of course, you can obtain a better per cent if you are willing to loan more per acre. But then, you are only fooling yourself as to the quality of your loan.

Suppose you have loaned all of your money in your community and one of your best customers wants to borrow a substantial amount. If you take care of him, you also must borrow, either from the Federal Reserve or your correspondent bank. You really do not like to do this for obvious reasons. Or suppose you have some heavy withdrawals to pay for some land transactions or to make private loans. If you only had a certain amount of high grade bonds, you could market them readily and then gradually build up your bond reserve again.

From our experience, we believe the average country banker today is "sold" on bonds for bank investment. You might ask, "What bonds should the average country bank buy?" May we respectfully suggest that you counsel with a reliable bond house or with a reliable bank having a bond department adequate facilities?

You wouldn't attempt to take out your own appendix nor try your own lawsuit nor fill your own teeth, neither should you attempt to select your own bonds. The extreme importance of your selection of



WALKER D. HANNA

your investment counselor cannot be over-emphasized. You choose the best surgeon for your operation, the best lawyer for your lawsuit and the best dentist for your dental work; then, rely on their judgment. Your investment counselor should analyze the local conditions of your bank. Some of their questions would be:

1. What per cent of your deposits are time?
2. Do your time deposits fluctuate much?
3. How much money do you have in large amounts on time deposit?
4. Have you a heavy local demand?
5. Do you usually have a surplus during the year round?
6. Are your deposits increasing?

Of course the most important considerations for a bank are safety of principal, marketability and interest yield in this order. If you believe that you will have to liquidate the proposed purchase within 60 or 90 days, we would recommend put-

ting the money out on call or short-time, high-grade commercial paper. Of course we would all like to purchase bonds with the security of our own government bonds due in six or twelve months, yielding 6 per cent. That would be the ideal investment, but we all realize that is impossible. Don't let your desire to secure a short-time bond let you lose sight of the safety of principal. Short maturity, that is, from one to five years, does not necessarily mean excellent marketability. Nor does listing on any exchange insure good marketability or security. Long maturities may have excellent markets. For example the New York Central Railroad have some 5s due in 2013, selling at 103, which yield over 4.85 per cent. We could mention many bonds due in less than five years with no such markets.

One of the New York bond houses formulated an investment table for banks which we respectfully submit for your approval:

1st Reserve—20 per cent Cash;
 2d Reserve—20 per cent Government;
 3d Reserve—20 per cent Bond Account;
 Loans—40 per cent Loaned.
 Holdings—\$5,000 each.

TYPE

45 per cent Public Utility;
 25 per cent Railroad;
 20 per cent Industrial.
 10 per cent Foreign.

Maturity—27 per cent in 3 years; 13 per cent in 3-5 years; 16 per cent in 5-10 years; 3 per cent each year thereafter.

Marketability—25 per cent very active; 30 per cent active; 45 per cent fairly active.

A "good thinker" has that "creative mind" which brings out suggestions and results in profit.—James E. Newburn.

Bankers of the Middle West See Bonds and Investments Growing

By R. W. Moorhead
Editor, Northwestern Banker

WHEN Columbus broadcast the news that the earth was round, the good folk of Genoa almost sent him to the "crazy" house. Only a few years ago when the Wright brothers tried to climb through the air with a clumsy aeroplane, the Dayton, Ohio, populace threatened to have both of them psycho-analyzed.

Before the war, if a financial Solomon had prophesied that in March, 1926, fully 60 per cent of the banks of Iowa, Nebraska, Minnesota and the two Dakotas, would be selling bonds to their customers, he would have been hurried to the asylum. And that in March, 1926, over 90 per cent of the same banks would be buying bonds and securities in large, substantial volume, for their secondary reserve—well, the monetary Solomon would have been thrown to the lions, as a preliminary penalty.

The buying and selling of bonds and securities by banks of the middle west, has attained a high place on the financial horizon, according to an inclusive survey completed last month by THE NORTHWESTERN BANKER. Better business conditions, a keener study of investment opportunities by both bank and depositor, and general expansion of the country's industrial forces, are only a few of the primary reasons for such a growth.

For the middle west is starting to clip coupons. There was a time when middle western states of great wealth per capita, as for example, Iowa, were noted as the Paradise for the "wildcat stock salesman." Iowa, in particular, paid a large fat fee for tuition in that field of investment—some place it as high as half a billion dollars in the year 1920, alone.

But today the middle western investor and the banker of Iowa, Minnesota, Nebraska and the Dakotas, are thinking of investment in terms of safety, liquidity and marketability, rather than yield. And so, we have with us the bond and investment business, growing, according to THE NORTHWESTERN BANKER survey, rapidly, but constructively.

THE NORTHWESTERN BANKER sent out to 1,000 banks of the above states, letters each containing five questions pertaining to the bond and investment business. As this goes to press, 512 complete answers have been received—enough to give a very accurate survey of the subject.

The five questions in the letter, which is reproduced on this page, were as follows:

THE NORTHWESTERN BANKER DES MOINES, IOWA



March 6, 1926

Dear Friend:

- (1) Does your bank sell bonds?—If so, what kinds? (Check 1, 2, 3, etc., in the order of their importance)

<input type="checkbox"/> Government	<input type="checkbox"/> Industrials
<input type="checkbox"/> Real Estate	<input type="checkbox"/> Railroad
<input type="checkbox"/> Pub. Utilities	<input type="checkbox"/> Foreign
<input type="checkbox"/> Municipals	<input type="checkbox"/> Joint Stock Land Bk.
- (2) Does your bank buy bonds for its secondary reserve?—If so, what kinds? (Check 1, 2, 3, etc., in order of importance)

<input type="checkbox"/> Government	<input type="checkbox"/> Industrials
<input type="checkbox"/> Real Estate	<input type="checkbox"/> Railroad
<input type="checkbox"/> Pub. Utilities	<input type="checkbox"/> Foreign
<input type="checkbox"/> Municipals	<input type="checkbox"/> Joint Stock Land Bk.
- (3) What features do you think the bond company should emphasize in its advertisements?

(4) Please suggest subjects for articles you would like to see in the Bond and Investment Department of the Northwestern Banker.

(5) Will you tell us on the back of this page or in a separate letter, what you think of the future of the bond and investment business in your community?

Thank you, sincerely,
Very cordially yours,

R. W. Moorhead
Editor, NORTHWESTERN BANKER.

RWM/

The bond questionnaire that was sent to 1,000 banks in Iowa, Minnesota, Nebraska, North and South Dakota.

- (1) Does your bank sell bonds? If so, what kinds?
- (2) Does your bank buy bonds for its secondary reserve? If so, what kinds?
- (3) What features do you think the bond company should emphasize in its advertisements?
- (4) Please suggest subjects for articles you would like to see in the Bond and Investment Department of THE NORTHWESTERN BANKER.
- (5) What is your opinion of the future of the bond and investment business in your community?

In answer to Question No. 1, "Does your bank sell bonds?" 290 banks answered, "Yes" and 222 said "No." Compared with three years ago when THE NORTHWESTERN BANKER in a similar survey, found that much less than 50 per cent of the banks in the northwest were selling bonds to their customers, the present survey shows that bankers are turning more and more to the bond and investment field to take care of their customers' investment needs. The answer to this question likewise shows that there is plenty of money in the rural

west and that the shortage of money in the farm west most noticeable during the years 1923 and 1924, is now largely a matter of history.

Answering the latter part of Question No. 1, "What kinds of bonds do you sell," the following table is given:

Government	202
Municipals	125
Pub. Utilities	103
Real Estate	90
Industrials	40
Jt. Stock Ld. Bk.....	21
Railroad	19
Foreign	18

In answering Question No. 2, "Does your bank buy bonds for its secondary reserve," 472 banks, or a little more than 90 per cent, answered, "Yes." Only 40 banks responded in the negative. Just why banks are turning to this type of investment for secondary reserve purposes is best shown in the personal comment that follows later in this article.

In this second question, the banks expressed their preference for kinds of bonds as follows:

Government	297
Industrials	270
Municipals	201
Pub. Utilities	198
Real Estate	116
Railroads	72
Foreign	70
Jt. Stock Ld. Bk.....	29

Question No. 3, "What features do you think the bond company should emphasize in its advertisements?" was asked primarily to discover a few of the things that bankers want to know about the high-class investment houses, through one avenue of approach—the advertisement. The answers show that back in the mind of every banker, the "safety" of the bond, and the "reliability" of the investment house, are the two big factors that determine the sale of a bond, so far as the bank is concerned. Here are some of the features of the bond or the company that Mr. Banker says should be emphasized in the advertisement:

"Reliability and rates. Security, reliability of the house and the recommendation that the investor consult his banker in regard to the quality of the issuing bond house."

"Safety and marketability."

"Current assets, sinking funds, etc."

"Security back of the bond."

"Honest recommendation only."

"Safety of principal and the classes of bonds that should be sold to certain classes of investors."

"Some good bond company should put on an educational campaign among the small banks, for most bankers do not fully understand the technical terms used by bond houses."

"Diversification of bond buying."

"History of company."

"I think most bond companies have excellent advertisements and I do not see how the bond and investment department of THE NORTHWESTERN BANKER can be improved."

"Integrity of the underwriting house and the security of their bonds."

"That the company does not disclaim liability as an issuing house."

"Liquidity and safety."

"Marketability."

Question No. 3, while asked primarily to guide the editorial department of THE NORTHWESTERN BANKER in ascertaining the big things the banker reader wants to know about bonds and investments, will be enlightening to every banker. The answers show the deep interest among bankers in the field of bonds and investments. As one Nebraska banker frankly put it, "What we don't know about bonds would fill a library, but we realize that this is a phase of finance which we must study and analyze, if we are to keep up with changing conditions." A simple analysis of all types of bonds, the inside workings of the bond house, an explanation of all of the more or less technical investment terms, are only a few of the hundreds of subjects akin to bonds and investments that bankers say they want covered in their favorite magazine, THE NORTHWESTERN BANKER.

Probably of greatest value of all the questions, and giving both the banker and the bond man the best view of the present bond and investment situation in the middle west, is Question No. 5, "What do you think of the future of the bond and investment business in your community?"

From the corn prairies of Iowa, the plains of Nebraska, the dairy communities of Minnesota and the great rural sections of the Dakotas, came an astonishingly uniform response: "The bond and investment business in our community is rapidly growing, for we are learning the need for diversity of investment."

Since the entire survey is a confidential one, between THE NORTHWESTERN BANKER and its readers, the name of no bank can be shown in this article. But here are just a few representative responses to Question No. 5:

An Iowa Banker: "The bond and in-

What the Survey Shows

That more than 90 per cent of the banks in Iowa, Nebraska, Minnesota and the Dakotas are buying a substantial volume of bonds for their secondary reserve.

That 60 per cent of these banks are selling bonds and securities to their customers.

That bankers who have a bond department in their bank find it is a benefit to their other banking lines.

That bankers throughout the middle west agree that the bond and investment business in their communities is growing, "rapidly and constructively."

vestment future in our community is generally becoming more popular."

A Nebraska Banker: "The bond business is a new kind of banking for us. We have been using this form of investment of surplus funds only the past four months. We feel we should encourage our customers to invest in this class of securities."

A Minnesota Banker: "To be honest, I have never made much study of the bond business for the reason that we have always been able to loan our money in our own territory, but now our reserve is so high above the legal reserve that we will have to look around for something, and to begin with, we are going to purchase government bonds."

An Iowa Banker: "The bond business in our community is growing by leaps and bounds. This is a business that will deserve careful study by bankers in the future."

A South Dakota Banker: "Your NORTHWESTERN BANKER can do a great work by the educational articles you are presenting on bonds and investments. What we don't know about bonds would fill a library, but we realize that it is a coming business and must be carefully studied."

A North Dakota Banker: "Great future for bonds in this community. People are beginning to realize the need for diversity of investment."

An Iowa Banker: "We have been selling securities now for almost six years. It has been our observation that the assistance our bond department renders our customers is really of great help to our deposits. Of course, if the investment business generally had not become so well developed, it would naturally follow that surplus funds would stay in the bank, but that day is past, and savings accounts are useful only to accumulate funds for some definite purpose, such as the purchase of a home, a car, or a rainy-day fund for investment. If we are not prepared to assist our depositors in the investment of their funds someone else will. Every bank officer may profit by

reading and studying market quotations and the very valuable bond articles, such as are published in THE NORTHWESTERN BANKER, *System* magazine and others."

A Nebraska Banker: "We believe bond investments will be far greater in demand in this community from now on. Many banks met with difficulty and were compelled to suspend on account of not having bonds for a secondary reserve, but as soon as conditions improve and the confidence of the people is again with the banks, the banks are going to carry a good portion of their reserve in bonds. This bank anticipates carrying 20 per cent of its reserve in bonds in the future."

A Minnesota Banker: "It appears as though people are becoming educated regarding investments in bonds, and that it will soon be necessary for all banks to maintain a bond department."

An Iowa Banker: "Thus far we have had very little requirements for bonds in our community, but the indications are that this is going to be a matter that we will have to consider in the future."

"There is more money in the rural communities again and the tendency is to take particular care in attempting to get reliable information on any investments that are made by the public in general in the future. It will devolve on the banks, even in the smallest communities, to at least know where they can get such information. THE NORTHWESTERN BANKER is rendering fine service in this respect through its editorial and advertising columns."

A Minnesota Banker: "We are just a little bank and our bond business, of course, is small (comparatively), but we have wondered just what effect this apparently growing demand for bond investment will eventually have on the small country bank."

"We buy for ourselves, for secondary reserves, bonds of various nature, all kinds that you have listed, except Joint Stock Land Bank, and carry from \$120,000.00 to \$225,000.00 all the time. If

(Continued on page 45)

The Romance of a Bond Issue

By Leon C. Murdock
Coffin, Forman & Co., Chicago

CREATING anything is a worthwhile job, and while it may seem a far cry from romance to earnings, net assets and liabilities, romance is there just the same, even though it may stretch your imagination to find it—but on the other hand—an investment security house new business department without imagination, would not only fail to find the romance, but would undoubtedly fail also to find the new business.

Building a bond issue is creating, just as surely as is building a machine or a railroad and from the time the idea is first conceived until the crinkly, new, green and white parchment bonds are laid away in the safety deposit boxes of the investors, each step is one of creation, each operation one that has been carefully planned, superintended and carried out.

Now let us see what these steps may be:

Down deep in the consciousness of some corporation executive, an idea has germinated. The company has been successful, but in an effort to keep up with the times, to progress with its competitors, more money is needed, or perhaps a new building is essential. In any event, the idea continues to grow until it bursts forth into a suggestion before the directorate and application is made to some security house for the size loan deemed necessary.

In all probability, no definite type of security has been asked for, the corporation being open to suggestion as to just what the market will absorb at that particular time, or what type of bonds, notes or debentures their particular circumstances or conditions warrant. The security house must stand ready to study the situation, make the proper suggestions and in doing so, look far ahead for both the corporation and for its—new partners to be—the investors.

No detail is necessary as to how the corporation picked out its security house, for it is safe to assume that its local bankers were acquainted with some house, or the executives themselves knew the right type of house to handle their business, and negotiations were started.

For the sake of example, rather than reality, we will call the corporation the American Manufacturing Company with net assets of \$5,000,000 and earnings of \$500,000 per annum. The amount of money necessary to carry out their plan of expansion is \$2,000,000 and it has been

determined that the securities issued shall be first mortgage, 6 per cent, 20-year bonds.

It is the security house's first task to examine carefully the balance sheets of the American Manufacturing Company, their operating statements and all other available information to ascertain whether or not it is at all interested in the issue. It then discusses the entire situation with the company's executives until it is satisfied that there is a need for the money, that the amount asked for is possible to obtain, and that the future prospects of the company are such that the interest and sinking fund requirements will be available.

All through this preliminary investigation, the head of the new business department must bear in mind many things. He must be able to place himself in the shoes of the young bond salesman trying to sell the bonds, and so build the issue that his story to the prospective buyer will be short, simple and to the point. He must know at a glance whether the particular type of business of the company is new to the investing public, thus necessitating considerable preliminary educational advertising, or already known, therefore eliminating this necessity. He must know his market and its possibilities and must also try, in so far as it is possible, to anticipate what the market will be several weeks hence, when the technicalities have all been taken care of, and the issue ready to sell. He must also think in terms of the corporation, taking pains to safeguard its future financing possibilities.

Satisfied that his house is interested in the business, a representative is sent to the company's plants where he studies actual working conditions, meets the management, even meets many of the employees, all in an effort to satisfy himself that all is well; that the management is efficient, that the organization is so built that the loss of one man would in no way disrupt it, that the buildings are well kept, and, in so far as it is possible for a man not versed in that particularly business to tell, that the plants are operating efficiently.

During all of this time, he must keep his eyes open and his mouth closed. There are many cases where it would disrupt things materially to have it known that



LEON C. MURDOCK

the company was considering some new financing, and so he must keep his own counsel and let no one know his real purpose.

Returning, his report is made, recommending the purchase of the bonds, subject of course to the technical investigation that is immediately gotten under way. This investigation consists many times of an engineering survey unless the preliminary investigations prove one unnecessary. Audits of the company's books are made by auditors of prominence; appraisals of the assets of the company are made by accredited appraisers, while all through the entire deal, legal talent passes upon the company's right to borrow, and upon the legality of each step in the negotiations.

Assuming that all of these are satisfactory, the loan is accepted and preparations made to expedite the placing of the securities on the market.

The terms of the issue have already been decided upon, and the trust deed filed with the trustee contains all of these provisions. The obligations of the issuing company, the manner in which the bonds are to be paid off, redeemed et cetera, requirements for a sinking fund sufficient to provide for the payment of all or a large percentage of the bonds at maturity, are set forth and everything is in readiness for the bonds which are in the hands of the engraver.

In the meantime, the security house which may be called the "originating house," has created what is known as a "buying group" which is designed to relieve it of a part of its liability and to enlarge the wholesale distribution of the bonds. This group usually consists of two or three houses, each making a large commitment for the bonds.

For the sake of example again, we will
(Continued on page 57)

How Our Bond Department Helps Our Banking Business

In which bankers tell of the benefits of their bond departments

What the Bankers Say:

TEN years ago the bank in the medium-sized middle western city, that had a "bond department" was deemed by brother bankers as ultra-progressive—not to term it, "queer." "What?—a bond department, that will eat up all our savings deposits? No, thank you," said Mr. Banker when some one casually mentioned a bank bond department.

But times are changing rapidly, and the banking and investment field is no exception to the rule. Today there is a rapidly growing group of banks—not all of them in the larger towns, either—that considers a permanent, and separate bond department a wise step in the conduct of their institution.

THE NORTHWESTERN BANKER has made a survey of this tendency and finds some interesting facts thereon.

"If we don't take care of our depositor's investments, some one else will," is the belief of Gwyer H. Yates, vice president and cashier of the U. S. National Bank of Omaha. Mr. Yates says:

"We do not, ourselves, maintain a bond department, but our affiliated corporation, the United States Trust Company, has a securities department through which bonds are bought and sold.

"We feel that a securities or bond department in connection with the bank is absolutely essential, because a large number of our customers are investing in securities and if the department was not provided, they would go elsewhere and very likely into a competitive institution to make purchases. The purchasing of securities brings the customer into close contact with such a department and the relationship becomes more confidential than the average banking requires, thus making it quite likely that the investor would do his banking where the 'confidential relationship' existed. It is our opinion that every bank, regardless of size, should have a department where investing customers could purchase securities, or it stands a chance to lose such customers and, needless to say, investing customers of a bank are usually the most desirable as they are not borrowers."

"Our bond department, established four years ago, has been of real service to our customers," declares Irwin J. Green, cashier of the First National Bank of Davenport, Iowa. He continues:

"Our bond department was established about four years ago, the primary purpose being to serve the investment needs of our depositors. It has been our privilege to

"If the bank does not have a bond department, the customer will go elsewhere to make his purchases."

"Our bond department has been of real service to our own customers, to other investors of the city and a source of satisfactory profit to the bank."

"The size of the bank has absolutely nothing to do with the establishment of a bond department."

place several millions of dollars of high-grade securities in the hands of our customers during the period our department has been in operation. During this time our savings deposits have gradually increased. We know of no better proof of the falsity of the argument that the savings deposits in a bank are adversely affected by recommending to customers the purchase of investments.

"This service is being used by hundreds of our customers, varying from the individual who purchases a \$100 bond to the investor who desires employment for large sums of money.

"Our bank has an average of a little more than five million of deposits of which approximately three-fifths or three million, are time deposits. We find enough work in this department to employ the full time of two experienced bond men. It is difficult to say how large a bank should be to justify the installation of a bond department, as this is a matter that depends largely upon the local conditions and the clientele of the bank.

"We have found that our bond department has been of real service to our own customers and to other investors in the city and has been the source of satisfactory profits to the bank. We therefore believe that the installation of such a department should prove a benefit to the average bank and its customers."

That the size of a bank has absolutely nothing to do with the advantages or disadvantages of a bond department, is the belief of L. J. Derflinger, cashier, the Cedar Rapids Savings Bank and Trust Company, Cedar Rapids, Iowa. He has some excellent ideas on the subject:

"We have been selling securities now for almost six years, that is, actively so. It has been our observation and we feel strongly that the assistance rendered by a bond department to the customers of the institution is of considerable value and influence and cannot help but be of benefit to the deposits. Of course if the investment business generally had not become so well developed, it would naturally follow that surplus funds would stay in the bank, but that day is past and savings accounts have become useful

only to accumulate funds for some definite purpose, such as the purchase of a home, a car, for the accumulation of a rainy-day fund and for investment. If we are not prepared to assist our depositors in the investment of their funds, someone else will. Not only do we lose credit for having rendered this assistance, but we lose a deposit and perhaps a good commission upon the securities. Of great importance, too, is the safekeeping department where your customers' securities are retained and interest collected and credited to their accounts. It is surprising how large an amount is credited every year from the safekeeping department.

"We are not prepared to tell you the exact number of percentage of our customers that use our investment service. We have tried to place all of the facilities of our institution before our customers and daily we hold many consultations with them concerning their investment needs.

"As we see it, the size of the bank has absolutely nothing whatever to do with the establishment of a bond department. We believe the idea prevails, at least to some extent, that a bond department means a separate room or cage, additional help and a segregation of securities. Absolutely nothing of the kind. First of all good bonds in your files bring smiles upon the faces of the bank examiners. These bonds make up the secondary reserve and how well they do answer that purpose. From these bonds held for bank investment, why not furnish your customers these good issues that you yourself have purchased with confidence? Sell these bonds 'at the market' and repurchase to fill up your reserve account, keeping in mind, of course, that a secondary reserve of bonds must be kept in proper balance as to diversification, of industries and maturities. Handling bonds in this way, it will be unnecessary for any bank, large or small, to increase overhead to sell bonds.

"Banks contemplating the sale of securities should naturally first of all, make connections with good, reliable investment houses and then depend upon them for service and advice. Naturally and properly so,

(Continued on page 56)

THE BOND SCHOOLROOM

Editor's Note:—Realizing that even the banker is not always familiar with the fundamental terms and details of bonds and investments, the NORTHWESTERN BANKER is starting on this page, a series of "Questions and Answers" under the heading, "The Bond Schoolroom." If the banker reader has some particular question in mind concerning any specific phase of the bond and investment business, this magazine will answer it in these columns to the best of its ability.

Question: What is "Collateral Trust?"

Answer: Individuals often borrow money by pledging stocks or bonds as collateral or security, rather than by mortgaging real estate or other property. The same thing is often done by a corporation, pledging with a trustee, certain stocks or bonds of their own or other companies to secure a bond issue. These bonds are called collateral trust bonds or notes.

Question: What are "Listed Bonds?"

Answer: Listed bonds are those bonds bought and sold on a Stock Exchange. Yet the value of listing a bond is often exaggerated in the mind of the investor, for probably not one per cent of all bond issues are listed bonds and of these, many are not actively traded in. The greatest market for bonds is between the bond houses and their customers, "Over the counter," in other words.

Question: What is a "Junior Lien?"

Answer: When a bond issue is not secured by a first mortgage on the property, it is "junior" to the first mortgage bonds of the company and is known as a "junior" lien. The company's stock is also "junior" to its bonds, because bonds have a prior claim on the company's income.

Question: What is the meaning of the term, "In escrow?"

Answer: Bonds are often issued, held or sold subject to future delivery when certain terms and conditions have been complied with. In the meantime they are deposited with a trustee or depository. Such bonds are said to be "in escrow."

Question: What is a General Mortgage Bond?

Answer: The name in this instance is somewhat deceptive. The name originated with the subsequent issuance of railroad bonds during the early period when their growth was very rapid. The term is found much in evidence of late among Industrial and Public Utility issues. It is in reality a second mortgage, the word "General" being used in place of "Second" to relieve the second mortgage bonds of a stigma which they would otherwise enjoy.

Question: The word "bond" means one thing in court, another in finance, another in insurance, etc., etc., but the fundamental meaning is the same in all cases—what?

Answer: The word "bond" without qualifications may have various definitions, but all "bonds"—regardless of their individual purposes—are contracts or agreements to perform certain specific obligations, the performance of which is assured by being either directly or collaterally secured by the maker of the bonds. For instance:

The bond required by Court is to guarantee appearance. This bond or contract may be issued by financially responsible individuals or by a creditable insurance company.

A bond is usually required of a contractor to insure specific performance of his contract. This bond, in most cases, is issued by an insurance company.

A bond issued by an industrial or public service corporation is issued for money advanced and provides for repayment of funds on a specific date. This bond is usually secured by a mortgage or lien upon property or a specific pledge of general credit or secured by acceptable collateral of various descriptions.

A bond issued by a municipality is evidence of money advanced to the municipality; has a fixed maturity and is secured by certain prescribed taxing powers.

Bonds as defined in finance also differ

from the rest in that they are negotiable and bear a definite rate of interest.

Bonds, to use the common interpretation of the term, all obligate the maker to perform a specific service, which may or may not include the payment of money. The different titles that bonds bear are employed simply to indicate at sight, in so far as possible, the nature and purpose of the contract.

Question: Wherein does the original definition of a Debenture Bond differ from the now popular interpretation?

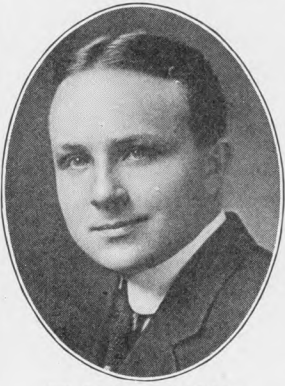
Answer: A debenture was regarded as a contract for the payment of principal and interest at a given maturity and upon each interest payment, or at regular intervals, the interest and a certain percentage of the principal was paid, so that upon the arrival of the final maturity date the last fractional payment liquidated the indebtedness. The coupons included interest and that part of the principal to be serially paid so the face value of the debenture depended upon the ex-interest value of the coupons yet to mature. The general definition of the word debenture bond today is a note or promise to pay—without a direct pledge of security.

Question: What is the meaning of "Trustee"?

Answer: When property is mortgaged to secure a bond issue, it is pledged to a third party—usually a Trust Company—as Trustee. The Trustee certifies the bonds, is empowered to see that the mortgage provisions are complied with (such payment of insurance, issuance of additional bonds, maintenance of depreciation and sinking funds, etc.) and exercises a general supervision over the bond issue. The Trustee in no way guarantees the safety of the bonds. However, it does assume responsibility for the performance of the mortgage provisions, and acts strictly in accordance with its requirements as set forth in the mortgage, or Trust Deed.

Iowa Bond Dealers Association

The Northwestern Banker is the Official Publication of the Iowa Bond Dealers Association




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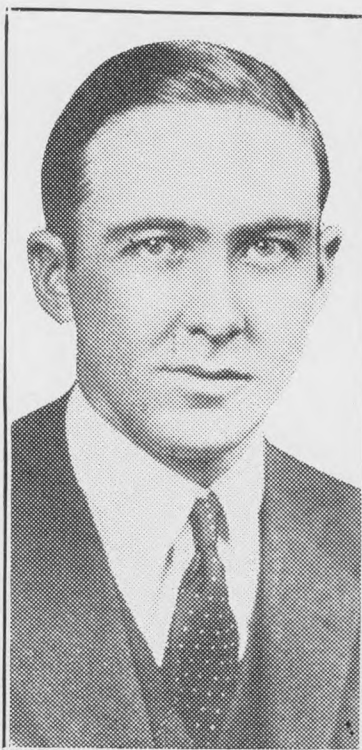


Mitchell Hutchins offers a wide range of selection
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New Investment Company in Davenport



ARNOLD J. BOLDT



ARTHUR R. BAILIE



HERBERT M. JACOBS



MISS ANNE I. FERRY

ANNOUNCEMENT has been made recently of the organization of a new investment bond corporation, the A. J. Boldt & Company, with headquarters in Davenport, Iowa. The company will deal in high grade investment securities, and will have its offices at 401 Putnam Building, Davenport.

Heading the new company are four experienced bond merchants, all well known in the Tri-cities and eastern Iowa. They are A. J. Boldt, A. R. Bailie, H. M. Jacobs, Glenn L. Peebler and Miss Ann I. Ferry.

Mr. Boldt has been with Priester, Quail & Cundy, a Davenport bond house, since its organization, and before that was connected with Litten & Roberts, a bond house in Rock Island, Illinois. He is a native of Davenport.

Mr. Bailie is also an experienced bond man, who for the past several years has been with Priester, Quail & Cundy, of Davenport.

Mr. Jacobs has also been a member of the Priester, Quail and Cundy organization, where he was engaged in the purchase and sale of high grade investment

bonds. All three of the men are graduates of the University of Wisconsin.

Miss Ferry has been with Litten & Roberts for the past seven years, and is well versed in the bond business. She will be the office manager of the new firm.

Glenn L. Peebler, who was formerly connected with the First National bank of Davenport, and prior to that time assistant cashier of the First National of Fairfield, will divide his time between Davenport, Rock Island and Moline and eastern Iowa bank business.

Building a "Financial Structure"

No well-defined financial program is complete without a carefully conceived plan of accumulation, says A. E. Bryson, vice president of Halsey, Stuart and Co., investment bankers of Chicago, in a recent radio address over the Chicago Daily News broadcasting station. Speaking specifically of bonds, he said in part:

In most cases, such a program will lead the investor to the choice of sound, interest-bearing bonds, as the most logical materials for building the financial structure that he is endeavoring to rear. He will go further than merely to decide on bonds, however; he will, with the help of his investment banker, evolve a sound investment policy which will protect him

further; he will diversify his investments, minimizing the slight risk that must always prevail even among the soundest securities, by carefully balancing the type of bonds, maturity, geographical distribution, management, marketability, and yield. He will, moreover, choose bonds which will suit his individual requirements as to taxable status and salability. He will have his holdings reviewed periodically to assure that their original security remains unimpaired. Above all, he will choose his investment banker most carefully, and, having so chosen, he will make of him a confidant, realizing that it is only with full knowledge of his situation, his ambition, his responsibilities, and his various invest-

ment holdings, that really intelligent and professional investment counsel can be given and expected.

With these three things—a financial goal in life, a plan of attaining it, and a well-defined investment policy governing the selection of individual issues—the guess-work in life's financial journey is largely eliminated. You can know where you are going, why you are headed in that direction, and just how and when you will arrive.

To form the complete poet, neither the heart only, nor head only, is sufficient; the complete poet must have a heart in his brain, or a brain in his heart.—Darley.

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"Scope and Service", our new booklet on the Byllesby organization, and a copy of the Byllesby Monthly News will be sent upon request. Ask for booklet AU-342.

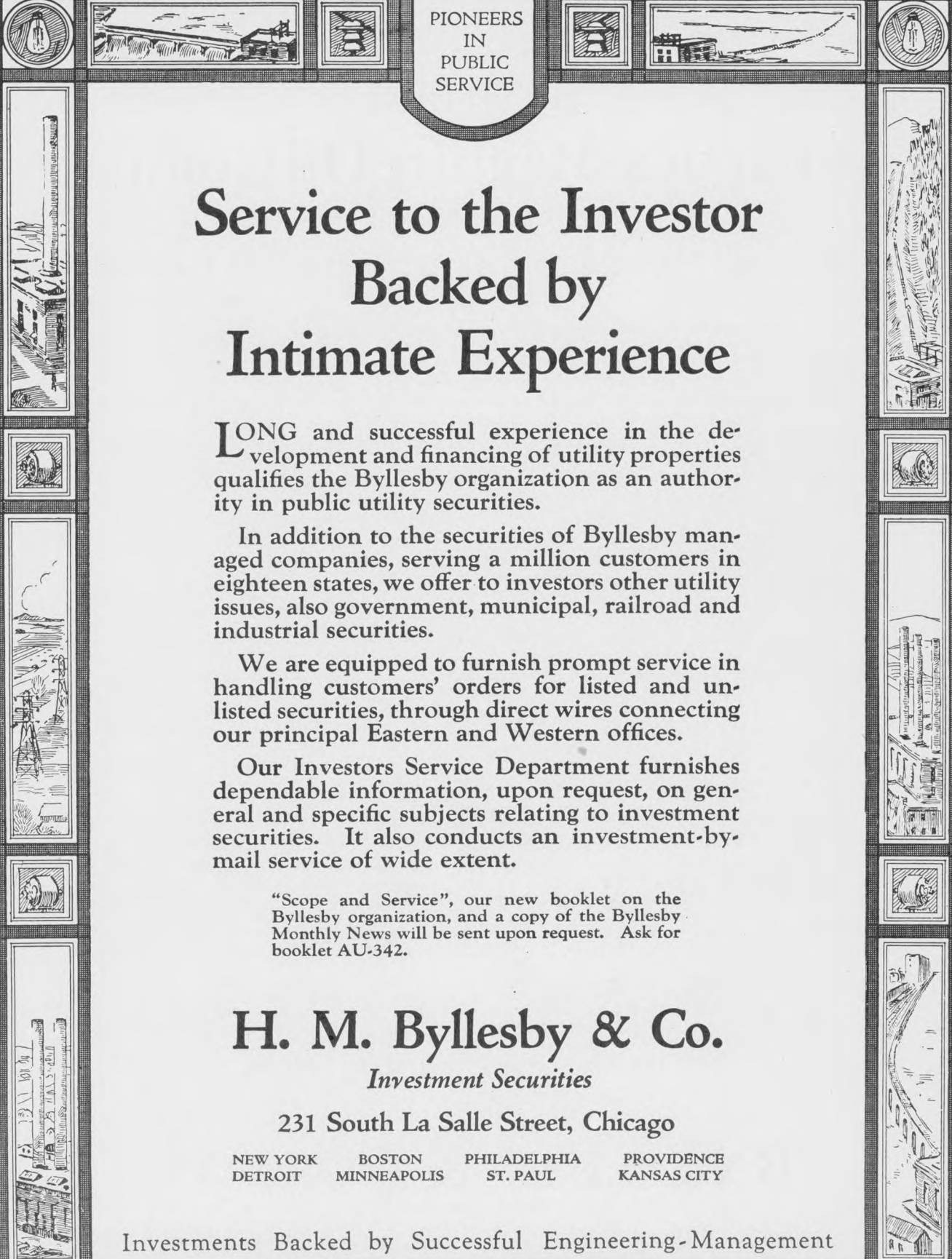
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Investments Backed by Successful Engineering-Management



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\$750,000

The Bartles-Maguire Oil Company

MILWAUKEE, WIS.

First (Closed) Mortgage Sinking Fund 6½% Gold Bonds

Dated March 1, 1926

Due March 1, 1936

Authorized and outstanding \$750,000. Redeemable as a whole or in part at 105 on any interest date on 30 days' notice. Principal and interest (March 1st and September 1st) payable at the Chicago Trust Company, Chicago, Trustee. Denominations: \$1,000, \$500 and \$100.

INTEREST PAYABLE WITHOUT DEDUCTION FOR NORMAL FEDERAL INCOME TAX, NOT IN EXCESS OF 2%

The information given below is taken from a letter from Mr. A. G. Maguire, President

HISTORY AND BUSINESS: The Bartles-Maguire Oil Company was incorporated in 1909 to deal in petroleum products and to acquire, own and control real estate incident to such business. The sales of the company have shown a normal increase each year since organization, running from \$111,000 in 1909 to approximately \$1,900,000 in 1925. The original and only capital paid into the business was \$10,000 in 1909, from which capital the present business has been built. Dividends have been paid regularly on the Preferred Stock since 1912 and upon the Common Stock since 1921.

SECURITY: These first mortgage bonds are a direct obligation of the company, secured by mortgage upon all the fixed assets of the company, including valuable real estate holdings, distributing equipment and modern refinery.

EARNINGS: Earnings available for interest charges after depreciation and all taxes, except income taxes, and including certain non-recurring charges, have averaged for the past four years \$135,165 per year. It is conservatively estimated that earnings will be at least doubled due to acquisition of refinery. In no year since 1910 has the company failed to show substantial net earnings.

ASSETS: Net current assets as of December 31, 1925, as indicated by balance sheet, were \$333,809 and net tangible assets applicable to these bonds were \$1,637,835. Net tangible assets are \$2,183 per thousand dollar bond. Current assets must at all times be not less than 200% of current liabilities, including as a current liability, the next sinking fund payment and installment of interest.

SINKING FUND: The company will pay annually to the trustee, either in cash or par value of bonds, an amount equal to 20% of the net earnings for the preceding year, except that the minimum payments shall be as follows:

March 1st, 1927—\$30,000	March 1st, 1930—\$40,000	March 1st, 1933—\$45,000
March 1st, 1928— 35,000	March 1st, 1931— 40,000	March 1st, 1934— 50,000
March 1st, 1929— 35,000	March 1st, 1932— 45,000	March 1st, 1935— 50,000

Sinking fund payments if in cash shall be used by the trustee to purchase bonds in the open market at not exceeding the call price, or if not so obtainable, to call the same by lot in a manner satisfactory to the trustee.

Legal proceedings in connection with this issue to be approved by Messrs. Cassels, Potter & Bentley, Chicago, for the Bankers, and Messrs. Fish, Marshutz & Hoffman, Milwaukee, for the Company. Appraisals by American Appraisal Company. Audit by Cherry, Cheyne & Company, Certified Public Accountants. These bonds are offered when, as and if issued and received by us, subject to the approval by Counsel.

Price 100 and Accrued Interest, to Yield 6½%

Send for Illustrated Circular

BARTLETT & GORDON

INCORPORATED

First Wisconsin Nat'l Bank Bldg.
MILWAUKEE

First National Bank Bldg.
CHICAGO

The statements herein made are summarized from reports and other information we believe to be entirely reliable, being the data upon which we have acted in purchasing these securities for our own account.

Mr. Hastings describes in this article some of the ways the correspondent bank can aid the country banker in his investment problems.

By *E. T. Hastings*

National Republic Company, Chicago

THE investment of bank funds in bonds is a subject which is being widely discussed today. Banks are formulating investment policies governing the investment of secondary reserve funds at attractive rates in securities which do not imperil the liquid condition of these institutions. In general, the fundamentals incorporated in any investment policy are safety, rate and market-ability. Assuming these are present, it remains to determine from whom securities are to be purchased.

In the bank investment field there is a realization that bond purchases for the investment of bank funds should be made absolutely upon an investment basis. This precludes the purchase of bonds upon "friendship" or "personality" basis. The house, not the salesman—the bank, not the representative, is responsible for the advice and counsel in which absolute confidence and reliance are placed.

The bank which has carried its account with the same reserve city bank for a number of years has evidenced its confidence in, and reliance upon, that institution's integrity and financial wisdom. It is acquainted with that institution's business methods and policies and can rely upon its reserve city bank's recommendations for the investment of bank funds. Confidence has been established, association has warranted reliance in that institution's judgment, and the bank is fully cognizant of its reserve city bank's ability to work intelligently with it on investment problems.

There was a time when the large banking institutions of the country did not maintain bond departments to take care of the investment requirements of their correspondent banks. More recently the services of city banks have been extended, and practically without exception, departments to handle investment securities are operated. These institutions are prepared and able to give an investment service comparable with any to be found. Usually they are constantly in the market for investment bonds for their own funds, so, from their own experience and broad knowledge of bank investment requirements, they are qualified to offer an intelligent and comprehensive investment service.

Your Correspondent's Bond Department

—Its Functions and Importance

"A bank's bond holdings are a protection against the unexpected, they are a secondary line of defense, hence every means of selecting sound investments deserves employment. The reserve city bank has men of ability at the service of its correspondents, a policy of the greatest service for the greatest number of years governs its investment recommendations; facilities for checking a bond's real value are available and a true interest in the bank's investment holdings influence all trade suggestions."

Consideration should be given to the fact that these organizations are maintained directly under the control of the leading investment specialists of the country. The size of these institutions, the volume of business turnover and the steady earning power of these banks enables them to pay highly trained men their price for their services. The correspondent bank thus receives the advice of men whom it could not afford to retain. The service is free and the suggestions are unbiased and unprejudiced. The opinions of men of this caliber represent the accumulated knowledge of specialists brought to bear upon the value of the investment under question.

Primarily the reserve city bank is a banking institution established and operated as is any other bank for the purpose of earning dividends upon its stock. The value of its stock partially depends upon the constant earning record of the institution. Therefore, it is more essential to have bank accounts paying satisfactory profits month in and month out, over a period of years, than it is to sell investment securities which pay a larger commission immediately, but which hold such risks and speculative hazards as will undermine the confidence of correspondent banks. From a dollars-and-cents standpoint reserve city banks cannot afford to recommend securities of a speculative nature if through one sale of securities is lost the business of a bank which has for years paid a steady profit on its account. These institutions render an investment service which emphasizes the necessity for sound investment advice at the sacrifice of profits today in

the firm belief that conscientious service insures steady earning power.

While no bank guarantees the securities which it recommends a moral responsibility constantly requires such institutions to keep informed concerning the financial standing of the company whose securities it has recommended. Changes in conditions affect the credit standing of the business and a security entitled to a high rating today may tomorrow suffer a loss of credit rating and market value. To keep advised concerning the credit standing of these companies requires the constant maintenance of expensive facilities. Many banks cannot afford such facilities, but they should have them at their command. An institution offering this service with its investment recommendations deserves careful consideration from the bank purchasing bonds. Here is a safeguard which can be thrown about the bank's investment holdings at no additional cost.

This leads logically to the subject of trades, that is, the exchange of present security holdings for other securities which are now attractive from a security, rate or market standpoint. Too often the practice of trading in securities is abused. In any rising market high grade issues constantly tend to sell at higher prices and to yield lower returns, bringing the temptation to obtain higher rates often only obtainable by making trades at the sacrifice of security. This practice may gradually convert the A1 bonds in a bank's account into bonds which pay better rates but are deficient in security. Unless the trading in a bank's account is handled, first, by men, who know security values, and secondly by men who have at heart the interest of the account, a bank may find that its security list, once made up of issues a bank can safely hold, has become a list of issues which eventually causes grief.

Coupled with this must be an understanding of the peculiar conditions obtaining in any particular community. The banks in one section of the country frequently have a heavy local demand for money, due to local conditions, which forces them to liquidate a portion of their secondary reserve. The banks in another section of the country may have

(Continued on page 55)

How Much Do You Know About the Bond Business?

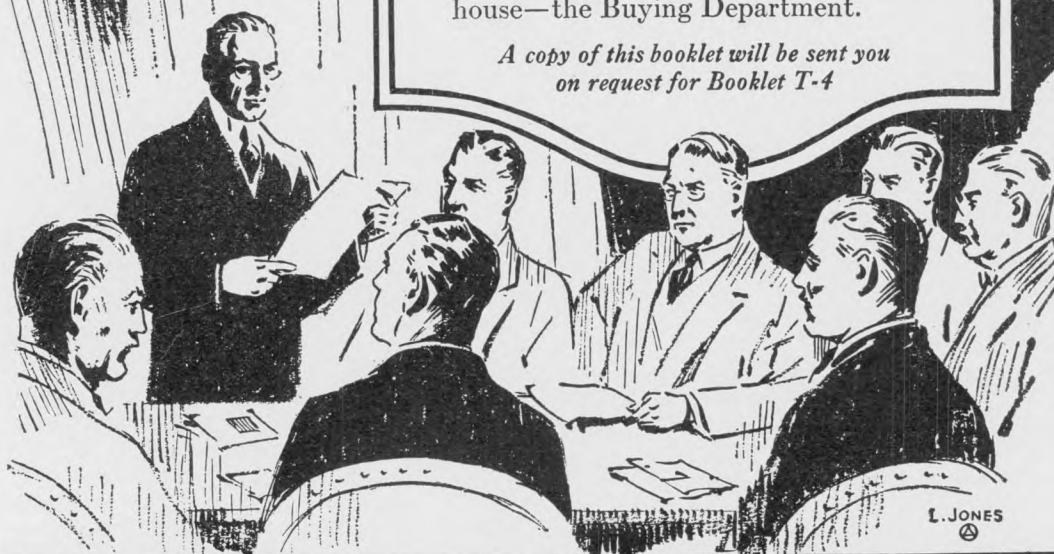
Do you know how a Bond House buys the bonds which it afterwards sells to you?

- how it investigates these bonds—and why?
- what it does to protect its own funds—and yours?
- how long it takes to prepare a bond issue before presenting it to the Public?
- how the Bond House makes its profits?

These questions, and many others, are answered in our booklet, "The Inside Workings of a Bond House"—a plain, understandable story of our purchase of a typical bond issue.

It is, as its name implies, a "close-up" of the bond business, a view "behind the scenes" into the most important (but least known) department of a bond house—the Buying Department.

*A copy of this booklet will be sent you
on request for Booklet T-4*



THOMPSON ROSS & CO., Inc.

ESTABLISHED 1912

INVESTMENT SECURITIES

Bank Floor • 29 South La Salle Street

CHICAGO

Telephone Randolph 6030

**NEW YORK
BOSTON**

**DES MOINES
SAN FRANCISCO**

Railroad Equipment Trust Obligations

*Their advantages to the railroads and
to the investors*

By *R. E. Prochnow*

President, R. E. Prochnow & Co., Inc., Chicago

“**H**OW do Equipment Trust obligations differ from other obligations of the railroads?”

“What advantages, if any, do they offer to the railroads?”

“Wherein lies their attractiveness to the investor?”

The questions are often asked and in order to answer these questions intelligently, it is necessary to go back a bit into the history of this particular type of financing.

The Equipment Trust plan was first adopted shortly after the Civil War by several of the railroads, who, finding themselves in a weakened financial position and unable to meet the demands made upon their resources to cope with the rapid expansion due to post-war conditions, used this method of acquiring additional rolling stock. Their original capitalization had been largely converted into terminal properties, road construction and other permanent facilities, against which long-term loans had been contracted. As the more perishable rolling stock wore out, and its replacement became necessary, the roads were confronted with the problem of financing the purchase of new equipment.

There were three possible ways open to them: First, using current funds; second, buying this equipment out of current earnings, and third, buying it from the proceeds of a new loan. The two former expedients appeared undesirable and unpracticable, and yet the railroads were reluctant to increase their regular funded indebtedness. So they made arrangements with the car builders to pay them upon delivery of the rolling stock from 10 per cent to 25 per cent in cash and the balance in the form of notes usually maturing serially over a period of years.

Well-informed and far-seeing managers of railroads were quick to seize this plan as a line of credit for increasing their road's carrying capacity.

It appealed to them because, under this plan and distribution of maturities, the principal and interest payments could be made out of actual earnings from operations of the equipment purchased and the equipment would practically pay for itself. In this manner the railroads discharged the debt during the life of the equipment. The idea grew rapidly in popularity and favor. And, today,

every railroad recognizes the advantage of this plan.

From the investor's standpoint, railroad equipment or car-trust certificates, as they are frequently called, offer special attractions. No form of railroad bonds, ordinarily speaking, ranks so high. Certainly mortgage bonds do not. Since equipment payments are taken from operating income ahead of bond charges, equipment trust obligations rank higher in quality than a road's best mortgage issue. A railroad company's locomotive and cars obviously are indispensable to operation, and it is this which gives gilt-edge ratings to equipments, even when backed by roads scarcely earning their fixed charges.

Equipment trusts differ from mortgages in fundamental character, for title to equipment purchased with borrowed funds does not pass to the railroad until the last series of an obligation has been paid. In other words, investors, through their trustee, simply sell engines and cars to the road conditionally. The property is used by the railroad in the meantime, of course, but careful record is kept of each piece of equipment by the trustee, and since full legal title is vested in the trustee for the benefit of the bondholders, the road must comply rigidly to various conditions governing care and upkeep. In the event of default in interest or principal payments, the trustee may re-take the equipment and sell it to some

other railroad for the benefit of the bondholders.

From an actual agreement let me quote partially to show you how tight these leases are drawn: “In case such retaking is had . . . the railroad company will, at its own expense, forthwith and in the usual manner and at the usual speed of freight trains, draw the said cars to such points on its railroad as shall reasonably be designated by the lessor, and will there deliver the same to the lessor.” Notice, the trustee in fulfilling his trust is not obliged to search the country for the equipment, but he simply demands its being at a certain point, and the burden is the railroad's to see that it gets there.

That the desirability of equipment trust securities as a form of investment is firmly grounded, is best evidenced by movements on foot by various states to make this form of security legal investment for savings banks, and also in states where equipment trust certificates are already legal to permit such institutions to invest even a greater percentage of their funds in this type of security.

In reading a trust agreement of the present day one immediately comes to the conclusion that it is very exacting in its requirements for the protection of bondholders. The development of this document of legal and financial principle of safety has been remarkable.

How well the trust deed has served its

Safe Bonds for Banks

yesterday — today — tomorrow

HANNA-SHREVES CO.

Bonds for Investment

Burlington

Muscatine

Waterloo

Security— Sales Service

The recommendation of the White-Phillips Co. is taken by hundreds of banks and bankers as dependable evidence of the Safety of a Bond Issue.

In the case of all issues recommended the SECURITY of the interests of our clients comes first.

Our second function is distribution—SALES—the process of issuing Bonds to investors who wish to buy them.

The third function is SERVICE to our clients—and this means constant attention to the individual investor's needs—the giving freely of the investment experience of this organization.

It is this third item—SERVICE—we believe, that accounts for our growing list of bank clients. Ours is the type of service that will please you also.

A representative will gladly explain our service without obligation

An Investment Banking House of Service

THE WHITE-PHILLIPS Co. INVESTMENT BANKERS

DUBUQUE, IOWA
B. & I. Building

DES MOINES, IOWA
219 Securities Bldg.

OMAHA, NEBRASKA
Bankers Reserve Life Bldg.

DAVENPORT, IOWA
First Nat'l Bank Bldg.

CHICAGO
137 S. La Salle St.

purpose even in the days when not so carefully drawn as at present, is evidenced by the history of equipment trust obligations when put to the test of receiverships and reorganizations.

In 1886, the Denver & Rio Grande reorganization after foreclosure, owed \$3,476,000 in 6 per cent and 7 per cent equipments. It was in adjudication of these bonds that Judge Hallett in the United States Circuit Court rendered this decision: He held that "car trusts, principal and interest, are preferred securities to all mortgage claims and must be paid out of the revenue of the property, the same as wages and labor." Under the agreement with the car trust holders, \$600,000 of the bonds were paid in full and the remainder exchanged for consolidated mortgage bonds and preferred stock that later were worth about 40 per cent more than the equipment obligations originally owned.

During the receivership of the Denver & Rio Grande, no other issues received interest, and it is also interesting to know that this is one of the very few, if not the only case in which cash in full was not paid in receivership on maturing principal and interest of equipments, and in all cases of exception to the general rule, it is to be remembered that the consent of a majority of the bondholders was, of necessity, first obtained.

Here is another: In 1895, the Atchison, Topeka & Santa Fe was reorganized after foreclosure. During receivership, the court authorized payments of interest and maturing principal on over \$2,000,000 of equipment obligations. Interest was defaulted on the mortgage bonds. Practically all other securities were reduced in rate or refunded at less amount. Of equipments the reorganization plan says: "These constitute charges upon the revenues of the company prior to the general mortgage bonds, the interest and installments on the same having been paid under the order of the court by the receivers."

There are many such instances, but the foregoing will convey my point to you. Courts, both state and Federal, have in receivership usually authorized the issuance of receivers' certificates or otherwise have provided for the prompt payment of interest and maturing principal on a virtual parity with the payment of wages and the purchase of necessary materials and supplies.

We all know that the finest railway right-of-way, the most advantageously located stations, the best developed territory for traffic, is of absolutely no avail without cars and locomotives to earn revenue. A railroad must meet its equipment bond obligations.

Imagination is the essential thing; without it poetry is as sounding brass or a tinkling cymbal.—Stedman.

What Financial Advertising Does for the Investor

Financial advertising points out the straight and marked path to wealth for Mr. Average Man

"FINANCIAL advertising," it has been said, "is the signpost pointing out the pathway to successful investment." Occasionally an investor may find a quicker path to wealth, but for Mr. Average Man, the straight and well-marked road is usually the best.

Speaking over the radio, C. J. Keller, Chicago manager for Doremus & Company, has the following to say, in part, regarding "What financial advertising is doing for the investor:":

"Financial advertising is the sign post pointing out the way. The road itself (and there are good roads and bad roads), is the investment house. In the main these are legitimate companies whose business is the buying and selling of bonds, stocks, mortgages and other securities. This business follows the principles underlying any other business. For example, it is exactly like the buying and selling of groceries—and the investment house is subject to very much the same hazards. The reputable investment houses try to satisfy and protect their customers and to keep them. They do this by a conscientious effort to carry reliable securities, and to give out reliable information regarding these securities. They advertise—they point out the way. The wise investor reads the signs—and studies the roads. It is really surprising how safely and comfortably an inexperienced investor can get along if he keeps his eyes open, uses a little common sense, and is not lured into putting his money into some get-rich-quick scheme. About \$500,000,000 a year is the price gullible Americans pay for a dream of wealth—and a dream only. Think of it, \$500,000,000 every year—wasted—gone, and most of this money comes from the little fellow who works hard for a salary of less than \$5,000 a year.

"Here is where the signpost—financial advertising—plays the part of a trustworthy guide. It points out the way to investments rather than speculation.

"Let me tell you what financial advertising really is, so that you will recognize it, and perhaps read it.

"All the first-class, reputable newspapers and most of the better-grade magazines carry this kind of advertising. You will find in your morning or evening papers in the section where bank clearings, market reports and transactions of the stock exchange and board of trade are printed, notices reading something like this: 'New Issue, \$17,500,000 Mar-

shall Field & Company, 4½ per cent Debenture Gold Bonds.' Then follows a description in detail of the history and business of Marshall Field & Company, security, earnings, assets, purpose of issue, etc., showing also the name of the company or several companies offering these securities.

"This is an announcement of what the particular investment house has to sell—quite like your grocer's price list—butter 40 cents a pound—apples 30 cents a basket. The difference lies, of course, in the fact that the grocer sells his goods for consumption. The investment house really sells in its goods a working or earning arrangement for the investor's money. This type of financial advertising is just a plain statement of the nature of the goods, or securities, the investment house offers to the public.

"There is another type of financial advertising easily recognizable which reads very much like this: 'The Confidence of Investors Won Through Fifty Years' Experience, Etc.' This kind of advertising is a publicity effort of the investment house to point out to the public some of the characteristics and experience that have helped build up a successful business. It is an expression of pride, of service and of good will. It is a sign post that points out not only the way, but says also something about the character of the road. Advertising of this kind, whether financial or grocery, tells you something about the people you are dealing with—which is just as important, and perhaps more so, than the goods you buy. This type of financial advertising therefore is well worth the attention of the investor in order to familiarize himself with the name and character of the reputable investment houses.

"Advertising, of course, like word of mouth, is subject to some of the common everyday human shortcomings. It sometimes exaggerates, sometimes fails to tell the whole story, often is tiresome. But the tendency nowadays is to get down to brass tacks, to cut out the flourishes, to make a statement of fact, direct, simple and understandable. In the main, advertising is truthful for purely business reasons. The best newspapers can do more through intelligent censorship of financial advertising and through their news and editorials, to prevent the sale of fraudulent securities than all the blue-sky laws put together. This censorship on the part of newspapers and magazines

is not only on financial advertising. You are all familiar with the steps taken during the past few years to cut out fake patent medicines, quack doctors, and other skin-em-alive propositions. This insistence for truth in advertising is one duty of the press, because the press is a public service enterprise, and must take a responsible attitude and not permit any but legitimate financial advertising to appear in print.

"All this works out directly for the public benefit in this way. The public cannot be expected to show the same discrimination in the purchase of securities that it shows in the purchase of any household commodity, like a table cloth or a bucket. When I speak of the public, I mean the average investor—the man whose business is not finance. In short, the everyday American from the corner storekeeper to the big executive. These people cannot shop around for their investments like the man looking for a good used car, or the woman running down a bargain in dress goods. Buying securities to the average investor is just the purchase of pieces of engraved paper. What this paper actually represents, its real value, reliability, and condition, is a study in itself.

"This study and knowledge rightfully belong to every investor, but often conditions prevent the investor from devoting the time and application necessary to complete understanding. What happens? The investor depends upon his investment banker. From reading financial advertising and from experience, the investor learns the names of reputable houses. A few minutes spent on the financial pages, and he absorbs an idea of the worth and prestige of these houses. He also reads the current offerings. Eventually he learns that he can trust the recommendations and judgments of certain companies. As a result, he wisely invests some of his money. It works for him; produces an income. He creates an estate. His earnings increase. A glow of satisfaction infuses the investor—the satisfaction that comes from seeing safely invested money grow—the satisfaction that comes from providing carefully for better living conditions—for the children's education—for old age. It is a duty of every man to provide for himself and his dependents. The road to this goal is careful investment of money. There is no other satisfactory way to gain the same end.

BONDS for INVESTMENT

GOVERNMENT

RAILROAD

REAL ESTATE

MUNICIPAL

INDUSTRIAL

PUBLIC UTILITY

The Commercial National Company

INVESTMENT SECURITIES

WATERLOO, IOWA

Affiliated with the COMMERCIAL NATIONAL BANK

“Furthermore, regular reading of financial advertising protects the investor in this way. Millions of dollars are lost annually because of neglect to take advantage of the conversion privileges of certain bonds. If these investors had watched financial advertisements they would have seen the announcements of the date of expiration privileges, and would have protected themselves accordingly. For example: on May 1st this year holders of approximately \$12,000,000 New York Central Railroad convertible debenture bonds had failed to exchange them for stock of the road before expiration of the conversion privilege on that date. Failure to take advantage of this conversion privilege represented a loss of more than \$800,000 which the holders of these bonds should have secured by converting or selling their bonds before the expiration of the privilege.

“Investment holdings are now spread widely throughout the country, while before the war the number of investors was comparatively small. Americans as a nation are the greatest body of bond owners in the world, numbering approximately 4,000,000 people. Naturally direct personal contact between the investment houses and all these people is physically impossible. Financial advertising then becomes not only a sign post pointing the way to the investor and a guide to him, but it serves also as a news contact. The investor should respect his own investments enough to maintain his end of this contact.

“A few minutes each day spent in glancing over the financial pages keeps the investor informed of developments in the financial world. This knowledge will help him as much in business activities as in his personal investments. It is a duty every man owes to the dollars put out to work for him. We watch the men we hire—we are quick to make a change if we find one of our workmen loafing on the job. An easy way to keep a watchful eye on our precious dollars, which work so diligently for us when well directed, and which loaf miserably or disappear if we neglect them, is to form the habit of reading financial news and advertising.”

Of Value to Merchants

A book of great value to merchants and retailers in almost any line of business has just been published by Ernst & Ernst, certified public accountants with offices in all the principal cities. The book is entitled “The Retail Inventory Method and Store Budget Control,” prepared and published in the interest of better business. The retail inventory method is described as the simplest, soundest and most satisfactory system of accounting for retail stores, and the book explains this method in detail.

With First Illinois Company

George Powell, until recently affiliated with H. M. Byllesby & Company, is now associated with the First Illinois Company, underwriters and participating distributors of investment securities, as Chicago city sales manager. The company has offices in Chicago, Aurora and Springfield, Illinois, and in St. Louis, Missouri.

Bonds Hold Steady

During fluctuations of the common stock of a company what happens to its bonds? "Bond Briefs," issued by the Northern Trust Company, of Chicago, answers this question as follows:

"Although it is of course widely recognized that common stock prices, as a rule, fluctuate much more widely than bond prices, this contrast is seldom brought out so strikingly as during the past few weeks. It is interesting to note that from February 23d to March 3d the stock of one of the leading companies of the world declined over 80 points, while its bonds fluctuated within a range of less than 1 point. Of course, stock fluctuation is often up instead of down, but examples such as this serve as a reminder that bonds as a class provide a much higher degree of market stability than stocks."

A Fundamental of Stability

"Other factors being equal, commodities which are sold for immediate consumption usually give a basis for more stable earnings than commodities which are used over a long period. That is because it is easier to postpone the purchase of commodities which are used up slowly than commodities more quickly consumed. For example, in hard times the owner of an automobile may attempt to prolong its life over a long period so as to avoid buying a new car, but he cannot drive even his old car without consuming gasoline. As a result, the demand for gasoline is more stable than for automobiles.

"The same general principle holds in other lines. It is the factor which contributes to make the demand for shoes more stable than for overcoats, and for matches more stable than for kitchen stoves.

"To review what has been pointed out in former articles, the fundamental basis of bond security is stability of earnings. Relative importance, low price, and immediate consumption of a commodity, are all factors which tend to make the demand for it stable."—From "Bond Briefs," Northern Trust Co., Chicago.

A Book of Bond Ads

Thompson, Ross & Company, Inc., dealers in bonds and investment securities with headquarters in Chicago, have produced, in book form, a series of advertisements which they have run from

What Constitutes a Good Investment?

Safety

A good investment protects your principal at all times. It pays interest regularly without question.

Suitability

A good investment is in keeping with all your requirements, whatever they may be.

Marketability

A good investment is always readily convertible into cash.

Loanability

A good investment is always acceptable to a bank as collateral for a loan.

High grade bonds, such as those offered by our Bond Department, always meet these four requirements of a good investment. They stand for the soundness of YOUR investment.

Bond Department

Des Moines National Bank

Southeast Corner  6th & Walnut Sts.

Des Moines, Iowa

Iowa Southern Utilities Company

First & Refunding Mortgage
5½% Bonds

A strongly secured bond issue of a well known utility company which for sound and consistent growth has few equals. Current net earnings on a basis of approximately 2¼ times interest on entire mortgage debt including this issue. These bonds due July 1, 1950. Price 97 and interest to yield about 5.70%. Circular on request.

HOAGLAND, ALLUM & CO.

Established 1909—Incorporated

14 S. La Salle St.
CHICAGO

34 Pine St.
NEW YORK

time to time in the Chicago Tribune. The copy deals with the many and varied uses for electricity, and was used to stimulate among investment dealers and investors a greater interest in this type of security.

Tells of "Inside Workings"

A recent booklet of great interest to bankers and investors, is "The Inside Workings of a Bond House," published by Thompson, Ross & Co., Inc., of Chicago.

The booklet starts out by telling of a typical issue, under the imaginary name of the Western Power and Light Company. The first step in the investigation of the issue, is described when the president of the company goes to the Thompson Ross office, and expresses a desire to borrow funds through the medium of a bond issue.

The later steps including the investigation of the Western Power and Light Company by an engineering firm, the legal work of the bond company's corps of expert lawyers, the report of the certified public accountants, and finally, the analysis of the buying department of Thompson Ross, are described simply, but in detail, in the booklet. The booklet closes with this comment about the great business of investment:

"We believe we are entirely within the bounds of the strictest truth when we say

OUR OPEN DOOR POLICY

Just as Banks must be equipped to assist their customers, we have equipped ourselves to be of assistance to Bankers.

LONG TIME FINANCING for Corporations calls for expert knowledge of market conditions and years of experience in guiding large Corporations in their financing and re-financing problems.

*We have that knowledge and experience
available for Banks and their customers*

COFFIN, FORMAN & CO.

Incorporated

39 South La Salle Street
CHICAGO

there is no other investment in the world which is protected in so many ways and to such an extent as a good bond issue. When you purchase a bond of us, it is delivered to you as a *finished product*. It is as simple as an old-fashioned mortgage—often more safe, and practically always much more quickly and easily converted into cash, if you wish to sell it. And yet it has behind it, in addition to its intrinsic safety, such safeguards as we have described above. It is not an investment which some one individual *thinks* is safe, but an investment on which many skilled organizations have worked to *make it safe*."

Remnants of the Day's Work

Events in Florida are justifying the seemingly wild predictions of two years ago. The northern states east of the Mississippi have found a new and vast winter playground on the Atlantic and Gulf coasts of the state, and stupendous preparations have been made and are in the making to provide entertainment for millions in the years to come. Not only wealth and fashion are behind the movement, but men of moderate means are occupying the shores and the interior. Most of them come from states where snow falls. It is not unlikely that twenty years will see Florida, from Jacksonville down, the greatest winter pleasure and health resort the world has ever known.—From Chicago "*Journal of Commerce*."

Poetry is not like reasoning, a power to be exerted according to the determination of the will. A man cannot say, "I will compose poetry." The greatest poet even cannot say it; for the mind in creation is as a fading coal, which some invisible influence, like an inconstant wind, awakens to transitory brightness. This power arises from within, like the color of a flower which fades and changes as it is developed, and the conscious portions of our natures are unprophetic either of its approach or its departure.—Shelley.

Moves to Equitable Building

Harry M. Harris, Iowa representative for the Continental and Commercial National Banks of Chicago, announces that the bank's Iowa bond and investment business has developed to such an extent that new offices are necessary, and the new location will be on the second floor of the Equitable Building, Des Moines. Former offices were located at 215 Fifth Street.

Poetry ought not to take its course through the frigid region of memory; it ought never to convert learning into its interpreter, nor private interest its advocate with the popular mind. It ought to go straight to the heart, because it has come from the heart; and aim at the man in the citizen, not the citizen in the man.—Schiller.

**High Grade
Bonds**
for
Bank Investment

Embodying

**Safety
Marketability and
Yield**

A. J. BOLDT & COMPANY

Investment Securities

Putnam Building

Davenport, Iowa

How to Judge the Safety of a Bond

IT IS a quasi-public function of the bond house to provide the banker with reliable information concerning the safety of a bond, say middle western bankers, commenting on the subject, "How to judge the safety of a bond." F. R. Sage, president of the Washington, Iowa, Loan and Trust Company, brings out this point, as follows:

"We realize that we must rely upon the originating house, and our primary concern is to know that we are dealing with a well-established bond house, with a reputation to sustain; a house that has been in business long enough to have demonstrated a real interest in its bond issues after they are taken over by the ultimate investor. We depend upon the

proven ability of the originating house for the fundamental soundness of the issue, and also take into consideration the class of bond, the maturity, and probable marketability.

"We endeavor to determine whether the bond is a logical one for our own investment or for the investment of our local clientele. We want it to be protected by a first lien on tangible property, and also by a record of net earnings over a term of years equal to at least twice bond interest and amortization payments.

"We also take into consideration the business of the issuing company, and how it is affected by changing conditions and whether its product is a staple article which is a necessity both in good times and bad times.

"There are other considerations which influence us in purchasing bonds, but I would put first and foremost, confidence in the originating house, or houses."

"The bond salesman must fit the bond to the investor's need," says I. R. Alter, of Grand Island, Nebraska, president of the Nebraska Bankers Association. He continues:

"I don't know that I am in a position to suggest anything on the advisability and the propriety in properly placing bond offerings. It is a fact that high-powered bond salesmen are careless about that and also a fact that they are not in a position to know just what class of bonds should appeal to their prospect, as they are not familiar with the likes and dislikes, standing, inclinations and knowledge of the prospect. It has always been my impression that certain bonds should appeal to certain classes of investors, of which there are four or five. The same applies to the purchase of stocks, preferred or common. One may be suitable for one class of investor, but not at all suitable for another. It's a pity that the rank and file of investors outside of financial institutions, which, of course should, and as a rule do, post themselves, do not come in contact with these financial articles and are guided in investments more by advertisements and arguments of those who have a pecuniary interest only. This is a further opportunity for the thrift committees of the different state associations."

After the banker has reached a definite conclusion as to the type of bond he should buy, there are just three factors that should guide him in judging the safety of the issue, says C. S. Howard, vice president of the Iowa Loan and Trust Company Bank of Des Moines. Mr. Howard continues:

"There are many different grades of bonds but three important factors and only three should be borne in mind with all investments; first, security; second, income, and third, marketability. With these three in mind, it is perfectly natural that if larger demands are made upon

A Serial Presentation of Fundamental Principles

SUCCESSFUL MANAGEMENT OF AN INVESTMENT FUND



Diversify Adequately

ONE of the foremost educational institutions of the country, which possesses an endowment fund of over \$45,000,000 and enjoys financial management of the highest order, has its bond holdings diversified as follows:

Public Utility	37.4%
Railroad	36.6%
Industrial	19.4%
Government	6.6%

In our opinion this exhibit provides a convincing argument in favor of diversification. It definitely establishes the value attached to diversification by men of outstanding experience in the investment field.

We regard adequate diversification as indispensable to the continued success of every investment policy and we emphasize its importance in the counsel we render clients.

BROKAW AND COMPANY

105 South La Salle Street, Chicago
Telephone Randolph 4560

A copy of our booklet, "The Successful Management of An Investment Fund," will be mailed on request.

one of these three, the other two must be sacrificed to a greater or less degree and as to the proper balances of these three factors, each individual investor's case should be weighed and balanced.

"Too much attention cannot be paid in finding out the reputation, integrity and experience of the offering house and, in these days of various issues being put out by many concerns, greater importance should be attached to the selection of the house after having decided the character and class of bonds one should buy."

BANKERS SEE BONDS AND INVESTMENTS GROWING

(Continued from page 27)

needing some ready exchange or our demand is heavy we sell sufficient bonds to tide over, then buy more when the money returns.

"For our customers, we buy all kinds of bonds you have listed. We have some patrons who are heavy buyers of bonds, and the small-time depositor is more and more inclined (from hearing others talk of the wonderful security of bonds and not too much general strength of banks) to become a small bondholder. Our patrons have bought (during and since the war) and still own approximately \$250,000.00 of bonds. Nearly, if not all, of these bonds have been purchased through us, and nearly all are left with us for safekeeping.

"Up to the present time we can notice little effect on our deposits. Our time C. D.'s and savings are much heavier than those of our neighbors who sell or own no bonds, but we are wondering what will be the ultimate results.

"We are not urging bond buying, but do not in the least discourage it. However, we have acquired quite a reputation for handling bonds.

"Our deposits keep well over the half-million mark, so we are naturally interested in what the effect will be on these deposits if we are right in assuming that there is a general growing tendency to turn to the buying of bonds. Is this the general tendency or are we an isolated case?"

I appeal to the greatest poets of the present day, whether it is not an error to assert that the finest passages of poetry are produced by labor and study. The toil and delay recommended by critics can be justly interpreted to mean no more than a careful observation of the inspired moments, and an artificial connection of the spaces between their suggestions by the intermixture of conventional expressions—a necessity only imposed by the limitedness of the poetical faculty itself.—Shelley.

Poetry is the natural language of all worship.—de Stael.



**Bank
Investment
Securities**

**STOCKS *and* BONDS
OF THE
CITIES SERVICE COMPANY
and SUBSIDIARIES**

Securities

Department

Henry L. Doherty & Company

60 Wall St.

New York

BRANCHES IN

PRINCIPAL CITIES.

IOWA DIVISIONAL OFFICES

Des Moines

318 Liberty Building

Sioux City
507 Francis Building

Cedar Rapids
708 Higley Building

"Looking Ahead Financially"

A man wholly dependent upon personal earnings, particularly the man accustomed to a substantial income, is in an uncertain, even precarious, position.

This is one of the themes in an interesting and unusual booklet, "Looking Ahead Financially," which has just been published by Halsey, Stuart & Co., of Chicago.

Such a man, the book goes on to explain, has built up an elaborate standard of living, retrenchment from which, if necessary, would be difficult, certainly embarrassing.

Yet with out a financial reserve, no other alternative is open to him in these

emergencies in life which are a part of life itself.

"As self-evident as these truths are," Halsey, Stuart & Co. state in connection with the book, "it is surprising how few men take them seriously—or, at least, take steps to meet them, while they are still in a position to do so.

"This is distinctly an American trait, resulting, no doubt, from the prosperity which we, as a people, have so consistently enjoyed. It is a characteristic, perhaps not altogether unwarranted, considering the astonishing strides of all classes in improved standards of living within recent years, to believe that tomorrow will find each of us better off

than today. It is, nevertheless, a dangerous belief to bank on too confidently.

"Perhaps nowhere is this prevailing optimism more prevalent than among well-paid executives and salaried men in the prime of their earning capacity. Alert, keen-minded, buoyant, these men often see little need for immediate concern about their future. They live well, often expensively; they play freely; they confidently look forward to next year and in the years to follow to an ever-increasing income. They are aware that they are not setting aside what they should, but are frequently but mildly concerned about it because of their feeling that there will be time enough in their later years of expanding income to meet the problem.

"One need only look about in his own circle, or consult statistics showing what happens in later years to an average group of men, to determine the fallacy of that belief.

"The very fact that these successful men are successful is the strongest possible argument why they should face as early in life as possible the problem of protecting their positions. They have more to lose by reverses in fortune than the man who has been accustomed to lose. The man who never earns much in excess of bare living requirements learns the necessity of conserving and providing for future years. He is, in short, more conscious of his financial insecurity than the man who enjoys abundant earning power during his years of vigor. Yet, without such planning, where the family standard of living is dependent upon the personal earning capacity of the provider—no matter how large his earnings—their situation is constantly in jeopardy."

Priester New Secretary

Frank Ward, bond department manager for the Iowa Loan and Trust Company Bank of Des Moines, has resigned as secretary of the Iowa Bond Dealers' Association and is succeeded as secretary by H. C. Priester, of Priester-Quail & Cundy, Davenport. Mr. Ward continues, however, as a member of the Board of Governors of the Iowa Bond Dealers.

With First Illinois Company

Milton O. Johnson, formerly manager of the analytical department of Henry C. Quarles & Company, Milwaukee, and instructor in economics in the University of Wisconsin, is now manager of the analytical department of the First Illinois Company, underwriters and participating distributors of investment securities with offices in Chicago, Aurora and Springfield, Ill., and St. Louis, Mo.

The poet is a creator, not an iconoclast, and never will tamely endeavor to say in prose what can only be expressed in song.—Stedman.

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WICHITA KANSAS



Safeguarding the Investor

By S. D. Rider

W. B. Foshay Co., Minneapolis

THE average investor seldom has an opportunity to become thoroughly familiar with the safeguards that are thrown around first mortgage bonds and other securities that are from time to time brought to his attention.

The reliable investment banker or security dealer is extremely jealous of his reputation. He knows that the only way to build up the right kind of a reputation and to insure the continuous patronage of the investor is by being able at all times to deliver returns to the investor exactly as promised. There must be no delay in paying interest or dividends. Maturities when due must be cared for promptly, and in every way the interests of the investor must be looked after. This can be accomplished only when the banker or security dealer exercises diligent care in purchasing or taking on new issues. In many instances the state commissions that are created for the purpose of safeguarding the investors' money have the authority to regulate the amount and kind of securities that can be issued by different companies or corporations, but even they are unable to foretell what may happen in the future. It, therefore, becomes necessary to provide through contracts and agreements every possible safeguard so that if the business back of the security does not operate as successfully in the future as it has in the past, then the investment house originating the issue may step in, assume control and protect the investors' money.

Some investment bankers and security houses not only insist on ample security at the time the issue is brought out but in addition enter into contracts whereby the men who have been responsible for the successful operation of the business of the past are obliged to place their evidence of ownership in escrow with a trustee with the understanding that if at any time they do not in every way live up to all of the agreements in their contract, then the investment house putting out the security can immediately step in and assume control of the property without any further legal procedure. This arrangement in effect causes the management to be unusually conservative. They are not desirous of turning over the management of their business to parties who are directly interested in seeing that the senior securities, such as first mortgage bonds and preferred stocks, are protected and paid off before any return accrues to the common stock or the owner of the business.

An investment house in order to furnish the fullest degree of protection to the investor must also be one with a suffi-

cient cash capital investment to enable it to temporarily carry on the business which has been taken over, if it should become necessary to do so.

In addition to the contracts providing for the control of the business, it is also customary that the men who occupy executive positions carry sufficient life insurance so that if they should be taken away a trustee will receive a sum that can be

used immediately to retire or pay off a part of the securities outstanding, thus increasing the underlying security or securities left, reducing the obligation of the company and giving them an opportunity to rebuild their organization and carry on successfully. It is also usually provided that no sale of the business on the stock control can be made without the

(Continued on page 50.)

Something New Under the Sun

Gypsum! A magic word in the vocabulary of business! A romance of modern industry! Base for stucco, component of street pavements, aid to growing crops, insulator against heat and cold, material for building blocks and hollow tile, fire-proof wall board which can be nailed and sawed like wood. ∞ In 1899, 300,000 tons were produced — in 1924, over 5,000,000 tons. The industrial world accepted gypsum and thought nothing new could be known about it. Until one gypsum company, the Universal, in addition to its Gypsolite wall board and other products, developed "Insulex"—gypsum raised like a loaf of bread. A light, cellular mass, filled with millions of tiny dead air cells—hailed by builders as the most revolutionary and useful material of modern times. ∞ We handle Universal Gypsum Company securities.

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CEDAR RAPIDS

Protecting the Utility Investor's Dollar

Extracts from a talk by W. H. Hodge, manager, advertising department, H. M. Byllesby and Company, over the Chicago Tribune's Radio Station WGN.

SOMETHING more than seven million citizens are interested in "How Utility Investments Are Protected," because that many individuals are estimated to have money invested in the securities of electric power and light, gas,

telephone and electric transportation companies.

These industries are collectively the third largest industrial group in the United States, agriculture ranking first and the railroads second.

When I speak of seven million public utility investors, I mean people who own bonds, debentures and stocks of these companies. I do not include the insurance companies, banks and other institutions which own many millions of dollars of such securities. Indirectly the great majority of all the owners of life insurance policies, savings accounts and many other investments are financially interested in the utilities.

It is not the common stocks, but the bonds, debentures and preferred stocks of utility companies that are of direct

Broadway Motors Building Corporation

(New York City)

*First Mortgage Leasehold 6 per cent Bonds
Due 1948*

General Motors Corporation has leased the 13 upper floors of the 25-story building for a period beyond the maturity of the bonds and the building will be known as

General Motors Building

The bonds are secured by a first mortgage on a leasehold estate and building being erected thereon, which have been independently appraised at a value, upon completion, in excess of \$10,390,000. The outstanding bonds total \$6,000,000, making this issue less than a 58% mortgage.

The income from space already occupied plus that to be received from the General Motors Corporation lease, is in excess of \$1,000,000 and is alone sufficient to pay all operating and maintenance charge of space so leased, ground rent, taxes and interest on this issue of bonds. Total net income is estimated at over two times interest on these bonds.

Price 99½ to yield over 6%

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W. H. HODGE

interest to the great multitude of conservative investors. The owners of such securities are not interested or alarmed by the gyrations of the speculative market, like that which made front page news recently. These bonds, debentures and preferred stocks, as a class are not only among the soundest and best protected of American investments, but among the most stable, and it is my purpose to tell you briefly from the investor's point of view, some of the principal ways in which they are protected.

In the first place, they are issued by industries rendering services, not only vital and indispensable to modern life, but services that save the user money, time and inconvenience, stimulate production and promote domestic and community prosperity, comfort and happiness. In other words, they are based on public necessity; they conserve and do not waste; they build up and do not destroy.

Second, such investment securities are backed by tremendous physical plants and distribution systems, staked to and imbedded in the soil. Modern, enduring

and useful physical properties, with demonstrated earning power, have been constructed with the dollars of the investor.

Third, present day operation of electric, gas and telephone systems conforms to the recognized principles of good economies. They produce and distribute at the lowest costs and sell service at the lowest reasonable rates, because they operate without direct competition, mass production in large plants in order to achieve efficiency, distribute over wide markets by interconnected or "super" transmission and distributing systems, and handle their product from plant to consumer without intermediaries or middlemen. This is why the utility companies have held down rates during the past ten years, while the costs of everything entering into the expenses of providing service have advanced greatly; why the government finds the average selling cost of electricity lower today than it was back in 1914.

Fourth, utility investments are protected by a well-established system of state and municipal regulation of these industries. All of their business affairs are known to representatives of the public; all of their acts are carried out in conformity with the approval of authoritative public bodies. In exchange for the limitation of earnings, to 7 or 8 per cent on the value of the properties, well managed companies are protected against rates and conditions which would take away their earnings entirely, or be unfair to the investor.

Fifth, utility investments are protected by the character and quality of engineering and management received by the larger and well established utility organizations.

During the past twenty years there has been a remarkable development of utility operation under the group plan. The Byllesby organization, for example, is responsible for utility companies serving upwards of a thousand communities in eighteen states—a total population of more than 3,350,000.

These concerns usually group their properties into what are known as investment-management, or holding companies, which mass engineering ability, operating experience, purchasing power, and credit and financing strength, to the advantage of each operated property, the consuming public and the investor whose money makes utility development possible.

Sixth, and last, the distribution of utility securities among seven million people means a wide, active and stable market. This is of the greatest importance to the investor in case he wishes to convert his holdings into cash.

One merit of poetry few persons will deny; it says more and in fewer words than prose.—Voltaire.

Commends Insured Bonds

Walter M. Toole, Iowa manager for George M. Foreman & Company, underwriters of insured first mortgage real estate bonds, calls attention to an article on investments by Walter Stabler, comptroller of the Metropolitan Life Insurance Company, New York, published in the *American Bankers Association Journal*, February, 1926 issue. Mr. Stabler says in part:

"My recommendations, therefore, are: "That the unskilled investor, who desires to buy real estate bonds, should be satisfied with a slightly lower interest rate and obtain the guarantee of the payment of principal and interest from the

mortgage guarantee companies organized by law for the purpose, and which are under state supervision; which have sufficient capital to make good their guarantees, and which are known to be managed by men skilled in their work and successful in their operations, and whose loans are conservative.

"Or he should buy from companies that distinctly guarantee the payment of principal and interest although not organized as mortgage guarantee companies, but which are willing to state under oath, and after examination by public accountants, the amounts of their assets and liabilities and what they consist of, and who produce sworn appraisals

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of expert appraisal committees for all bond issues offered.

"Or if he is willing to invest in unguaranteed mortgages, the property on which the bonds are based should be appraised by a competent board of appraisers, appointed by the real estate boards in the cities where such boards exist, and the statement should be made that the bond issues do not exceed two-thirds of the appraised value of the property. Companies which advertise that their bonds are legal investments for trust funds should be obliged to produce evidence beyond question that such is the case, and some state authority should have the power to force statement of values or prevent such advertising being printed.

"Some of the bond houses have arranged with strong surety companies to

guarantee the payment of principal and interest of their issues, and next to buying from the regular mortgage guarantee companies, I suggest this method as a safe one to follow, for the reason that the surety companies will not guarantee loans of all the issuing houses, and, when they do guarantee such issues, it is only after careful investigation made by these surety companies through skilled examiners. I consider their guarantees as abundantly good for anything they undertake."

The Basis of Security

In bond investment, stability of earnings is undoubtedly the fundamental basis of security. Even property value depends entirely on this factor; for the value of any property—real estate, railroad or

power station—is based on the earnings it can produce.

It is interesting to note the difference between the position of bonds and stocks in this respect. The stockholder is in the position of risking loss on the chance of a greater profit. He is willing to forego dividends this year for a bigger return next. The bondholder, on the other hand, is only interested in the maintenance of earnings sufficient to cover interest charges. In consequence, a bond on which charges are barely covered may have a very high investment rating provided this return can be counted on without fail. This situation occurs in the securities of terminals that are leased by strong railroads at a rental only sufficient to cover interest charges.

In appreciation of the regularity of earnings they produce, certain types of businesses are recognized as being particularly desirable for bond investment. This includes most railroad and public utility companies and certain types of industrials. In the following issues of *Bond Briefs* the various qualities which tend to produce regularity of earnings will be analyzed to show why it is that some classes of business afford a much more satisfactory basis for bond investment than others.—From *Bond Briefs*, Northern Trust Company, Chicago.

SAFEGUARDING THE INVESTOR

(Continued from page 47.)

consent of the investment house as long as any securities are outstanding.

The day is past when it is necessary for the investor to feel that he must depend entirely upon his own judgment in selecting a security, and that he must not only be familiar with the security underlying his investment but also be able to pass judgment on the future possibilities of the business. There are investment houses today who assume this responsibility. These houses are backed by sufficient capital and experience that enables them, like the life insurance companies, to foresee and forestall any possible cessation of payments in order to fully protect the investors' money.

The Reckless Age

"I suppose old Jim Tucker is as stingy as ever," remarked the former resident on a flying visit to Dinkyville.

"Gosh, no!" exclaimed the native. "Jim's gettin' to be a reg'lar spend-thrift. Why, he even gets his hair cut at the barber shop now!"

"A happy nature is sometimes a gift, but it is also a grace, and can, therefore, be cultivated and acquired; and it should be a definite aim with those who are training a child."—Lucy Soulsby.

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The Growth of Real Estate Bonds

By G. A. Golder

District Manager, Chicago, Fidelity Bond & Mortgage Co.

SELDOM is there found an investor, be he a banker or tradesman, who is not fully familiar with the record of the several prominent first mortgage bond organizations whose investments, insofar at least as the investor is concerned, have been universally good, with interest and principal being paid promptly at their respective maturities. These organizations have established large followings by this carefully constructed record and cannot do that which would jeopardize its maintenance.

It must be emphasized in all fairness to the class of investment known as first mortgage real estate bonds that 266 bond houses have sold from 1900 to 1924, according to an investigation conducted by Geo. R. Hemingway, a volume aggregating \$1,119,452,000. Out of this vast amount a loss of but \$38,925 was found, which is less than one-hundred-thousandth of one per cent.

A number of writers have stated that well selected first mortgage real estate bonds secured by high-grade, income-producing properties are safer than any other form of bond investment excepting possibly United States Government obligations.

The safety of first mortgage real estate bonds is further evidenced by 29 Chicago mortgage bankers having loaned \$734,700,000 without a loss to an investor.

In 1923, 48.5 per cent, or practically one-half of the residential, business and industrial buildings were financed by insurance companies. Over 40 life insurance companies increased their mortgage investments during the last two years. For instance, the New York Life Insurance Company reported as of December 31, 1925, that during the year 1925 the finance committee invested in securities that demanded discrimination and judgment \$151,371,950.10, of which vast sum, \$93,534,753.22 was invested in real estate mortgages, or 161.7 per cent of all other classes of investments, which included municipal, railroad and public utility bonds. According to the Company's balance sheet, dated January 1, 1926, it has invested in real estate securities \$353,627,202.42, which is a greater amount by more than \$28,500,000 over the next largest investment and at an average yield of about 17 per cent more than the average yield of all other securities purchased in 1925.

According to a survey made by the National Association of Real Estate Boards, of 201 life insurance companies the average advantage of real estate investments over the investment in other

bonds and stocks was 1.49 per cent, which actually means a 25 per cent advantage in favor of real estate securities.

On July 25, 1923, the Penn Mutual Life Insurance Company of Philadelphia reported an increase in assets of \$10,000,000, all of which was invested in first mortgages on improved real estate. The Metropolitan Life Insurance Company of New York at the end of 1923, reported an investment of \$464,000,000 in mortgages on city properties, from which they collected \$23,600,000 in interest. A mortgage is overdue and in default when it is 30 days or more past due, according to their rating. At the

end of 1923, the Metropolitan Life Insurance Company showed overdue interest of \$11,611 out of \$23,600,000, and of this amount \$9,100 was paid on January 2, 1924, thus having \$2,511 of unpaid interest out of \$23,600,000 interest earned during 1923.

From a recent report of the municipal bond committee of the Investment Bankers Association, holding its convention in St. Petersburg, Fla., says a situation "unparalleled in this country during the last quarter of a century" now exists in the state of Washington. That 17 cities and towns with \$3,757,671 of bonds outstanding have \$1,439,710 in default.

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ARTHUR REYNOLDS
President

This Washington situation was the outcome of the state laws, that, to begin with, did not furnish adequate protection to bondholders.

The attorney general of New York indicated in a recent article that losses in the state of New York, through fraudulent stock transactions, approximated \$500,000,000 a year and through practical experiments gained through the operations of the Bureau for the Prevention of Fraud reveals that a large percentage

of stock frauds can be eliminated if the public will observe the ordinary precautions which govern their every day business and household transactions.

The best indication of the soundness of first mortgage real estate bonds is the steady growth of the popularity of this class of security. Year after year has gone by without a loss to an investor. First mortgages are not an experiment, but on the contrary, they form the oldest

known security, dating back to the Babylonians about 2250 B. C.

First mortgage real estate bonds are a suitable investment for savings and strong-box securities, yielding the maximum rate of interest consistent with safety; easily convertible into cash when the necessity arises and are in denominations of \$100, \$500 and \$1,000. Most first mortgage real estate bond houses maintain a partial payment plan which is fair and equitable to the investor.

A Record of Safe Investments

A Successful Record is the finest recommendation a business organization or an individual can have. This is especially true in the investment field. Nowhere does the past indicate so clearly and accurately what the future will be. Experience, financial standing, good faith and integrity can all be determined to a very large extent by an examination of the record. Send for our latest book, "A Record of Safe Investments."

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**THE STUDEBAKER CORPORATION
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Our Labor Too Prosperous

Arthur Henderson, an outstanding figure in the British Labor Party, is an honest observer. Returning to England from a stay of several weeks in this country, he reports on the unfavorable outlook for a Labor Party in the United States.

The basic reason he emphasized in his speeches on this side of the Atlantic. The American workingman is too well off to be discontented.

Thus Mr. Henderson disassociates himself from an ancient legend which still has currency in the circles of American socialism and among not a few bourgeois liberals and radicals.

One still encounters in the Socialist press the cartoon of the vintage of 1890, in which enormously bejeweled and bejeweled capitalists trample over the prostrate bodies of starving workers.

The accompanying comment is the old verbiage about industrial satraps and industrial serfs.

It is a creed and a lingo now abandoned by the more intelligent leaders of socialism.

The emphasis has shifted from the "misery" of the working classes to the injustice which they still suffer.

It is no longer maintained that they are sinking deeper and deeper into destitution according to the requirements of the Marxian formula. But it is contended that such increase in well-being as the American workingman has achieved is not in honest ratio to the increase in national prosperity as a whole. —New York Times.

The Charges Against Judge English

Judge English of the federal court of the eastern district of Illinois should not be permitted to remain on the bench if the charges against him, indorsed by the house judiciary committee by a vote of fifteen to six are well founded.

The sooner a judge guilty of misconduct is removed the better. His case should not drag along, but be promptly heard and brought to a final judgment by the senate.

Public confidence in the judiciary must be strengthened by the spectacle of an impeachment trial. One judge may have gone wrong, but if he can be removed the judiciary as a whole will not suffer in public esteem.—Springfield, Massachusetts Republican.

Bond Future Appears to Be Sound

“WITH relatively little new domestic financing in immediate prospect, and a sustained demand, which will, no doubt, be somewhat augmented by the disappointed recruits from the stock market, now rendered more cautious by their recent experience with speculative securities, the outlook remains reassuring for the bond buyer.”

In brief, such is the opinion of Halsey, Stuart & Co. as to the outlook for the bond market as expressed in their quarterly review, which was issued recently.

Commenting on the general business situation, the review says:

“Despite some ripples on the surface of things, the underlying situation in business and industry is one justifying confidence in their future. The speculative trend, until recently apparent in some other fields, has been noticeably absent in the conduct of business generally—supply, for the most part, has been gauged to demand; inventories have been kept low; and efficiency in operation, including a satisfactory labor situation, has generally prevailed.

“While the stocks of some companies have tumbled from the unwarranted heights to which they were carried by the over-optimism of the stock market, this can hardly be interpreted as a reflection of conditions in the business and industrial situation which gives promise of continuing sound and active.”

It goes on to review the action of the bond market during the first two and a half months of the year and then the situation with regard to the various classes of bonds, saying:

“The strength and activity that have characterized the bond market over a considerable period continued unabated into the new year, carrying the price level during the latter part of February to the highest point since 1917. Despite some liquidation attending the long expected break in the speculative market, the undertone in bonds remains distinctly strong.

“With careful discrimination, some of the best bargains of today are to be found among the foreign bonds. New offerings of such securities, especially corporate issues, have continued in large volume since the first of the year, and for the most part have been well received. Considering the educational process that attends the distribution of successive issues of foreign bonds, the large amount of capital available for investment, and the uncertain supply of new domestic issues, there is good reason to believe that the present wide disparity in yield between foreign and domestic issues will narrow.

“But in view of the fact that American investors are still relatively inexperi-


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A series of six ads, each giving one reason for the superiority of Fidelity First Mortgage Real Estate Gold Bonds. The others are: Experience, Appraisals, Safeguards, Security, Guarantee.

Investigation

Not one issue of Fidelity First Mortgage Real Estate Gold Bonds is prepared until a searching investigation has been completed.

First, is there a real need for the proposed building? For the type of building to be erected, is the location superior to other sites? Will the building produce sufficient income to safeguard investments? Can the integrity of the borrower be proved beyond all doubt? These and many other questions must be answered satisfactorily before the Fidelity Bond and Mortgage Co. puts its name and resources back of an issue.

So closely do we adhere to the spirit, as well as to the letter of our policy of safe investments, that to every request for construction financing that is accepted, ten are vetoed.


Such cautiousness and conservatism has its result in a constantly increasing number of banks who both buy Fidelity Bonds for their own investments and recommend them to their clients.

Shall we send you a list of Fidelity Issues?

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enced in the foreign field and often lack complete information regarding foreign corporations—and even governments and municipalities, more than ordinary care should be used in selecting such issues.

“While new offerings of public utility bonds have continued in large volume since the first of the year, some recession in the output seems not improbable, considering the present well financed condition in the industry. With supply therefore somewhat uncertain and demand steadily expanding—much of it coming from institutions which previously have accorded first choice to high grade rails—it seems probable that the price level of utilities will be well maintained.

“The quick absorption by investors of the \$15,000,000 Commonwealth Edison

Company 4½ per cent bonds, recently offered, is a striking indication of the high favor in which first-class utilities are held. This is the first 4½ per cent coupon bond issued by a public utility since the war.

“Fairly consistent activity has characterized the market for tax-exempt bonds during the opening months of 1926, and the demand for the obligations of the states and larger cities, has, in general, tended to exceed the supply of new offerings.

“The reduction in Federal Income Tax rates was apparently discounted by investors well in advance of the adoption of the new Revenue Act. The new rates, being gauged more closely to minimum Governmental requirements, promise a

greater degree of permanency than the high rates previously prevailing, and therefore, constitute a sounder basis upon which to capitalize the value of tax-exemption in a long-term investment.

“Indications, therefore, are that current price levels will be well sustained. Bonds of many smaller political subdivisions, and of various joint stock land banks, are still priced at relatively attractive figures.”

American Savings Twenty-three Billions

Twenty-three billion dollars, a gain of nearly two billion in a year, represent the total savings account of the American people, according to figures compiled and made public today by W. Espey Albig in charge of the Savings Bank Division of the American Bankers Association.

The tabulations, which comprise savings deposits of all classes in the banks and trust companies of the country on June 30th of this year, indicate per capita savings of \$204, which is a gain over 1924 at the rate of \$15 for each inhabitant. As indicating the advance in national thrift, Mr. Albig points out that the gain in aggregate savings during the year of \$1,945,000,000 is \$500,000,000 greater than the increase which took place the year before.

The figures also show that the total savings of \$23,134,050,000 are owned by 43,850,127 depositors. This represents a net gain of 2,566,000 depositors over comparable figures for 1924.

A regional analysis of the progress in the savings habit shows that the New England states have the highest amount of savings per capita, with \$473. The regional figures are as follows:

	Total Savings	Per Capita
New England..	\$ 3,750,191,000	\$473
Middle Atlantic.	9,290,268,000	355
Southern	1,761,734,000	57
Eastern Central.	5,507,931,000	173
Western Central	829,865,000	92
Pacific	1,994,063,000	255
For U. S.....	\$23,134,052,000	\$204

The above groupings are as follows: New England—Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut; Middle Atlantic—New York, New Jersey, Pennsylvania, District of Columbia, Delaware, Maryland; Southern—Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Arkansas, Kentucky, Tennessee; Eastern Central—Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri; Western Central—North Dakota, South Dakota, Nebraska, Kansas, Montana, Wyoming, Colorado, New Mexico, Oklahoma; Pacific—Washington, Oregon, California, Idaho, Utah, Nevada, Arizona.

Poetry is the music of the soul; and, above all, of great and feeling souls.—Voltaire.



The first long distance call

THE first “long distance” conversation took place between Boston and Salem—a distance of sixteen miles — just fifty years ago, eight months after the telephone had transmitted its first sentence.

In 1889 Boston heard New York for the first time. In 1892 New York and Chicago were connected. Persistent research and development solved one difficult problem after another and gradually pushed back the frontiers of speech by wires, and in 1915 the spoken word sped from coast to coast.

Today these “long lines” of the Bell System comprise over 5,600,000 miles of wires, exclusive of 39,800,000 miles of exchange wire. Thousands of times daily, over distances unimagined as possible a half-century ago, long lines speed the nation’s social and business messages.

This plant and service, developed to keep pace with the nation’s needs, underlie the securities of the Bell System.

The dividend rate of the stock of A. T. & T. — parent company of the Bell System—is 9%. This investment stock can be bought in the open market to yield a good return. Write for booklet, “Some Financial Facts.”



BELL TELEPHONE SECURITIES CO. Inc.

D.F. Houston, President
195 Broadway NEW YORK



“The People’s Messenger”

**YOUR CORRESPONDENT BANK'S
BOND DEPARTMENT**

(Continued from page 35)

local business conditions which very seldom, if ever, require them to touch their secondary reserve. All of these factors must be borne in mind by the institution that is recommending securities for a bank's investment or exchange in bank holdings. Such knowledge is possessed by the reserve city bank.

Frequently the reserve city bank is asked to pass upon or check bond issues in which its correspondents are interested. There is satisfaction in the knowledge that many times losses have been averted, unsound investments forestalled and investment worries prevented.

A bank's bond holdings are a protection against the unexpected, they are a secondary line of defense, hence every means of selecting sound investments deserves employment. The reserve city bank has men of ability at the service of its correspondents, a policy of the greatest service for the greatest number of years governs its investment recommendations; facilities for checking a bond's real value are available and a true interest in the bank's investment holdings influences all trade suggestions. A bank can additionally safeguard its investments by using these services and by purchasing securities from its reserve city correspondent.

SHORT-TERM INVESTMENTS

\$10,000 General Motors Acceptance Corp. 5s of 1929-----	99.31	5.25%
5,000 Electrical Engineers Equipment Co. 6s of 1929-----	100	6.00%
2,000 Joyce Watkins Co. 7s of 1927-----	101½	6.00%
2,000 McDougall Terminal Warehouse Co. First Mtg. 7s of 1928-----	101	6.60%



Chicago Trust Company

Bond Department

CHICAGO

Southeast Corner Monroe and Clark

Insured Mortgage Bonds

—A National Security—

6%

Are largely secured by First Mortgages on Owner-Occupied Homes in American Cities;

Guaranteed by the Mortgage Security Corporation of America; and—

Insured Principal and interest from date of issue to date of maturity by the

National Surety Company
of NEW YORK

the world's largest surety company.

Booklet mailed on request

White-Price Company
PHOENIX BLDG., MINNEAPOLIS, MINN.

Inquiries solicited from banks and dealers



A Tribute to Forty-one Years of Sound Financing

The fact that both principal and interest of Forman First Mortgage Real Estate Bonds will be unconditionally guaranteed by one of America's foremost insurance companies is a high tribute to the safeguards developed by forty-one years of sound financing.

Investors everywhere have been quick to appreciate this new measure of investment protection—safety so unqualified that it can be guaranteed.

An unusually profitable affiliation is afforded the many local banks who act as distributors for these time-tested securities. Inquiries are invited from interested bankers.

GEORGE M. FORMAN & COMPANY

Investment Bonds Since 1885

EQUITABLE BLDG., DES MOINES, IOWA

Chicago New York Pittsburgh Minneapolis
Springfield Springfield Peoria



Conservative Securities

Our banker clients find that they are able to obtain from this organization a complete investment service that is particularly fitted to give prompt, intelligent, and effective attention to bank requirements. That's what you need—isn't it?

We will be happy for an opportunity to tell you more about this specialized service. Just drop a line to either address given below telling us you are interested. No obligations, of course.

BARTLETT & GORDON

Incorporated

First Wisconsin National Bank Bldg.
Milwaukee

First National Bank Bldg.
Chicago

A Complete Investment Service

Commercial Paper and Bonds

Clients of this firm are able to obtain from one source the type of security best suited to their current condition and need.

LANE, ROLOSON & CO., Inc.

209 South La Salle Street, Chicago

LANE, PIPER & JAFFRAY, Inc.

Minneapolis

St. Paul

Rochester

Mankato

Fargo

SOUND BONDS FOR BANK INVESTMENT



The First National Company of Iowa

Hanford MacNider, President

MASON CITY

Security Building
Cedar Rapids

Valley National Bank Building
Des Moines

A Pound of Corn Sugar

Emphasizing the spirit of cooperation that it has always maintained in the community, and at the same time helping to solve the problem as to how to get an increased price for corn, the First National Bank of Dayton, Iowa, has advertised that it will give to every family in the vicinity of Dayton, one pound of corn sugar, free. All that is necessary is that they come and get it.

The bank hopes in this way to encourage and stimulate a greater demand for corn products, thereby creating a better market for corn.

HOW OUR BOND DEPARTMENT HELPS

(Continued from page 29)

a bank will depend upon its city correspondent for information and advice. As volume increases the bank will want to purchase securities at wholesale prices, but it will not be possible to do so until it has shown ability to distribute. Of course wholesale bonds can always be obtained, but in issues that are not always first class. Far be it from us to try and give any great amount of advice to a bank that contemplates the sale of securities, for we are learning more and more every day and are always anxious to receive advice from our good friends. We do feel that the officer in charge of the bond department may profit by reading and studying market quotations and the very valuable articles that are published in publications such as THE NORTHWESTERN BANKER and other magazines. Investments should be sold to meet the requirements of the investor just the same as articles of clothing are sold to fit his or her physical needs."

"Entirely an additional accommodation to our customers," declares L. J. Sharp, manager of the bond and trust department of the Security National Bank of Sioux Falls. He says:

"It is our belief that a bond department in a bank the size of ours—having slightly over \$5,000,000 deposits—should be operated entirely as an additional accommodation to our customers. We serve about twenty of our customers at the present time.

"We do not think that a bank of our size should push its bond department too much. If they do it will injure their deposits and other bank business to some extent, but above all they are liable to sell a bond which might prove to be undesirable and then they will have dissatisfied bank customers.

"The primary purpose of a bank outside of taking care of commercial business and other legitimate enterprises, is to encourage thrift and saving. After their savings have reached five hundred or a thousand dollars, then if the customer is interested in securing a higher return on his money with adequate safety, it is time to sell him bonds. We do not encourage the selling of bonds in \$100 denomination.

"Thus, to sum it all up, this bank favors the operation of a bond department in so far as it is used as an additional accommodation to its customers and in conjunction with our trust department."

Buys Three New Properties

Three transactions involving \$3,500,000 in hydro-electric properties in the Red River Valley, north central and central Minnesota, were announced in Minneapolis recently by H. H. Henley, vice president of the W. B. Foshay Company.

The Foshay Company, with offices in Minneapolis, controls the Minnesota Electric Distributing Company, the People's Light & Power Company, the Tri-State Utilities Company and the International Public Service Corporation.

The properties purchased are the Red River Valley Power Company, Crookston; the Minnesota Electric Light & Power Company, Bemidji, and the Waconia Light & Power Co., Waconia.

The deal for the Red River Valley and Bemidji properties was made through the Minnesota Electric Distributing Company and the Waconia plant was purchased by the People's Light & Power Company.

These properties will be interconnected by transmission lines with other power plants controlled by the Foshay Company and will give the three points involved service from all other points on the circuit.

Mr. Henley announced that the work of interconnecting the latest acquisitions would start soon and improvements totaling \$300,000 would be made. The efficiency of the hydro-electric plants from Bemidji to Crookston will be greatly increased by the interconnection.

The amount paid for the respective plants was not made public.

THE ROMANCE OF A BOND ISSUE

(Continued from page 28)

assume that the "originating house" purchases the bonds at 92 and the "buying group" buys them at 94. This group in turn creates a "distribution syndicate," which consists of a larger number of houses with relatively small commitments. This group buys the bonds at, say 96½, and the bonds are then retailed to the investors at par (100).

The originating house participates with and is a part of the "buying group," and all the members of the "buying group" including, of course, the originating house, participate with and are a part of the "distribution syndicate." The size of the "buying group" and of the "distribution syndicate" depends, of course, upon the size of the issue, and are organized before the bonds are advertised to the public. The "distribution syndicate" is created to provide a wide distribution to the public, thus creating a satisfactory after market.

It costs more to sell bonds now than it did before the war. At that time, the average retail bond sale was between \$7,000 and \$8,000. Today this average has been lowered to between \$2,000 and \$2,500, while the number of investors has increased in direct ratio. This transi-

tion, from fewer large sales to many more smaller sales, has made the "distribution syndicate" a necessity and has caused the mechanism in selling securities to become more and more complex. This increase in distribution has naturally and in direct ratio, increased the cost of bond selling.

An advertising date has been set and on that morning, large advertisements heralded to the world that American Manufacturing Company, 6 per cent, first mortgage, twenty-year bonds have been created, while hundreds of high-strung salesmen, who have been champing at the bit for several days, spring into action. Within forty-eight hours from the release date, every probable prospect has been interviewed, either personally or by telephone, while the mails carry thousands

of circulars to investors, describing the American Manufacturing Company, its prospects and its issue of bonds.

In a few days, the entire issue has been sold, but in the meantime the new business department has gone on to other fields, there to start over again, the interesting, absorbing process of creating issues of securities.

From an infinitesimally small germ of an idea, a nation has been effected. The American Manufacturing Company is now in a position to carry on its program of expansion; its name is known to investors and there are practically a thousand new partners in the company, all because *something has been created*.

American Manufacturing sixes are a reality—they will go on and on for twenty years—surely there is romance here.

GOOD BONDS

For Your Bank's Investment

Inquiries Solicited from Banks and Bankers on

GOVERNMENT PUBLIC UTILITY INDUSTRIAL MUNICIPAL	}	BONDS
---	---	-------

CHARLES (Chick) EVANS, Jr.

Investment Securities

11 S. La Salle Street

<i>Sixteen years experience in bond business</i>	CHICAGO	<i>Long Distance Phone State 6892</i>
--	---------	---

Sales Manager

A New York Stock Exchange House of thirty years standing desires the services, in its Chicago office, of an experienced Bond Salesman to take charge of its out of town business. This is an exceptional opportunity for the right man. While out of town experience is not necessary it is desirable. Applicant must be capable of handling men and of expanding successfully a well established clientele.

Confidential interviews may be arranged through

ALBERT FRANK & COMPANY

Advertising

134 So. La Salle St., Chicago

A 300 Per Cent Gain

Deposits in the Peoples Bank of Jacksonville have increased more than 300 per cent during the past year.

The Peoples Bank is keeping pace with the tremendous growth in Florida and in Jacksonville.

Banks and business men having dealings in any part of Florida will find complete satisfaction in the service and facilities of the Peoples Bank.

Many of your valued clients are planning a visit to Florida, and you will want to be of service to them. If we can assist you in rendering that service we will be glad to have you refer them to us.

The Peoples Bank of Jacksonville Jacksonville, Florida

OFFICERS

A. P. ANTHONY, President

L. P. McCORD, Vice President

PAUL M. POPE, Vice President

THURSTON ROBERTS, Vice President

C. C. EDMUNDSON, Cashier

R. L. FISHER, Assistant Cashier

SPECIAL FLORIDA SECTION

Florida Continues Her "Onward March"

By J. J. Wengert

Representative, DePuy Publications

SOME one once said, "A great deal has been said about the weather but nothing has ever been done about it."

That was a long time ago; long before the eyes of the world had focused on Florida, and before people, everywhere, had started talking about Florida and its tremendous growth. The same statement would not hold true today.

In Florida, the weather, in a broad sense, has been capitalized. Ever since Juan Ponce de Leon discovered the state and set out to find the magic waters of eternal youth, it has been known as a land of paradise—a place of favored climate and ideal weather conditions—a land of flowers and sunshine. For years it has been a favorite playground, but only recently has Florida started to grow—to develop.

How it all came about is a widely dis-



SCENE AT DAYTONA BEACH

cussed topic. People have many different ideas on that subject—nevertheless, the fact remains, Florida did hit its stride some time ago and since then its progress has amazed the world. People everywhere started to talk "Florida"—and thousands of them rushed to this "last frontier state" to find out what it was all about.

Many who came were "northern skeptics." Now they are true Floridians, loud in their praises and enthusiastic in their prophecies. Visiting northerners listen at first with a "fish-story" attitude—but only for a while, for it seems that no one can escape the atmosphere of enthusiasm that fairly pervades the very atmosphere.

It has been said that the man who sets out to lie about the wonders of Florida can never lie fast enough to keep up with the truth—and the statement seems logical,

Statement of Condition

of

The Citizens Bank

of

West Palm Beach, Florida

December 31, 1925

(Comptroller's Call)

RESOURCES

Loans and Discounts.....	\$2,548,653.39
United States Bonds.....	659,200.00
County and Municipal Bonds.....	223,646.72
Other Marketable Bonds.....	1,303,321.59
County Warrants.....	35,000.00
Premium on Bonds.....	8,492.58
Furniture and Fixtures.....	43,924.90
Other Real Estate.....	13,847.25
Other Resources.....	5,627.95
Cash and due from Banks.....	1,176,771.19
	<hr/>
	\$6,018,485.57

LIABILITIES

Capital Stock.....	\$ 100,000.00
Surplus and Undivided Profits.....	143,127.86
Dividends Unpaid.....	5,445.00
Other Liabilities.....	1,481.27
Deposits.....	5,768,431.44
	<hr/>
	\$6,018,485.57

OFFICERS

B. A. Maxfield, President	E. C. Rumsey, Cashier
C. J. Ohmer, Vice-Pres.	J. W. Dovell, Asst. Cashier
S. T. Lainhart, Vice-Pres.	J. C. Berry, Asst. Cashier

K-95

Are You Insuring Your Capital and Income?

There are Five Points of True Diversity which, if followed, give you this Insurance.

OPEN LETTER NUMBER ONE has been prepared by our Investment Department to serve those expressing interest in these fundamentals. This and future Letters are available upon request with no obligation to you.

Baldwin Mortgage Company

Investment Department
CONGRESS BUILDING
MIAMI, FLORIDA

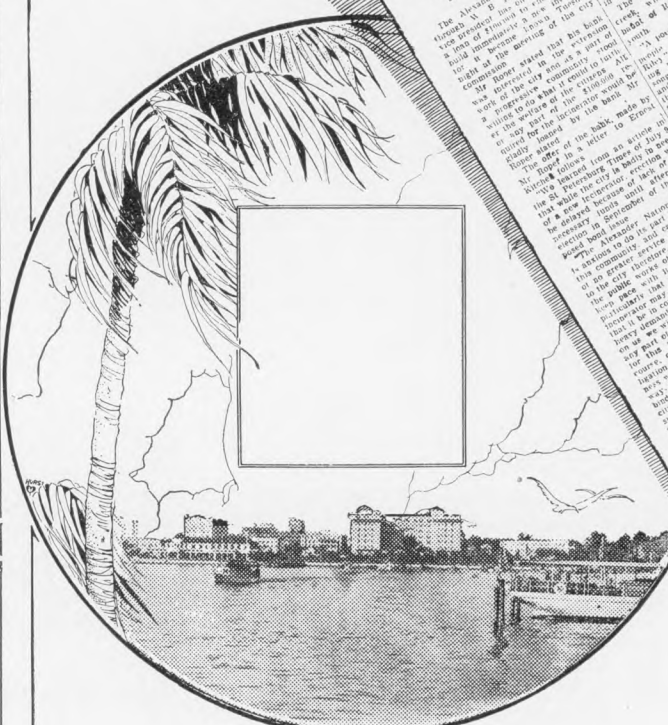
Coral Gables
Orlando

West Palm
Beach

We Render Two Kinds of Interest
PERSONAL AND EIGHT PER CENT
(Business Established for 11 Years)

TUESDAY, AUGUST 19, 1925

ONE AIM— SERVICE



Page 6 Section One

BANK OFFERS LOAN TO CITY

Alexander National Bank
Offers \$100,000 to
Build Inonerator

The Alexander National Bank has offered to loan the city \$100,000 to build an inonerator for the purpose of purifying the water supply. The bank's offer is the result of a long and successful campaign on the part of the city engineer, Mr. J. H. Jones, who has been working for some time to secure a loan from the bank for this purpose. The inonerator is a machine which will purify the water by passing it through a series of screens and filters, and will also remove any impurities which may be present in the water. The bank's offer is a very generous one, and it is believed that the city will accept it. The loan will be repaid by the city over a period of ten years, and the interest will be at a very low rate. The bank's offer is a very timely one, as the city has been having some trouble with its water supply lately, and it is believed that the inonerator will help to solve this problem.

Old Swimm'ng Pool

GREENFIELD (Ind.) Aug. 17.—The city of Greenfield is planning to erect a new swimming pool on the site of the old one. The new pool will be a very large one, and it is believed that it will be one of the best in the state. The city has been having some trouble with its old pool lately, and it is believed that the new one will help to solve this problem. The new pool will be built on a site which is very convenient for the city, and it is believed that it will be a very popular one. The city has been planning to build a new pool for some time, and it is believed that the new one will be a very successful one. The city has been having some trouble with its old pool lately, and it is believed that the new one will help to solve this problem.

Times Telephone Numbers
If you fail to receive your paper call 1274-M
To get information about advertisements go to insert paid notice call 1274-L
For bookkeeper and all business matters call 1276-J
For all news, editors and reporters call 1270

THIRTY-TWO PAGES
254 COLUMNS TODAY
PRICE 5 CENTS

PLEGGED

WORK IS BEGUN DAILY ON NINE NEW DWELLINGS

Number of Houses and Apartments Being Built is Doubled
MANY ROOMS ARE ADDED
Over Half Million in New Residences Started During Month

Just how extensively St. Paul is building in an attempt to provide adequate housing facilities for the record winter crowd which is predicted in shown by statistics available at the office of the city building inspector. Approximately twice as many houses and apartments are being constructed in the city now than were being constructed at this time last month. While the city has fallen behind last month in business construction, present records show it is striving far ahead in the construction of the all-important housing facilities.

July Record Good
During the first 21 days of July 81 permits were issued for new dwellings, having a total of \$244,000. This is an average of five new houses started every working day during that period.

This construction work added to the city's housing facilities 451 rooms costing on an average of \$157 each. July's record was 25 new rooms each working day.

During the first 21 days of July permits were issued for 28 new apartment buildings, having a total cost of \$144,000, an average of \$5,143 per room. There were 135 rooms an average of nine started each day.

During this period of July business construction was being forward and the total stood at \$244,000, a figure which includes contract for Jungle Country club hotel, a \$500,000 project. With another building project only completed, a total of \$244,000 for the corresponding August's total being \$112,000 compared with July's \$244,000.

August Record Good
During the first 21 days of July in the case of houses and apartments, a forecast and indicate builders of the city are to be the last before them, new houses issued during 21 days of August \$194,000 as compared with \$244,000 for the month of July. The number of permits issued for the 21-day period for the 21-day period was 77, as compared with 81 for the 21-day period of July.

During the first 21 days of July in the case of houses and apartments, a forecast and indicate builders of the city are to be the last before them, new houses issued during 21 days of August \$194,000 as compared with \$244,000 for the month of July. The number of permits issued for the 21-day period for the 21-day period was 77, as compared with 81 for the 21-day period of July.

Power Company Approves Forged
The power company has approved a forged document, which is believed to be a very important one. The document is believed to be a very important one, and it is believed that it will help to solve some of the city's problems. The power company has approved a forged document, which is believed to be a very important one. The document is believed to be a very important one, and it is believed that it will help to solve some of the city's problems.

ANOTHER TRAIN HAS BEEN ADDED

A. C. L. Places Everglades Limited on to Carry Crowds

MIAMI, Fla., Aug. 17.—The A. C. L. has added another train to its Everglades Limited service, which is believed to be a very important one. The train is believed to be a very important one, and it is believed that it will help to solve some of the city's problems. The A. C. L. has added another train to its Everglades Limited service, which is believed to be a very important one. The train is believed to be a very important one, and it is believed that it will help to solve some of the city's problems.

ALEXANDER NATIONAL BANK
U. S. DEPOSITORY MEMBER FEDERAL RESERVE SYSTEM

for the entire state is witnessing a growth that is truly remarkable.

Cities have doubled and tripled in population so fast that telephone companies and other public utilities have worked day and night to keep even within hailing distance of the flying comet of progress. Bank deposits, bank clearings, building permits and other indicating factors have shown a similar amazing growth. Real estate has changed hands at prices that have made skeptics wail.

It wasn't at all unusual, for a while last year, to have a piece of property change hands several times in the same day—at a big profit to each seller. Binder money poured into the state and the boom was on in earnest. Its bang and general noise was sufficiently loud to attract every semi-foot-loose real estate man to the fray.

Naturally enough, such a real estate boom had to reach a point where prices became sufficiently high to make the buyer cautious. Prices on real estate became too high in many instances; sales slowed down for a while; the binder money went home to roost, and Florida settled down to a steady growth that is going forward with clock-like precision.

The growth is statewide. Harbors are being developed. Factories are locating in large cities. Millions of dollars are being spent in civic improvements. The big development companies are going forward with their work. Giant skyscrapers

are being erected and an ever-increasing number of acres are going under development for agricultural purposes. Everywhere in the state they are building for Florida's future—and the only surprising thing about it all is that it didn't get under way long ago.

All of this is indicative of Florida's permanent growth and prosperity, but other factors must be taken into consideration. One can't deny the enthusiasm and optimism of the Floridian. Thousands of people came to the state to see what it was all about and they are now determined that nothing will ever make them leave. They are delighted with the climate and the industrial and agricultural possibilities of the state. They have decided to cast their lot with Florida.

You will find them in the parks, at band concerts. People from Montana, Minnesota, the Dakotas, Michigan, Illinois, Ohio, Iowa—everywhere! "When did you come down?" and "When are you going back?" are typical questions that may be overheard at any time—and "Last summer," and "Never!" are equally typical answers.

Banks in Florida are excellent examples of the stability of the state. Deposits have increased so fast that banks have outgrown their quarters several times in the same year—and they have grown in a conservative way! It isn't at all unusual to pick up a statement for a Florida bank and find that it has deposits of \$20,000,000 or

more with loans of \$7,000,000 or less. Bank clearings for the United States increased approximately 15 per cent during the period from 1919 to 1923. During the same period of time, four Florida cities, Jacksonville, Miami, Tampa and Orlando, showed an increase of 500%.

But that isn't all. The state has agricultural possibilities, too. There are approximately 20,000,000 acres of Florida land available to cultivation, and of this amount, less than 3,000,000 acres are under cultivation at the present time.

Two hundred and fifty varieties of fruits, nuts and crops grow well in Florida and, in most parts of the state, several crops can be raised in one year on the same piece of ground. Long tables of figures could be cited showing how Florida's citrus and vegetable exports are increasing by leaps and bounds every year, but the important fact wouldn't be brought out. Agricultural production is far short of capacity, but it is growing—and increased railroad facilities that are now under way, will greatly facilitate this progress.

The prophets paint the future golden with promise—so golden, in fact, that a skeptic must be more hard-boiled than a top-sergeant to escape without having the crust of his skepticism at least badly cracked! Meanwhile, Florida continues to grow. People come and they decide to stay. It happens often to even the most rabid of skeptics.

Statement of Condition

AT THE CLOSE OF BUSINESS, DECEMBER 31, 1925

of the

Bank of Orange and Trust Co.

Orlando, Florida

RESOURCES	LIABILITIES
Loans and Dis- counts \$2,356,077.96	Capital Stock \$ 200,000.00
Overdrafts 426.17	Surplus and Profits 71,348.83
Stocks and Bonds. 555,697.70	DEPOSITS 3,839,911.56
Stock in Federal Reserve Bank.. 7,550.00	
Furniture and Fix- tures 39,387.79	
Real Estate 16,386.78	
Cash and due from Banks 1,135,733.99	
\$4,111,260.39	\$4,111,260.39

Deposits, December 31, 1925, \$3,839,911.56
Deposits, December 31, 1924, 1,370,299.74

Increase in one year ----- \$2,469,611.82

ORLANDO

"The City Beautiful"

SITUATED in the geographical center of Florida, serving a prosperous community, we have unexcelled facilities for handling all classes of business in this section of the state.

Orlando Bank & Trust Co.

ORLANDO, FLORIDA

Resources Over Eight Million Dollars

Why Florida Repealed the Inheritance Tax

From Address Before Investment Bankers Association Convention, St. Petersburg, Fla.

I SAW, some weeks ago, in some literature floating around this country containing propaganda detrimental to Florida, that some real estate agent in Miami had induced the state of Florida to repeal the inheritance tax. That statement, of course, is false. With all due respect to the many friends I have in the real estate business, I do not think any real estate man ever had sense enough to think about that. (Laughter.)

We have no taxes of the sort I have

*By Hon. Peter O. Knight
Tampa, Florida*

mentioned. We never have had, and we have not had for several reasons. In the first place, Florida does not need them. We have more paved highways, more public improvements per capita, and you gentlemen will find that statement to be absolutely true when you float around this state for a week or so, than any other state in the union, and yet, Florida to-

day has no bonded indebtedness. It does not owe one single, solitary cent, and it has seven million dollars in its treasury. While the only manner in which we can raise taxation for state purposes is by an occupational tax and an ad valorem tax upon real and personal property, and while the value of the property of the state of Florida exceeds six billion dollars for assessment purposes, all of the property in the state of Florida—real, personal, mixed, railroads, utilities, deposits in the banks, everything—is assessed in the insignificant amount of five hundred and fifty million dollars, less than ten per cent of its value, and I challenge any state in this union to produce its counterpart.

That we have had no graft or no scandal in our public affairs, and that the administration of our public affairs has been economical and honest, is only too well illustrated by that statement.

In the next place, we have no inheritance tax, because we think it is wrong. We think an inheritance tax is socialistic, bolshevistic, communistic, and anarchistic.

We agree with President Coolidge that it is legalized robbery. I want to say right here, by way of parenthesis, if my time can be extended for a few moments, that while I am a democrat and never voted anything but the democratic ticket in my life, upon the question of taxation and state rights, Coolidge and Mellon are good enough democrats for me. (Applause and cheers.)

I want to say something else: With all due respect to that great man who is gone now, who will go down in history as one of the world's greatest characters, Calvin Coolidge is making the best president this United States has had since Grover Cleveland. And Andrew Mellon is making the best secretary of the treasury this country has ever had.

We marvel at the bolsheviks in Russia who take private property at the point of a gun. We shudder at the bandit in Mexico who takes private property at the point of a pistol. Oh, we discourse learnedly in our magazines and journals at the stupidity of the French who are about to make a capital levy, but we do worse in this country. We make it unlawful for the man who has worked hard and acquired an estate to give it in his lifetime to his family, so that he shall be compelled to keep it, so when he dies the government can take it away from him.

Money is the god of our time, and Rothschild is his prophet.—Heine.

Our poets are men of talents who sing, and not the children of music.—Emerson.

H. G. Skiles, President
James Luther, Vice-Pres.
H. G. Putnam, Vice-Pres.
John R. Hill, Executive Vice-Pres.

G. H. Wood, Cashier
A. T. Miller, Asst. Cashier
J. W. Gayle, Asst. Cashier
W. J. Gardiner, Trust Officer
T. W. Bates, Asst. Trust Officer

American Bank and Trust Company

Volusia Avenue

Daytona Beach, Florida

Capital \$100,000.00

Surplus and Undivided Profits \$40,000.00

*"A growing bank, alive to present
day needs and opportunities."*

Give Your Customers a Letter to Us. We'll see that they get the same friendly banking service that they have been accustomed to at home.

Why Florida Bond Issues Are Conservative

AS A RESULT of intensive investigation many of the largest bond houses of the country are now featuring various Florida bond issues as conservative and safe.

In many cases the underlying safety of a bond issue in this state is far greater than would be expected in any other state. Take for example, first mortgage real estate collateral trust bonds. Most companies issuing these bonds have loaned money on the mortgages at no greater than 50 per cent of a very conservative appraisal. This appraisal is arrived at by location, income production, character of the owner of property and all other mortgage safeguards. Then, mortgages in amount equaling 125 per cent of the bonds are placed as collateral in trust with a reliable bank, the bonding company guaranteeing unconditionally the prompt payment of both interest and principal.

Safety is the first principle of investments. Safety is determined by ability to pay. What would determine the degree of safety or spread of risk in one locality, one city or one part of a state, varies as much in Florida as it does in Illinois, Louisiana, Pennsylvania or any other state. Hence, one cannot judge all securities by any one offering or the securities as a whole in any one state as against the securities as a whole in any other state.

Florida banks and other financial institutions are here to stay. They are building for permanency. They are establishing a record for future years and every banking safeguard is being utilized for safety and stability. Therefore, we have no hesitancy in commending the purchase of Florida bonds from reliable sources.

The man who criticizes buying Florida 8 per cent bonds because of the higher yield as compared with other states, is the man who has either never been in the state, or who may have a knowledge of only a small portion of the state and passes judgment accordingly.

I have heard men pass judgment on New York state who have merely a visitor's knowledge of some small town or possibly one or two downtown streets of New York City. The fellow who tells you all about Ohio, and who has never been in any town except Portsmouth, is not sufficiently informed to tell you about the rest of Ohio, yet many listen and pass his story on to the next man.

By the same reasoning what man is capable of judging anything in Florida whose judgment is limited to the east coast or the west coast, or more strictly, as is frequently the case, who has briefly visited in only one community?

By Chas. G. McKinley

*Publicity Manager, The Franklin Mortgage Co.,
St. Petersburg, Florida*

Florida is a large state. As a state it leads in the percentage gains in population, bank deposits, railroad construction, cultivation of acreage, building construction and other sound investments.

Millions upon millions of dollars are constantly pouring into the state for construction purposes, for permanent development and stability. While the

progress of the state is soundly established, the rapidity of development has gone beyond the scope of local capital and the enlistment of outside finances has been necessary. To attract capital a higher rate of interest is necessary. Hence, 8 per cent is the legal and prevailing rate of interest in Florida and a careful analysis of the underlying foundation for this rate reveals a safety and conservatism that is wholly comparable with the safety and conservatism of investments yielding but 6 per cent in most other states.

1896

1926

For thirty years the

Merchants Bank and Trust Company

Daytona Beach . . . Florida

has been identified with the progress of all this section of the East Coast.

It places at your command—and at that of your customers who may plan a southern trip, seasoned facilities, and a service which you, and they, will approve.

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C. M. BINGHAM Vice President	R. E. CRAFT Assistant Cashier
F. J. NIVER Executive Vice President	H. G. POLLITZ Assistant Cashier
A. N. OTIS Vice President and Cashier	M. B. CONKLIN Assistant Trust Officer

MERCHANTS BANK AND TRUST COMPANY

DAYTONA BEACH, FLORIDA

St. Petersburg—the Sunshine City

ST. PETERSBURG—a gem that sparkles in eternal sunshine on the west coast of the “Sunshine State”—a city that sunshine made famous—a city that typifies the spirit of Florida.

To the tourist making his first visit, St. Petersburg is alluring with its warm sunshine, beautiful homes, hotels that resemble palaces, wide streets, wide sidewalks lined with inviting green benches, with its gorgeous vistas of blue water on all sides and silver beaches; but, to the man who comes for business St. Petersburg offers every opportunity. Beneath

By F. F. Branagan, Jr.

the quiet, peaceful dignity of the tourist city—St. Petersburg is a spirit of commercial enterprise that is unexcelled.

It seems to the visitor that everyone is prosperous. Beautiful tall buildings, magnificent homes, paved boulevards, parks, graceful yachts riding lazily at their moorings along the water front—all bespeak prosperity. What brought all this about?

Enterprise!

St. Petersburgians reflect the cheerful

ness of the St. Petersburg climate. You say upon your first visit when your host shows you hundreds of persons idling in the sunshine on green benches that line the sidewalks of the business districts, “Why everyone looks half asleep.” You forget to take in the roaring traffic which is unheeded by those on the green benches. Your host has not yet introduced to you the business men of the town in front of whose offices and stores those green benches are placed. Those people came to St. Petersburg to “sleep,” and St. Petersburg is giving them what they came for.

For those who came to the city for entertainment there is plenty. Dog racing, horse racing, theaters, yachting, tennis, golf, lawn bowling, roque, shuffle board, and for the older folk domino and checker clubs are organized in the parks. Within easy reach of the city are some of the most unique inviting night clubs and supper clubs in the country, operated in true metropolitan fashion.

St. Petersburg has taken into consideration its natural advantages as to climate and location and has capitalized upon them.

The enterprise that has transferred St. Petersburg in a very short time from a village of a few hundred to a bustling city of more than 35,000 is manifest in one of its leading citizens, John N. Thorne, president of the Alexander National Bank. Mr. Thorne came to St. Petersburg in 1905. It was a tiny little village lolling in the sunshine. Mr. Thorne liked it. Great achievements are always preceded by great visions—foresight—and John N. Thorne pictured a great city where then was a tiny village.

He bought all the property he could secure and held on. Holding on, though, didn't mean lying idle. He began to build. He built the Central Hotel, then the largest in the city. He leased it to other interests in 1924 and with his friend, Jacob F. Alexander, another pioneer to the Sunshine City, bought a half block of Central avenue property. Central avenue is the hub of the business district. This property was leased to other parties last year for 99 years at a considerable profit.

Then Mr. Alexander and Mr. Thorne founded the Alexander National Bank. As an example of enterprise, consider the record achievement of this institution in one year. The bank started with \$180,000.00 in deposits on January 12, 1925. At the close of business December 31st, its deposits totaled \$3,237,785.00—an average daily increase in deposits of more than \$10,000.00 per banking day.

During its first year of business the Alexander National Bank issued \$200,000.00 in bank notes, accrued a capital

Located
in Miami



THE Commercial Bank and Trust Company is adequately fitted to serve you in fast growing Southern Florida.

Should you visit our city, we shall be pleased to have you call upon us; and your friends sent to our institution will receive every consideration that will make their stay here pleasant.



Commercial Bank and Trust
Company

MIAMI, FLORIDA

Resources Over Ten Million Dollars

surplus of \$50,000.00 and has \$22,000.00 in undivided profits. Loans and discounts amounted at the end of 1925 to \$1,411,437.00.

W. B. Roper, executive vice president, is largely responsible for this phenomenal progress. During the recent illness and subsequent death of Mr. Alexander, the full burden of responsibility for the bank fell upon the shoulders of Mr. Roper. Since Mr. Alexander's death Mr. Thorne has been elected president and takes an active interest in the bank.

The study of the bank clearings of St. Petersburg is genuinely astounding. In ten years the total clearings have increased from \$1,153,106.00 in the month of January to \$29,183,625.00 for the month of January this year. This represents a gain of more than two thousand per cent in clearings for the month of January. Paralleling this showing are the deposits.

Clearings for 1924 doubled those of 1923 and 1925 doubled 1924. There is every indication that the clearings this year will again double those of last.

This growth of business during the summer months attests to the popularity of St. Petersburg during the summer. It justifies the claim of St. Petersburgians that this is an ideal year 'round city. The weather record covering a period of ten years will support St. Petersburg's claim.

St. Petersburg has the only newspaper in the world that gives away its entire circulation any day that the sun fails to shine before the paper goes to press. The *Evening Independent* has only been called upon to make good this proposition 85 times in the past 15 years—less than 6 sunshineless days a year!

The city is alive with construction activity. Hammers and saws ring out musically everywhere. The rapid-fire bang-bang-bang of the riveting machine is heard

on all sides. Networks of steel are reaching toward the skies. The peak of this building is reached during the summer months. Building permits in 1923 were over \$7,124,000. In 1924 they were over \$9,557,000, and in 1925 over \$23,303,000.

This present year bids fair to eclipse all previous years in building activity as figures for the first two months of January and February indicate.

St. Petersburg is known far and wide as a city of churches. Represented are

churches of all denominations serving huge congregations housed in great auditoriums. The city's schools are among the best equipped in the country. Every recreational facility is provided for the summer or winter visitor; in short, the Sunshine City in the Sunshine State is planned to become an industrial center, a hub of Florida West Coast commerce, a favorite winter and summer resort and an ideal place to live and work in any season of the year.

FLORIDA SPELLS FORTUNE

To the young of ability with a little money, ambition and pluck; to the elders, it spells health, comfort and more years added to life. The country is new where small beginnings will develop into big business. Money wisely spent will bring large reward.

For information, write

J. W. TUCKER, Realtor

Opposite Post Office

Lakeland, Florida

Box 472

IN MIAMI

The South Florida Mortgage Company of Miami, is at your service to assist you or your customers in every possible way.

This Company renders the following services:

1. Makes mortgage loans on residential property.
2. Makes appraisements for loaning or investment on property in southeast Florida.
3. Buys and sells real estate on a brokerage basis and handles rentals, property management and insurance.

We are at your service in this rapidly growing city which has a building program placing it in seventh place among the cities of the United States.

Write us today

South Florida Mortgage Company

Capital \$100,000.00

J. V. Carpenter, President

O. M. Fowler, Vice President

S. Grover Morrow, Vice President

Harry A. Brattin, Secretary

150 S. East First St.

Miami, Florida



FRANKLIN

8% First Mortgage Real Estate Collateral Trust

BONDS

Complete detailed information gladly furnished on request. Reference: Any bank in St. Petersburg, Florida.

The Franklin Mortgage Company

Franklin Building St. Petersburg, Fla.

Aeroplane View of St. Petersburg, Fla.



Above is pictured the heart of the business section of St. Petersburg, Florida, as seen by the air cameraman.

Statement of the Condition of the American Bank and Trust Company St. Petersburg, Florida

at close of business December 31, 1925
(Condensed from statement to the Comptroller)

RESOURCES	
Loans and Discounts.....	\$5,630,993.14
U. S. Treasury Certificates.....	826.00
Bonds	904,125.85
Banking House, Furniture and Fixtures.....	140,744.87
Overdrafts	1,123.65
Claims and Other Resources.....	2,000.00
Cash on Hand and in Banks.....	2,318,462.62
	\$8,998,276.13
LIABILITIES	
Capital Stock	\$ 200,000.00
Surplus	200,000.00
Undivided Profits.....	193,705.60
Dividends Unpaid.....	20,160.00
Deposits	8,384,410.53
	\$8,998,276.13
Deposits December 31, 1925.....	\$8,384,410.53
Deposits December 31, 1924.....	5,483,728.94
Increase	\$2,900,681.50

In Florida—West Florida—Under Florida's progressive laws. A temperate climate the year 'round—no snow, no slush, but fine, bracing days late fall and winter: In summer the cooling breezes from the Gulf of Mexico. . . . The finest water to drink, to bathe in—fresh, semi-salt and salt—and a harbor capable of giving safe anchorage to the navies of the world. . . . Connected with the east and north by the L. & N., "The Old Reliable," and now with the middle west, the northwest and west by the great "Frisco" System. . . . Connected by both with the great coal, iron and steel fields of Alabama. . . . Situated in the heart of the American Riviera—"Satsumaland,"—commercial possibilities untold; That's

PENSACOLA

The Capital of the Southfront Country

ADDRESS US, OR MENTION OUR
NAME TO YOUR CUSTOMERS

American National Bank of Pensacola

EDGAR R. MALONE, President
CHAS. W. LAMAR, Vice President
JAMES W. ANDREWS, Cashier

Capital and Surplus, One Million Dollars

Facts About Banks in Florida

The recent statement of condition of the American Bank & Trust company of St. Petersburg, Florida, shows that the bank has resources of approximately \$9,000,000, with deposits of \$8,384,410.53, as of December 31, 1925. The increase in deposits between December 31, 1924, and December 31, 1925, was approximately \$3,000,000. The bank is capitalized at \$200,000 and has surplus and profits of \$393,705.60.

Officers of the bank are: A. P. Avery, president; D. E. Beach, first vice president; O. G. Hiestand, second vice president; Carlos W. Tyler, cashier; C. E. Brickett, assistant cashier; E. A. Doty, assistant cashier, and P. H. Battaile, assistant cashier.

A recent statement of condition of the Merchants Bank and Trust company of Daytona Beach, Florida, shows total resources and liabilities of over \$8,000,000. Deposits are \$8,036,672.97. In 1922 the deposits were \$2,850,000 and in 1924 they were slightly over \$4,100,000. Deposits increased practically 50 per cent in 1925.

Officers of the bank are: F. N. Conrad, president; S. A. Wood, vice president; C. M. Bingham, vice president; F. J. Niver, executive vice president; A. N. Otis, vice president and cashier; W. D. Cameron, vice president and trust officer; H. R. Zimmerman, R. E. Craft and H. G. Pollitz, assistant cashiers, and M. B. Conklin, assistant trust officer.

The March 6, 1926, statement of condition of the First American Bank and Trust company of West Palm Beach, Florida, shows total resources of over \$12,347,713. Deposits are \$11,645,595.10. The bank has a capital stock of \$300,000 and surplus and profits of more than \$402,000.

Officers include E. M. Brelsford, president; F. E. Decker, vice president; S. C. Kearley, vice president; H. L. Donald, vice president; J. W. Smith, vice president and trust officer; J. C. McNeil, assistant vice president; C. Z. Walker, cashier, and J. W. Harwell, J. K. Wilson and E. W. Castleberry, assistant cashiers.

The First National Bank of Miami, Florida, has total resources of \$57,965,022.71 with deposits of \$55,255,861.54. Capital stock is \$1,200,000 and surplus and profits are more than \$1,400,000.

Poetry can be for man what love is for the hero. It can neither counsel him, nor strike for him, nor do anything for him, in short; but it can form a hero in him, call him to great deeds, and arm him with a strength to be all that he ought to be.—Schiller.



Iowa
Lithographing Co.
DES MOINES



Founded by
GEORGE H. RAGSDALE
EDWIN G. RAGSDALE
SECRETARY

Facts About Florida Towns and Cities

Jacksonville

The population of Jacksonville in 1900 was 28,429. The 1925 figures are given as 136,663. Bank clearings in 1900 amounted to something over twelve million dollars. In 1925, bank clearings reached the \$1,400,000,000 mark.

Jacksonville is recognized as the lumber capital of the South, and each year handles enough lumber to build an eight-foot board walk around the world at the equator. The shipments consist chiefly of southern pine, gulf red cypress and southern hardwoods. Of \$25,000,000 worth of naval stores annually exported

from the United States, \$10,000,000 worth leave from Port Jacksonville.

Jacksonville is primarily an industrial and commercial center. It has 430 manufacturing plants with 127 classifications. The annual value of manufactured products is over \$100,000,000 and the manufacturing payroll of the city is estimated at \$20,000,000.

St. Augustine

In 1920 the total bank deposits in St. Augustine amounted to something over \$3,633,196. In 1925, they passed the \$10,000,000 mark. Population increased

from 8,000 to 18,000 in the same period of time.

St. Augustine, known as the "Mother City of America," is one of America's most interesting cities. Under Spanish, English and American sovereignty, it has played an important part in the historical episodes enacted on the western hemisphere during the past 400 years, and today, its old charm in its surrounding of dignified landmarks which speak of medieval times, is one of its chief appeals to the visitor. Fort Marion, started in 1638 and completed in 1756, the City Gates, the Catholic Cathedral and the Spanish governor's mansion, now post office, erected in 1598, are among the places of historical interest.

Daytona Beach

Daytona Beach is now Florida's seventh city. The population has increased from 6,245 in 1920 to 21,500 permanent residents in 1925. Building permits for two months last year exceeded the entire building permits for 1924. In 1920, bank deposits in Daytona Beach amounted to something over \$2,868,000. On October 20, 1925, bank deposits were approximately \$19,000,000.

The beach at Daytona Beach is the wonder beach of the world. It is five hundred feet wide at low tide, smooth as a table and twenty-three miles long. On this famous speedway, world-famed automobile drivers, time and again, have broken world records.

The average yearly temperature is 71 degrees. The chief industries are agriculture, lumber manufacturing, fruit preserving and textile manufacturing. Other industries include roofing and tile plants, tent and awning manufactories and mattress factories.

Greater Palm Beach

The population of Greater Palm Beach increased from 2,000 in 1910 to 30,000 in 1925. Approximately \$40,000,000 was spent for hotels, homes and business buildings in 1925. Seven banking institutions in Greater Palm Beach have combined deposits of \$50,000,000. West Palm Beach has been made a seaport by federal government designation and more than \$1,035,000 has been spent in improving the harbor.

The value of fruits grown in Palm Beach county was approximately \$2,000,000 in 1924. Municipal improvements of the Palm Beaches in 1925 amounted to \$6,480,000. Building permits in 1925 amounted to more than \$31,000,000.

Miami

Miami is known popularly as the "Wonder City." Residents, however, call it the "Neighbor of the World." The population of Miami in 1920 was less than 2,000. Today it is well over 200,000 and everyone predicts 1,000,000 population by 1935. Bank deposits in Miami in

The Royal Union Life Insurance Company

Des Moines, Iowa

Strong and Progressive



Paid to Policyholders—
Over \$21,000,000.00

Insurance in Force—
Over \$148,000,000.00



A. C. Tucker, President

D. C. Costello, Secy.

Wm. Koch, Vice Pres.

1913 amounted to \$3,277,149. In 1925, bank deposits climbed to more than \$173,000,000. Bank clearings in 1924 were something over \$200,000,000. In 1925 they were over \$1,000,000,000.

Building permits in Miami in 1925 were approximately \$60,000,000 as compared with approximately \$4,000,000 in 1920. The average yearly temperature is 75 degrees. It is the proud boast of Miamians that it is the liveliest resort in America. The climate is adapted to outdoor living and every sport may be indulged in every day in the year.

Tampa

Tampa, on the west coast of Florida, combines the attractions of a resort with the advantages of a great manufacturing and shipping center. It has a great wealth-producing back country and there are approximately five hundred different kinds of business carried on in and near the city.

Deposits in Tampa banks in 1920 amounted to approximately \$24,000,000. In 1925 they climbed to approximately \$100,000,000. Bank clearings during the same period of time increased about 400 per cent.

Tampa is a great manufacturing city. More hand made Havana cigars are made in Tampa than in any other city in the world. Tampa's great port makes it an important shipping center. Phosphate, lumber and manufactured articles are sent out in exchange for tobacco, hardwoods and tropical fruits.

Orlando

Orlando is located in the lake region of Florida and is surrounded by one of the richest agricultural sections of the state. Large quantities of lettuce, cucumbers, cabbage, tomatoes, celery, beans, peppers, strawberries, grapes and melons are grown in Orange county and three or four crops are grown in one year.

Orlando is referred to as the City Beautiful and it rightly deserves the name for there is indeed rare beauty in her setting of lakes and hills. There are fifteen hundred lakes within the borders of Orange county and twenty-nine beautiful lakes within the limits of Orlando alone.

The population of Orlando increased from 4,000 in 1910 to more than 31,000 at the end of 1925. Building permits during the same period increased from about \$2,000,000 to more than \$9,000,000. The total resources of Orlando banks exceed \$26,000,000.

Pensacola

Pensacola, located in the extreme west part of the state on the Gulf of Mexico, seems more properly a part of the gulf coast country. The scenery in and around Pensacola offers everything from the shimmering waters of her streams and the blueness of the bays and the Gulf of

Place Your Philadelphia Account with this Strong Well-Equipped Institution

The Philadelphia National Bank, organized in 1803, and The Girard National Bank, founded in 1832, two of the largest and most influential National Banks in the City of Philadelphia, by action of the Board of Directors have consolidated as

THE PHILADELPHIA-GIRARD NATIONAL BANK

the capital being \$8,000,000 and surplus \$17,000,000.

Mr. Levi L. Rue, former President of The Philadelphia National Bank, is Chairman of the Board of Directors and Chairman of the Executive Committee, and as such heads the organization.

Mr. Joseph Wayne, Jr., former President of The Girard National Bank, is President of the Bank and Chief Executive Officer, having charge and direction of its affairs.

The entire official and clerical staff of both institutions has been retained, which not only insures to our correspondents the maintenance of the same liberal and efficient service and the personal attention to their needs which has characterized the service of each Bank in the past, but very materially increases the facilities which we have to offer.

Mexico to the bright green of the wooded shores that rise in a gentle slope beyond the city.

Pensacola claims the distinction of being the oldest city in the United States. It also claims to be the newest city in opportunity. This latter claim is backed with one of the finest harbors in the south and a great agricultural back country, often referred to as "Satsumaland."

The country surrounding Pensacola is in the heart of the Satsuma Orange belt. Figs, persimmons, kumquats, pears, grapes and berries of all kinds are grown in abundance. Melons, potatoes and peanuts are also important crops.

Pensacola's harbor is one of its chief assets. The entrance to Pensacola Bay is three-quarters of a mile wide and there is a well-marked channel 31 feet deep and

500 feet wide which extends to the docks. The accessibility of the coal docks at Pensacola, the facilities afforded and the fact that ships go to sea at any time of the day or night without the assistance of tugboats, is making Pensacola the great bunkering coal port of the gulf coast.

Over Twenty Million Autos in United States

More than twenty million motor vehicles were in use on the highways of the United States in 1925, according to the Bureau of Public Roads of the United States Department of Agriculture. The total registration reported was 19,954,347, but there were in addition 96,929 state and federal government-owned vehicles not included in this figure.

The increase in registrations during the year amounted to 2,360,670 or 13.4 per cent. Florida reports an increase of 46.8 per cent, while Utah, Mississippi, Alabama, Arkansas, North Dakota and Texas all report increases of more than 20 per cent. Truck registration increased 14.5 per cent for the entire country.

New York leads in total registrations with 1,625,583 followed by California, Ohio, Pennsylvania and Illinois in the order named, all with registrations of over a million.

There is now one motor vehicle for each 5.8 persons in the United States. California has only 2.9 persons for each motor vehicle, while Iowa has 3.6; Nevada, 3.7; Kansas, 4.0, and Oregon, 4.0. At the other end of the list is Alabama with 12.0 persons per vehicle, but ranking among the highest in increase during the year.

The total revenue from registration fees, permits, etc., amounted to \$260,619,621, of which \$177,706,587 was made available for state highways, \$19,124,014 for state road bonds and \$48,396,471 for local roads.

The total motor vehicle registration by states not including official state and federal cars and eliminating, so far as possible, re-registrations and nonresident registrations, was as follows:

Alabama	194,580
Arizona	68,029
Arkansas	183,589
California	1,440,541
Colorado	240,097
Connecticut	250,669
Delaware	40,140
Florida	286,388
Georgia	248,093
Idaho	81,506
Illinois	1,263,177
Indiana	725,410
Iowa	659,202
Kansas	457,033
Kentucky	261,647

National Bank of Commerce in New York

Established 1839

STATEMENT OF CONDITION, DECEMBER 31, 1925

RESOURCES	LIABILITIES
Loans and Discounts \$329,099,966.19	Capital Paid up.....\$25,000,000.00
Overdrafts, secured and unsecured..... 11,708.86	Surplus..... 25,000,000.00
United States Securities..... 53,314,209.89	Undivided Profits... 15,935,290.52
Other Bonds and Securities..... 9,548,700.29	Dividend payable January 2, 1926... 1,000,000.00
Stock of Federal Reserve Bank..... 1,500,000.00	Dividends unpaid.... 14,207.50
Banking House..... 4,000,000.00	Deposits..... 543,699,069.67
Cash in Vault and due from Federal Reserve Bank..... 60,890,000.22	Reserved for Interest, Taxes and other Purposes..... 4,826,684.02
Due from Banks and Bankers..... 11,251,049.23	Unearned Discount.. 962,835.43
Exchanges for Clearing House..... 161,987,953.30	Acceptances executed for Customers..... 43,468,474.79
Checks and other Cash Items..... 3,735,719.27	Acceptances sold with our Endorsement.. 19,921,399.85
Interest Accrued.... 1,749,326.23	
Customers' Liability under Acceptances. 42,739,328.30	
\$679,827,961.78	\$679,827,961.78

CHAIRMAN OF THE BOARD
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Louisiana	207,000
Maine	140,499
Maryland	234,247
Massachusetts	646,153
Michigan	989,010
Minnesota	569,694
Mississippi	177,262
Missouri	604,166
Montana	94,656
Nebraska	338,719
Nevada	21,169
New Hampshire.....	81,498
New Jersey.....	580,554
New Mexico.....	49,111
New York.....	1,625,583
North Carolina.....	340,287
North Dakota	144,972
Ohio	1,346,400
Oklahoma	424,345
Oregon	216,553
Pennsylvania	1,330,433
Rhode Island.....	101,756
South Carolina.....	168,496
South Dakota	168,028
Tennessee	244,626
Texas	975,083
Utah	90,500
Vermont	69,576
Virginia	282,650
Washington	328,442
West Virginia.....	217,589
Wisconsin	594,386
Wyoming	47,711
District of Columbia.....	103,092
Total	19,954,347

LEGAL DEPARTMENT

(Continued from page 22)

was due a few days later; that Yutes delivered the note sued on herein for \$2,000.00 to the bank in payment of the \$1,500.00 note; that the bank paid Yutes the difference.

The cashier also testified that neither he nor the bank had any notice or knowledge whatever concerning the nature of the transaction leading to the execution and delivery of the note by May and Day to Yutes. This evidence of the cashier is uncontradicted by positive evidence.

Under the "Negotiable Instruments Law," the holder of a promissory note may recover against any or all of the makers or endorsers. The following rule of law has been accepted by the court many times:

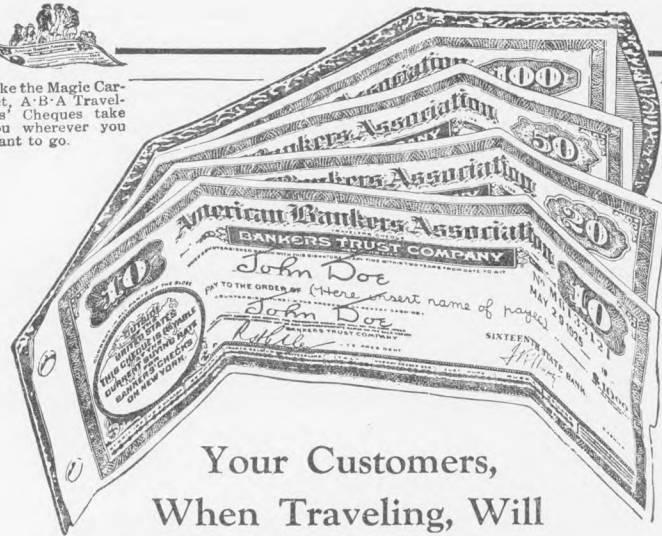
"Suspicion of defect of title, or knowledge of circumstances which would excite such suspicion in the mind of a prudent man, or of circumstances sufficient to put him upon inquiry, will not defeat the rights of one claiming to be a bona fide holder. That result can be produced only by bad faith on his part."

The evidence of the bank's witness was uncontradicted and not inherently improbable, when taken in connection with circumstances surrounding the transaction.

There were no circumstances or facts



Like the Magic Carpet, A·B·A Travelers' Cheques take you wherever you want to go.



Your Customers,
When Traveling, Will
Appreciate These 12 Advantages

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A·B·A American BANKERS Association **Cheques**
"TRAVEL MONEY"

1. Safer than currency to carry on the person while traveling.
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7. Provided in compact wallets; handy to carry, easy to use.
8. Convenient denominations—\$10, \$20, \$50, \$100.
9. Crisp, clean and handsome as new bank-notes—features which especially appeal to women customers.
10. So well made and so well protected that they have never been successfully counterfeited.
11. Accepted by the U. S. Government in payment of customs duties.
12. The OFFICIAL travelers' cheques of the American Bankers Association.

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CLARITY

BEGINS AT HOME

A clear demonstration of facts concerning the League of Nations is having strong influence against misrepresentation and political bias. The American people now realize that foreign policies are today home problems.

The Italian debt is one issue to prove how well informed the public has become on the broad effect of international finance.

Demands poured in on Republican and Democratic Senators for prompt settlement. These demands emphasize the need of stabilizing Europe to render these countries better able to purchase American export stocks; to enable them to handle products of mining, automobile manufacture, agriculture and cotton.

Understanding and protection are demanded today by all countries and the League of Nations is steadily expanding to meet international problems.

Learn the facts! The April issue of the League of Nations News will report the activities of the League during these days of international controversies.

JOHN H. CLARKE
President

GEORGE W. WICKERSHAM
President Board of Directors

MRS. CARRIE CHAPMAN CATT
Vice President Board of Directors

CHARLES H. STRONG
Vice President Board of Directors

HAMILTON HOLT
Chairman Finance Committee

CHARLES C. BAUER
Executive Director



PROF. MANLEY O. HUDSON,
*Bemis Professor of International Law,
Harvard University*

*"The League's method has worked,
and a world in which sudden flares of
war are still possible can ill afford to
be without it."*

Kindly forward, free, April issue
League of Nations News.

Name

Address

City

State

**The League of Nations Non-Partisan
Association, Inc.**

6 East 39th Street, New York, N. Y.

in connection with the purchase of the note that would impute knowledge by the bank that the note was defective. The evidence was uncontradicted and conclusive.

The court found that the evidence was uncontradictory and conclusive, and that the bank was an innocent purchaser of the note for value.

Who Pays for the Credit Frauds?

The question often arises as to who pays the cost of commercial frauds that result from concealment of assets, fake bankruptcies and bankrupt fires. It is a question that cannot be answered in a few words. However, in general it can be said that the manufacturer and wholesaler pay the cost of frauds out of their profits.

As the losses through commercial frauds are not evenly distributed throughout business, they do not represent a fixed charge like a tax or overhead expense that can be passed on to the consumer. Fraud losses vary greatly between business concerns so that where business is operating on a strictly competitive basis the loser cannot attempt to pass the loss on to the consumer in the price of his goods which would then be higher than the prices quoted by his competitors.

There are some exceptions to this general rule, however. In businesses that operate in such a manner that they can charge a monopoly price, which may be what the traffic will bear or a low price which in the long run creates a larger profit than a high price, the fraud loss, in most instances, can be passed on to the consumer by an increase in price. This would be true in businesses which control patents or produce a highly specialized line of goods that are not made of equal quality by any other concern.

It is also possible to pass fraud costs along to the consumer in those businesses which are limited to a few fields and not highly competitive. There are, for instance, concerns manufacturing a line of goods for which there is limited demand and which vary in quality or style among the few manufacturers in this particular field. It is often the case that in this kind of business the prices vary considerably and these prices do not influence each other to any appreciable degree. This would be another instance where the losses of commercial fraud could be distributed through the sale of merchandise to the consumer.

Another type of business which would be comparable with the foregoing instance would be those concerns which operate on a highly productive or efficient basis, and which, therefore, could increase the price of their products by

small amounts to pay for fraud losses without endangering sales. Other concerns in the same line as these highly productive plants, however, could not do this for their prices would already be high and the addition of a few cents to the wholesale price would endanger their amount of sales.

Even where credit insurance may be resorted to, the cost cannot be entirely escaped, for the losses that would result to policyholders would be paid by all the insured; and the premiums that would pay the losses would as indicated before come from the merchants' profits.

One can get an idea of another cost that is attached to fraud by learning that in seven years the credit protection department of the National Association of Credit Men spent nearly a half million dollars in investigating credit books and bringing evidence before federal and district attorneys. Besides this, some of the 140 local associations that are affiliated with the national association spent considerable sums in similar independent work.

Six cases handled by the association that were chosen at random indicate that the fraud cost of investigation averages about \$600 for each case. We must bear in mind also that creditors' committees under their own initiative conduct similar work from time to time which runs into large sums of money. The Board of Trade of San Francisco has done this sort of work from time to time and has, in fact, set aside a sum of money for prosecutions in San Francisco and its environs. These costs which I have just recounted roughly all come out of the profits of business and they are spent, of course, in the hope that assets may be recovered to reduce the loss to business.

There are also adjustments in bankruptcies which are costly and sometimes occur in fraudulent failures. In legitimate failures these are a necessary burden on business, it appears from experience, but these adjustments and compromise settlements, it is regrettable to say, are made often with business burglars or dishonest bankrupts.

The retailer is also a loser through unfair competition that is created by bankruptcy sales, and in the unscientific distribution of distress merchandise, not to overlook stolen goods, that often result from fraudulent bankruptcies.

Adds to Surplus

The State Bank of Lonsdale, Minnesota, last month paid a five per cent dividend and added \$1,000 to its surplus, according to Cashier T. C. Skluzacek. The bank is also installing a new set of fixtures.

The poet who does not revere his art, and believe in its sovereignty, is not born to wear the purple.—Stedman.

Where Bankers Bank And 200,000 Others

Five thousand banks, one
out of every six in the
United States, keep
money on deposit here

The **CONTINENTAL and
COMMERCIAL
BANKS**
CHICAGO

RESOURCES HALF A BILLION—AND MORE



A Specialized Service

for Banks and Bankers
which is the result of more
than sixty years of experi-
ence is offered by

**THE FIRST
NATIONAL
BANK OF
CHICAGO**

and

**THE FIRST
TRUST and
SAVINGS
BANK**

Complete facilities are pro-
vided for active and inac-
tive accounts, collections,
bills of lading, investments
and foreign exchange
transactions

FRANK O. WETMORE, Chairman
MELVIN A. TRAYLOR, President

*Combined Resources
Exceed \$400,000,000*

Personal Paragraphs

John J. Mitchell, president of the Illinois Merchants Trust, Chicago, and Mrs. Mitchell, have reached Cairo, Egypt, in their cruise of the Mediterranean Sea.

—\$—

Edwin G. Foreman, vice president of the Foreman Trust & Savings Bank, Chicago, has recently returned from a two-weeks trip through Texas and Mexico. He reports business conditions in Mexico much better than he had expected to find them.

—\$—

John Romersa, secretary of the Montana Bankers Association, has become vice president of the Bank of Commerce, Kalispell, Montana. He will continue his duties as secretary of the Association, but will conduct the affairs from Kalispell instead of Helena.

—\$—

John Burgess, vice president of the Metropolitan National Bank of Minneapolis, has been reappointed chairman of the committee on conventions and publicity for the Minneapolis Civic and Commerce Association.

—\$—

R. DeLancey Davis, well-known investment banker of Minneapolis, has recently associated with the Minneapolis office of P. W. Chapman & Company. Mr. Davis will devote his time especially to the banks in southern Minnesota.

—\$—

E. W. Decker, president of the Northwestern National Bank of Minneapolis, has recently returned from a business trip to New York, Philadelphia, and Washington. He reports that from the trend in the East, business conditions should

continue good throughout the year. While in Washington, Mr. Decker attended a meeting of the advisory council of the Federal Reserve Board.

—\$—

Lucious A. Andrew, son of L. A. Andrew, Iowa State Superintendent of Banking, who is attending the Wharton School of Commerce at the University of Pennsylvania, was recently elected to the Psi Upsilon fraternity.

—\$—

Charles B. Mills, president of the Midland National Bank & Trust Company of Minneapolis, announces the election of Samuel L. Sewall as a member of the board of directors of that institution. Mr. Sewall is vice president and treasurer of the Minneapolis Iron Store Company.

—\$—

George B. Irick has been appointed manager of the bond department of the First National Bank of Davenport, Iowa. Mr. Irick brings to his new position twenty-seven years of experience in banking, gathered in Illinois and Iowa, as a state bank examiner, and with bond and investment companies.

—\$—

Homer A. Miller, president of the Iowa National Bank, Des Moines, and Mrs. Miller, are in Los Angeles visiting their son and daughter. They made the trip from New York by steamship, and report a very enjoyable journey. They plan to return to Des Moines about the middle of April.

—\$—

W. F. Keyser, Missouri; William B. Hughes, Nebraska; and Eugene P. Gum,

REAL SERVICE

To serve our clients to their
entire satisfaction is our con-
stant aim and ambition.



Stanley-Henderson Company
Farm Mortgage Bankers

207-214 Higley Bldg.

Cedar Rapids, Iowa

Oklahoma, and W. C. McFadden, North Dakota, led discussions on bank management at the fifteenth annual conference of the Mid-west Bankers Association, held recently at Topeka, Kansas. Representatives from fourteen states were in attendance.

—\$—

Carl Nyquist, vice president, secretary and treasurer of the Chicago, Rock Island and Pacific Railway Co., has been elected a director of the Foreman National Bank and the Foreman Trust & Savings Bank, Chicago.

—\$—

Lentz Made Advertising Director

Announcement is made of the appointment of Rex V. Lentz, as advertising director of THE NORTHWESTERN BANKER and the *Iowa Bank Directory*, by Clifford DePuy, publisher.



REX V. LENTZ

The appointment of Mr. Lentz to this position has met with congratulations from his associates and many friends in banking and financial circles. Mr.

Lentz joined the DePuy organization three and one-half years ago in the capacity of special representative. He was later made associate manager. Prior to his connection with THE NORTHWESTERN BANKER he was engaged in newspaper work in Fairfield and Centerville, Iowa.

The new advertising director has youth, personality, determination and ability—a winning combination in the field of financial journalism, as elsewhere.

Big Bank Merger

Subject to the approval of the stockholders of the respective banks, The Philadelphia National Bank, organized in 1803, and The Girard National Bank, founded in 1832, two of the largest and most influential National Banks in the city of Philadelphia, by action of their Boards of Directors have agreed to consolidate as The Philadelphia-Girard National Bank.

This will be the most important consolidation of great banking institutions in the history of Philadelphia, and will add greatly to the financial prestige of the city and state.

After consolidation, the capital will be \$8,000,000 and the surplus and undivided profits \$19,600,000, making the total capital employed approximately \$27,600,000.

The aggregate deposits and resources will be larger than any other bank in the state of Pennsylvania. The reports to the Comptroller of the Currency, dated December 31, 1925, showing combined deposits of approximately \$200,000,000, and total assets of upwards of \$250,000,000, indicate the bank will rank among the

largest and most influential in the country.

The board of directors of the consolidated bank will include the full membership of both boards, and arrangements will be made for an executive personnel and staff which will insure the continuity of existing sound policies and service under the unified management.

Levi L. Rue, president of the Philadelphia National Bank will be the chairman of the board of directors and chairman of the executive committee and as such will head the organization.

Joseph Wayne, Jr., president of the Girard National Bank, will be the president of the bank and chief executive

officer, having charge and direction of its affairs.

It is expected that the merger will be effected about April 1st.

Mind and Matter

Limericks are sometimes very searching in the light they shed. For instance, the following, in a recent book of limericks:

There was a faith healer of Deal,
Who said: "Although pain isn't real,
If I sit on a pin
And it punctures my skin,
I dislike what I fancy I feel."

A poet is a painter of the soul.

THE FOREMAN BANKS

FOUNDED 1862

We seek your business on the basis of the service we can render you. A service we have perfected through 64 years of consistent growth. When Chicago was an outpost of eastern commerce—the transcontinental railroad an idealist's dream—we were doing business here. Today our representatives will serve you in more than fifty countries.

The Foreman National Bank

The Foreman Trust and Savings Bank

La Salle and Washington Sts.
Chicago

Combined Capital, Surplus and Undivided Profits exceed

\$10,000,000



Planning the Vacation

Springtime is here. And with it comes anticipation of the annual vacation, to which bankers are not immune.

Bankers employing Wessling Services can take advantage of this needed recreation and freely enjoy themselves.

They know that this Service is an able secretary which has firmly entrenched within the minds of the people the substantiality of their institution.

And that even in the temporary absence of the executive officials, trust and confidence will continue to be inspired through that sincere personal contact for which Wessling Services are noted.

WESSLING SERVICES FROM IOWA AT LYTTON

D.R. WESSLING, PRESIDENT

W AND W

A.R. WOLF, VICE PRESIDENT

"Planners and Creators of Original Bank Services"

BANK ART-WINDOW AND LOBBY DISPLAYS-CLASSIFIED PROGRAMS

Endowment Policy in Business

E. S. Andrews of the Prudential Insurance Company says the advantages of endowment policies for retiring bonds are becoming more apparent to business men. Thus, if bonds are issued for retirement at the end of twenty years, an endowment policy on the life of the president of the company is taken out to mature at the same time.

The yearly premium paid to the insurance company is in the nature of a sinking fund, having the great advantage, however, over the ordinary sinking fund in that, instead of the disorganization and difficulty which ordinarily would accompany the death of the chief executive, the entire sinking fund is thereby promptly provided.

Dealing with the proposition further, Mr. Andrews says: "More and more the men in small businesses of their own are coming to realize the importance of insuring their lives for the benefit of their estates. I refer to those men who are conducting what is essentially a one-man business, in contrast with more elaborately organized undertakings in the business world.

"In the event of the death of a man in such a position, adequate insurance enables the quick discharge of current obligations and the settlement of the business for the benefit of his family and the satisfaction of his creditors. The man whose business should be expanded will usually gain the support and encouragement of his bank when it is known that life insurance is carried for the express purpose of protecting credit."

"NEWS AND VIEWS"

(Continued from page 21)

folder is, "What is the financial situation now in Nebraska?" This question is answered as follows: "It was never sounder or better than at the present moment. Deposits in banks are increasing at a very rapid rate, indicating that the people are accumulating a surplus and gradually paying their debts. The banks never have been in such a sound position as they are now, and there has never been a time when there was more available credit for business and industry than at the present."

Dale Brown, manager of the Cleveland Better Business Bureau, in a discussion on promoters and the methods they use, points out this very significant fact: "A

Southern California Banks

Correspondence invited from Bankers desiring to buy control in California.

SANDERS-McCULLOCH CO.,
Bank Brokers,

Suite 1005, Story Bldg., Los Angeles.

promoter who is organizing a new company always endeavors to get a banker to serve on his board, or to act as one of his officers. In many cases this is not so much because he values the banker's judgment as it is because he wants to use the banker's name as a selling point. It gives the promoter's proposition the appearance of a conservative enterprise. Certainly bankers should not allow themselves to be named officers or directors of new companies without giving these companies thorough examination. If there is any question as to their soundness, bankers should unhesitatingly say 'no' to such requests."

The Morris Plan Banks and their affiliated companies had, on January 1st of this year, resources of \$130,000,000. They also had more than 3,500,000 loans amounting to \$725,000,000. In addition to this, the public owned over \$44,935,000 in Morris Plan certificates. The Morris Plan Bank has come to be a very interesting and helpful part of American banking, and serves in many instances where other banks cannot.

The average Morris Plan loan is approximately \$260.00.

The Department of Agriculture points out in its Farm Outlook Report, issued recently, that although the farming industry is now in the best general position since 1920, that any general expansion in production this year would tend to place farmers in a less favorable economic position than at present.

Evidently, the Department of Agriculture does not desire to have any more discussion about surplus crops and export corporations.

R. C. Schaffner, vice president of A. G. Becker & Co., in discussing German investment opportunities in the *Mid-Continent Banker* for March, said, "Germany today has a population of 63,000,000 with a national income from their productive efforts of about \$12,500,000,000. It has a national wealth of more than \$50,000,000,000 with interest obligations on account of public and private indebtedness far below normal. Its budget is balanced, its currency is sound, and its balance of trade is favorable. Its people, with their characteristic intensity are combing the world for commercial obligations and finding them."

"In my opinion these are definite and unmistakable signs of recuperation in Germany."

This is certainly a fine picture of the present situation in Germany, and one which American investors will welcome, because of the large sums of money which have been invested in German bonds and securities.

In the Modern Bank

Today, in the modern bank you'll find the demand is for up-to-date bank equipment.

For the banker who is still in the "one-hoss-shay" class the old fashioned type of bank fixtures may suffice—but today up and coming bankers realize and insist upon something better.

The Fisher Co.—fifty years old in experience with both the old and new types of interior bank fixture work, are recognized by hundreds of banks and bankers throughout the northwest as the authority on the proper kind of bank fixtures.

Fisher Co. experts—can easily and quickly arrange to refit your bank. Whether it is for the entire bank or for just a portion—the quality of the work will be just the same.

You will find the Fisher Company competent, as hundreds of bankers will testify.



Thoughtful Bankers Consult the Fisher Company

The Fisher Co.

BANK FIXTURE HEADQUARTERS

Charles City, Ia.

HOW THE VIGILANTES SOLD THEMSELVES TO CLINTON COUNTY

(Continued from page 19)

capture just described, only the prompt action of the leader of the Clinton county vigilantes averted the killing of one of the bandits after the capture had been made. In the excitement of the time one of the citizens with little more provocation would have shot one of the bandits. Immediately upon capture, the leader of the vigilante should assume full charge, making sure that the prisoners are safe and that there will be no more hostilities from prisoners or vigilantes.

The vigilantes of eastern Iowa and western Illinois have nobly contributed to proving that the vigilante idea is practical and efficient; that it will function not only in the capture of bank robbers but in the capture of any criminals or

fugitives. The people of this vicinity now realize that the county bankers' associations are responsible for creating an effective arm of the law. In relating the story of the capture one of the Chadwick vigilantes said, "We simply did our duty and now we are asking that the courts of the state of Iowa do theirs." And I may add that the courts of Iowa *are* doing their duty in this case. Fairfield and Sawyer, the two payroll bandits who were sentenced on the morning of their attempted escape, are now serving thirty-year terms in Fort Madison. One who aided in the escape is dead; another who was badly wounded by a shot from the Clinton jailer before the chase started has begun a five-year term in Fort Madison and the leader of the gang, the man who waited on the courthouse lawn, is still in the Clinton county jail awaiting trial.

KORRECT ETIKETTE FOR KOUNTRY BANKERS

(Continued from page 18)

and I was probably a trifle nervous in my greeting. I didn't know at the time that the English are not in the habit of shaking hands promiscuously with strangers, so I stuck my paw under the grating in the approved supine fashion, and stammered effusively, "Pleased to meet up with you, Duke. Make yourself right to home."

There was a perceptible glint of surprise in the duke's eye for a moment, there being nothing in his coat of arms about a Teller, Rampant, or Teller's Hand, Supine—but his British composure was not to be permanently ruffled. He thrust his hand in his waistcoat pocket, and with a rumbled, "Thanks, my good man," he left a new two-bit piece in my hand supine!

I intended to keep the quarter in my estate, as Lincoln did the first dollar he earned, but the very next day I had to bust it in order to buy cigars for the examining committee, and almost before I knew it, I had spent the other twenty cents, also.

The Vertical handshake is the most natural, but also the most dangerous of the three. By it the hand is thrust beneath the grating, and then the wrist is turned so that the palm of the hand is vertical. Customers will ordinarily have no hesitation in accepting the hand thus presented, but difficulty often arises when it is time to withdraw the member. As has been pointed out, the space between the counter and the bottom of the grating is usually limited, and the banker often has an anxious moment when he proceeds to retract his hand, and notes just how limited the space really is. A bank in our neighborhood used to have an oversized teller named Abner, who was addicted to the vertical handshake, until one day he found his hand caught and held fast by the treacherous bars of the wicket. This bank was a conservatively managed institution, in which the cashier had no authority to incur any extraordinary expenditures without the consent of the board of directors. Abner got stuck soon after the bank opened in the morning and it was after noon before a quorum could be obtained at a special meeting of the board. All the carpenters and contractors in town were required to submit sealed bids for the performance of the work necessary to free the unfortunate teller, and when these were opened, they were all found, by a majority vote, to be exorbitant. A doctor on the board moved amputation, and considerable time was used up in the discussion of this motion, so that night found Abner still imprisoned. A pistol was therefore placed where he could reach it with his left hand, and the night watchman was given the night off.

"THE BANKERS' SERVICE STATION"

Beyond the Usual—

services ordinarily rendered by a city correspondent, the "Republic" has developed a broad list of "unusual" services, each one of which is designed to create a definite advantage for your bank. Note what the two following banks have to say about them:



from
Montana

"We wish to thank you for the exceptional way in which your bank is handling our account. During the *four weeks* we have used your good bank as correspondent we have had



more offers of service than we ever had in *four years* from any other."

from
Illinois

"I am not overlooking the fact that you folks are sending out to your correspondent banks a broad list of wonderful suggestions and we are "falling" for nearly all of them. Your Bank Money Order Plan is especially attractive."



An inquiry will bring full details by return mail



**The National Bank of the
REPUBLIC
OF CHICAGO**



JOHN A. LYNCH, *Chairman of the Board*
DAVID R. FORGAN, *Vice-Chairman* GEORGE WOODRUFF, *Vice-Chairman*
H. E. OTTE, *President*

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Early the next morning, Abner was surprised and delighted to find that he could easily withdraw his hand. Very fortunately no member of the force had had the authority to purchase food for him during his incarceration, and the emaciation produced by the lack of sustenance had affected his release.

It is clear, then, that no one of these three methods will be found uniformly satisfactory. As a result of a deep study of this problem, the writer has perfected an appliance which fills this crying need of the handshaking banker, meeting all the difficulties thus far found by occupants of tellers' cages. It consists of a stuffed rubber glove on the end of a stick, the fingers of which may be manipulated by means of elastic bands attached to the ends of the fingers and led back through a series of agate guides to the other end of the stick. The most ingenious feature of this appliance, however, is a system of electric wiring, whereby the artificial hand may be heated by pressure on a button, with the result that it imparts to its handshake a warmth that is almost human—much more nearly so than is the case with that of the ordinary banker.

THE DANGER BACK OF LETTER OF RECOMMENDATION

(Continued from page 16)

knows it to be false or not, or even where he may believe it to be true, if he acts recklessly in making it.

"It is held that where a person makes a positive statement that something is a fact his very statement that the matter is a fact implies that it is a fact to his own knowledge, and if he does not know it to be true that in itself is a false statement which will render him liable, even though he may have believed it to be true.

"On the other hand, a person is not liable for mere statements of opinion or belief if the matter is expressed to be merely one of opinion and belief, even though the opinion or belief may be false.

"In short, I think the safe rule to follow in this matter of making statements as to financial worth or credit standing may be said to be not to make any statements which you do not know to be true of your own knowledge, or if you do not know them to be true then to state expressly that the information given is merely a matter of opinion or belief and should not be acted upon without verification."

Gullible

The gullibility of a large percentage of the public is made vivid by a casual glance at a few of the fraud orders issued by the postoffice department. One of the latest of these orders has barred the postal facilities to one gold-mine promoter who, although representing in his circulars that "values are definitely established" and that

"there is no risk of loss," nevertheless has admitted to a postoffice inspector that in the period of about twenty-four years in which he has handled this property, he has obtained more than a million and a half dollars from investors and has obtained only \$150 in gold from his mine.

So far as the postoffice can do so, it is tripping up such fellows. But, after all, the success of the frauds is based upon gullibility. As long as some people are easy dupes by nature, it will be impossible to protect them completely.—From Chicago *"Journal of Commerce."*

Moonlight is sculpture.—*Hawthorne.*

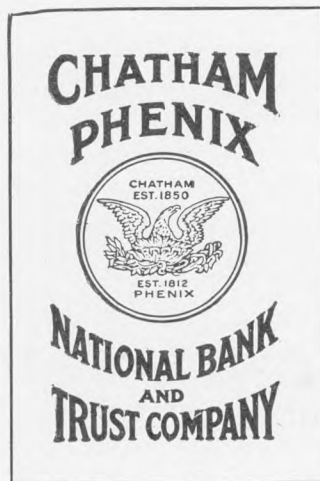
Oh, You Can't, Eh?

"You can't put an old head on young shoulders,"

"No? Take a slant at one of these heavy sugar daddies in a taxi with a flapper."—*American Legion Weekly.*

To write fine poetry requires intellectual faculties of the highest order, and among these not the least important is the faculty of reason.—*Bryant.*

Poets are the hierophants of an unapprehended inspiration; the mirrors of the gigantic shadows which futurity casts upon the present.—*Shelley.*



OVER 100 YEARS OF COMMERCIAL BANKING

Length of Years and Breadth of Service

IN ITS one hundred and fourteenth year, Chatham Phenix believes that it is more advantageously situated than ever before to render correspondent banks the type of service they require.

The world is its banking field. Both in resources and in connections it is amply qualified to give the fullest degree of cooperation.

In this belief, we cordially invite your correspondence.

MAIN OFFICE

**149 Broadway, Corner Liberty Street
New York City**

RESOURCES OVER A QUARTER BILLION DOLLARS



Of Course We Want Banker Agents

—but we want them to join the International Life organization on a basis that will pay them as well as ourselves. Although unlisted in our financial statement, we value the good will of our Banker agency force about as highly as anything we possess.

They find this company ready “to go the second mile” in their effort to render service that will build a continually growing business. Confidence in your company makes for more efficient work and greater production.

Our plan of Banker cooperation calls for

1. A direct profit to eligible banks from the deposit placed in the bank.
2. A profitable commission contract.
3. A complete and up-to-date line of life insurance contracts, both standard and sub-standard.

This plan is further strengthened by “helpful cooperation” from a company of proven strength and stability. Write for information.

W. K. WHITFIELD
President

DAVID W. HILL
Vice President

W. F. GRANTGES
Vice President and General
Manager Agents

International Life Insurance Company

ST. LOUIS, MISSOURI



Loyal, enthusiastic agents have made possible the sound, healthy growth indicated by this, our sixth annual statement

AS OF DECEMBER 31, 1925

ASSETS		LIABILITIES	
Cash	\$ 356,580.69	CAPITAL FULLY PAID.....	\$1,158,555.00
Government Bonds	168,824.22	Surplus—Reserves	
Mortgage Loans on Real Estate	951,230.00	For Taxes	\$ 24,000.00
Cash in hands of Agents.....	454,984.26	For Losses	282,690.82
Due from U. S., States, Counties, etc.	237,916.47	For Commissions	53,181.24
Due from Reinsuring Companies	42,060.68	For Unearned Premiums.....	499,446.54
Accrued Interest	27,026.16	Surplus (net)	182,317.61
Real Estate	16,192.05	Total Surplus and Reserves	1,041,636.21
Miscellaneous Assets	93,257.40		
	\$2,348,071.93	WE OWE	
Less Assets not admitted (Agents delinquent premiums)	100,454.54	For Reinsurance	30,176.18
		For current accounts	3,500.00
		All other Liabilities.....	13,750.00
			47,426.18
	\$2,247,617.39		\$2,247,617.39

FEDERAL SURETY COMPANY

CASUALTY INSURANCE SURETY BONDS

W. L. TAYLOR, Vice President and General Manager

HOME OFFICE

DAVENPORT, IOWA

INSURANCE SECTION

Reminiscences of a Hail Insurance Man

By *W. A. Rutledge*

*Secretary, Farmers Mutual Hail
Insurance Association
Des Moines*



Photo at the right: An orchard near Pleasantville, Iowa, entirely stripped of its fruit and nearly stripped of its foliage by a hailstorm. At the left: A residence near Pleasantville, Iowa, showing the effect of a terrific hailstorm in July, 1899. Note the effect of the hail on the window shutters.

AS A BOY of fourteen years the writer of this article traveled from Calamus, a small village in Clinton county, to Carroll county. This was fifty years ago and the railroads of that day were mere playthings compared to the railroads of today; nevertheless it was a brave people who dared assume the responsibility of building a railroad into the then unsettled west. It was an all-day trip and took from early morning until late in the evening. No one who has not seen the virgin prairie with its rolling landscape and its streams can have any conception of the beauty of it nor the thrill that comes to the youthful heart as it adventures into the unknown.

At that time the buffalo had only recently departed and the wild deer was still to be found on our prairies. The prairie wolf sang you to sleep at nights and you were awakened in the morning by that peculiar booming sound made by the prairie cock as he strutted up and down the hillside in the midst of his harem and threw defiance at his rivals. The blue stem, that most magnificent of all the wild grasses, the very aristocrat of the prairie which furnished for the pioneer roofs for his barns, fodder for his stock and firewood for his comfort, covered both hill and valley. Never will its like be seen again, and the boy of our prairies will remember its passing with a sigh and a tear.

At that time thousands of settlers were flocking to the west and the newly turned sod planted to wheat was bringing forth millions of bushels of this most precious of the cereals. In the summer of 1874 a hailstorm had passed across Carroll county, which was so severe that the popular and cottonwood groves, which were, some of them, three and four years old

and from one to four inches in diameter, were literally killed by having the bark all peeled off the side towards the storm. In 1877 another storm passed to the southeast from the northwest, a little further west, which mowed down the prairie grass and left the ground almost like it had been plowed. In the spring of 1884 in cutting ditches with a large plow cutting three feet wide at the top and fourteen inches at the bottom, twenty inches deep, starting at Exira in Audubon and traveling for six weeks in a northwesterly direction to Storm Lake, Iowa, we were unable to get corn fit to feed our cattle, because a severe hailstorm had passed over that section the year before, just in harvest time, and the ears of corn had from one or two to a dozen rotten spots caused by hailstones.

In the last thirty-three years my business has been the protection of farmers from loss to growing crops by hailstorms, and my experiences have been many and varied. In 1896 near Le Mars, Iowa, pigs, chickens and calves were killed by hailstones, and in some instances the hail went through the roofs of houses. On July 6, 1899, a hailstorm laid waste the crops near Pleasantville, Iowa. Not a single tin roof in the town would shed water after the storm. The trees along the road were as bare of leaves as in January. The fruit trees were stripped clean of their fruit. On a new house of T. R. Brown, one of the county supervisors, the shutters were broken by the hail as effectively as it could have been done by a hammer. Even the fence rails were all spotted up where they had been pounded by the hail.

Every year some place in Iowa and indeed over nearly or quite all of the agri-

cultural section of North America between the Allegheny and Rocky Mountains, many hailstorms occur. In 1925 there was scarcely more than three days at one time between June 14th when a most disastrous storm occurred reaching from northwest of Omaha to Creston in Union county, Iowa, until the 18th day of August, when a terrible storm, beginning in Poweshiek county, Iowa, near Grinnell, went off to the southeast, crossed the Mississippi and finished somewhere in Kentucky, when some hailstorm did not occur somewhere in Iowa. In this later storm near Deep River and North English in Keokuk county, and on to the southeast, there was not a single building in the heart of the storm which did not require a new roof and many of them new siding on the west side. The destruction to crops was appalling and the farmer who did not have hail insurance was in most cases left a bankrupt. On some farms every green thing left on a quarter section of land could have been carried off in one load on a man's back.

Hailstorms come at a time when the crops are green and tender. There is no way of preventing either the storm or the loss and the farmers have banded themselves together into a Mutual Insurance Association to protect themselves. It was their only hope. It is also the banker's surety.

Is Enjoying Tour

A communication received last month at the home office of the Inter-State Business Men's Accident Association of Des Moines, from its secretary-treasurer, Ernest W. Brown, states that he and Mrs. Brown thoroughly enjoyed their ocean trip to the Bahamas, West Indies, Panama Canal Zone and points in South America. They are aboard the White Star liner "S. S. Megantic," which sailed February 27th from New York City. They plan to return to the States about April 1st.

Poetry is a jealous mistress; she demands life, worship, tact, the devotion of our highest faculties; and he who refuses all of this and more, never can be, first and above his other attributes, an eminent or in any sense a true and consecrated poet. —Stedman.

Why the Banker Should Sell Insurance

By WM. BOYKEN,
Vice President Titonka Savings Bank,
Titonka, Iowa

As a banker knows the financial needs and circumstances of the people of his community he is the one person who is best qualified to supply these people with the insurance protection best fitted to their particular needs.

Their banker is interested in their progress and welfare and will supply the proper insurance from a standpoint of service. Many "insurance agents" will look only at the profit to themselves and will often supply people with policies of too large an amount or of the wrong kind, particularly is this true in the life insurance field.

A banker not only knows the financial circumstances of his customers and

others in the community, but the small-town banker also knows the weaknesses and habits and even family troubles of his people so he can see better than they what their future likely will be.

A borrower at a bank who is a good moral risk but weak financially will strengthen his credit by being supplied with the right kind of protection for his property and life. Then there are the people we all know who cannot save money except through the insurance premiums which come as regular as taxes and which, over a period of years, not only means a snug sum saved but has often transferred a spender into the class of savers.

The banker who will study insurance and supply it to his customers from a standpoint of service is doing a good thing for his community. He may not see immediate results but over a period

of years he will find that he has been a benefactor to many.

Kansas City Branch Convenes

Members of the Kansas City branch office of the Royal Union, held a two-day convention in Des Moines recently. Included in the banquet which closed the meeting were A. P. Osborne, manager of the branch office for the past eighteen years; Jack P. Miller, who has produced continuous business for the Royal Union every month for twenty years; Guy W. Peabody of Sedalia, Mo., who wrote 117 applications in one day last September, and Earl G. Mercer, cashier of the branch, who is also president of the Kansas City Underwriters Association.

Speakers accorded high praise to the Kansas City organization which led all other Royal Union agencies in 1925, with a production of \$3,500,000.

Van Houten Elected President

A. W. Van Houten, special representative of the Mutual Life of New York, at Davenport, Iowa, has been elected first president of the newly organized Iowa State Association of Life Underwriters; F. W. Darling of Cedar Rapids was elected vice president and A. H. Peterson of Waterloo, secretary and treasurer.

The chief work of the association for the coming year will be to organize associations in towns where the underwriters are not now organized.

Honor Oldest Agent

A. M. Dodge was recently given a dinner at Enterprise, Iowa, by the officers of the Equitable Life of Iowa, in honor of his eightieth birthday and being the oldest licensed agent in the company, being with the company forty-four years. A draft for \$1,000 was presented to Mr. Dodge, being the face of a policy taken out many years ago, which was to be presented to him if he lived to see his eightieth birthday.

Shambaugh Reelected President

J. J. Shambaugh was reelected president at the annual election of officers of the Des Moines Life and Annuity, held recently. The other officers are: George Cosson, vice president; S. J. Houston, vice president; G. W. Anderson, vice president; F. J. McCormick, vice president; E. L. Shinnick, secretary; R. J. Bannister, counsel; L. M. Barlow, treasurer, and Dr. Frank Chase, medical director.

Becomes District Manager

Charles L. Duffy has been appointed district manager for the Royal Union Life in Buchanan county, Iowa, and will have temporary headquarters at Fairbank. He has been with that company the past five years as special agent working out of their Waterloo office.

The Royal Union Life Insurance Company

Des Moines, Iowa

Strong and Progressive



Paid to Policyholders—
Over \$21,000,000.00

Insurance in Force—
Over \$148,000,000.00



A. C. Tucker, President

D. C. Costello, Secy.

Wm. Koch, Vice Pres.

How to Choose an Insurance Company

By F. B. CLAXTON,
Cashier, State Bank of Fayette, Iowa

In choosing a life insurance company to represent, not as a high-pressure agent looking first at cash returns, but as a banker with ideals of service to a public whom he daily meets, there are certain features which must be taken into consideration.

In view of the hundreds of companies operating around us, of varying proportions, one of the first questions that arises is that of size. This I consider not of prime importance since our insurance laws today are such that the policyholder must in every case be amply protected against actual monetary loss. Yet I would choose that company which, by at least a reasonable number of years in operation, had proven itself equal to any unexpected demands that may have been made upon it.

The growth of the company should be taken into consideration, a healthy increase in desirable business being more acceptable than purely mushroom growth through stress on volume of production regardless of quality.

I would look always to the matter of surplus for the protection of policyholders and the class of the company's heaviest investments, and I would want a company which writes all the standard forms, including policies for women and children and with the disability and double indemnity provisions if desired.

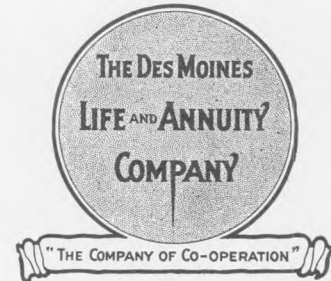
Beyond all these considerations I look to the personnel of the company—their attitude toward the agent and the policyholder, the service which they stand ready to perform after the business is once on the books of the company. I would look to their record of litigation, if any, to their policy in the matter of claim settlements, to their willingness to extend policy loans where necessary. I would also want a company which would be willing to rewrite or reduce policy amounts where necessity demanded, for by the company which I keep shall I be known to my customers.

Above all I would want to represent a company whose agents are not schooled in high-pressure, who are schooled to sell the policy which fills its particular need, and who may remain in their respective communities not merely as collectors of commissions but as real servants to their fellow men.

Charles E. Miller Dies

Charles E. Miller, general agent in Des Moines for the Pacific Mutual, for the past eighteen years, died recently in Rochester, Minn., where he underwent an operation. He was fifty-six years of age at the time of his death.

Your Company Is Your Partner



Choosing a life insurance company should be like selecting a business partner.

The first thing an agent looks for is "agency service and cooperation." The Des Moines Life and Annuity Company meets this requisite by maintaining a definite, solidly-backed policy of agency service—hence this company's well known reputation as "The Company of Cooperation."

As a part of that service and related always to an agent's ideas, ideals and ambitions, we offer a company strong, stable—and one whose steady growth is constantly broadening the opportunities of Des Moines Life and Annuity agents.

We offer a working partnership to ambitious agents.

J. J. Shambaugh, Pres.

Des Moines Life and Annuity Company
Des Moines, Iowa

What the 63rd Annual Statement Shows

Assets of \$368,818,073.

Policyholders' reserve (Massachusetts standard) of \$316,383,808.

Other liabilities \$21,922,459, including policyholders' dividends of \$11,250,000 payable in 1926.

Surplus Assets \$30,511,805; 9.6 per cent of the general policy reserve.

The John Hancock Mutual writes all forms of Life, Endowment and Term policies for Business and Personal Protection, Joint Life contracts, Total Disability and Double Indemnity, all the new forms of Group, Wholesale and Salary Deduction, as well as Annuity contracts in various forms.

Our organization is prepared to arrange life insurance protection to meet any need and specializes in the requirements of particular conditions and inheritance taxes.



HARRY S. HASKINS, State Agent
417-21 Southern Surety Building, Des Moines, Iowa

New Des Moines Company

A corporation charter has been granted to the Union Mutual Life Insurance Company of Des Moines.

Officers of the company are William Schultz, Jr., president and general manager; C. T. Schultz, vice president and secretary; H. R. Schultz, treasurer; Howard D. Gray and George Hans, members of the board of directors.

Will Convene in Davenport

Davenport, Iowa, has been selected as the 1927 meeting place of the annual convention of the Iowa Agents Association of the Northwestern Mutual Life Insurance Co.

There were eighty of the Northwestern representatives present at the 1926 annual meeting which recently closed at Davenport.

Enter New States

The Royal Union Life has been licensed to do business in the states of Mississippi and Alabama, in addition to the states in which it now operates. Deniss H. Murphree, former lieutenant governor of Mississippi, located at Jackson, has been appointed state manager for that state.

Insurance Through Women's Clubs

Iowa Life Underwriters are very much interested in the work being done by the

insurance committee of the American home department of the Iowa Federation of Women's Clubs, as reported by Mrs. W. S. Pritchard of Garner, Iowa, chairman.

Since Mrs. Pritchard's election a year ago, it is estimated that the message of life insurance has reached 2,000 women in the state.

The following men have spoken before meetings of associated clubs during the year: L. S. Moorehead of Mason City; Vaughn Griffith of Mason City; J. R. Bunyan of Waterloo; Walter Ferrell of Des Moines; W. D. Morton of Sioux City, and E. C. Ford of Iowa Falls. In the talks insurance was approached from the "home" angle, without mention of company affiliations.

Mrs. Pritchard has spoken before a dozen or more of the clubs, her message being especially interesting since she is the mother of eight children.

Much literature has been distributed and two clubs have used lesson material. Seventy-five letters have been received and answered, and the playlet, "The Heart of the Estate" has been staged by two clubs.

Goes with Merchants Life

Elmer Loucks, formerly president and general manager of the National Travelers Casualty Association of Des Moines, has joined the Merchants Life of Des Moines as city manager of agencies.

Mr. Loucks has been a well known member of the Health and Accident Underwriters Conference for many years.

He organized the National Travelers Casualty in 1907 and retired from that organization three years ago when a new organization was placed in charge following several months of litigation.

Will Hold Agency School


A ten-day school of instruction, starting March 29th, will be held in Des Moines for Aetna Life agents of Iowa under the direction of state managers McClung and Deaton. It is expected that thirty-five Iowa agents, with possibly some from the Lincoln and Omaha agencies, will attend. E. O. Schriver, home office instructor, will be in charge.

Freeman Appointed Advertising Manager

Ernest Sturm, chairman of the board of directors of the American Fore Companies, has announced the appointment of Charles E. Freeman as manager of advertising and publicity.

Mr. Freeman for the past three years has been associated with the American Fore Insurance Companies as assistant manager of the department he now heads.

He is a talented advertising executive who hails from the West, having been a native of Illinois. Northwestern University is his alma mater. After leaving



Unusual Facilities

Bankers throughout the Northwest know that it is to their best interests to render clients of their bank the utmost in service.

More and more every day, bankers are recognizing a Life Insurance department as a means of giving their customers that extra measure of personal cooperation.

Your customers need life insurance. You, as their banker, are in a better position to secure this business, thereby increasing the profits of your bank, and at the same time insuring your own local business.

When you represent a financially strong company like the North American National Life of Omaha, which has unusual facilities in connection with banker agents—you will find this of decided value in your local business promotion efforts.

**NORTH AMERICAN NATIONAL LIFE
INSURANCE COMPANY**

OMAHA ~ NEBRASKA

F. J. UEHLING
PRESIDENT

STRONG AS THE STRONGEST

the university he was associated for a time with D. F. Killer & Company, printers and designers, of Chicago, Illinois.

The new advertising manager is a well-known member of the Insurance Advertising Conference. His hobby is "prize winning." Organize a guessing contest and you can count on Charles E. Freeman for first prize. We congratulate him on winning this new and well-deserved prize.

New Iowa Insurance Commissioner

The Hon. W. R. C. Kendrick recently announced his resignation as Iowa insurance commissioner. He is succeeded by Ray Yenter, Iowa City attorney and chairman of the house insurance committee in the last session of the Iowa legislature. Commissioner Yenter has already assumed the duties of his new position and is nicely installed in his new office at the Iowa state house.

Mr. Kendrick leaves a position which he had held for three years and one month, during which time he made a host of friends throughout the country. He secured deserved recognition for his ability last year when he was elected president of the insurance commissioners convention at their Texas convention.

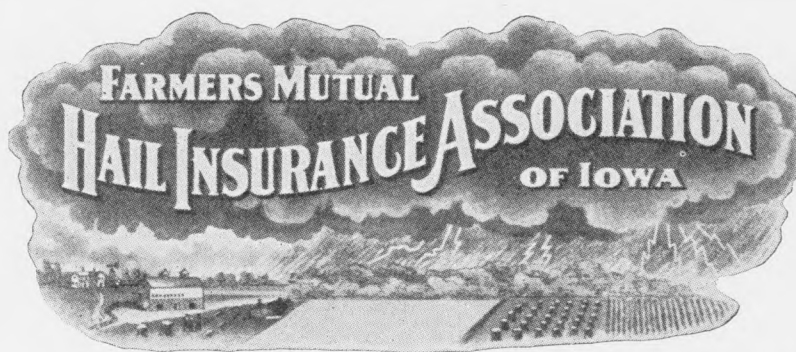
Previous to his appointment as commissioner, Mr. Kendrick had been assistant attorney general for a number of years. He has not yet announced his plans, stating that within the next few weeks he will probably make a connection with some insurance company either in the state of Iowa or in the east.

Commissioner Yenter, a man of pleasing personality, and a good background of insurance experience, has already made a number of friends in the insurance fraternity.

He has announced that the personnel of the office will be retained completely. Members of the staff include Don Harlow, deputy commissioner, Ralph Kenyon, actuary; J. W. Dailey, security clerk; E. W. Sweeney, fee clerk; Esther Crawford, general clerk; J. W. Cook, complaint clerk; W. S. Dulaney, policy examiner; R. W. Brockett, chief examiner, and force of clerks, examiners and stenographers.

The new commissioner is thirty-nine years old and has practiced law in Iowa City for the last seven years, during which time he has paid particular attention to insurance matters. He represented Johnson county in the house of the Iowa legislature during the Thirtieth, Fortieth, Fortieth extra and Forty-first Sessions, having been a member of the house insurance committee in each session and chairman of the committee last year.

Nature tells every secret once.



This Association leads—others follow. If you want the best, and nothing less should satisfy you, put your trust in—

The Farmers Mutual Hail Insurance Association of Iowa

Home Office, Des Moines, Iowa



TITLE INSURANCE

"OWNERSHIP"
PROTECTION

Title Search and Guarantee is the accepted procedure in all property transfers. No one today questions the value and desirability of it any more than they would question the value of life or fire insurance. In fact, title guarantee is "ownership" insurance, purchased with one small premium.

Let a representative of Southern Surety Company call and fully explain Title Insurance to your clients. Send for special booklet on Title Insurance.

TITLE DEPARTMENT

SOUTHERN SURETY COMPANY

201 YOUNGERMAN BUILDING

DES MOINES, IOWA

Are You Ambitious

*to have a business of
your own?*

If you are a man of proven ability (not necessarily in sales work) and are ambitious to have a business of your own which will bring you an income of from \$2,000 to \$20,000, it will pay you to communicate with us at this time.

You will have the supervision and counsel of successful men who have been "through the mill," and the backing of a well-established Company with assets over 15 millions.

The only investment you make is your time and energy.

SEND FOR YOUR COPY OF

"Driving Home the Facts"

MUTUAL TRUST
Life Insurance Company

Carl A. Peterson, Vice President
A. E. Wilder, Director of Agencies

THE CHICAGO TEMPLE BLDG., CHICAGO

Fire Insurance News

More than 97 per cent of the inspections made during the two-day fire prevention survey in Mason City, Iowa, recently, revealed that hazards existed. The fire prevention officers recommended changes in several school buildings, and the removal of 446 of the 469 places examined.

James F. Joseph of Chicago, sponsor of the fire prevention movement, and J. A. Tracy, state fire marshal, declared that the city should have a larger fire department. The fire marshal added that Mason City has had a number of fires, the origin of which has never been explained.

Harry E. Tallett, engaged in the insurance business in Clinton, Iowa, for a number of years, has purchased the former F. A. Upton insurance agency of that city, through D. L. Gardiner, who was appointed acting chairman of the office by the various insurance companies.

B. B. King, recently of Chicago, where he was examiner for the Continental, has purchased a substantial interest in the McKinney-Lantz agency of Des Moines and will have the title of vice president, specializing in fire and casualty lines. Mr. King was at one time connected with the Minneapolis Rating Bureau. The agency also announces that it has established a life insurance department under the management of Frank E. Johnston, and will be general agent for the Continental Assurance of Chicago. The agency has for some time written health and accident business for the Continental through Charles Christy, agent here for the latter company.

A. W. Greene, founder of Greenville, Iowa, and one of the organizers of the Farmers Mutual Fire and Lightning Insurance Association of Spencer, Iowa, recently died at Whittier, Calif. Mr. Greene was also an organizer of the Iowa Mercantile Mutual Fire Insurance Association of Spencer, and was the first president of the company.

Early Days in Iowa

C. V. Svoboda, secretary and general manager of the Cedar Rapids Life, will this year celebrate his twentieth anniversary of service with the company. Writing a few memoirs of the past two decades, Mr. Svoboda describes some of his early experiences in the state of Iowa in part as follows, in a recent issue of *Builders*, the Cedar Rapids Life house organ:

"It will be twenty years next summer since I accepted an invitation to come to Cedar Rapids and represent the newly

IN CEDAR RAPIDS


300 Rooms—250 with Bath

HOTEL MONTROSE

Fireproof

Rates
\$2.00 to \$4.00

DINING ROOMS
and
COFFEE SHOP



**EPPLEY HOTELS
COMPANY**

organized company. I was then living at Chicago engaged in the life insurance business and I confess never crossing the Mississippi River before.

"It was painted to me very rosy. The big eastern companies were under fire of investigation (1906). I was representing one of them. Their business was disrupted. I was told that the West had lost confidence in the East; that the West was "aching" to have its own companies; that it was ready to quit "patronizing Wall Street." What a great opportunity there was—particularly for me, they said, who could talk at that time two or three other languages besides English; that especially the Bohemian and German element in the good state of Iowa would receive me with open arms, etc.

"Well, I came; was given a nice little ratebook with only two nonparticipating policies (ordinary life and twenty payment life); all the rest of them were participating; although I never sold a dividend contract before in my life. I was given wide open territory anywhere in Iowa from Keokuk to Lyon county and from Allamakee across the state down to Fremont county. I could go at my own expense and write business anywhere! I was shown the policy register and I have seen thirty-three policies in force. I have written No. 37 myself. We are finishing now the seventeenth thousand in number.

"My original policy had all kinds of restrictions—travel and occupation. It had no waiver of premium or total disability or double indemnity benefit. It did not have any of the modern features which are now in your policy. I had hard pulling, but I am the only survivor of the original agency force.

"I am not saying all this about myself for any other reason than to emphasize the contrast between the conditions under which my company and I started and between the opportunities you have working now for your company. All the disappointments I experienced were the disappointments of your company. They did not receive us with open arms. They kept up sending money east as before and they found every excuse and every reason why they should not do business with us.

"The organizers were sincere in their desire to give Iowa a good, safe, honestly-managed company, and it was only the idealism and hard work of the original board of directors and officers of the company which ultimately won. I did not become associated with the office until a year after—in 1907. I have seen men come and go. I was working under two different secretaries. I have seen several superintendents of agents; I have seen the changing of the president, but the good old company survived.

A satirical poet is a check of the laymen on bad priests.—Dryden.

"A quarter of a century of uninterrupted service is a decent warrant of stability for any business concern."—Benjamin Franklin.

Insurance in force, over.....	\$91,500,000.00
Surplus over all liabilities, more than.....	2,680,000.00
Increase in surplus during year.....	414,480.39
Securities deposited with Iowa Insurance Department, December 31, 1925	2,833,400.00
<small>(Over four and one-half times the amount of the reserve required by law.)</small>	

National Life Association

Des Moines, Iowa

Bankers in the United States and Canada

over 18 and under 55 years of age are eligible for

ACCIDENT INSURANCE AT COST

with the

Iowa State Traveling Men's Association DES MOINES, IOWA

Principal sum	\$5,000.00
Weekly indemnity	\$ 25.00

Annual Cost Never Exceeded \$9

We Have No Agents.

Write for Application Blank.

First, After the Fire

The financial responsibility of your customers is strengthened by the protection and guarantee of prompt claim settlement that is furnished by the Iowa National Fire.

The first check is the most important.

Fire, Lightning, Tornado and Automobile Insurance

IOWA NATIONAL FIRE INSURANCE COMPANY

DES MOINES, IOWA

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 to subscribers. Use it. ASK US, as we can tell you where to buy anything you need in your bank or for your bank. TELL US, as your "want" will be published under the above heading free of charge. In answering classified advertisements which have key numbers please enclose a two-cent stamp. This is used to forward your letter.



Wanted employment in a bank for a period of two months beginning July 1, 1926, by a man twenty-seven years of age. A college graduate with business experience. A good bookkeeper and at present employed in the commercial department of a large school system. Can give good bank references. Address No. 2875, The Northwestern Banker—3, 4, 5, 6.

Position Wanted as manager or assistant in a bank, by married man of middle age and well educated. Can arrange to make connection at any time. Good references. Address No. 2876, The Northwestern Banker—4.

Position Wanted.—Young man 25 years of age. Five years' general banking. College graduate. Best of references. At present employed. Desires position with a city bank or with a growing country institution where there is a possibility of advancement. Salary reasonable. Can handle some stock. Address No. 2877, The Northwestern Banker—4.

Position Wanted by man thirty-three years of age. High school graduate. Bookkeeper or assistant cashiership. Eight years' general banking experience. Best of references. Address No. 2878, The Northwestern Banker—4.

Wanted: One cash vault door with timer. One safety vault door. One roll top, one large and two small flat top desks, with chairs. One typewriter, desk and chair. Six chairs. Falls bookkeeping desk. One hundred safety boxes. Must be in excellent condition. Furniture, mahogany. Address No. 2879, The Northwestern Banker—4.

Banking Position Wanted by married man twenty-five years of age. Two years' college education. Four years' experience with bank where now employed. Well experienced in collections. Can make change because of merger. Want position offering opportunity for initiative and ability. Address No. 2880, The Northwestern Banker—4.

Position Wanted with bank or corporation as cashier, or other work where ability to meet the public is needed along financial lines. Have had several years' experience. Can invest. Address No. 2882, The Northwestern Banker—4.

Wanted a Bond Representative for Iowa who has acquaintance over the state, selling experience and ability, coupled with personality. Splendid opportunity for the right man. Write full particulars of qualifications in addressing No. 2881, The Northwestern Banker—4.

He Landed a Job!

We are pleased to give herewith in full a letter just received from one of our valued subscribers, in which we know you will be interested:

"Just to let you know that you will need not run my ad in your magazine any more, at least for the present, as I have located as assistant cashier of the _____ bank.

"I really don't know how to thank you enough for the service you have given me, and I only hope that I shall be able to return the favor to you some day."

THE NORTHWESTERN BANKER is proud of the service it has been able to give in the "For Bankers and Their Wants" department, because it has placed good men in good positions, sold fixtures, bought fixtures—all without inconvenience or embarrassment to advertisers through use of key numbers or "personal" correspondence.


We are ready and anxious to serve you at any time.

Another Freak Proposal

Congressman Howard of Columbus, Neb., a shining light of the unfettered Democracy of that state, has a mission in the next session of congress. It is to put through a resolution calling for the free distribution of the Congressional Record to every public school in the country. It would require only 25,000,000 additional copies to be printed and mailed daily during the sessions of congress—a trivial expense compared with the educational benefits to good government which would follow, in Howard's seasoned opinion.


This is no time or place to discuss the educational value of the official record of congress. We might refer to it bitterly as a blight upon the reputation and memory of those who fill its pages. Nor would we be disposed to deny the Howard proposition merely because it would clog the mails for several months every year and impose almost intolerable burdens on rural and city route carriers. Nor, again, does the expense involved excite our opposition, large as it would be. Congress would spend the money for possibly worse things if not for this.

It is our love for the pupils in the schools of America which impels us to side against the resolution. Presumably they would be compelled to read at least a part of the record every day, or to hear it read—an affliction we would not willingly assist in imposing upon them. We have to read the record frequently, and most emphatically we declare that no proper task for happy, innocent and patriotic youth, because it would, if they had understanding, cover all their ideals of the republic with a thick fog of bunk. —Chicago Journal of Commerce.



WHERE TO BUY

A Buying Guide for Bankers



Steel and Copper Engraved

STATIONERY, BUSINESS
ANNOUNCEMENTS AND CARDS
For quality work address
The Homestead Company, Des Moines.

FLOWERS AND SERVICE

ALPHA FLORAL COMPANY
Phone Walnut 362
J. S. WILSON FLORAL CO.
Drake 584
DES MOINES

KALAMAZOO

LOOSE-LEAF DEVICES AND
ACCOUNTING SYSTEMS
Sold in Iowa by
J. H. WELCH PRINTING CO.
1166-68-70 Sixth Ave., Des Moines.
Printers. Binders. Mngf. Stationers.



South Dakota Bank News

**Officers South Dakota Bankers
Association**

President.....Dean H. Lightner
Aberdeen

Vice President.....Arthur Chambers
Hudson

Secretary.....Geo. A. Starring
Huron

Treasurer.....John Barton
Sioux Falls



DEAN H. LIGHTNER
President

GEO. A. STARRING
Secretary

Announce Convention Dates

The annual convention of the South Dakota Bankers Association will be held in Watertown, South Dakota, on June 15th and 16th. Headquarters will be in the Lincoln Hotel and the sessions will be held in the Metropolitan Theatre in the same building.

The program has not yet been completed but we are informed at this time that addresses will be given by Fred W. Sargent, president of the Chicago & Northwestern Railway Company, on "The Need of the Middle West," and by Harry D. Baker of St. Croix Falls, Wisconsin, a member of the Educational Committee of the Wisconsin Bankers Association, on "The Importance of Standardized Forms."

Bankers Committee Meets

Group Three of the agricultural committee of the South Dakota Bankers Association recently held a meeting at Mitchell. R. H. Seydel, cashier of the Menno State Bank and chairman of the committee, had charge of the meeting and program.

In New Building

The Redfield National Bank of Redfield, South Dakota, threw open the doors of its new building recently in a reception to the public. The officers and directors, assisted by their wives and daughters, met and greeted about two thousand people during the afternoon and evening. The guests were presented with cigars, candy and roses, and then escorted on a tour of the bank's new home.

The exterior of the building is stately, with a dignity worthy of a banking edifice, but it is the interior that wins the admiration of all. The lobby, with its marble floor and wainscoting, mahogany steel fixtures and ivory panelled ceiling, commands instant attention. As none of the old fixtures were owned by the bank, it was necessary to purchase a complete new outfit. All work counters, desks and fixtures are of steel, and combine good looks with wearing quality and safety in case of fire. Buff walls, a skylight of golden stained glass and appropriate lighting fixtures complete a lobby that

for convenience, roominess and beauty, would measure up to the homes of much larger banks.

The public appeared greatly interested in the vault and vault equipment, realizing that the officers had spent considerable time and thought to provide a place of safety and convenience for handling the business intrusted to them. The vault is of reinforced concrete, with steel bars linked together every four inches, making it burglar-proof. The door is of chrome steel, hardened so that it is impossible for a drill to penetrate it. This door weighs six thousand pounds.

The bank was forced to build because of rapidly growing business and inadequate quarters. It represents the optimistic feeling that the officers and directors feel concerning the condition of the country, and shows an unbounded faith in the future of Redfield and Spink county.

Bank Clearing Jump

Reflecting the prosperous condition now existing in South Dakota, the bank clearing in Sioux Falls during the month of February made a gain of approximately \$1,347,000. January, also, recorded a nice gain, and it is expected that March will show an improvement proportionately.

Buys Controlling Interest

Harmon Kopperud, vice president of the Security Bank & Trust Company of Webster, South Dakota, has bought the controlling interest in the Community State Bank, a newly-organized institution at Lake Preston. The bank is capitalized for \$25,000, and has deposits of \$250,000. Mr. Kopperud takes charge in the capacity of managing officer and vice president.

Selects Banking Committee

The Legislature of South Dakota, in its session last winter, asked that a committee be appointed for the purpose of examining banking conditions in order to determine whether the depositors in closed banks can be reimbursed.

Governor Gunderson has chosen the committee as follows: G. F. Buche, Lake

Andes; Otto Baarsch, Clark; Anthony Fischer, Fort Pierre; C. E. Byrum, Onida; J. B. Gaytze, Mitchell; Lee Stover, Watertown; Henry Klatt, Jr., Tripp; W. B. Penfold, Bellefourche; J. O. Van Nice, McLaughlin. The first three named are merchants, the next three farmers and the remaining three bankers.

Demonstrate Strength

The banks of Brown county, South Dakota, who are carrying county funds on deposit, recently demonstrated their strength when they practically all posted Liberty bonds or other collateral just as good, with the county treasurer. In Brown county, the county deposits are limited to the amount of security on deposit with the county or an approved depository.

The following banks are among those who have had their bonds approved:

First State Bank of Claremont, \$6,000 Liberty bonds.

Putney State Bank, \$6,000 Liberty bonds.

First State Bank of Frederick, \$10,000 Liberty bonds.

Farmers & Merchants Bank of Columbia, \$5,000 Liberty bonds.

First State Bank of Aberdeen, \$25,000 Liberty bonds.

First State Bank of Groton, \$5,000 Liberty bonds.

Brown County Bank of Groton, \$15,000 State Rural Credit bonds.

Farmers State Bank of Westport, \$6,000 Liberty bonds.

Bank of Houghton, \$5,000 Liberty bonds.

Farmers State Bank of Stratford, \$7,000 Liberty bonds; \$3,000 Treasury Certificates.

Establishes a Record

What is believed to be a record for gain in deposits has been established by the Citizens National Bank of Sioux Falls, South Dakota. In the first twenty-six business days following its opening, the bank received in deposits more than \$500,000. W. E. Stevens, president of the bank, said that the officers and directors were very much pleased at the showing made, and were of the opinion that a large part of these deposits came from safe deposit boxes and from hiding places.

Change Building Name

The old Sioux Falls National Bank building will hereafter be known as the Citizens National Bank Building. The Citizens National now has complete possession of the banking rooms and has purchased all the movable fixtures.

Nothing is more certain than that great poets are no sudden prodigies, but slow results.—Lowell.

SOUTH DAKOTA NEWS

C. N. Tontecou, of Howard, has made application to the state banking department to organize the First National Bank of Howard. The capital stock is placed at \$50,000.

—\$—

The Bank of Kingsburg has been reorganized, and is now open for business. Officers are L. O. Gingerich, president; O. C. Bochman, vice president and T. C. Pier, cashier.

—\$—

Through a reorganization, C. H. Lien, cashier of the Summit Bank of Summit, South Dakota, has become president of

the First National Bank of Milbank. Enoch Lindquist was elected cashier of the same institution.

—\$—

E. B. Dinsmore is the president of a new bank organized at Wessington. The bank is capitalized at \$30,000.

—\$—

J. A. Hardesty, assistant cashier of the Holabird State Bank, has resigned to engage in other lines of activity.

—\$—

John Krebs is the new president of the recently reorganized Shindler State Bank. Julius Egge and Ole Iverson were elected directors of the institution.

The Farmers & Merchants Bank of Huron has reopened for business, with James D. McNair, president; George M. Townsend, vice-president; and Harold E. Himmel, cashier.

BY THY LOANS THEY SHALL KNOW THEE

(Continued from page 14)

that the old soldier and the stockman, on the contrary, have brought us more new depositors than all of our directors and stockholders put together. These two gentlemen are calling to the attention of the people of this community and leave them with the impression firmly imprinted on their minds that a fellow unworthy of credit need never hope to see their note in the bank's note pouch.

The first week of the stockman's "advertising" brought us in over \$8,000 in new deposits, which we can directly credit to his talks with farmers in the vicinity. Many of these depositors carried in currency which they had kept down in their cellars for many years and they told us that they were glad to know how we handled our loans.

About six months later, the stockman came to us and asked if he could reopen his account, informing us confidentially, at the same time, that he was a little scared of the bank that he had been dealing with, even though they had loaned him money off and on. Although the stock buyer's account is not the most valuable one on our books, he manages to keep a substantial balance on hand and never asks for a loan.

Your loans are the heart of your institution and the "Mystery in Banking" in the public's eyes today. Nearly every one of your depositors can read your bank's statement of condition and understand it thoroughly, but when they come to the item designated as "Loans and Discounts" there is a question of doubt in their minds as to what percentage of these items are bad. In order to re-establish confidence, it is necessary that you make known to the dear public your attitude toward security and loans. When the next party, who hasn't the security to offer you or is unworthy of credit comes in, please don't take him into the back room, close the door and whisper to him that time-worn excuse that you are sorry that you are unable to grant him the loan just now because the farmers have not been selling their grain on account of the low prices. When the fellow comes in and gives you his song and dance meet him on the open field of battle (preferably in the lobby) and if there are only a few customers around, engage him in conversation and cross-examine him until you have a fair sized audience. The customers already in the bank will be sure to stay to see the outcome of the skirmish and all you need do is to wait for a few more, for the larger the audience the more effective the advertising. When the stage

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Cornelius Vanderbilt	Eugenius H. Outerbridge
Gilbert G. Thorne	Kenneth P. Budd
Thomas F. Vietor	John H. Fulton
John G. Milburn	Frank L. Polk
William Vincent Astor	Benjamin Joy

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Commercial and Travelers' Credit issued; Correspondents in all principal Cities in the World. Foreign Exchange bought and sold. Corporate and Personal Trusts; Safekeeping of Securities; Collection of Income. Investment Service for Customers. Safes in our Safe-Deposit Vaults at moderate rental.

Capital, Surplus and Undivided Profits, \$33,700,000

is set, gaze your victim in the eyes, sound your "r's" and inform him in plain English language, the attitude of your bank toward loans of the class which he is offering and inform him that his chances of floating a loan on the security offered is comparatively as slim as a snow man in Hades hoping to see the Resurrection.

Your bank may be connected with the most expensive advertising concerns in the country and you may spend hundreds of dollars in telling your customers through the newspapers of your wonderful services, strength and stability. But what do you suppose enters the mind of the depositor in your lobby when he sees some deadbeat come out of the back room with a smile on his face and a duplicate deposit ticket in his hand? The depositor cannot tell by reading your bank statement or your newspaper ad, just what attitude your bank is taking toward the poorer class of borrowers, and the only means of bringing it home to them is through indirect advertising conducted by such people as our Civil War veteran and the stock buyer.

Our bank has never advertised through the newspapers our attitude toward loans and security, but nearly every man in the community knows that we take nothing short of three-to-one security and that unless a man is worthy of credit we do not take the loan. We let dissatisfied would-be borrowers give us this indirect advertising—they generally have lots of time and nothing more important to do.

Not long ago, a party living in a nearby town called and made application for a loan and we spent a quarter of an hour in going over the matter with him and in making out his financial statement. He showed a very nice statement without any liabilities, and I informed him that we would be pleased indeed to make the loan for him, providing, however, he furnished the necessary security to cover the amount of the loan. He spent nearly half an hour using every conceivable method in forcing us to waive security and I finally left him in despair, telling him that I did not think he wanted to borrow any money. And, queer to state, such happened to be the case, for instead of loaning him money, we wrote him a large C. D. and today he is one of our heaviest depositors. He knows our attitude toward loans and never hesitates to tell his friends of the little hoax he tried to pull on us. He is another of our customers, advertising our attitude with regard to loans.

It is far better to be a living coward than a dead hero, and it is far better for the people of your community to refer to you as a "Hard Boiled, Cold Storage Devil," than "That Nice, Easy Going Banker That Helps Them All Out," especially in these days. Try to pick out some of the old "hard boiled" bankers in your community, who have really lived up to their name and used ordinary common

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CHICAGO

sense, I dare say that every one of their banks are in good shape, have large cash reserves and have nothing to worry about. It is far more agreeable to be considered hard boiled with some enemies, who have been disappointed in being unable to float a loan with you, than to be classed with that enumerable multitude of ex-bankers, "who used to run a bank, but it closed," and count back to the olden days when you USED TO HAVE every man in the community as your friend and customer.

Speaks at Convention

W. S. Gifford, president of the American Telephone and Telegraph Company, in an address at the Investment Bankers Association convention, held in St. Peters-



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THE pleasure of your Chicago visit will be heightened if The Pearson is selected as your stopping place. It is located just outside of the business, theatrical and shopping district, yet within pleasant walking distance; its moderate rates, unexcelled equipment and service, notably good and reasonably priced food, all make it a perfect base for opera, concert, theatre and shopping expeditions. A 300-car fire-proof garage is close by.

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The Pearson is a block east of the intersection of Pearson Street and North Michigan Boulevard. Rates for one person are from \$3.50 to \$5.00 a day; for two \$5.00 to \$7.00; two-room suites \$10.00 to \$14.00. Every room and suite with private bath.

burg, Fla., took as his subject, "Some Significant Facts in Our Economic Progress." He spoke of the development made during the past few years in all lines of industry, and of how necessary it has become to maintain the highest efficiency even in regard to the smallest details. He said in part:

"The American Telephone and Telegraph Company, as the parent company of the Bell System, owns, in most cases, all of the voting stock; in some cases the majority, and in a few cases the minority, of the voting stock of what are called the associated operating telephone companies. These, as you know, are the Bell Telephone Companies such as the New York Telephone Company, the Southwestern Bell Telephone Company, the Pacific Telephone and Telegraph Company, etc., and they, with their connections, cover the whole United States. These companies have been organized because of state laws and state regulation and they are respon-

sible for handling the telephone business within their respective territories. . .

"The Bell System illustrates the size of modern business undertakings. There are interconnected in the Bell Telephone System over 16,000,000 telephones. This means, theoretically, that any one of these millions of telephones can be put into communication with any other one anywhere in the United States any time of day or night. I say theoretically, because as a practical matter there are a relatively few instances where such interconnection would not give satisfactory results; such as a long distance communication where one or both of the telephones are located on a rural party line. In order to make that intercommunication possible the Bell System owns property and other assets—that is, switchboards, buildings, pole lines, conduits, etc.—that have cost over \$2,800,000,000. Including the employees of the manufacturing company, it employs over 320,000 men and women."

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I. R. ALTER
President

Nebraska Bank News

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Grand Island
Chairman of the Executive
Council.....P. L. Hall, Jr.
Greenwood
Secretary.....W. B. Hughes
Omaha
Treasurer.....F. W. Thomas
Omaha
General Counsel.....J. P. Palmer
Omaha



WM. B. HUGHES
Secretary

Announce Group Meetings

The Nebraska Bankers Association, through its secretary, W. B. Hughes, has announced the following cities in which Group Meetings will be held this spring: Group Two at Columbus, April 22d; Group Three at Norfolk, April 22d; Group Four at McCook; Group Five at Lexington; Group Six at Hay Springs, and Group Seven at Chappell.

Neither the town nor date has as yet been announced for the meeting of Group One. At the time THE NORTHWESTERN BANKER goes to press, dates of meetings have only been set for Group Two and Group Three. Others will be announced later.

Farmers State Open

The Farmers State Bank, a new institution recently organized at Lynch, Nebraska, is now open and doing business. Among those behind the new bank are G. B. Ira, Dan Melsha, and C. F. Roe. The quarters are located in the old Security State building.

Becomes Director

A recent addition to the stockholders and directors of the First National Bank of Elgin, Nebraska, is Charles H. Stockdale. Mr. Stockdale was at one time publisher of the Elgin Review. The First National is the only national bank in Antelope county.

W. R. Cain Resigns

Identified with the Security National Bank of Randolph, Nebraska, for more than fifteen years, W. R. Cain has resigned from that institution, intending to devote all of his time to personal business. He leaves the Security National in excellent condition.

Organized at Randolph

The Farmers & Merchants State Bank is a newly organized institution in Randolph, Nebraska. The officers which have been elected so far are Stephen F. Browne, president; Peter M. Bermel, vice president. The new bank starts with a paid-up capital stock of \$25,000. It is planned to start the immediate construction of a new concrete vault, which will

include safety deposit boxes in the customers' department of the vault.

Resigns at Wolbach

C. E. Wilson, who, until recently, has been in charge of the Farmers Bank of Wolbach, Nebraska, has resigned his position to enter the wholesale business at Crawford. P. Wilson, his father, will take his place in the bank.

Closed Saturday Night

Although urged by the directors of the South Omaha Nebraska Merchants Association to remain open on Saturday evenings, that the stockyards employees might be able to cash their weekly paychecks, the five South Omaha banks refused to grant the request. They gave as their reasons that it was against the rules of the Clearing House Association; that none of the other industrial banks in the city remained open, and that they would lay themselves liable to the risk of robbery and possible killing.

Hold County Meeting

The Deuel-Garden County Bankers Association recently held its quarterly meeting at Chappell, Nebraska. A dinner was served at the Wier Cafe, after which the meeting adjourned to the directors rooms of the Chappell State Bank, where the regular session was held.

Officers chosen for the coming year were as follows: Floyd Farrel, Oshkosh, president; Mr. Olson, Lisco, vice president, and Andreas Kjeldgaard, Big Springs, secretary-treasurer.

Havelock Banks Consolidate

Following the consolidation of the Commercial State Bank and the Farmers & Mechanics Bank of Havelock, Nebraska, J. V. Charvat, formerly president of the Farmers & Mechanics, becomes vice president under the new organization. He will also retain his place on the board of directors. G. A. Framp-ton, former cashier of the Commercial State Bank, becomes president and P. K. H. Bauer, former assistant cashier of the Commercial State Bank, becomes assistant cashier of the new bank which now has combined deposits of \$350,000.

Seek Credit Protection

The Omaha Association of Credit Men, comprising wholesalers, retailers, national and state bankers, is organizing for the purpose of raising \$20,000 toward a two-million dollar fund for credit protection. The Omaha, Nebraska, organization will be a part of the National Association of Credit men.

The local committee appointed is made up of the following men: B. A. Wilcox, vice president Omaha National Bank, general chairman local organization; G. P. Horn, executive manager Omaha Association of Credit Men, secretary; T. C. Byrne, president Byrne-Hammer Dry Goods Company, national honorary committee; Ford Hovey, president Stock Yards National Bank, national honorary committee; E. B. Anderson, treasurer Interstate Machinery & Supply Co., chairman of personnel committee; C. F. Brinkman, assistant vice president United States National Bank, large subscribers; Walt Jones, credit manager Pennsylvania Rubber Company, chairman on publicity; J. T. Cunningham, credit manager Pioneer Glass & Paint Co., chairman on meetings; J. H. Bexton, cashier First National Bank, chairman on lists; H. W. Christensen, credit manager Pittsburgh Plate Glass Company, chairman of cooperation.

Establish Branch at Omaha

A branch of the new Federal Agricultural Bank, organized at Wichita, Kansas, was opened in Omaha, March 15th. It is planned to establish other branches at Kansas City, Oklahoma City, El Paso, Fort Worth, and Denver.

Resigns from Omaha National

J. V. Refregier, assistant cashier of the Omaha National Bank at Omaha, Nebraska, and who has been connected with the institution for more than twenty years, has recently resigned his position with that institution. Mr. Refregier expects to make his future home in California.

Dedicates New Building

Installed in its fine, new, banking quarters, the State Bank of Champion, Neb., recently dedicated its new home. Kirk Griggs, secretary of the Nebraska department of Trade and Commerce, was the speaker of the occasion. He praised the aggressiveness which prompted the erection of so fine a building, and predicted a prosperous future for the institution.

Resigns at Scottsbluff

F. L. Pelton has resigned his position with the First National Bank of Scottsbluff, Nebraska, to take up other lines of work. H. O. Eastman will take Mr. Pelton's place in the bank.

Omaha and South Omaha Business

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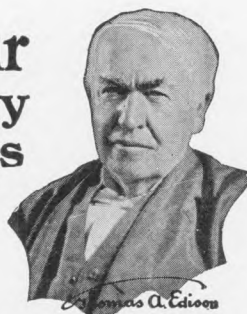
Stock Yards National Bank of South Omaha

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Jas. B. Owen, Vice President	Ford E. Hovey, President	H. C. Miller, Assistant Cashier
J. S. King, Vice President	W. L. Pier, Vice President	C. L. Owen, Assistant Cashier
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Cashier Sells Interest

James A. Boyd, cashier of the Farmers State Bank at Kearney, Neb., has resigned his position and has disposed of his stock in the bank. His place as cashier is being taken by John D. Wolf. Mr. Boyd has been with the bank ever since it was organized thirty-six years ago.

Home Investment as a Selling Point

The agent who sells insurance frequently meets the objection, "Oh, I have all the insurance I can possibly afford to carry." A dramatic and impressive way of meeting this statement of a prospect has been worked out by one of the big insurance companies. It consists in calling attention to the vast difference between "capital," the money a man leaves through insurance, and "income," the sum produced by that money when it is invested.

The salesman asks the prospect to write down on a slip of paper the total amount of insurance he is carrying. It is not necessary for the salesman to know what the amount is.

He then requests the prospect to strike off the last three ciphers and calls attention to the fact that the remaining figures represent the amount of weekly income that his family would receive, when the total amount of the policy is invested so that it is earning 5 per cent.

For instance, \$10,000 invested at 5 per cent produces \$500 a year, or a little less than \$10 a week. Figured in terms of "income" the protection thus established becomes pathetically inadequate to meet the needs of almost any family nowadays, no matter how small. Unquestionably it is good selling practice to get the prospect away from thought of the \$10,000, which seems a large amount, and concentrate his thought on the \$10 a week, which is something altogether different.

The novelty of this idea gives the prospect something to think about; and it certainly has the effect of destroying any idea he might have that \$10,000 nowadays amounts to very much, when you reduce it down to its weekly or monthly value as a money earner.

The point will also make clear the difference between money to pay bills and money to support the family, two entirely different things.—(*Objections, Meeting*)—*New York Life Bulletin*.

There are few delights in any life so high and rare as the subtle and strong delight of sovereign art and poetry; there are none more pure and more sublime. To have read the greatest work of any great poet, to have beheld or heard greatest works of any great painter or musician, is a possession added to the best things of life.—Swinburne.

Commercial Paper Shows Low Loss Percentage

LOSSES on direct loans and discounts of national banks are fifteen times as great as the percentage loss on commercial paper, according to a recent survey made by the National Credit office of New York City. There appear to be four basic reasons why losses on commercial paper are negligible compared with losses on direct loans and discounts:

1. The loaning official of the bank in purchasing open market paper is not subject to the influence encountered in direct contact with a depositor. His judgment is not affected by balances or other mitigating factors.

2. The purchasing bank has a selection of names from which it may choose those in any industry in any section of the country.

3. The buyer may always confirm, within the option period, whether the paper offered has already withstood the criticism of the best credit analysis in the country while the assurance from the broker negotiating the sale, of the soundness of the note, is very important in many instances.

4. As commercial paper offerings are subject to intensive credit study and broad exchange of opinion and comment,

more concise and accurate outside assistance is available for checking open market names than any other form of offering.

During the first eight months of the year, 2,487 business enterprises in all sections of the country sold their notes in the open market. This is by far the greatest number of concerns to be active in the first eight months of any recent year.

At the same time, however, the amount of paper sold was considerably below the volume for the corresponding period for each of the two preceding years. That is, the average open market borrower obtained \$918,000 of credit from outside banks, during the first eight months of 1923; \$755,000 in the first eight months of 1924, and only \$615,000 in the same period of this year.

The following table visualizes the gradual growth in the number of active borrowers and the recent reduction in volume of paper sold:

Active Concerns Jan. to Aug.		Paper Sold Jan. to Aug.
1922	1923	\$1,508,000,000
1923	1821	1,672,000,000
1924	2247	1,698,000,000
1925	2487	1,531,000,000

This phenomenon is attributed largely to two primary facts (1) a greater number of the representative business enterprises are realizing the distinct advantages in obtaining part of their credit on the open market, while (2) the low rates carried by commercial paper during the first six months of this year, ranging from 3½ per cent to 4¼ per cent and averaging about 3¾ per cent, retarded the usual purchases of the outlying banks.

The Union Trust Company of Pittsburgh has increased its surplus from \$44,000,000 to \$47,000,000, making it the largest surplus of any trust company in the world. The capital and surplus of the company is now \$48,500,000. Regular quarterly dividends of 25 per cent are paid on the stock.

*You're a wonderful girl Miss Suzanny,
You play tennis and maybe pianny.
Give Helen a chance
To play with you in France
But cling close to your nanny, Suzanny.*

Money, Paul, can do anything—Dickens.

All that is best in the great poets of all countries is not what is national in them, but what is universal.—Longfellow.

The Omaha National Bank

OFFICERS

WALTER W. HEAD
President
W. DALE CLARK
Vice President
BERT A. WILCOX
Vice President
FRANK BOYD
Vice President
GUY C. KIDDOO
Vice President
OTIS T. ALVISON
Cashier
VICTOR B. SMITH
Assistant to the President
JOHN A. CHANGSTROM
Assistant Cashier
EDWARD NEALE
Assistant Cashier
CLYDE O. DARNER
Assistant Cashier

Established
1866

DIRECTORS

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President J. L. Brandeis & Sons
CHARLES C. GEORGE
President George & Company
LOUIS C. NASH
Vice President the C. B. Nash Co.
WALTER W. HEAD
President
GEORGE J. WOODS
Vice President Woods Bros. Corp.
I. W. CARPENTER, Jr.
Secretary Carpenter Paper Co.
RANDALL K. BROWN
President Coal Hill Coal Co.
EDGAR T. RECTOR
President Fairmont Creamery Co.
GOULD DIETZ
Treasurer C. N. Dietz Lumber Co.
EDWARD A. CUDAHY, Jr.
President Cudahy Packing Co.
BERT A. WILCOX
Vice President

THE OMAHA NATIONAL BANK

The Minnesota Banker's "Code of Ethics"

IN THE Code of Banking Ethics of the Minnesota Bankers Association, approved and adopted at the 1925 convention of the Association, four points are considered. They are: Public Relations, The Banker's Obligations to his Bank, the Profit Motive, and the Banker's Obligation to the Profession. The Code has been printed in the form of a printed broadside and sent out to all member banks of the Association by C. A. Chapman, chairman of the Committee on Banking Practice and Ethics. The Code follows:

I. Public Relations

1. Banks and bankers should obey all the laws of Nation and State.

2. What is best for the community and the bank's clientele is usually best for the bank's operating staff and proprietors. Community service, trust and stability must be first and bank profits secondary or incidental.

3. The banker should so regulate his conduct and practices as to render unnecessary the imposition of legal restrictions. Instead it should be his endeavor to earn and deserve the public confidence.

4. The bank's corporation records and operating books of account should constitute a complete, exact and truthful record of all its transactions. Reports therefrom or exhibit of the same upon lawful request of those properly con-

cerned should be scrupulously exact and truthful.

5. The deposits of the community should, after setting aside suitable first and secondary reserves, be used for the benefit of that community. They should not be exported for the purpose of obtaining higher rates of interest or subjected to greater than local credit hazards.

6. The public's confidence in the banker forbids his issuing letters of introduction, recommendation or endorsement or the heading of subscription or solicitation lists, the doing of which will by such employment of his own or the bank's prestige influence any one to a decision which will involve injury.

7. Communications between banker and client are confidential and privileged and must be held inviolate. Information gained through such relationship should not be exploited by the banker for gain, nor unfair advantage taken of its possession.

8. The account of a depositor or borrower should be accepted only after careful consideration, and it should be refused if he be a confirmed violator of the law, unethical in his practices, a fraudulent bankrupt or contemptuous of his credit or reputation.

II. The Banker's Obligation to His Bank

9. A bank executive or employee must be an individual of good moral character, reputation and unimpaired personal credit. He should have the best education, training and experience which he can attain.

10. A banker should never permit personal profit or advantage to influence him in any of the bank's transactions.

11. The positions of lender and borrower are inherently incompatible; a banker cannot occupy both positions in the bank which employs him.

12. A bank officer or employee should not, directly or indirectly, use or borrow for personal profit or advantage, any of the funds of his bank, nor permit their being borrowed or used by any enterprise in which he is substantially interested as stockholder, partner or proprietor. He ought not become a partner or stockholder in concerns which will be substantial borrowers from his bank.

13. The time and abilities of a bank officer or employee belong to the bank which employs him. His fees, commissions and other earnings attributable to or derived from his position, belong to the bank, unless by formal action of the bank's board, a general or special exception shall be made.

14. A bank is a trust before being the personal money-making enterprise of its shareholders or operatives; they must not, aside from authorized salaries, divi-

(Continued on page 100)

The Royal Union Life Insurance Company

Des Moines, Iowa

Strong and Progressive



Paid to Policyholders—
Over \$21,000,000.00

Insurance in Force—
Over \$148,000,000.00



A. C. Tucker, President

D. C. Costello, Secy.

Wm. Koch, Vice Pres.



J. J. MALONEY
President

Minnesota Bank News

Officers Minnesota Bankers Association

President.....J. J. Maloney
Heron Lake
Vice President...R. E. Macgregor
Minneapolis
Treasurer.....J. K. Martin
Little Falls
Secretary.....F. P. Fellows
St. Paul



F. P. FELLOWS
Secretary

Hail Insurance Restrictions

J. J. Maloney, president of the Minnesota Bankers Association, has issued a letter to all member banks, calling their attention to recent changes and provisions relative to policies written for hail insurance, and suggesting that to avoid future difficulties it would be well for the agent to call to the purchasers attention these changes before signing him up. A part of his letter follows:

"The application for hail insurance, which is a part of the policy, contains these restrictions:

"1. That if corn is covered hereunder the insurance on corn shall not take effect until at least 75 per cent of the plants have formed the *second joint* above the ground and said *second joint* is clearly visible from an *outside* inspection, and this company shall not be liable for loss or damage to corn stalks and/or leaves unless such loss or damage shall *affect the grain product thereof*, and then only to the extent that said product has been affected.

"2. That if this policy covers on grain crops other than corn no liability attaches until the plants have jointed and at least 75 per cent of the plants have attained a height of *ten (10) inches* above the ground, measured from the ground to the tip of the longest leaf. That, if this policy covers on flax, no liability attaches hereunder until at least *six (6) leaves (in addition to the original two leaves)* have been borne by at least 75 per cent of the plants.

"In the past, banks have not written hail insurance as a money-making proposition, but rather from an economic standpoint to provide their farmer customers with protection.

"Should a bank write hail insurance hereafter without thoroughly explaining to its customers the new provisions of the policy, considerable confusion will be caused and customers will be antagonized in the event of a loss not covered under the policy."

Northwest Is Prosperous

Condemning persons who had been spreading propaganda regarding the undesirable economic state of the North-

west, Bernard B. Moore, deputy governor of the Federal Reserve Bank at Minneapolis, in speaking before the Minneapolis Business Association at a recent luncheon, said as follows:

"It might interest people who question the prosperity of the northwest to know that in the banks of the Ninth Federal Reserve District there is \$1,700,000,000 in liquid money, and enough in good bonds to bring the total sound assets up to \$2,500,000,000." The agricultural land alone is valued at \$6,000,000,000, and there is \$1,000,000,000 worth of buildings on this land.

"While alarmists have claimed that farmers were leaving the northwest by the hundreds, there has actually been an increase of land under cultivation between 1920 and 1925."

Elected Director

Samuel L. Sewall, vice president and treasurer of the Minneapolis Iron Store Company, has been elected a director of the Midland National Bank & Trust Co. of Minneapolis.

Group Meetings

Secretary F. P. Fellows, of the Minnesota Bankers Association, announces the following dates and places for the 1926 Minnesota Group Meetings:

Group 7—Tuesday, May 11th, Litchfield;

Group 2—Thursday and Friday, May 13th and 14th, Luverne;

Group 1—Monday and Tuesday, May 17th and 18th, Winona;

Group 3—Wednesday, May 19th, Stillwater;

Group 10—Thursday, May 20th, Lindstrom;

Group 8—Saturday, May 22d, Biwabik;

Groups 6 and 9—Monday and Tuesday, May 24th and 25th, Bemidji.

The state convention dates are June 9th, 10th, 11th, at Minneapolis.

A Drive for New Business

During the months of April, May and June, the Midland National Bank & Trust Company of Minneapolis is planning an intensive drive for new business, which will include checking accounts, savings accounts, certificates of deposit, wills, living trusts, life insurance trusts, and safe deposit boxes.

All the directors, officers and employes, and even the customers themselves, will participate. Team captains have been selected, and a quota set for each team. A monster score board will be erected in the bank which will give the totals as the drive progresses. Customers who join the teams will be given cash bonuses in the same manner as the employes of the bank.

The total for all quotas set is \$1,000,000.

Minneapolis Banker Dead

Frank H. Peterson, president of the Union State Bank of Minneapolis, Minnesota, and a leader in the business activities of the city for more than fifty years, died there recently at the age of sixty-nine years. Death was caused by heart disease.

During the early part of his career, Mr. Peterson was engaged in the furniture business, but about ten years ago he purchased a large interest in the Union State Bank and became its president and executive manager. Since his connection with the bank it has enjoyed a steady growth in business and deposits. Mr. Peterson was not married, but is survived by a brother and two sisters.

Consolidates with Northwestern

On March 1st the business of the Mercantile State Bank of Minneapolis was consolidated with the Lincoln office of the Northwestern National Bank. Directors of the Mercantile Bank have been added to the advisory board of the Lincoln office and its officers and staff have joined the Lincoln office management. The old quarters at Hennepin Avenue and Sixth Street have been vacated. The Mercantile State at the time of consolidation had deposits of almost \$2,000,000.

Crosby Bank Sold

W. L. Merriek, who has held controlling interest in the First State Bank of Crosby, Minn., has sold his holdings to A. P. Mumford, Mons Mahlum, P. L. Halenback, Edward Krueger and R. A. Maahs. Mons Mahlum will be the new president of the bank and A. P. Mumford the cashier.

Institute School Savings

The city schools of Owatonna, Minnesota, under the Thrift, Incorporated plan, have recently inaugurated a system of school savings. Indicating that the students were taking a real interest in the

plan, almost \$300 was deposited the first week. Of 1,267 pupils present on the day the deposits were called for, 800 opened a savings account. A number of contests will be carried on, in an endeavor to have each grade make 100 per cent.

Increases Capital Stock

At a recent special meeting of the stockholders of the company the authorized capital stock of the W. B. Foshay Company, of Minneapolis, was increased from \$2,000,000 to \$4,000,000.

One million of this increase is 7 per cent preferred stock and \$250,000 is being offered for public subscription at par. Proceeds from the sale of this stock will be used for the acquiring of additional public utility properties.

The earnings of the company in 1925 were \$311,858.51, of which \$82,000 was paid out in dividends to stockholders.

APRIL SHOWERS

It is said that April showers bring May flowers. The great northwest is hopeful that the month's showers will be followed by an abundant crop. To produce, harvest and market the same this strong bank tenders its facilities so far as they can be effectively utilized.

THE FIRST NATIONAL BANK, Duluth, Minn.
Capital \$2,000,000.00 Surplus and Profits \$2,250,000.00

WE EXECUTE FUTURE TRADES PROMPTLY ON MINNEAPOLIS EXCHANGE

For quick execution send margins by telegraph, express, money order or cashier's check.

MIDLAND GRAIN CO. **Minneapolis**

MIDLAND BANK

LIMITED

Established 1836

Chairman:

THE RIGHT HON. R. McKENNA

Joint Managing Directors:

FREDERICK HYDE EDGAR W. WOOLLEY

Statement of Condition

December 31st, 1925

RESOURCES			\$5 = £1
Cash in hand and Due from Banks . . . . .	..	..	\$353,083,306-00
Money at Call and Short Notice . . . . .	..	..	93,396,746-73
Investments . . . . .	..	..	173,956,378-69
Bills Discounted . . . . .	..	..	209,440,111-23
Advances . . . . .	..	..	983,737,739-21
Liabilities of Customers for Acceptances and Engagements . . . . .	..	..	178,738,950-52
Bank Premises . . . . .	..	..	33,185,847-18
Investments in Affiliations . . . . .	..	..	31,839,753-89
LIABILITIES			
Capital Paid up . . . . .	..	..	63,326,920-00
Surplus . . . . .	..	..	63,326,920-00
Deposits . . . . .	..	..	1,752,036,042-93
Acceptances and Engagements . . . . .	..	..	178,738,950-52

Together with its affiliations the Midland Bank operates 2,300 branches in Great Britain and Northern Ireland, and has offices in the Atlantic Liners *Aquitania*, *Berengaria* and *Mauretania*. The Foreign Branch Office at 196 Piccadilly, London, is specially equipped for the use and convenience of American visitors in London.

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

May Have New Bank

The Union Investment Company, of Minneapolis, Minnesota, through its auditor, A. Gulbransen, has been investigating conditions in Warren, Minnesota, with a view to establishing a bank in that city. The Union Investment Company is interested in more than thirty banks located in the smaller towns in the northwest. Their organization plan is to interest a large portion of local capital, and finance the balance themselves.

Becomes Cashier

Charles W. Boyle, of DeGraff, Minnesota, has purchased a large block of stock in the Farmers State Bank, of Rosemount, Minnesota, and has assumed the cashiership of the institution. He succeeds J. E. Beschta, who has entered other lines of work.

Changes at Crosby

E. V. Anderson, who for the past six years has been cashier of the First State Bank at Cuyuna, Minnesota, has gone to Minneapolis where he becomes vice president of the Penn State Bank. Charles J. Heen, cashier of the First National at Crosby, Minnesota, has gone to Cuyuna to assume a like position. Ray A. Butts, assistant cashier of the First National at Crosby, is temporarily filling the cashiership vacancy left by Mr. Heen.

Buy Controlling Interest

L. H. Powell and Dr. F. D. Gray have purchased a controlling interest in the Lyon County National Bank of Marshall, Minnesota, and Mr. Powell has been elected president of the institution. No other changes were made in the officers. Mr. Powell and Dr. Gray have been directors of the Lyon County National for the past ten years.

Minnesota Bankers Convention

The annual convention of the Minnesota Bankers Association will be held



this year in Minneapolis, June 9, 10, and 11. The Nicollet Hotel will be convention headquarters. It is planned to hold a number of the sessions on the campus of the Farm School at the university of Minnesota.

Other bankers conventions to be held in this immediate territory this year are Iowa, Sioux City, June 21, 22 and 23; South Dakota, Watertown, June 15 and 16; Illinois, Springfield, June 17 and 18; Nebraska, Omaha, October 21 and 22; and the A. B. A., October 4, 5, 6, and 7, at Los Angeles.

Cashier Resigns

Arch O. Jensen, formerly cashier of the National Exchange Bank of St. Paul, has resigned from that institution to devote all his time to private interests. His position in the bank will be filled by Clarence T. Dedon, who is also vice president of the Central Trust Company. Mr. Dedon has been with the National Exchange institution since 1910. His first job was that of messenger boy.

Safe Deposit Vault Ready

The Midland National Bank & Trust Company, of Minneapolis, have announced that the new safe deposit vault recently installed is now ready for use. The new vault is much larger than the one formerly in use, and is equipped with the latest and most modern safety appli-

ances. Convenience for customers has been emphasized in its construction. The boxes cover a wide range of sizes, and the rental is moderate.

Adopt Protection Plan

The bankers of Douglas county, Minnesota, at their recent semi-annual meeting, held at Alexandria, voted to establish a force of county rangers for the protection of banks in the county. While there have been no bank robberies in the county, it was thought well to be prepared. A body of rangers will be sworn in as deputy sheriffs, and will be ready at all times to arm themselves in case of an invasion by robbers.

The committee in charge of the organization plans are J. B. Hove, Carlos, chairman; County Attorney Constant Larson, Sheriff Emil Lundeen, George Stromlund, Nelson, and Nels Evenson, Osakis.

Finance Corporation Shows Gains

The annual report of Industrial Finance Corporation, just made public, shows net earnings of \$587,092, and accrued earnings in companies in which the corporation has holdings, of \$551,327, or a total net and accrued earnings for the year of \$1,138,419. After paying dividends of \$304,021 on its debenture and preferred stocks, the net value of the corporation's assets in excess of liabil-

ities increased by \$834,398 or over 66 2/3 per cent of the common stock outstanding.

The company controls Industrial Acceptance Corporation, which has an exclusive contract for the financing of Studebaker dealers in this country and abroad, and is also holding company of the Morris Plan Corporation; in addition it has large stock holdings in Morris Plan Banks and companies throughout the country, many of which it controls through stock ownership.

Of these companies President Arthur J. Morris says: "Morris Plan Banks and companies continue to show a steady and substantial growth year after year. The total volume of their loans in 1925 was \$141,000,000, as compared with \$122,000,000 in the preceding year, and the total net earnings of all companies rose from \$2,472,154 in 1924 to \$2,842,317 in 1925."

Speaking of the progress of the corporation, Mr. Morris says: "Three years ago the assets of Industrial Finance Corporation in excess of liabilities produced a balance of \$372,427 for the common stock. The present report shows a value of \$3,012,744 for the \$1,198,000 of common stock outstanding, an increase for the three years in the value of the stockholders' equity of \$2,640,317."

Money makes a man laugh.—Selden.

The Chase National Bank
of the City of New York

57 BROADWAY

Capital \$ 20,000,000.00
Surplus and Profits 27,178,043.06
Deposits (Dec. 31, 1925) 564,608,785.07

ALBERT H. WIGGIN
Chairman of the Board and President

DIRECTORS

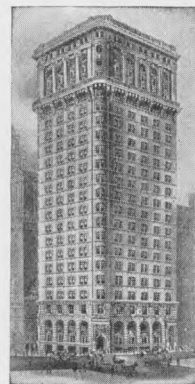
- | | |
|---------------------|----------------------|
| Henry W. Cannon | Gerhard M. Dahl |
| Albert H. Wiggin | Reeve Schley |
| John J. Mitchell | H. Wendell Endicott |
| Guy E. Tripp | Jeremiah Milbank |
| James N. Hill | Henry Ollesheimer |
| Daniel C. Jackling | Arthur G. Hoffman |
| Charles M. Schwab | F. Edson White |
| Samuel H. Miller | Alfred P. Sloan, Jr. |
| Edward R. Tinker | Elisha Walker |
| Edward T. Nichols | Malcolm G. Chace |
| Newcomb Carlton | Thomas N. McCarter |
| Frederick H. Ecker | Robert L. Clarkson |
| Eugene V. R. Thayer | Amos L. Beaty |
| Carl J. Schmidlapp | William H. Woodin |

WE INVITE 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.

Foreign and Trust Department Facilities

THE HANOVER NATIONAL BANK
OF THE CITY OF NEW YORK
Established 1851



Capital \$5,000,000
Surplus and Profits 25,000,000

THE MINNESOTA BANKER'S "CODE OF ETHICS"

(Continued from page 96)

dends and lawful compensation, profit from the use of its funds, credit or prestige.

III. The Profit Motive

15. A bank should not by any expedient exact more than the legal contract rate of interest. It should not permit a higher rate of interest to become the inducement for the purchase or discount of paper otherwise objectionable, or growing out of a subject matter for which it would not have approved a loan in the first instance.

16. A bank should not so far embark in merchandising of securities as to involve recommendation or sale of investments which it would not approve for its own account or whose character involves excessive risk or speculation.

17. In adjusting compensation for its service banking will in the future tend to elimination of gratuitous service, depend less upon the spread in interest rates, and more upon measured service compensated at all points.

IV. The Banker's Obligation to the Profession

18. The soundness of each bank in a community is of vital concern to all the banks in that community and demands mutual help, interchange of essential information, warnings and counsel preferably through organized clearing houses or other suitable associations.

19. Business solicitation and publicity for the individual bank will be most productive for that bank when it aims at building public faith in banking as a whole, inspires confidence in all the community's banks and neither derogates any

of them, nor makes unfair comparisons or unjust claims.

20. Others engaged with us in banking are to be regarded not as combatants in a game of strife but as associates in a noble profession of service, with a need for fraternal solidarity, uniformity of practice, mutuality of interest and a common discipline of morals to be sanctioned through various forms of bankers' associations.

21. The education of subordinates should be the grave concern of every banker. He should have a personal interest in their welfare and their advancement in practice and ethics. Failure to make suitable progress should cause dismissal for the good of the profession.

For Executive Council

William B. Thurston, Jr., assistant secretary and treasurer of the Baltimore Trust Company, has been entered by the Baltimore Chapter, American Institute of Banking, as its candidate for membership on the Executive Council of the Institute. The election will be held at the Dallas convention in July.

Mr. Thurston, an Institute Certificate holder, joined the institute when he became a runner for the Merchants National Bank of Baltimore 20 years ago as a youth of nineteen. He worked his way up in various capacities, until now, as assistant secretary and treasurer of the Baltimore Trust Company, he is considered one of the ablest junior officers in Baltimore.

During all that time he has been closely and prominently identified with institute work. He has held the chairmanship of every committee of the Baltimore chapter, acquitting himself well, and was president for the term 1919-1920.

Plan for Group Meetings

The presidents and secretaries of the various groups of the Minnesota Bankers Association met recently in Minneapolis to make their plans for the Group Meetings to be held this year. Many new ideas were suggested at the meeting.



A CONSTANTLY growing list of customers is evidence of the widespread knowledge and appreciation of the facilities of this institution among bankers in the Central West. We invite accounts from those institutions seeking a Chicago connection of strength and dependability.

THE STOCK YARDS NATIONAL BANK
AND
THE STOCK YARDS TRUST & SAVINGS BANK
of CHICAGO

**MIDLAND
NATIONAL BANK**
and
TRUST COMPANY

Resources \$22,000,000.00

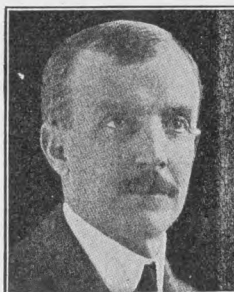
MINNEAPOLIS

North Dakota Bank News

Officers North Dakota Bankers Association

President.....Ed Pierce
Sheldon
Vice President and Chairman Executive Council.....H. T. Graves
Jamestown
Treasurer.....J. E. Davis
Goodrich
Secretary.....W. C. Macfadden
Fargo

ED PIERCE
President



W. C. MACFADDEN
Secretary

Moved to Wembleton

The business of the Farmers and Merchants Bank of Clementsville will in the future be conducted at Wembleton, N. D., and the organization will be known as the Farmers and Merchants Bank of Wembleton. The bank is located in the old First National building at Wembleton. Officers and directors are: Fred Carr, president; M. T. Chase, vice president; R. R. Wolfer, vice president; Myron Ackerman, Sr., vice president; G. B. Arveson, cashier. Directors are Fred Carr, G. B. Arveson, R. R. Wolfer, M. T. Chase, L. B. Neimeyer, Geo. W. Scott and Myron Ackerman, Sr.

Consolidations Encouraged

The many consolidations of various North Dakota banks in accordance with a resolution adopted by the North Dakota Bankers Association is rapidly helping to place the state on a better financial basis. Recent mergers reflect an honest effort to stabilize banking conditions in those counties where the situation was crowded. In many cases, also, banks have been moved from towns where business was not profitable, and moved to others where conditions were better and banking facilities needed.

Resigns at Williston

Carl H. Erickson, formerly cashier of the Commercial State Bank of Williston, North Dakota, has been elected secretary and treasurer of the C. O. Knight Company, and has assumed his new duties. The Commercial State Bank changed ownership recently.

Plan Consolidation

Directors of the Farmers National Bank and the Citizens State Bank, both of Barnesville, North Dakota, met recently to discuss plans for the consolidation of the two institutions. Meetings of the stockholders of both banks had already been held, and favorable reports relative to consolidation were returned.

First International Elects

The First International Bank of Minot, North Dakota, at its recent annual meeting of the board of directors, elected

W. G. Connors, of Roseglen, president of of the institution, to succeed J. R. Carley of Grand Forks.

Mr. Connors has a wide acquaintance in the vicinity of Minot, and is well up on conditions in that territory, having been engaged in banking at Roseglen, near Minot.

The following constitutes the officers and directors of the bank:

President, W. G. Connors; vice president, Otto Bremer, St. Paul; vice president, C. H. Parker, Minot; cashier, E. R. Becwar, Minot. The directors are: Otto Bremer of St. Paul, chairman of the board of directors of the American National Bank of Grand Forks; G. S. Woolledge, Minot, attorney-at-law; C. E. Danielson, Minot, proprietor of Grand Hotel; C. H. Parker, Minot, proprietor of Leland-Parker Hotel; W. G. Connors, president; and E. R. Becwar, cashier.

Citizens Bank Elects

At the recent annual meeting of the stockholders of the Citizens Bank of Drayton, North Dakota, the following officers and directors were elected to serve the institution for the coming year: president, Dr. H. M. Waldron; vice president, B. E. Herseith; cashier, Ole Lovik; assistant cashier, F. B. Sullivan.

Directors elected were: Dr. H. M. Waldron, B. E. Herseith, L. E. Johnson, F. W. Bellamy and A. C. Teien.

These men are all pioneers in this locality, and are well fitted to have charge of the affairs of the bank.

Buy Carrington Bank

G. S. Newberry and F. E. Tucker, both of whom have been interested for a number of years in the First National Bank of Carrington, N. D., have bought the controlling interest in the institution. The officers are: President, G. S. Newberry; vice president, F. E. Tucker; cashier, R. W. Hargrave; assistant cashier, G. A. Murphy.

Bank Merger

The business of the First State Bank of Alkabo, N. D., has been merged with that of the First International Bank of

Fortuna, N. D. A. T. Johnson, formerly cashier of the Alkabo Bank, becomes cashier of the First International at Fortuna.

Sells Interest

George Carlson has sold his stock in the DeLamere State Bank of DeLamere, N. D., of which he was the cashier, to B. A. Trangsrud, and the latter will take Mr. Carlson's position with the bank. The other officers will remain the same. The directors of the bank are C. H. Nygaard, Alvin Erickson, Chas. Martinsen, J. C. Ostern, J. O. Foley, and B. A. Trangsrud.

NORTH DAKOTA NEWS

W. H. Rausch, formerly cashier, has been elected president of the Selfridge State Bank. A. C. Rausch, formerly assistant cashier, succeeds to the office of cashier. C. F. Gilbertson has been appointed assistant cashier.

B. A. Trangsrud has been elected cashier of the DeLamere State Bank, succeeding George Carlson. J. O. Foley is now assistant cashier of this institution.

C. W. Aunger, formerly cashier of the First International Bank of Fortuna, succeeds A. O. Fuglie as cashier of the Peoples State Bank of Parshall.

A. T. Johnson, formerly cashier of the First State Bank of Alkabo, takes the place of C. W. Aunger as cashier of the First International Bank of Fortuna.

The First State Bank of Alkabo has been taken over by the First International Bank of Fortuna.

The First State Bank of Zahl has been taken over by the State Bank of Zahl.

F. N. May, formerly vice president, succeeds H. C. Hjerlid as president of the Bank of Scranton. E. H. and Chas. Kelner have been elected vice presidents.

The First State Bank of New Salem has increased its capital stock from \$15,000 to \$20,000.

P. A. Paulson, formerly cashier of the Citizens State Bank of Lansford, has accepted the position of cashier of the Michigan City Bank at Michigan.

The Prince of Wales is reducing. Perhaps he wants to respond to that call of true fellowship—"Oh Skinny!"

If the galley-slave of old ever sang at his work, it must have been that touching refrain, "Life's Dream is Oar."

Wherever they are, it's a safe bet that the Stillmans are still at sea.

Making of a Movie Star

Young women of physical pulchritude, with expressive eyes and a full appreciation of their charms, are wont to believe they can step from their home towns into the galaxy of the movies. They are mistaken if we may accept the word of an experienced motion picture producer, Mr. Cecil B. de Mille, as broadcast over the radio the other night.

He said that very few stars of the screen are classically beautiful; and that while beauty has its place in the selection of movie actresses, it does not rank with personality and hard work as a determining element. What is personality? It is "that which constitutes distinction of per-

son," says the dictionary. Not a very illuminating definition for a girl in a high school. Mr. de Mille defines it more poetically as "that mystic elusive thing that shines in the eyes, that is recognized in the clothes, that you can see from in back (whatever that may mean), that you can't bottle up, and that is stronger than drink." All right for young women, but hardly applies to Daniel Webster or Walt Whitman.

Gloria Swanson was selected for stardom "because of the way she leaned against a door" in a Mack Sennett comedy. She registered a woman in distress "with her soul expressed in the pose of her body." That was personality. She was good for

just five seconds, and "very, very bad for the rest of the film." But she got her chance and won fame by her hard work, plus the "elusive thing."—Chicago *Journal of Commerce*.

These fellows that are forever "on the vault" had better file an entry in our Track Meet.

Poetry is the record of the best and happiest moments of the happiest and best minds.—Shelley.

A poem is the very image of life expressed in its eternal truth.—Shelley.

When Mayor Henley Changed His Hat

Just before each of the three daily trains pulled into his town, Mayor Henley changed his hat. Then he became the Railroad Station Agent. In addition to these duties, he published a weekly newspaper every Thursday, which he himself edited. In between times he served as an active director of a progressive bank.



In a word, Mayor Henley was a useful, energetic citizen of the town in which he lived. Scarcely a single soul in the whole countryside but knew and liked him. Gifted with a remarkable ability to get things done, he found his services often in demand. Meeting people in so many different ways gave him experience and wisdom to an unusual degree. And each year found the scope of his activities increased and the people he served more numerous.

If you will magnify Mayor Henley's abilities to a point where a single person could not possibly possess them

all, then a group of individuals must serve. And through proper organization the same qualities of ability and good service may be retained.


This is true of the DROVERS BANKS. The variety of services which they perform eminently satisfy nearly one thousand Correspondent Banks and many more individuals and firms, who make innumerable calls upon them.

Your Bank would benefit by this sort of service. If it is not already a Correspondent of the DROVERS, why not start negotiations today?

DROVERS
NATIONAL BANK
TRUST & SAVINGS BANK

Union Stock Yards, Chicago





IOWA SECTION


Officers Iowa Bankers Association

President Emil Webbles
Burlington

Vice President C. C. Jacobsen
Mapleton

Treasurer A. E. Hindorf
Newton

Secretary Frank Warner
Des Moines



EMIL WEBBLES
President

FRANK WARNER
Secretary

boards of directors will also be consolidated.

The present site of the Union-Davenport will be the future home of the merged banks, and arrangements have already been made for the occupancy of the vacated Scott County Savings. The directors of both institutions feel that the consolidation will offer greatly increased banking facilities for the rapidly expanding industries of Davenport, and at the same time keep the overhead to a minimum.

The officers and members of the board of directors of the combined bank are as follows:

President—William Heuer.

Vice presidents—J. H. Hass, Otto Hill, Gustav Stueben and Joseph J. Brus.

(Continued on next page)

Davenport Merger Effective April 1st

The recent consolidation of the Union Trust and Savings Bank and the Scott County Savings Bank of Davenport, Iowa, effective April 1st, gives to the Iowa banking fraternity one of the largest and strongest bank and trust companies of the middle west. In capital, surplus and profits the new institution, which will be known as the Union Savings Bank and Trust Company, will be the largest bank and trust company in either Iowa or Illinois, outside of Chicago.

The capital, surplus and profits of the new institution will be \$2,500,000, with total resources of more than twenty million. Each of the consolidating banks has been in existence for more than half a century.

The new bank will have an exceptionally strong line-up of officers.

William Heuer, president of the Union-Davenport Savings, will be the president of the new institution, and J. H. Hass,



J. H. HASS, Vice President

president of the Scott County Savings, will be the vice president. The present officers of the two banks will become officers in the combined institutions, and the



OTTO HILL, Vice President



W. M. HEUER
President

Iowa Group Meetings

The Iowa group meeting schedule for this year as announced recently by Emil Webbles, president of the Iowa Bankers Association, is as follows:

SOUTHERN GROUP MEETINGS

- Group 6—Marshalltown Monday, May 10
- Group 3—Eldora Tuesday, May 11
- Group 10—Centerville Wednesday, May 12
- Group 9—Humeston Thursday, May 13
- Group 8—Monticello Friday, May 14

NORTHERN GROUP MEETINGS

- Group 2—Storm Lake Monday, May 24
- Group 5—Carroll Tuesday, May 25
- Group 1—Sioux City Wednesday, May 26
- Group 7—Waterloo Thursday, May 27
- Group 4—Nashua Friday, May 28

Agricultural Committees Organized

I. J. Green of Davenport, chairman of the Agricultural Committee, and Emil Webbles, president of the Iowa Bankers Association, have jointly completed a statewide organization of bankers, selecting a banker in each county to serve as chairman of the agricultural work in his particular county. The chairman will represent his County Bankers Association and the Iowa Bankers Association in agricultural work with his county Farm Bureau, County Agent and other farm organizations in his county and State Agricultural College at Ames. This agricultural work will also be carried on

co-jointly with the Agricultural Commission of the American Bankers Association. W. A. Dexter, agricultural chairman for Tama county, was one of the first to report to the state headquarters of the Iowa Bankers Association, stating: "I take pleasure in saying that our County Association is actively cooperating with the Farm Bureau in this county, having provided a cup for the winner of the Seed Corn Growers Contest, and cups for the boys and girls pig clubs."

Washington says that the murders perpetrated by Sicillians in Chicago presents a grave situation. Perfectly killing, that.

DAVENPORT MERGER

(Continued from page 104)

Cashier—Smith Blackman.

Assistant vice presidents—Fred W. Zabel, Albert J. Jansen and A. H. Bierkamp.

Assistant cashiers—Henry H. True, Leon H. Hass, Roy Krabbenhoeft, George L. Hamann and Chester U. Schaefer.



GUSTAV STUEBEN, Vice President

Board of directors—William Heuer, J. H. Hass, F. H. Bartemeyer, G. A. Koester, Theodore Krabbenhoeft, I. L. Sears, H. J. Zeuch, W. R. Weir, W. H. Gehrman, Chris D. Kuehl, J. H. Schaefer, Dr. R. E. Peck, William Richter, Gustav Stueben, J. B. Richardson, J. C. Hall,



JOSEPH J. BRUS, Vice President

Joseph Deutsch, Alex Naeckel, J. W. Watzek, George White, Dick R. Lane, Smith Blackman, E. P. Adler, William H. Voss, Louis Hannssen, Dr. D. J. McCarthy, Joseph J. Brus, Charles Grilk, George Dempsey, Bert Dow, R. H. Harned and A. H. Stoltenberg.

Over 62 Years of Service to Iowa Bankers

Broad Service

The broad service offered by the First National provides everything you need in a Davenport correspondent. Every detail of modern banking is covered by an efficient staff, long experienced in the successful handling of your banking problems.

And also, there is a friendly feeling that puts earnest, intelligent effort into everything that touches your welfare.

Let us demonstrate to you how the First National can serve you.

FIRST NATIONAL BANK

DAVENPORT IOWA

A. F. DAWSON
President

I. J. GREEN
Cashier



KEEP YOUR OFFICERS

in closer touch with your savings and checking accounts by the use of our expert mailing service. Our specialty: Duplicating Letters, Addressing, Matching, Folding and Mailing.

DES MOINES DUPLICATING CO.

917-919 WEST GRAND AVE.

DES MOINES, IOWA

Elect Officers

At the recent annual meeting of the board of directors of the Alta State Bank of Alta, Iowa, E. J. Edwards was elected president for the coming year. Samuel Parker, the former president, was elected chairman of the board. C. E. Cameron and G. F. Tincknell continue in their capacities of vice president. H. F. Reeder was newly elected as cashier of the institution.

Helps to Increase Business

H. E. Henderson, president, and I. C. Stanley, vice president of the Stanley-Henderson Company, Cedar Rapids, Iowa, announce that H. H. Sanders, land inspector for their organization, has ma-



H. H. SAUNDERS

terially assisted them in putting on their books, during 1925, the largest volume of business the company has ever experienced.

Mr. Sanders was born and raised in Floyd county, and has always been active in the land and farm mortgage business. For many years he represented the Farmers State Bank at Rudd, Iowa, and has always been most careful and efficient in his work.

Accepts State Position

P. C. Hartman, formerly cashier of the Waukee Savings Bank of Waukee, Iowa, has accepted a position with the State Banking Department, and has entered upon his new duties. The Waukee Savings has recently merged with the Bank of Waukee.

Buys Interest at Calumet

Paul J. Fischer has purchased an interest in the Calumet State Bank, Calumet, Iowa, and becomes cashier of that institution. Mr. Fischer obtained his first banking experience in the First National Bank of Hartley, Iowa, where he

formerly lived. He was afterward connected with the State Banking Department as a bank examiner.

George Reifsteck, who was formerly cashier, has been elected vice president and Ray H. Mugge assistant cashier, and these gentlemen, with Mr. Fischer, are active in the conduct of the bank's business. The bank has a capital of \$50,000 and surplus of \$20,000.

Reorganized and Consolidated

Reorganized and consolidated with the First National Bank, the Dunlap Savings Bank, of Dunlap, Iowa, is now open for business, with a capital stock of \$80,000, a surplus of \$20,000 and deposits of

\$525,000. The new organization bought the First National Bank building, and is conducting its business in its new home. The officers are: president, M. C. Dally; vice president, H. W. Millard; cashier, H. W. Van Horn.

Banker's Wife Dies

Mrs. Anna B. Howe, wife of Henry J. Howe, president of the Fidelity Savings Bank of Marshalltown, Iowa, died recently at her home. Mrs. Howe was a prominent club woman, and had always taken an active part in the social and civic enterprises in Marshalltown. She was also instrumental in organizing the local D. A. R. chapter.

*If You Have
No Connection
in Des Moines*

You can always call on us to handle any item of business that requires the attention and cooperation of a Des Moines bank.

And you can depend on us to handle it to your complete satisfaction.



**BANKERS TRUST CO.
BANK**

Cor. 6th and Locust Sts., Des Moines

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



Two Bank Customers

(Little Talks on Tiling, No. 16)

CARL OLSON raised 108.95 bushels of corn to the acre on tiled land in the 1925 Cerro Gordo Corn Contest. At 56 cents a bushel he made a profit of \$36.00 an acre. Another man raised only 33.9 bushels an acre on his best field and lost \$6.50 on each acre because his land was untilled.

WHICH of these two men would make the most profitable customer for your bank? If all farmers in your territory were Carl Olsons your community would be more prosperous and your bank business would be more profitable. The power to make Carl Olsons out of many of your farm customers lies with you.

**Tile Drainage Will Make Carl Olsons
Out of Many of Your Farm Customers**

Mason City Brick and Tile Company

312 Denison Bldg. Mason City, Iowa

Cashier of New Bank

Ivan O. Hasbrouck, until recently vice president of the Central State Bank, Des Moines, has resigned from that institution to assume charge and cashiership of the newly organized Iowa State Bank of Jefferson, Iowa. Mr. Hasbrouck has been connected with the Central State for four years, coming there from Ames where he was with the Ames National.

In New Quarters

Two years of rapid growth have culminated in the moving of the Continental Trust & Savings Bank, of Des Moines, into new and larger quarters in the Royal Union Life Building at the southwest corner of Seventh and Grand Avenue.

The rooms have been completely remodeled and new mahogany fixtures installed. Two fireproof vaults are at the rear of the room and modern safety deposit equipment has been built in.

On the opening day flowers were given to lady visitors and special favors were presented to those who opened new accounts. The officers and directors of the bank held open house to their friends and visitors the entire day.

The banking room is fifty-eight feet in length and has a lobby entrance from the Royal Union Life Building, also a Seventh Street entrance. The room at the rear is thirty-two feet in width, making suitable space for the mortgage department of the bank.


The Continental Trust & Savings Bank was organized two years ago and is operated as a savings bank. While checking accounts are handled by the bank, all loans are made strictly on a secured basis. The past year checking deposits made a thirty per cent gain. This rapid increase in business has made it necessary to secure larger quarters for the bank.

The officers and directors of the bank are: Marion D. Woods, president; A. H. Blank, vice president; A. L. Edwards, cashier; L. F. Clampitt, assistant cashier; Robert J. Bannister, W. H. Boettcher, Le Roy C. Dunn, Dwight N. Lewis, and Paul W. Wilderson, directors.

Increases Capital Stock

Following authorization by the stockholders, the capital stock of the First National Bank of Mason City, Iowa, has increased its capital stock by \$250,000, making its new capital \$500,000. The surplus and profits of the bank now stand at \$300,000, which gives the institution a working capital of \$800,000. C. H. McNider, president of the First National, stated that the bank needed the increased capital to take care of the present business, and also to make provision for future business. In speaking of the increase, Mr. McNider says:

"The First National Bank has unbounded faith in Mason City and North



GOING steadily forward, serving the people of Des Moines and the bankers of Iowa, as we have done for over 50 years.

*More Than 35,000
Customers*

IOWA NATIONAL BANK

DES MOINES SAVINGS BANK AND TRUST COMPANY
Iowa's Largest Bank - Des Moines - Sixth and Walnut

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	ASAPH BUCK, Vice President
L. J. MONTGOMERY, Vice President	ALVIN KRAFT, Assistant Cashier
C. J. BODE, Cashier	L. J. WOLF, Assistant Cashier

:: ACCOUNTS OF BANKS AND BANKERS INVITED ::

Iowa, and it is because we have this faith that we are adding to our equipment in order to be better able to serve the ever-increasing demands of the community.

"Our putting this additional \$250,000 into the bank is but an exemplification that we do have the utmost confidence in Mason City and Iowa for the future.

"We believe that Mason City and Iowa are entering a period of unprecedented prosperity and expect the next decade to put Mason City to the front as a leading commercial center in Iowa and the middle west."

Bank Building Sold

The bank building and fixtures of the Sac County State Bank, Sac City, Iowa, were sold recently to A. W. Jones, of Peterson, Iowa. The sum paid was \$24,250. Mr. Jones and his associates are planning to open a new bank in these quarters, details of which they will announce later.

Buy Waukee Bank

Adding to their already long list of holdings, the Brentons have purchased the Waukee Savings Bank, and merged it with the Bank of Waukee, Iowa, which they now own. The bank was bought outright, the depositors of the Waukee Savings simply transferring their accounts to the Bank of Waukee. The deposits of the Waukee Savings amounted to about \$100,000.

New Banks for Jefferson

Merchants and business men of Jefferson, Iowa, have two new banks with which to conduct their banking business, both recently organized and put into operation. They are the Jefferson State Bank, and the Iowa State Bank.

The officers of the Iowa State Bank will be as follows: chairman of the board, Simon Casady, Des Moines; president, Grant McPherrin, Des Moines; vice president, E. A. Milligan, Jefferson; cashier, Ivan O. Hasbrouck. Others interested in the bank are E. B. Wilson and M. M. Brunner, Jefferson, and Dr. Pringle, of Bagley, Iowa.

The officers of the Jefferson State Bank are: W. H. Brenton, president; Clyde E. Brenton, vice president; V. W. Miller, cashier; Ralph H. Maloney, assistant cashier.

The directors are: Clyde E. Brenton, Charles G. Kelley, George B. Arnold, Albert J. Robertson, G. C. Kelly and W. H. Brenton.

Spoke at Bankers Club

James C. Davis, who is practicing law in Des Moines, and who was director general of railroads during the war and the following period of reconstruction, was the principal speaker at a meeting of the Des Moines Bankers Club, held recently at the Grant Club.

SHORT TERM NOTES

Of

Electric Utility Companies

Endorsed By

W. B. Foshay Company

Are A Desirable Investment

For Bankers

Yield 5% To 6% According To Maturity

Full Details on Request

"All Your Money—All the Time—On Time"

W.B. FOSHAY CO.

(Incorporated)
Foshay Building

Minneapolis

New York

Chicago

Portland, Ore.

St. Paul



"Great responsibility is given to men capable of handling that responsibility"

CHAS. SHULER, President
FRANK B. YETTER, Vice Pres.
WM. H. GEHRMANN, Vice Pres.
LOUIS G. BEIN, Cashier
HERMAN STAAK, Asst. Cashier

Iowa National Bank
Davenport, Iowa

A Bank of Experienced Management

This fact is best illustrated by the following table showing the record of service of the officers and directors of this bank:

<i>Officers</i>	<i>Years</i>
Ira Rodamar, Pres.....	33
C. E. Pickett, Vice. Pres.....	28
J. O. Trumbauer, Vice. Pres.....	17
Fred H. Wray, Cashier.....	14
R. E. Miller, Ass't Cashier.....	17
I. W. Blough, Ass't Cash. (Iowa State Bank).....	19
A. M. Decker, Ass't Cashier.....	20
M. Harmon, Auditor.....	19
 <i>Directors (Other than Officers)</i>	
A. H. Frank.....	28
Roger Leavitt (Son of J. H. Leavitt, Founder) ..	7
W. W. Marsh.....	23
F. E. Stewart.....	18

The L. and J.'s splendid growth during its almost seventy years of service and its present strong financial position are due to the wise guidance of a seasoned directorate and experienced management.

Doesn't it mean something to transact business with bank officials that have spent fourteen to thirty-three years in the service of an institution established in 1856, whose directors average twenty-two years on the same board?

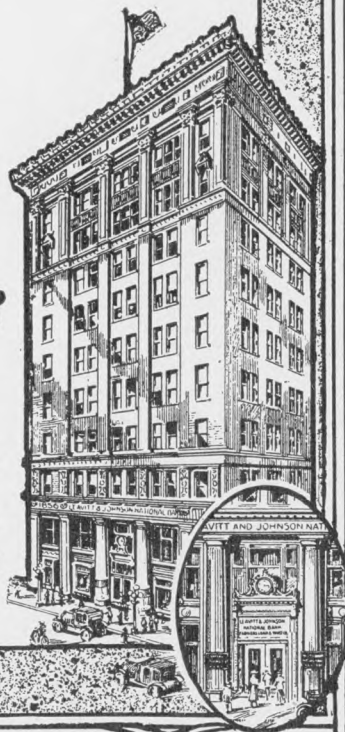
Think it over. You are invited to become a correspondent.

"An Honor Roll Bank"

LEAVITT & JOHNSON NATIONAL BANK

WATERLOO, IOWA.

ESTABLISHED 1856



Consolidation Ratified

Stockholders of the Scott County Savings Bank and the Union-Davenport Trust & Savings Bank, both of Davenport, Iowa, have ratified the consolidation of the two institutions without a dissenting vote. The consolidation was voted upon and approved by the directors of both banks about February 1st. The consolidated institution will be called the Union Savings Bank & Trust Company.

Gain in Deposits

W. L. Spencer, president of the Oakland Savings Bank, Oakland, Iowa, writes that the deposits of that institution have now passed the \$750,000 mark, and still gaining. He says that more than 40 per cent of the deposits of the bank are in cash or in secondary reserve, that people are paying off their obligations in fine shape, and as a rule are quite optimistic of the future.

Officers of the Oakland Savings Bank are W. L. Spencer, president; H. H. Spalti, vice president, and M. H. Evans, cashier.

Getting New Accounts

C. J. Adams, recently-elected cashier of the Farmers Savings Bank at Holy Cross, Iowa, writes that since the middle of January his bank has made a gain in deposits of \$24,000, and has placed thirty-four new accounts on the books. Not a bad record for a relatively small community.

Cashier Dead

Arnold Fischer, for a number of years cashier of the Denmark Savings Bank, of Denmark, Iowa, died recently at his home in that city. His death is a loss keenly felt by the officers of the bank, and by his community.

Bank President Dead

John G. Vogt, at one time president of the Stockton Savings Bank, of Stockton, Iowa, and a prominent resident of both Muscatine and Scott counties, died recently at the Mercy hospital in Davenport. Mr. Vogt was born and raised on a farm near Stockton, and was forty-nine years old at the time of his death.

Guthrie County Pioneer Dead

Daniel W. Diehl, a former resident and merchant of Panora, Iowa, died recently at the age of 88 years. Mr. Diehl was born in Pennsylvania, and came to Guthrie county, Iowa, in 1861. He is survived by three daughters and sons, one of whom is C. A. Diehl, assistant vice president of the Des Moines National Bank.

Cashier Resigns

H. D. Aykens, cashier of the American State Bank of George, Iowa, has resigned his position with that institution. Mr.

Aykens has been in the banking business for a number of years, and will be missed by the customers of the American State. He has not as yet announced his future plans.

Attended Regional Conference

Ray Nyemaster, vice president of the American Commercial & Savings Bank of Davenport, Iowa, has recently returned from Kansas City. While there he represented the banking interests of eastern Iowa at the Mid-West regional conference on savings banks, a section of the American Bankers Association.

Elected Cashier

The Commercial National Bank of Essex, Iowa, announces Victor Freed as the new cashier of that institution. Mr. Freed has served three terms as county auditor, and is at this time cashier of the Yorktown Savings Bank, and is well equipped to handle the work in his present position.

Leaves Central State

Ivan Hasbrouck, formerly vice president of the Central State Bank, Des Moines, has resigned his position to take active charge of a newly organized bank at Jefferson, Iowa. Grant McPherrin, president of the Central State, states that the vacancy caused in the Des Moines institution will not be filled at the present time.

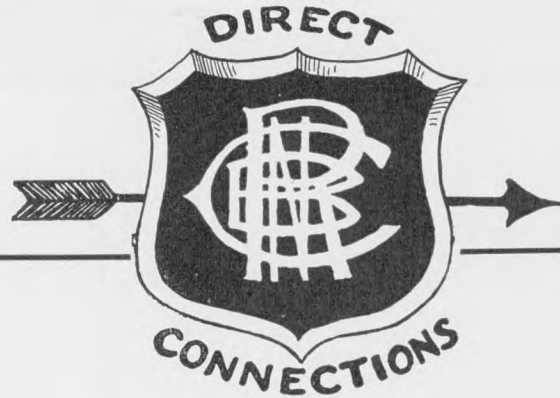
"On to Paris"

The greatest peace-time pilgrimage in the history of the modern world will take place during September, 1927, when 30,000 veterans of the World War, members of the American Legion, will return to the scene of their conquests in France. The inspiration of this tremendous migration is the celebration of the tenth anniversary of the entry of America into the World War with the holding of the American Legion convention in Paris.

For two years the American Legion has been planning to insure the successful accomplishment of this great movement. One of the most important of the many tasks involved is the establishment of a savings plan which will insure the average veteran an adequate supply of funds with which to make the pilgrimage.

To this end the Legion is now engaged in the organization of "Paris-in-1927 Savings Clubs" through local banks in all parts of the country.

The organization of these savings clubs will work to the mutual benefit of both the veterans themselves and the banks in which their deposits are made. The advantages to the "ex-doughboys" and "gobs" will be obvious, it was pointed out. Men of small earnings who do not now save regularly, or who save only sporadically, will be given an incentive to



*The Heads—
The Hands—
and the Hearts*

The bank who offers real service to its correspondents is made up of the heads, the hands, and the hearts of the individuals forming its organization.

The heads, the officers and directors of the Cedar Rapids National Bank, are men of experience and judgment, capable of disposing of your correspondent problems promptly and efficiently.

The many hands of our various departments are skilled in the quick and accurate handling of any detail which you may ask us to perform for you.

And above all, the heart of every individual connected with the Cedar Rapids National Bank is in his work. He likes his job. He is trying to make good service better—for you.

Let the Cedar Rapids National demonstrate how the heads and the hands and the hearts of an institution can serve you.

"This Bank Was Not Built in a Day"

*The
Cedar Rapids National
Bank*

OFFICERS

Ralph Van Vechten
Chairman of the Board

Glenn M. Averill
President

Geo. F. Miller
Vice-President

Martin Newcomer
Vice-President

Chas. C. Kuning
Cashier

Peter Bailey
Assistant Cashier

Marvin R. Selden
Assistant Cashier

Geo. W. Swab
Assistant Cashier

Van Vechten Shaffer
Assistant Cashier

Bertha M. Wolf
Assistant Cashier



Recognition

of our responsibility to customers and correspondents covers not only the first consideration of good banking — security — but also that close cooperation in their credit and banking requirements necessary to constructive business progress.

In the establishment of business relationships we are ever mindful of these obligations.



EDMUND W. MILLER
President

**The COMMERCIAL
NATIONAL BANK**
CAPITAL & SURPLUS - ONE HALF MILLION DOLLARS
WATERLOO, IOWA.

thrift. Through the regular weekly deposit of a few dollars they will be enabled to set aside a sum sufficient to realize an ambition of years.

At the present time more than 360 banks have been designated by the France Travel Committee as official depositories, holding more than \$1,500,000 for Legionnaires who will go to France. This sum is increasing rapidly week by week as deposits are made. Scores of banks are being appointed each week as official depositories, according to John J. Wicker, Jr., of Richmond, Va., national travel director, to whom applications should be sent.

Forms Trust Company

The International Acceptance Bank, Inc., announces the organization of a trust company under the laws of New York, the name of which is International Acceptance Securities & Trust Company. The new institution commences business with a paid-in capital and surplus of \$1,000,000. Its offices are located in the building of the International Acceptance Bank at 52 Cedar Street, New York City.

This trust company has been formed to render banking and trust services supplementary to but outside the scope of the activities of the International Acceptance Bank itself, and to take an active part in the field of investment securities.

All of the officers and directors of the trust company are persons directly associated with the International Acceptance Bank. Paul M. Warburg, chairman of the board of the International Acceptance Bank, heads the board of the trust company, and F. Abbot Goodhue, president of the International Acceptance Bank, is also president of the trust company.

Ernst & Ernst Booklet

"The Retail Inventory Method and Store Budget Control," is the name of a new booklet just published by Ernst & Ernst which deals with the important factors in progressive and profitable store management and should be of great interest to every mercantile executive. The booklet is written to give the layman an easy and thorough understanding of the Retail Inventory Method of Accounting and the Relation of this Method to Store Budget control. It is written in a very readable style, and is not complicated by argument or technical detail.

Bankers who might wish to place this in the hands of any of their merchant customers may obtain copies thereof by writing to the Ernst & Ernst office at Davenport, Iowa.

Appoint Advertising Counsel

The Continental and Commercial Banks, Chicago, have appointed Edwin Bird Wilson, Inc., advertising counsel

and agent for their local as well as national advertising.

This banking group has total resources of \$626,000,000, "Half a Billion and a Hundred Million More."

Walter B. Lutz Dies in Motor Crash

Walter B. Lutz, president of the Home Savings Bank of Des Moines, was instantly killed last month when his motor stalled on a railroad crossing in Des Moines, and was struck by a Rock Island passenger train. He was on his way to church to join his family at the services.

Mr. Lutz was widely known in banking circles, having been a member of the State Association for years, a past president of the Des Moines Bankers Club, and a trustee of the Des Moines Clearing House.

Although born in Pennsylvania, he had lived in Iowa most of his lifetime.

He spent his boyhood in Oskaloosa and was graduated from the high school there. He also was graduated from Penn college at Oskaloosa.

He studied law at the University of Iowa and was admitted to the bar. He practiced law in Albia for two years and then became president of the Albia State Bank. While residing in Albia he met Miss Fern Bartram, whom he married in 1905.

Moving to Des Moines in 1910, Mr. Lutz purchased the controlling interest in the Home Savings Bank from A. C. Miller and had acted as its president since 1910. The family resided on the east side until four years ago when they moved to their present home on Thirty-fourth street.

Prominently identified with social and fraternal life of Des Moines, Mr. Lutz was a director of Wakonda Club, a member of Grand View Club and of the Des Moines Club. He was a consistory Mason and Shriner and was completing his last degrees in the Temple commandery. He was also an Elk. Interested in civic work of the city, he was a former director of the Chamber of Commerce, a member of the Greater Des Moines committee and a member of the East Des Moines Club.

He had been a member of the First Presbyterian church since coming to Des Moines and had taken an active part in the charitable work of the church.

Surviving him are his wife, a daughter, Elizabeth, and a son, Walter B., Jr. His father, George Lutz of Donora, Pa., also survives as does a sister, Miss Ethel Lutz, now living in Donora, but who was a teacher at West High school, Des Moines, until six years ago.

"Flu" Victims

W. G. C. Bagley, vice president of the First National bank, Mason City, Iowa, and a member of the American Bankers Association executive council, was confined to his home a week last month with

A Strong Organization

A banking connection with the Central State assures correspondents they will receive the benefits of a strong organization, with facilities capable of meeting any banking requirement.



THE OLD RELIABLE CENTRAL STATE BANK OF DES MOINES

Banking, Trusts and Investments
Safe Deposit Vaults

Member Federal Reserve System

OFFICERS

Simon Casady, Chairman of the Board

Grant McPherrin, President	John W. Hawk, Assistant Cashier
Leland Windsor, Vice President	Chas. W. Oxborrow, Asst. Cashier
Lynn G. Fuller, Vice President	Fred H. Quiner, Assistant Cashier
Frank C. Ash, Cashier	Frank R. Warden, Assistant Cashier
Emmett Johns, Assistant Cashier	

That Something More

We provide more than just money and credit for our customers.

For they find our counsel on business, banking and credit problems is based on a wide and comprehensive experience.

And in addition there is the personal attention of our officers who are interested in promoting the growth of customers' business.

SECURITY STATE BANK

KEOKUK

"Where Banking Is a Pleasure"

IOWA

CAPITAL AND SURPLUS OVER \$1,000,000.00

Established 1874

A reputation founded
on years and facts—
a most certain guide
to your banking satis-
faction.



OFFICERS

CHARLES E. PERKINS,
Chairman of Board
E. WEBBLES, President
L. C. WALLBRIDGE, Vice Pres.
J. G. WALDSCHMIDT, Vice Pres.
W. C. KURRLE, Vice President
C. T. SIMMONS, Vice President
R. L. BUNCE, Vice President
L. M. WILSON, Cashier
ELMER RAUENBUEHLER,
Assistant Cashier
L. T. PANTHER, Assistant Cashier
F. J. NORTON, Assistant Cashier
RAY HUMPHREY,
Manager Bond Department
T. H. WILSON, Auditor

DIRECTORS

JOHN BLAUL, President John Blaul's Sons Co.
WILLIAM BONGERT, Treasurer Dehner Cigar Co.
WILLIAM CARSON, President Boise Payette Lumber Co.
H. W. CHITTENDEN, President Chittenden & Eastman Co.
W. N. CHURCHILL, President Churchill Drug Co.
J. R. COPELAND, President Clinton Copeland Company
WALTER B. EATON, Vice Pres. Chittenden & Eastman Co.
W. F. GILMAN, Secretary Burlington Lumber Co.
HAROLD W. GRUPE, Vice Pres. Lagomarcino-Grupe Co.
G. G. HIGBEE, President Murray Iron Works
C. S. LEOPOLD, President Leopold Desk Co.
C. H. MOHLAND, Attorney
ROBERT MOIR, Capitalist
C. E. PERKINS, Trustee
E. S. PHELPS, Insurance
H. S. RAND, President Rand Lumber Co.
RAY REDFERN, Farmer
HENRY RITTER, Retired
J. J. SEERLEY, Attorney
RALPH E. SCHRAMM, J. S. Schramm Co.
E. WEBBLES, President

FIRST IOWA STATE BANK
TRUST & SAVINGS BANK

MEMBER FEDERAL RESERVE SYSTEM BURLINGTON IA.

the "flu." This is also true of B. B. Vorse, vice president of the Bankers Trust company, Des Moines.

Iowa Group Meeting and Convention Date Announced

Emil Webbles, president of the Iowa Bankers Association, announces that the weeks set aside for the 10 Group Iowa Meetings in May are as follows:

The South Group Meetings to come during the week of Monday to Friday, May 10 to 14, 1926, inclusive.

The North Group Meetings to come during the week of Monday to Friday, May 24 to 28, 1926, inclusive.

Among the first to make reservations for the coming Group Train is W. J. Murray, manager of the Van Nuys Branch of the California Bank, Los Angeles, Calif. Mr. Murray not only makes reservation for himself, but also for Louis E. Bliss, vice president of the California Bank.

President Webbles also announces that the dates for the 40th Annual Convention of the Iowa Bankers Association will be held at Sioux City on Monday, Tuesday and Wednesday, June 21, 22 and 23, 1926. The Hotel Martin at Sioux City will be Convention Headquarters.

Geo. Sinclair, president of the Sioux City Clearing House, and general chairman of the convention arrangements, has called a special meeting of the Clearing House, to begin active operations in connection with the coming convention. The personnel of the committees has already been designated as follows:

General Chairman — Geo. Sinclair, president Sioux City Clearing House, Sioux City, Iowa.

Entertainment, Executive and Finance Committees—A. G. Sam, chairman, president Live Stock National Bank, Sioux City; A. B. Darling, president Security National Bank, Sioux City; J. L. Mitchell, president First National Bank, Sioux City.

Hotel and Housing Committee—Thos. P. Treynor, chairman, vice president Woodbury County Savings Bank, Sioux City; L. H. Henry, vice president First National Bank, Sioux City; V. C. Bone-steel, vice president Security National Bank, Sioux City.

Chairman Sinclair states as follows: "Sioux City has not had the pleasure of entertaining the convention of the Iowa Bankers Association since 1908. We are planning on the best convention that the Iowa Bankers Association has ever had when the Iowa bankers assemble in our city next June to hold their 40th annual meeting."

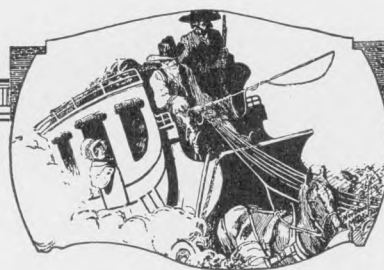
It is often easier, as well as more advantageous, to conform ourselves to other men's opinion, than to bring them over to ours.—*La Bruyere.*

Will Hold Bankers' Short Course

DURING the week of Monday to Friday, April 19 to 23, 1926, inclusive, the State University of Iowa and the Iowa Bankers Association, co-jointly, will hold at the University, the Seventh Annual Bankers Institute Course. It is a Short Course for bankers. It provides an opportunity for the young men and young women in particular of the Iowa banks to obtain from the Banking Department of the State University of Iowa, a technical training in banking. The course extends over two years. To complete it, it is necessary that the student attend the class room work at the University during the week annually designated. During the interim he carries on the course by correspondence with the University. While the course is directly under the auspices of Dr. E. H. Lauer, head of the Extension Division of the University, the actual work is under the direction of Professor C. A. Phillips, Dean of the College of Commerce and Banking of the University. Associated with Mr. Phillips in giving the banking are, of course, many professors, both of the Liberal Arts and Law Colleges of the University. Upon satisfactorily completing the course, the student is awarded a diploma of graduation from the Banking Course of the State University of Iowa. The committee of the Iowa Bankers Association having direct charge of encouraging attendance from among the bankers, is the Educational Committee, consisting of:

A. C. Smith, chairman, president City National Bank, Clinton; G. O. Van Derveer, cashier State Bank of Waverly, Waverly; E. S. Van Gorder, president First National Bank, Audubon; Carl Monroe, cashier Exchange National Bank, Leon; M. E. Tate, vice president Security State Bank, Keokuk; Frank Camp, cashier Fayette County National Bank, West Union; Watson N. Enyart, cashier Agency Savings Bank, Agency; Marshall Sweney, president Mitchell County Savings Bank, Osage; B. B. Vorse, vice president Bankers Trust Co., Des Moines; Carl Wohlenberg, Jr., vice president Holstein Savings Bank, Holstein; H. E. Smith, cashier Clarion Savings Bank, Clarion.

The above committee is at this time working out plans with the officers of the 99 County Bankers Associations, under which plans a "delegate" or a "student" is selected by some competitive method from among the bankers of the county to attend the Short Course as the representative of his particular County Bankers Association. In addition Chairman Smith's committee has communicated with executive officers of 114 banks in the larger cities of the state, requesting those banks to select a representative for the course. Fifty-six young men and young women



In Iowa Des Moines Is the Logical Reserve Center and In Des Moines Iowa Loan & Trust Is the Logical Reserve Bank

*Since 1872 this
institution has
been serving Des
Moines and Iowa*

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Member Federal Reserve System
DES MOINES, IOWA

The
**MERCHANTS
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**"They Know the Country
 Banker's Needs"**

Knowing the country banker's needs is the prime essential of a city correspondent.

The correspondent who wrote this letter believes The Merchants National knows the country banker's needs. He says:

"Of all the correspondents we have had, we found none that could compare with the services rendered to us by the Merchants National Bank of Cedar Rapids, Iowa.

"Their officers are the kind of bankers we need more of, for they are always courteous and ready at all times to do anything for one. They are men who know the country banker's needs and are always ready to render any assistance at any time. You can't beat them for real service.

"We hold the highest regard for this bank's officers, and have in the past recommended this bank to some of our country bankers, and now they, too, carry their largest account with the Merchants National Bank."

Resources \$15,000,000

James E. Hamilton President

P. C. Frick
 Vice President
 E. E. Pinney
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 Vice President
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 Vice President
 Roy C. Folsom
 Vice President



Mark J. Myers
 Vice Pres. & Cash.
 S. E. Coquillette
 Vice President
 E. B. Zbanek
 Vice President
 L. W. Broulik
 Assistant Cashier
 Fred W. Smith
 Assistant Cashier

took the course last year and it is anticipated that more than 100 will be enrolled in the coming course.

President Webbles of the Iowa Bankers Association is strong for the course and expresses himself by saying, "I consider no work of the Association of more importance than making it possible for the young men and young women of our banks to get the fundamental training in banking, which the great State University of Iowa so amply provides. These young men and young women are sooner or later to have executive administration of our banking institutions and they should be equipped with every possible advantage."

President Walter A. Jessup of the University is enthusiastic over the future of the course and is looking forward to the time when its enrollment may consist of several hundred.

To Erect New Building

The First Trust & Savings Bank of Onawa, Iowa, is planning to erect a new building. The building they are now in will be torn down, and a new, modern structure erected in its place. The new building will occupy the entire lot. The First Trust & Savings Bank is one of the oldest established banking businesses in the state of Iowa, having been established way back in 1858 when Northwestern Iowa was but a prairie. P. K. Holbrook is the president and C. C. Harshbarger, cashier.

The poet must be alike polished by an intercourse with the world as with the studies of taste; one to whom labor is negligence, refinement a science, and art a nature.—Disraeli.

**F. R. Jones Goes with Closed
 National Banks**

F. R. Jones, of Des Moines, has resigned as Chief Examiner in charge of Closed Banks for the Iowa banking department to become supervisor of Closed National Banks for Iowa and a group of other neighboring states, according to an announcement made last month by Iowa Bank Superintendent L. A. Andrew. He will be succeeded in the Iowa department by C. W. Enyart who has been an examiner in the Closed Bank Division for the past two years, and well merits the promotion.

"Fred" Jones, as he is known to bankers throughout the state of Iowa, has made a splendid record with the Iowa department, and largely due to his banking knowledge, his tact and diplomacy, the work of the Closed Bank department has been carried on with remarkable efficiency. He has been with the Iowa department since September, 1923, when the law providing for the liquidation of closed banks through the state banking department, went into effect. His new

work will be on a larger plane, and comes as a fine and unsolicited reward for three years of splendid service for the state.

Present and former state officials, in commenting on the promotion of Mr. Jones, are highly appreciative of his excellent service for the state of Iowa. Says Bank Superintendent Andrew:

"Mr. Jones has given very efficient and loyal service to the Department in his administration of the Closed Bank Division. He had a very important job and has shown marked ability in the conduct of his office. We are very sorry indeed to lose him, but, of course, are glad to see



F. R. JONES

the personnel of the Banking Department again recognized by having one of its members offered a large increase in salary in this field of endeavor. We wish him the best of good luck and success in his new position."

Former Superintendent of Banking, Robert L. Leach said: "In my experience as Superintendent of Banking of the State of Iowa, I came in touch with many valued public servants. I am frank in saying that Mr. F. R. Jones was one of the most efficient and valuable public servants with whom I came in touch. I owe him a debt of gratitude personally for his work in connection with closed banks, and I believe the people of Iowa owe him a like debt."

Attorney General Ben J. Gibson, said: "The Iowa plan for closing banks through the State Banking Department has now been adopted almost uniformly throughout the country. At the time of its adoption in this state, Mr. Jones took charge of the work, and to him must go credit for the organization of a uniform and economical plan for the liquidation of

*Assets
Over Six Million Dollars*

BUILT UPON CONFIDENCE

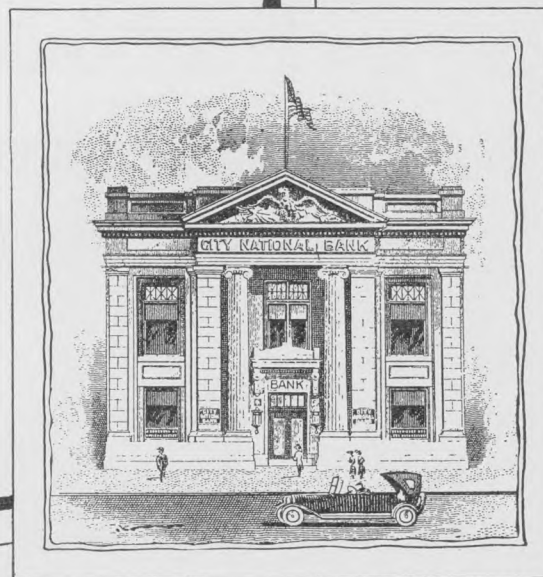
Confidence is the foundation upon which every successful banking institution has been built, and without which it would cease to exist. Confidence in the officers and directors—faith in their business ability and integrity—belief in the careful and accurate methods used in the handling of detail—all these are priceless assets to any banking institution.

And it is upon this firm foundation of the long-established confidence of its customers that the City National Bank has progressed. Organized fifty-five years ago when Iowa was young and just beginning to realize her possibilities, the City National played an important part in helping our great state come into her own. And now, as always, the City National stands ready to serve Iowa banks

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- ALFRED C. SMITH,
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Established
1870



The City National Bank

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5% FARM LOANS 5%

REFINANCE YOUR LOANS NOW
WHILE RATES ARE CHEAP

WE ALSO MAKE CITY LOANS IN DES MOINES
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At your service—
in Eastern Iowa
and
Western Illinois

PEOPLES
TRUST &
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Peoples Trust & Savings Bank

CLINTON, IOWA.

Remember it this way—"PEOPLES TRUST"

OVER 30 YEARS OF SERVICE
The Northwestern Banker

closed banks. In my judgment, Mr. Jones has rendered a very valuable service to the state in putting into successful operation this valuable statute. He has also rendered a very valuable service in connection with the reorganization of many closed banks. His service to the state entitles him, in my opinion, to the gratitude of our people. I predict for him a successful career in the national field, but I regret his leaving the state service."

FROM TEE TO TEE WITH "CHICK" EVANS

(Continued from page 20)

is going to write a series of golf articles instructing the banking fraternity how to reduce their overhead in strokes, and I want to congratulate you on something that is going to be a really popular feature, as even in the best regulated banks golf is occasionally discussed during working hours.

"Incidentally, as Grant McPherrin, of Des Moines, and Bill Heuer, of Davenport, will tell you, a few lessons might even not hurt C. B. Hazlewood's game, but he does not require any lessons in how to fix handicaps; in fact, a better pre-round golfer never lived. But, to get down to brass tacks—there are too many bankers in all states, Iowa not excepted—who think that they are getting the utmost amusement out of golf by just dubbing around in any old style and with any old clubs. If they analyze their feelings and were really truthful to themselves, they would wish to play better golf. They preach A. I. B. (American Institute of Banking) for the betterment of the junior officers and employes, and never pass by anything that might tend to make them better bankers. Yet, the moment they leave their desks and get out on the golf courses, anything is good enough. This is really absurd, and does not reflect the greatest credit on those gentlemen who, luckily, are becoming fewer every day. Just a little thought and practice along the right lines will work wonders in the ability to perfect a golf swing that becomes almost automatic and thereby increases the efficiency



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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.

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WILL A. LANE, Cashier
P. W. EIGHMEY, Assistant Cashier
O. L. MORRIS, Assistant Cashier

Total Resources Over \$2,900,000.00.

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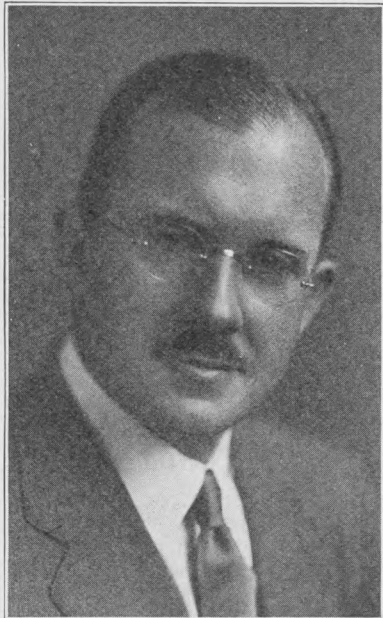
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WILL A. LANE
Cashier

Chartered 1865

of the golfer, producing results that would be almost impossible except by the right method.

"I feel confident that 'Chick' Evans will write in such simple language that it will be perfectly understandable to the veriest tyro and of the greatest interest to the hard-and-fast, dyed-in-the-wool fan.

"I gather that the first article will be on the subject of equipment, and while on that topic I am willing to bet that 'Chick' asks us all to think of caddies as human beings and not just simply as beasts of burden. Frank Warner, your Iowa secretary, can put over anything



A. K. O. COCHRANE

that he sets his mind to, so why not suggest to him that he start a society for the protection of cruelty to caddies and have a weight limit set for every golf bag?

"I would like to make a suggestion that you give, say half a page, to 'Chick' for the purpose of answering questions from bankers on the subject of correction of personal 'errata' calling it possibly the 'Diagnosticians' Corner,' and also that the dates of important tournaments be printed in your magazines so that officers' secretaries may know where urgent business affairs have taken them."

Gives Radio Talk

Miss May Francis, state superintendent of schools, gave the first of a series of radio talks for the educational committee of the Iowa Bankers Association Monday afternoon, March 22, 1926. A. C. Smith of Clinton, Iowa, is chairman of the educational committee, and B. B. Vorse of Des Moines is chairman for Group 6, who arranged the talk.

What's money without happiness?—*Bulwer-Lytton.*

Outstanding Characteristics

of "American Commercial and Savings" service in looking after collections in the Davenport district are

DISPATCH AND DEPENDABILITY

Well over a half century's experience, based upon intimate knowledge of our field, is back of this service.

AMERICAN COMMERCIAL & SAVINGS BANK

DAVENPORT, IOWA



1876

1926

Unusual Service

The promptness with which the Consolidated National handles the Dubuque business of its correspondent banks has helped many Iowa bankers give to their patrons unusual service.

Promptness is only one part of our service, however. In addition to completely organized facilities in every detail of banking, there is also that personal interest in the welfare of our customers that makes doing business with the Consolidated National a real pleasure.

Our experience and service are yours for the asking.

- J. K. Deming, President
- Geo. W. Myers, Vice President
- Jas. M. Burch, Vice President
- Herman Eschen, Secretary
- Jos. W. Meyer, Cashier

Consolidated National Bank

UNITED STATES DEPOSITORY

DUBUQUE, IOWA

In the Capital City

We believe that all Iowa banks can use to good advantage a correspondent connection in Iowa's largest — and capital — city.

Bankers who maintain contact with Des Moines find the Des Moines National Bank a reliable correspondent.

During forty-four years of commercial and industrial banking in the state of Iowa, this institution has held an enviable reputation for prompt, dependable service.

Let an alert, friendly organization handle your correspondent needs.



Des Moines National Bank

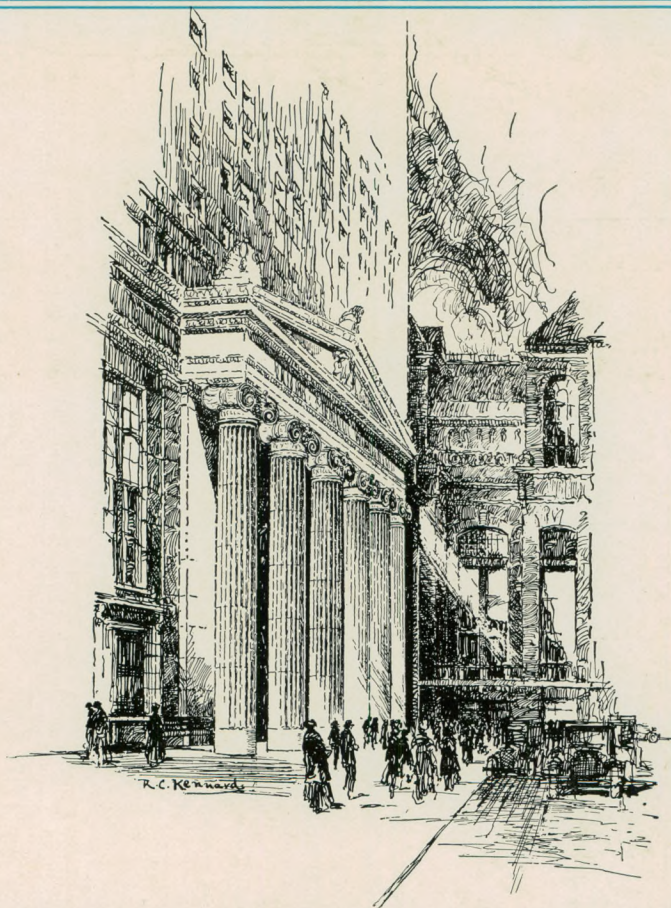
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Capital \$1,000,000

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stantly serving the financial interests of eight central states. ¶ Through our officers we are in personal touch, at all times, with investment affairs in all parts of the country, as well as abroad. ¶ And back of all is the banking institution itself with its great resources, its complete organization and long financial experience.

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