

NORTHWESTERN BANKER DES MOINES

THIRTY-FIRST YEAR

NUMBER 470

OCTOBER, 1926

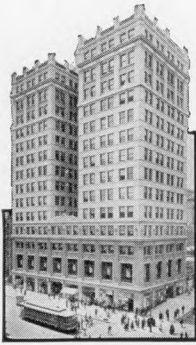
New Carols and Ditties for Bankers'
Conventions

Special Section, Financial Advertisers'
Convention

THE PHOTO BELOW:

Louis T. McFadden, Pennsylvania banker and congressman since 1915, author of the "McFadden Bill," which, together with the Hull amendment, is designed to curb branch banking. Mr. McFadden was for several years president of the First National Bank, Canton, Pa., and was president of the Pennsylvania Bankers Association in 1915.





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NORTHWESTERN BANKER

DES MOINES

The Oldest Financial Journal West of the Mississippi

Member Audit Bureau of Circulations

THIRTY-FIRST YEAR

CONTENTS FOR OCTOBER, 1926

NUMBER 470

	Page		Page
Across from the Publisher.....by Clifford DePuy	8	News and Views.....	18
Frontispiece.....H. T. Graves	10	Special F. A. A. Section.....	20
"In This Issue".....	11	"The Advertising Clinic".....	22
Carols for Bankers.....By Roscoe Macy	12	Convention Sidelights.....	23
The Nebraska Guaranty Law.....	13	"A Delegate's Diary".....	25
Personal Paragraphs.....	32	Nebraska News.....	73
Bonds and Investments.....	41	Minnesota News.....	77
Insurance Section.....	63	North Dakota News.....	81
Bankers and Their Wants.....	70	Iowa News.....	83
South Dakota News.....	71		

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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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THE IOWA FARM MORTGAGE ASSOCIATION
THE IOWA BOND DEALERS ASSOCIATION

IN THE DIRECTORS ROOM



The Investors

"Who invests your money for you?" asked the bond salesman.

"The grocer, the garage man, the doctor and the various department stores," growled the married man.—*Cincinnati Enquirer*.

Help Wanted

Boss—If this occurs again, I shall be compelled to get another store boy.

Store Boy—I wish you would, sir. There's quite enough work for two of us.

Two Keys to Failure

Two battered old wrecks were sitting on a bench in the common, when one remarked: "I'm a man who never took advice from anybody."

"Shake, brother," said the other. "I'm a man who followed everybody's advice."—*Merchants Record*.

Another "Conference"

The doctor was worried over the condition of his patient.

"I think I shall have to call in some other physicians for consultation," he suggested.

"That's right; go ahead," consented the victim feebly. "Get as many accomplices as you like."

Maybe He Knows

"If you had the power to talk with animals, what's the first thing you'd ask them?"

"I'd say, 'Skunk, what's the big idea?'"

Styles in the Hereafter

A revival was raging in a Virginia colored church. The fruits had been considerable. One obdurate soul, however, resisted the efforts of the elder. Called to account for his reluctance, he replied:

"Yo' see how it is Elder. I'se got a problem. I don't see how I'se gwine git mah shirt on ovah mah wings when I gits to Glory."

"Dat ain't yo' problem," retorted the exhorter promptly. "Yo' problem is how is yo' gwine get yo' hat on ovah yo' horns."

"Gosh, you're dumb. Why don't you get an encyclopedia?"

"The pedals hurt my feet."—*Wesleyan Wasp*.

"Positively No!"



"Stop asking questions nobody can answer," ordered Mr. Jones. "Now, not another word!"

"Just one more, Pop," pleaded Tommy. "Say, if I was twins, which one would I be?"

"Fix bayonets!" roared the hard-boiled sergeant on the drill-grounds.

"Please, sir," quavered the very new recruit, "there's nothing the matter with mine."

"Oo-hoo! I saw you kiss Sis!" cried one of those ubiquitous small brothers, suddenly materializing from nowhere at all.

"Er—ah—here's a quarter, my little man," offered the embarrassed suitor.

"And here's fifteen cents change," countered the little man. "One price to all—that's the way I do business."

An uplift worker, visiting a prison, was much impressed by the melancholy attitude of one man she found.

"My poor fellow," she sympathized, "how long are you in for?"

"Depends on politics, lady," replied the melancholy one. "I'm the warden."

Footing vs. Facing

Husband: "Don't bring me any bills; I can't face them."

His Wife: "You needn't, darling, I only want you to foot them."—*Exchange*.

Considerate of Her Children

A man who was sentenced to be hanged was visited by his wife, and the following conversation took place:

"My dear, would you like the children to see you executed?"

He—"No."

She—"That's just like you, you never want them to have any enjoyment."—*Eagle Quills*.

Extravagance

First Lady: "I hear Mr. Jones, the millionaire, left all he had to the Orphans' Home."

Second Ditto: "Yes? How much was it?"

First Lady: "Five girls and seven boys."

Safety First

"Hello," called a feminine voice over the telephone, "is this the Humane Society?"

"Yes," replied the official in charge.

"Well—there's a book agent sitting out here in a tree teasing my dog."

Self-Serve!

"Didn't I send you to the workhouse for chicken stealing?" inquired a judge of an individual who had been caught with several fowls he could not account for.

"Yassuh," admitted the prisoner. "Fo' ninety days."

"Then how did you get out so soon? That was only three days ago."

"Well, suh, dey put me in a ha'nted cell wiv a ghost, so Ah jes' nacherly suspended mah sentence."

Not Given Much Credit

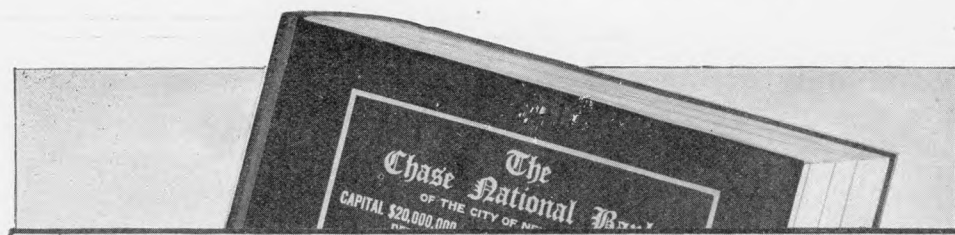
A Texas banker tells the story of a negro customer, well known to the bank's staff, who one day entered the bank, and, going directly up to the cashier, said buoyantly and without any talk wasted on preliminaries: "Mr. Frank, I wants to borrow \$5."

"Well, what for Joe?" asked the cashier.

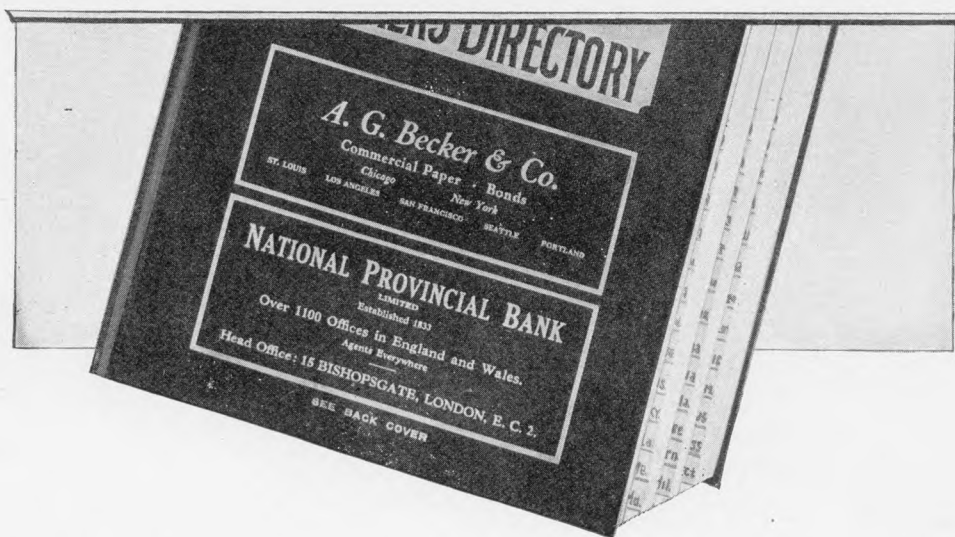
"I needs to pay my lodge dues," replied Joe, with sanguine expectation.

"Oh, but I can't do that—I paid them the last time."

"Well, I declare, Mr. Frank," exclaimed the surprised negro, "as much confidence as I has in you and you cain't lend me \$5?"



Have you the *new edition*—just out?



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for your safety

The latest edition of the RAND McNALLY Bankers Directory (Blue Book) has just been distributed to subscribers. A limited number are still available for special requests. These copies will be sent out in the order in which subscriptions are received.

Every September and March the Blue Book is issued with an average of two hundred thousand corrections necessitated by normal changes in the banking business. The new edition is completely up to date with some 291,000 revisions—new banks, mergers, new officers, growth of deposits,

loans, etc.—significant facts and figures to which every banker must have ready access.

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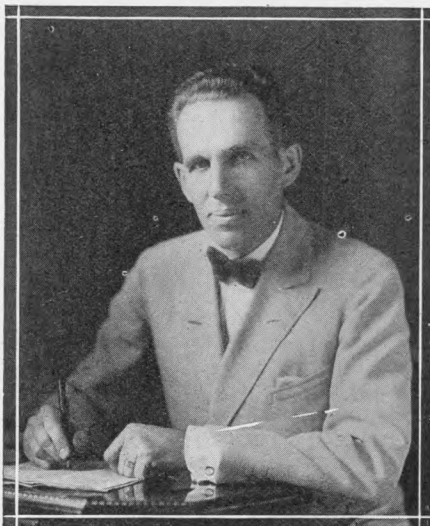
Across the Desk from the Publisher

I ATTENDED the Financial Advertisers Association Convention in Detroit last week. Among the many excellent speeches which I heard was one by Charles Kettering, vice president of the General Motors Corporation, and he spoke on "The Bank and the Public." During the course of his remarks he placed the bank in the same category as a damp church and a morgue. He also said that 95 per cent of the people in the United States do not know what a bank is for. As I sat there listening to this vice president of a great corporation, I wondered if what he said was really true. Certainly it must be his impression of a bank or he would not have dared to make such statements in public. If, in Mr. Kettering's mind, the bank is similar to a damp church and a morgue, then there is something wrong with the way banks are conducted and with the way they are advertised.

If, as he believes, there are 95 per cent of the people who do not know what a bank is used for, or the purpose for which it exists, then every banker and every financial advertising man connected with a bank, has a tremendous task before him to help educate the public to the real benefits and advantages and services which every bank does and can render.

Mr. Kettering further brought out the idea that there was no particular virtue in merely saving money for the sake of accumulating a large surplus. He said that "saving money doesn't make a country rich, but spending money for things they do want does." I do not take any exception to this statement but certainly if the banks are not stimulating people to save, there will be no surplus from which they can make purchases, whether it was for automobiles, or groceries.

The point I want to make, is, that there is still a big task before the bankers of this country to



By Clifford DePuy

educate the people of their communities concerning the real reason why their institutions exist. Those of us who are close to the banking business know of the many services and departments which every bank has for the benefit of its customers. But if the customers do not realize the benefits which they can derive from these departments, then bankers and financial advertising men have failed in their duty and have not as yet

reached the goal which they have set for themselves and for the Financial Advertisers Association.

Stop Branch Banking Now

EVERY banker who is a firm believer in the independent banking system of the United States, should use his influence to see that the Hull Amendments are passed at the coming session of Congress. If you believe in the perpetuation of individual initiative in the banking business, then use your influence to see that branch banking is stopped now.

The Hull Amendment says: "At the time of the approval of this act," no further branch banks shall be established. This does not hamper or interfere with any branch banks which are now established, but it does prevent the further spread of branch banking in this country.

The McFadden Bill at the last session of Congress, passed the house on February 4, 1926. The senate committee declined to accept the Hull Amendment. In a conference committee, additional amendments were proposed as a substitute for the Hull Amendment, but these failed of adoption before Congress adjourned and consequently no final action was taken on the McFadden Bill.

If you believe in the independent operation of your own bank and every other bank in the

United States, let your congressmen and senators know your wishes in this matter before they return to Washington this December.

The Mental Attitude

WHATEVER success you may have attained in the banking business is due to two things: first, because you worked hard and achieved results, and second, because you had the right mental attitude. In other words, you had the will to succeed.

The Silent Partner says: "If you think you can't, you won't. If you expect to lose, you're lied. If you want to rise or win a prize, forget the plan of thinking you can't and remember to think, 'I will!'"

It further says that: "Success is more a mental attitude than a material struggle."

Many men today have the wrong mental attitude towards their own business and the business of their customers. The material struggle which all of us must make if we are to exist on this planet is made easier in just the degree that we have the right mental attitude towards our work and towards our community.

It will not hurt you to say, "I will" a few more times each day.

The Inquiring Mind

THE inquiring mind is one which asks questions, goes after the facts and considers a thorough research on any subject of vital necessity if a proper decision is to be made regarding the subject at hand. The inquiring mind in the banking business is a mind which analyzes costs, corrects the errors in modern banking methods, increases the bank's efficiency, and does not accept a banking practice as correct simply because it has been in operation for a hundred years or more.

Dr. John Grier Hibben, president of Princeton University, in speaking before the Harvard chapter of Phi Beta Kappa on the value of research, said: "But there is also a residual element of significant value, a possible by-product of all scholarly research. The scholar does not possess it; it rather possesses him. I refer to the effect produced upon the inquiring mind itself by daily and hourly contact with truth. It is not only

the question of what the scholar is able to acquire as the fruit of knowledge, but also to what extent is his own nature enriched and deepened by such knowledge? The latter I would characterize as the 'flower' of knowledge."

Any banker who is a real student of economic and business conditions is constantly improving the faculties of his own mind in addition to securing valuable information which will benefit him in his business. This constant mind stimulation which Mr. Hibben has called "the flower of knowledge" is a most valuable by-product, but to the practical mind of the every-day banker, the facts are figures ascertained which will help him in his business because he possesses an inquiring mind will pay him immediate dividends by improving banking methods, increasing efficiency and reducing operating costs.

Repealing the Guaranty Law

SOUTH Dakota has tried the bank guaranty law and decided that it was a failure. At the last legislature the bank guaranty act was repealed. This law has now been referred to the people by petition and will be voted upon in the fall election.

The South Dakota Bankers' Association is making a special campaign to see that the action of the legislature is endorsed. At the recent state convention the following resolution was passed: "Resolved, That we endorse the action of the legislature in repealing the bank guaranty act in view of the fact that the income from assessments have ceased to be of any real benefit, either to depositors or the member banks. This law has been referred to the people by petition and will be voted upon as a separate item in the fall election.

"We urge the members of this association to give not only their support to the committee which has the matter in charge, but also to give their individual effort to see that the action of the legislature is sustained—and to vote 'yes' on this special ballot."

D. H. Lightner, past president of the association, in his annual address said: "Let us forget politics and together join in a demand that the state of South Dakota get out of business and restore confidence. The first step in this program should be to get rid of the guaranty law."



H. T. GRAVES

President, North Dakota Bankers Association.

H. T. Graves, who was this year elected president of the North Dakota Bankers Association, is president of the James River National Bank of Jamestown.

Mr. Graves has been active in State Association work for several years, and was last year vice president and chairman of the executive council.

NORTH WESTERN BANKER



CASH PRIZES FOR OLD PHOTOS!

In the September issue *THE NORTHWESTERN BANKER* plans to present a group of articles under the general subject of "The Pioneer Days of Banking." This will include a number of very interesting letters on early banking experiences by the veteran bankers of the middle west.

THE NORTHWESTERN BANKER is anxious to procure for publication a number of old-time photographs of bankers, banks, groups of bankers, or similar photos for illustrative purposes. Hence, this magazine will give a cash prize of \$10 for the best "pioneer" photo submitted by any one of its readers. In addition, for every photo submitted and published this magazine will pay one dollar.

If you have an old-time photo pertaining to any phase of banking, send it in. You may win the ten-dollar prize and it will add greatly to the historical value of this issue. Send in your photographs, to be received in this office not later than October 15th.

THE "NEBRASKA PLAN" SERIES

No series of articles published in recent years by *THE NORTHWESTERN BANKER* has aroused more interest and comment among its many readers than has the series on the Nebraska Guaranty Law, the second of which is to be found in this issue. Bankers throughout the middle west have written in asking for extra copies, reprints, and the editor of one farm journal writes that in his opinion the series is "the most enlightening of any article ever published on that subject."

Bankers in South Dakota, where their state guaranty law comes up for repeal in November, have evinced a keen interest in the series. L. S. Evans, cashier of the Bank of Winner, says, "In my opinion the article on the Nebraska Guaranty Law in your September issue is worth the price of the entire year's subscription."

IN THIS ISSUE

South Dakota, of course, has had startling experiences with a guaranty law. As this goes to press, *THE NORTHWESTERN BANKER* is in receipt of a bulletin from the educational committee of the state bankers association, calling attention to these facts:

"One startling feature about the South Dakota bank guaranty law, as pointed out by those who have been studying the situation, is the fact that every year it remains on the statute books the state goes three years further behind in any effort to clear up the obligations incurred.

"The loss created by failure to meet interest charges alone amounts to more than \$2,000 every day. The total income of the guaranty fund does not come within one-fourth of meeting the interest on the estimated deficit.

"On January 1, 1926, there was an excess of \$43,000,000 in certificates of indebtedness outstanding. This means that the guaranty fund commission has issued certificates to depositors who were connected with closed banks totaling \$43,000,000 more than there was money in the guaranty fund. If the recovery in assets of closed banks is figured at 50 per cent—and that is conceded to be giving liquidation a more than fair figure—it would mean that half could be recovered which would reduce the excess to \$21,500,000.

"But the income from all sources to the guaranty fund totals only \$250,000 a year. The \$21,500,000 excess bears interest at the rate of 5 per cent which amounts to more than \$1,000,000, so it is readily seen that the total income of the fund does not begin to meet the interest, let alone entirely any reduction of the principal of the excess.

"The condition which faces the people of South Dakota, therefore, in regard to the guaranty fund simply is this: each year the excess is growing larger and larger with no means under present conditions to cut it down. In the interest feature alone, the guaranty fund is going into the hole at the rate of \$62,500 per month, or about \$2,000 per day.

"Considering those facts, one comes quickly to the conclusion that the guaranty bank fund is so hopelessly in arrears that it never will be able to pay out unless some taxing agency is employed.

"Those who ask that the guaranty fund law be retained say: 'Oh, let it remain; everything will work out all right in five years or so.' But the fact remains that the system cannot work out or pay out unless a tax of some kind is provided. The question then is, who is going to pay the tax? The only answer is, the citizens of South Dakota.

"Because of these conditions, advocates of a safe banking system in South Dakota are urging citizens to vote 'yes' this fall on the question of upholding the legislature which during its last session repealed the bank guaranty law."

A SERVICE TO ALL SUBSCRIBERS

Among the other services *THE NORTHWESTERN BANKER* renders its many subscribers is that special department in each issue entitled "For Bankers and Their Wants." Don't forget that this service is without charge to every one of this magazine's subscribers, and that scores of bankers each year find new positions and are able to market equipment that they have for sale through the medium of this department.

Just last month the following testimonial of appreciation came in from Joe Mentges, cashier, First State of Arlington, Iowa, who writes:

"I want to assure you I appreciate your calling my attention to another service *THE NORTHWESTERN BANKER* is giving us without charge, and also want to say we could not keep 'house' without it."

New Carols and Ditties for Bankers' Conventions

By Roscoe Macy

CONVENTIONS and group meetings of bankers in this section would often be threatened with failure were it not for the inspiring presence of that sorrel-topped Irishman who can always be counted upon to lead the song-fest. I understand he sings for some Chicago bond house, and those bankers who delude themselves with the idea that his services as convention song-director are furnished gratis, may some day wake up to find that he has sung them into buying an imposingly large block of bonds put out by his house.

There is always one serious defect in evidence in these song programs, and that is the subject-matter of the songs printed in the folders that are passed around. Why should we always be asked to "put on our Old Gray Bonnett," for instance, when everybody knows that if one of us should be so rash as to comply with the request, even in fun, there would probably be a run on his bank next day? The news that Old Black Joe is coming never seems to thrill us as it might, since he does not owe our bank anything, nor is it likely that he is coming to open an account with us. That information imparted by the Saucy Little Bird on Nellie's Hat is interesting, to be sure, but it would mean a lot more to us if we were acquainted with Nellie, and I have

never found one of our bankers who knew her. Probably she keeps her account with some bank over in Nebraska, where deposits are guaranteed.

What we need is a group of real banking songs and anthems—something to lend us interest in the words we sing, and give added zest to our chanting. If these songs that are always printed in our programs dealt with matters of every-day interest to bankers, our leader might have an easier time getting us warmed up to our warbling. For instance, we might open our programs with "The Dirge of the Monthly Payment," singing it to the tune of Old Black Joe, so that the old boy won't feel left out altogether:

THE DIRGE OF THE MONTHLY PAYMENT

Gone are the days, when the old home place was clear,
Gone is the cash, that was in the bank last year;
Gone is the rig, that I used to hitch up to;
And I see that monthly notice coming, "Payment due!"

CHORUS:
I'm coming! I'm coming! Though I have to sell a shoat.
Must meet that payment on my car, or I'm a goat.

And then it is too bad about ole Massa, who, we are credibly informed,

is now in the cold, cold ground. Sometimes I suspect that we don't take this as hard as we should. Of course, it is true that Massa's plantation was mortgaged up to the hilt, and he left a lot of uncollectible notes in the banks, but he was a good old soul, at that, and when we sing about him, we should manage somehow to get a little more gusto in our warble. Possibly it will be necessary to change the words a bit, in which case we might substitute "The Lay of the Last Dollar," which is sung to the same tune.

THE LAY OF THE LAST DOLLAR

Roun' de orchard am a-ringin'
De shovel's mournful clang.
All de banks dey am a-bustin'
Seems lak dey ain't worth a dang.
"Groun's de safest," says de missus,
"Zaminers doan come roun'."
So Ah takes mah pick an' shovel;
Hides it in de col', col' groun'.

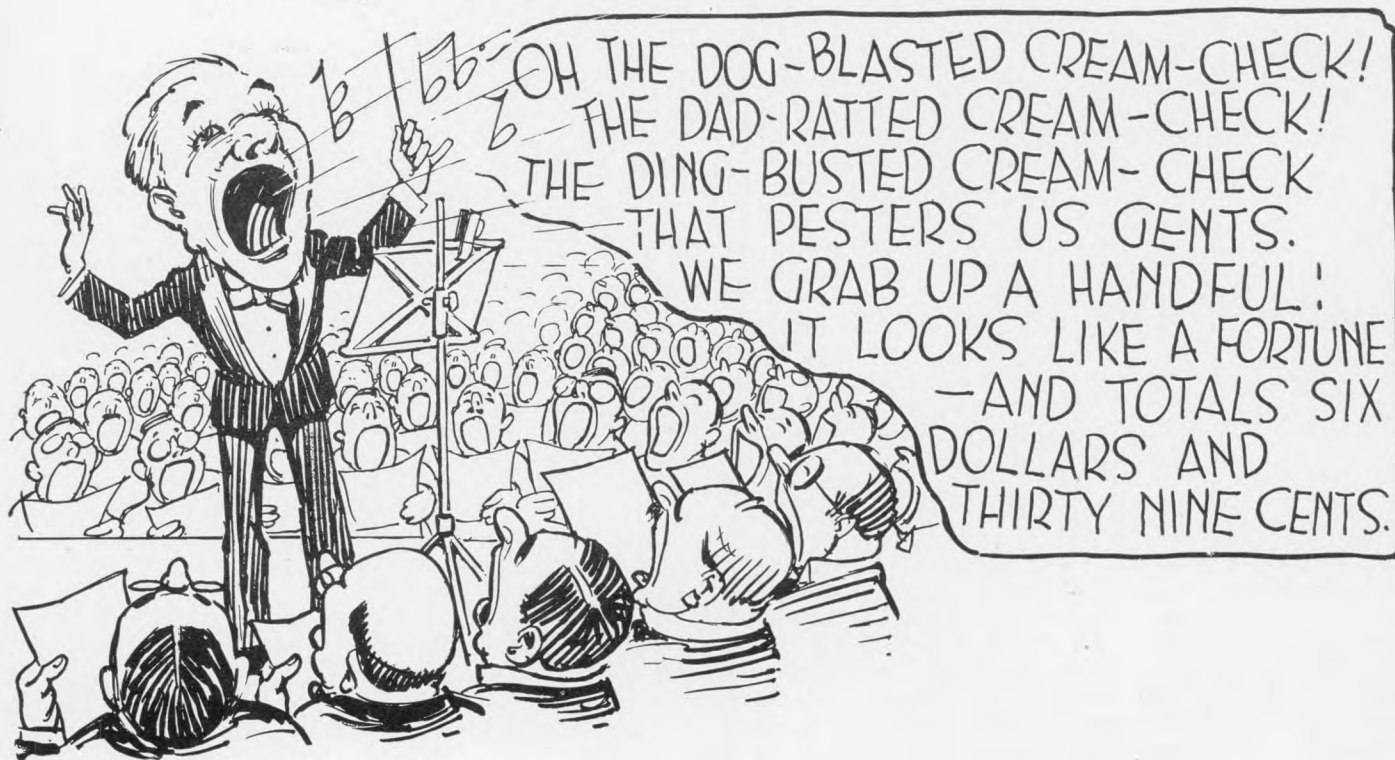
CHORUS:

Down in de orchard,
'Neath dat grassy moun',
Dah mah dough she's layin' buried,
Buried in de col', col' groun'.

For that old stand-by, "Drink to Me Only With Thine Eyes," carrying an admonition which is superflous today, even at bankers' conventions, we could substitute these words with the same air:

TO THE SPLITTER OF ACCOUNTS
Bank with us only, split not thy balance,
And we'll take care of thee.

(TUNE) "THE OLD OAKEN BUCKET"



We'll draw up thy leases, pay up thy tax receipts;
 We never charge no fee.
 And if thou needest mon', just give us thy note,
 Two sureties only required,
 And if we find thy collateral pleaseth, we'll finance thee—till we're tired.

And there is that other hoary old relie,
 "The Old Oaken Bucket," which means practically nothing to the modern banker.
 Why not substitute these words:

THE OLD CREAM CHECK

Oh, don't you remember the days that are bygone,
 When Shorthorns and Herefords were roaming the land?
 The Angus, the Galloway, deep-chested Durhams
 Were milked by the calves, instead of by hand?
 But now 'tis the Ayrshire, the Guernsey, the Jersey,
 Or black-mottled Holsteins that get all the hay.
 Mechanical milkers, and pow'r separators
 Turn it all into cream checks for bankers to pay.

Oh, the dog-blasted cream check! The dad-rotted cream check!
 The ding-busted cream check that pesters us gents.
 We grab up a handful; it looks like a fortune
 And totals six dollars and thirty-nine cents!
 "May I cash a cream check?" "Can you cash this cream check?"
 It rings in our eardrums from morning till night.
 He may be a stranger, "Don't know him from Adam,
 But if he's got a cream check, he must be all right."

And then in the evening, the boys try to list 'em,
 They add, and they add, but they can't get 'em straight.
 Whynell can't we stuff the whole bunch in a mail bag,
 And clear the gol-durned things according to weight?

CHORUS:

Oh, ding the ole cream check. Yes, dang the ole cream check!
 Gosh-blame the ole cream check that clutters our file!
 Four ounces, a dollar; ten ounces, two dollars—
 And seventeen dollars to buy the whole pile.

It would be nice if we could work out a song dealing with the most humorous development of the past few years in the banking field—the proposal to enact a bank guaranty law in Iowa. I have made a valiant effort to do something of the sort, but where on earth is one to find anything to rhyme with "bank guaranty?" There's no rhyme to it—to say nothing of reason. I got one line finished, set to the tune of "My Old Kentucky Home," which ran like this:

"The bull flows free in the legislative halls," but there I stuck. Anybody who will finish the thing can have the copy-right.

Still, we ought to have something political in this, an election year; why not vary the good old Iowa Corn Song somewhat as follows:

Oh, I'm for I-oh-way! I-oh-way!
 Come, join Brookhart's ranks; boost for Farmer's Banks.
 Yes, I'm for I-oh-way! I-oh-way!
 That's where the tall talk goes!

BOTH SIDES OF THE "STORY NO OTHER STATE CAN TELL!"

SINCE publication of the September issue of THE NORTHWESTERN BANKER, containing the first of the series of three articles under the above heading, this magazine has been deluged with requests from subscribers throughout Iowa, Nebraska, Minnesota and the two Dakotas, asking for further opinion from both state and national bankers of Nebraska as to the effect of their guaranty law. Hence, the writer will begin this article with quotations from different letters from Nebraska bankers, starting first with the "Antis" since the "Pros" occupied first place in the first article.

Here are some of the views of Nebraska state bankers who feel that their guaranty law is an injustice:

IS A HARDSHIP ON THE CONSERVATIVE BANKER

"The Nebraska Guaranty Law is one of the most vital questions in our state today and could a man be found who could reconcile all factions and opinions he would be hailed with great acclaim.

"We believe the principles to be sound in theory but the operation of the law has been defective. At the present, it is a political football at the entire mercy of political changes and unscrupulous politicians. Our present banking department have worked wonders in handling of the situation but we do not know how long they may remain in charge. The

By R. W. Moorhead
 Editor, Northwestern Banker

THE NEBRASKA SITUATION

For the benefit of those who may not have read the first article of this series that appeared in the September issue of the NORTHWESTERN BANKER, these are the facts regarding the Nebraska guaranty law situation:

Nebraska has a total of 893 state banks, with \$284,000,000 deposits.

Since the law went into effect in 1911, there have been 154 state bank failures, the vast majority of these since 1920.

The Guaranty Fund has liquidated and taken all the losses in 117 of these banks and is now operating 37 banks.

Nebraska bankers have paid out of their own pockets, through the Guaranty Fund, a total of \$14,000,000 since 1911. A total of about \$14,000,000 has also been realized through liquidation of the failed banks.

The average loss per bank has cost the Guaranty Fund about \$130,000 each.

bankers who must pay for mistakes and dishonesty have but very little to say about its administration. It *must* be taken out of politics, or the eventual and sure outcome will be failure.

"The adoption of a similar law by our neighboring states should be carefully weighed and considered before the taking of a definite step as once taken it can never be repudiated or laid aside.

"The Guaranty Law has had a tendency to cause people to place their money in a bank which they have known to be in somewhat of a delicate condition yet they have said, 'Oh, well, the Guaranty Law will protect us,' and as a result it has worked a hardship and has proved a detriment to the conservative banker and in favor of the reckless loaner."

NO INCENTIVE FOR HONEST BANKING

"I believe that the Nebraska Guaranty Law is sadly lacking both in principles and operation.

"The law is like a mutual insurance company, which insures the greatest hazards in a certain community, which community is bound to be hit every place at the same time. If it had a sufficient coverage so that at one point where the storm occurred, that point could be taken care of by the rest of the places where the storm didn't occur, this law would probably work out all right. But as it is, mutual insurance operating under the above system covering only a certain community against the worst hazards such as hail or tornado, have gone broke and will continue to go broke as long as they operate this way.

"However, when a financial depression hits a country, that is, a very bad financial depression, it generally hits the country as a whole, and therefore, I believe that this law is wrong both in principle

and operation. Another great fault has been, I believe, with the administration granting charters for banks where there was no real need for the bank and have made competition so great that some bankers have taken on doubtful paper in order to get the business and consequently have suffered great losses. Also they have granted charters to incompetent bankers which should not have been done.

"The worst feature of all is that it has put the good conservative banker, the banker that has run his business honestly and along careful lines, on the same basis with the incompetent banker, and the good banker has had to run in competition with the poor banker and has had to pay his loss also. Under this law the depositor takes the stand that the state banks are all alike, one being just as sound as the other and he does not care which bank he puts his money into. This is not right.

"I believe that I am competent to make these statements for the reason that I operated a bank in competition with another bank. The manager of this other bank did not seem to make much distinction, but loaned money right and left to anyone that wanted it. By making these loans he got the bulk of the business, as his deposits were guaranteed, or supposedly so. This was in the times before depression. Lately his bank has been taken over by the Guarantee Fund Commission, who are operating it as a going concern. However, having moved from this place some time ago, I am now operating another bank at another place, in competition with the Guarantee Fund Commission, who have charge of the bank here, also.

"I would not advise any state to adopt this plan or any like it."

WILL REPEAL LAW IN FIVE OR SIX YEARS

"Replying to your inquiry relative to my opinion of the principle and operation of the Nebraska Guaranty Law, will say that the public generally has a very good opinion of the law and think that it is on a sound basis. I think many bankers who are not aware of the real situation are also of this opinion and many bankers are in such a condition that they cannot withstand an examination which would conform strictly to the law without having the Guarantee Fund to give confidence to the public.

"As a matter of fact, if all the banks of Nebraska were to be closed whose capital stock has been lost by loans in excess of their real worth, I think a very serious situation would immediately arise. I do not see anything in the future for the fund except that it will eventually be repealed. However, if we could get more stringent laws regulating loans and the examination of banks, the operation of the law might be prolonged for a number of years. Unless some material change is made I look for the law to be repealed within the next five or six years.

"The outstanding receiver certificates are about one and one-fourth million dollars in excess of the cash on hand. It has worked a great hardship on bankers who want to convert their institutions in a legitimate way and they cannot continue to carry the burden without passing some of it on to the public in way of higher interest rates on loans and lower interest rates on time deposits. It will be necessary, also, to give directors and officers more personal responsibility and more financial worth.

"In many cases the cashiers of banks who have been responsible for the management have only a few shares of stock or are men with small financial means who have purchased a large block of stock, borrowing a considerable sum of money on the purchase price. These practices have not been in strict compliance with the law which states that the stockholders shall be liable for twice the amount of their capital stock.

"Many banks brag of the large volume of deposits which has been brought about by the confidence of the public, but on the other hand many banks have had such a large volume of money on which they are paying 4 per cent interest that they cannot put it into good investments and make money and loaning at 8 per cent on open notes is apt to cause banks to make bad loans.

"Time money placed in banks as an investment must be eliminated from the Guarantee Fund. This in itself would be a great aid in placing the fund on a better financial basis in the future."

NO OTHER STATE SHOULD ADOPT SIMILAR LAW

"Personally, I feel that it is an injustice to the bankers who run good banks, that they pay for the other man's mistakes. These mistakes are often the result of inexperienced bankers opening up for business and also from profit-taking which sometimes overrules cautiousness and good business principles. If this is needed as insurance to the depositor, the depositor should pay for it as he does his fire insurance or anything else of that nature.

"I personally believe it will be an ultimate failure in this state, because a banker, as a rule, knows very little about business over and above the average man. To correct all the banker mistakes to come in our state would require an enormous sum of money because every month will hatch out a new batch.

"I would advise no state to start it, as the people do not appreciate the fact, because they will throw their money into a weak bank oftentimes instead of supporting a good substantial bank, feeling that just so it is a state bank in Nebraska, we should worry. In this manner the 'good fellow' gets support and bakes another weak bank larger, later to close, because of developed losses.

"We have been favored with more deposits on account of the fund, but mostly time deposits during boom times, when we would likewise shove them out, only to have the collection of the same and payment demanded when we least could appreciate it."

South Dakota Distrusts Nebraska Plan

The South Dakota Bankers Association, which recently made an extensive investigation of the Nebraska guaranty plan, was not impressed with the results of the plan. The following letter, from Secretary George A. Starring, to an Omaha paper, tells the whole story:

"To the Editor,
"Omaha Daily Journal-Stockman,
"Omaha, Nebraska.

"Dear Sir:

"I have just read a story in your paper of September 7th under a Lincoln date line in which it is reported that a committee representing this association had been in Nebraska investigating the operation of your guaranty of deposits law, the first paragraph of which ended by saying 'they will recommend the substitution of the Nebraska plan for that which has been working out badly in their home state.'

"We wish to inform you that this statement is not correct. No member of our committee made such a statement to anyone. On the contrary, we secured enough information to convince us that we certainly would not recommend the Nebraska plan. Furthermore, we did not find nearly the unanimous approval of the system in your state which we expected to find. The amount of dissatisfaction which we found and the feeling that trouble is almost inevitable would surprise you. The system must be in a bad way if its advocates must resort to untruths in its support.

"We would appreciate a correction in an early number of your paper.

"Cordially yours, for the Committee,

"GEO. A. STARRING, Secretary,
"South Dakota Bankers Association."

"Sept. 13, 1926.

“Robbing Peter to Pay Paul”

By a Nebraska State Banker

“THERE was an old European custom, I believe, to the effect that all criminals must be punished and when it was not possible to locate a criminal when a crime had been committed, some one of his relatives was seized and thrown into prison to remain there until the guilty one could be found.

“Apparently the state demanded, whether right or wrong, that when a crime was committed, punishment must be meted out to some one.

“Since that day, civilization has progressed to the place where such a practice or principle is almost universally admitted to be wrong. However, we do still have with us those who go up and down the land preaching that when my neighbor suffers a material loss through mismanagement, dishonesty, or otherwise, I, who have been more fortunate perhaps, must give up part of the goods I possess. If Jones wastes a portion of the property that has been entrusted to him, I, who have practiced thrift and performed my stewardship with some degree of care and prudence, am compelled to make good a part of Jones' loss which may have been occasioned by his shiftlessness, neglect, speculation, inexperience, dishonesty, etc.

“The peculiar thing about it is that our Legislature has passed a law making it mandatory that some of us make good the losses of our neighbors, and, either wisely or unwisely, they have chosen *state bankers only* as the ones who must make good.

“Why the discrimination?

“Would it not be fair to ask the doctor, the merchant, the wage earner, and those engaged in all other vocations, to help make up the losses of the butcher, the grocer, and the candlestick maker.

“I believe the Nebraska guaranty law is the best guaranty law that has ever been devised and up to this time it has operated with apparent success. But, robbing Peter to pay Paul, or demanding that Jones pay the debts of Smith, is absolutely wrong and economically unsound.

“The Nebraska law, as have all other similar laws which have been built upon unsound economic principles, sooner or later will perish from the earth. Our present law may survive our present troubles, but its death is as certain as the handwriting on the wall.

“C. M. Skiles, General Counsel for the deposit guaranty fund commission, through the Wall Street Journal, July 27th of this year, is reported to have said that, unless the Supreme Court protects it (the guaranty fund) from raids by bankers who have sought to evade the effect of the law, it may not be able to pay depositors in full the losses ahead.

“The members of the commission, the secretary of banking and many bankers of the state,” he adds, “have labored almost night and day to keep this fund solvent, but, unless we have the sympathetic cooperation of this final court of appeal, all

efforts to keep this fund solvent will be of no avail. If, within the next year, we are unable to pay the bona fide depositors of failed banks, the Supreme Court will necessarily have to share its full responsibility for the depletion of the fund.” It is reported that receiver's certificates are now outstanding in about the same amount as is in the guaranty fund.

“I would advise no state to adopt any guaranty law that makes it mandatory for all state banks to join the system. The only sound principle of guaranteeing deposits in banks is that based upon a voluntary insurance measure carried on under the supervision of the State.

“For Nebraska, the present law has done an untold amount of good in stabilizing public opinion and building up an almost incredible confidence in the security of State Banks. On the other hand it has also lessened the stamina and decreased the moral fiber of many of our depositors, to such a degree that it is almost impossible to convict in our courts a man who has violated and transgressed our banking laws. In fact, in some cases, the banking criminal becomes a hero!

“Because of the guaranty law, the bank in which I am interested has, during the life of the guaranty fund, not only taken care of its own losses, but has contributed exactly 199.57 per cent more than its capital to the guaranty fund to pay the losses of some unscrupulous and ‘so-called bankers’ in the state banks.”

AS STATED in the first article of this series, 40 per cent of the Nebraska state bankers, according to the questionnaire sent out a few weeks ago by THE NORTHWESTERN BANKER, stated that they are for their guaranty law, while 60 per cent of them expressed definite opposition to it. But of the 40 per cent who favor such a law, there is only a very small percentage who favor all its present methods of operation.

In other words, the vast majority of Nebraska state bankers, feel that their present law has defects that should be overcome. Hence, the following statements by those who favor it, will be found to contain criticism as well as words of favor.

Here are some comments by state bankers who favor the law:

NEED BETTER METHODS OF EXAMINATION

“We believe the principles of the Guaranty Fund law are right and sound; that time and experience will remedy the defects in operation as they develop.

“We see no reason why it can not be made to function as successfully as any

other mutual insurance plan, and it should prove a continued and ultimate success eventually.

“Guaranty Fund protection should be provided by all banks for the benefit of depositors. More frequent and complete examinations with some plan working alone the line of clearing house examinations for our cities adapted to counties as units (possibly two or more counties as a unit).

“The Guaranty Fund has without question saved the banking situation in this part of the state. It has been a lifesaver to the National banks, in that the majority of depositors in National banks have labored under the impression that the Federal Reserve System or the National Government afforded them the same or greater protection for their deposits in National banks as in our Nebraska state banks.

“In communities where National banks have failed with great loss to depositors, the true situation has been revealed to the depositors. Due to the very meager publicity given to National bank failures by our daily newspapers, and to the great amount of space given to state bank failures, with a surplus of comment and criticism by some of our prominent state bankers, bank examiners and officials of

our State Bureau of Banking (all of whom might have better chased themselves out into some cornfield and unburdened themselves where none would hear them, if they just had to talk), the state banking system has been placed in an unfavorable light as compared to the National banking system.

“While the National bank examiners may have a more strict and complete system of examination (according to their story), than the state department, it has been our observation that this has not eliminated National bank failures, and to our knowledge they are a good many National banks which have been permitted to continue operating during these past six years under conditions that are a disgrace to the banking system. Had our State Banking Department been as lenient and considerate of state banks during the early part of the depression, as were the National banking examiners, there would not have been so many state banks closed, and the cost to going state banks would have been much less.

“Notwithstanding that fact, the benefits derived have been worth the cost. However, it would be only fair if the entire state assumed a part of the burden. It saved the day for Nebraska, and the

(Continued on page 58)

National Bankers Say Guaranty Law Is Complete Failure

LAW IS A MISERABLE FAILURE

"I certainly court every opportunity to express myself on the 'Advantages and Disadvantages of the Nebraska Guaranty Law,' with a feeling, too, that I reflect the impression of hundreds of Nebraska bankers, both State and National.

"1. That the Nebraska Guaranty Law is predicated on a principle absolutely unsound and unfair is not at all debatable—the stability of old established, solid and conservative banking institutions should not be jeopardized or penalized by the shortcomings or the methods of others.

"2. The present law will certainly at least be amended if not repealed just as soon as this can be done without seriously disturbing our already wrought up banking conditions. In fact, this was seriously considered during the last Legislative Session, but as I personally view it, action was delayed as much by national bankers who were indirectly interested in the accounts of hundreds of our state bankers as by the state bankers themselves.

"3. In the face of the experiences of other states which have repealed similar laws and conscious of the severe drain of the Nebraska law I never could comprehend why any banker would want to wish a similar burden on the banking fraternity in another state.

"4. As a National bank in a community of 16,000 competing with three state banks and one other national institution it is probable that at least a million dollars of deposits now lodged in the state banks influenced by their advertising of the law would have been lodged with us, but since our problem here is one of an outlet for funds rather than that of piling up of high-priced deposits we do not feel that we have been affected. We are all the more content in our position, realizing that this million dollars in deposits since the Guaranty Law went into effect has cost our competitors about \$125,000.

PRINCIPLES DISHONEST, UNSOUND AND UNJUST

"Ours is a national bank. When the Guaranty Law was passed we had a State savings Bank which came under the law. We remained under the law until they had assessed the Savings Bank \$90,000, the last two years \$22,000 a year. We concluded that we had better get out so we liquidated and made it a department of the National Bank. I might state, to show that the guarantee feature had no particular effect on us, that our deposits increased both in dollars and in number of depositors, and have gradually increased from that time.

"1. The Guaranty principle is dishonest, unsound and unjust. It puts a premium on inexperienced, dishonest banking to the

detriment of experienced, conservative banking.

"2. I think eventually it will be wiped off the statutes. I think Nebraska is the only one left except Kansas which is just hanging on by the eyelashes for a short time.

"3. I certainly would not advise other western states to adopt the law. They will regret it.

"I think the states that have a guaranty law have suffered more than the states that did not have it and from that there have been more failures. That is easily explained from the fact that it opens the door to wildeat banking."

FOOLING NEBRASKA DEPOSITORS

"Replying to your inquiry as to the advantages and disadvantages of the Nebraska Guaranty Law.

"We have just been aching for just such an opportunity as this in which to express our opinions of this wonderful boon (?) to state banks. We think it has already proven itself to be unsound, uneconomical and without merit in every respect. Its operation can be likened to a toy balloon—it must break and then the children will cry. In other words, it is the plaything of politicians and under its flag they are soliciting business by misrepresentation, which will eventually leave a deep scar upon our fair state.

"Let us consider their statement of June thirtieth, last:

In the Guaranty Fund.....	\$ 820,320.86
Less conservation fund.....	629,546.22
Balance	\$ 190,774.64
Unpaid and outstanding.....	
Receiver's Certificates	\$1,000,000.00

What remains? A deficit

"If the Guaranty Fund is not already insolvent why do we never see a sworn statement of its actual condition? How many failed banks are now in the hands of the Commission and continuing to operate?

"South Dakota, North Dakota, Kansas, and numerous other states have tried it and have failed—Nebraska's turn is just around the corner, although those in charge contend that it is stronger than ever before. Why pull the wool over the eyes of the innocent people of Nebraska when statistics show that it is already a failure? How much do they spend for advertising? Why do they employ pages of copy in local newspapers to "keep the good work going" and solicit from unsuspecting depositors?

URGES IOWA TO AVOID SUCH A LAW

"Yours of the 10th. We reply simply because of the politicians making capital of the Nebraska fund and will be, and are, trying to pawn it off on the state of Iowa.

Please note we are a national bank. Far from being worried by the fund as we and our neighboring nationals are around twice as large as our competitors.

"First. Like all Bryan theories, it is unsound. I am reliably informed that Mr. Bryan laid his 1896 defeat at the door of the banks and always said to his friends that there was one place he got even was in the guarantee laws in the states where he had a following. A bank is not a quasi-public institution any more, not nearly as much as a farm or grocery store. There is not a leg to stand on to the argument that the state banks of Nebraska should and have worked for the last six years to pay the debts of a mess of crooks and speculators. Our competitor tells us he has not made a dime since the depression and cannot charge of his own weak paper.

"Second: They have already reduced the assessments to one-half the former amount as I recall. This was done to put off the "day of judgment." State bank friends told me at the time that it would have ruined half the banks of the state if it had not been reduced.

"Third. No. It has been suggested that the fund should only cover non-interest deposits that people do not have the protection on other investments. If the people must be guaranteed let it be by insurance and then each bank will stand on its own bottom. The insurance companies taking the risk will audit their risks and the crooks will be out of luck. If the guarantee law is a sound theory why is it only about 10 per cent as many nationals as states have failed in Nebraska. States can loan on the basis of capital just twice what a national can. That point alone is one of the big weaknesses in the state law but the 'boomers' fight any change as they can't pull their stuff on a sound loaning basis."

NEBRASKA PROSPERS DESPITE GUARANTY LAW

"The Guaranty Law for bank deposits in Nebraska is not any different from that of other states where it absolutely failed. The difference in Nebraska and other states lies in the fact that Nebraska has such a diversity of products that it is never a complete failure in all at any one time. In eastern Nebraska we raise cattle, corn, hogs, wheat, oats, barley, hay, and in the southeast apples, peaches and other fruits. In the northwest, hay, cattle and potatoes, and in the extreme west in addition to the others named above we raise sugar beets. So when prices are low and an over-production in some of these products there is always a good demand for some of the others and Nebraska has come smiling through not on account of the Guaranty Law, but in spite of it. This law was first advocated and finally put into effect by some visionary democratic politicians who had very little experience in practical business affairs and it has survived when the same law in other states

went down, on account of the reasons stated above.

"This law has caused or given an opportunity for our state to be flooded with state banks, it has encouraged reckless banking, it has placed the conservative banker on equal footing with the speculative banker, it has enabled persons operating a bank to secure deposits that otherwise never would have been trusted. As a mutual insurance proposition, it is wrong, because it places the same rate of insurance on a speculative bootlegging banker that is charged for guaranteeing the deposits of the banker who is conservative and safe.

"All of the losses have not been enumerated when the depositors in the state banks of Nebraska have been fully paid. The stockholders in these state banks are deserving of even more than the depositors who are not stockholders. It has been estimated that there is about one-tenth enough money to pay off all of the deposits in the banks of this country. The other 90 per cent is represented or based on the credit that is extended by the banks for transacting business. The stockholders in the banks have made it possible by establishing a bank for the people to have available this additional 90 per cent of all the deposits as a credit for transacting business. If this were not true, business would be hampered and we would find it almost impossible to transact the volume of business now done. But what happens when a bank fails? Under this system the depositors are paid out and the stockholders lose their stock and in almost every instance they are still further penalized by having to pay an additional 100 per cent as stockholders liability and all because they have volunteered to add an additional 90 per cent to the volume of credit for the benefit of the people in transacting their business.

"Another reason that I would mention is that the bank deposits are a very small proportion of the entire wealth of Nebraska or even the nation when compared with the value of the real estate, live stock, stocks of merchandise, grains, and improvements of all kinds. A guaranty system that continually weakens a financial structure to almost the breaking point by a system of drawing on the same, will eventually, if continued, destroy or break down the financial structure and when this is broken down or destroyed the value of other property is very materially decreased, business is stagnated and a general depression follows. If the financial structure would remain intact the people who have made bad selections in their banks and have suffered losses will recuperate and become thrifty again, but on the other hand it is impossible to rise above the tide where the financial structure has been weakened or destroyed as is the case when the banking system, so to express it, is drained by continual assessments. The stockholders are bearing the burden and the people too where interest rates have been increased to meet this extra demand.

"It appears that we could get down to a better financial system if the people would no longer depend upon this guaranty law and in selecting their banks assist in weeding out the speculative banker and insist that every banker stand on his own merits as to business ability and character.

"It has been truthfully said that in an agricultural country such as ours that if we destroy the towns and leave the farms, the towns will sprang up again, but if we destroy the farms the grass will grow in every street in every town in this country.

How Nebraska Bankers View Their Guaranty Law

The NORTHWESTERN BANKER recently sent out a questionnaire to every state and national bank in Nebraska, asking for their opinions on their Guaranty Law. Questions and answers were as follows:

Of 400 state banks and 49 national banks in Nebraska that answered THE NORTHWESTERN BANKER questionnaire, on their attitude toward the Nebraska guaranty law, questions and answers were as follows:

(1) "What is your opinion of the principles and operation of the Nebraska guaranty law?"

Answers. 220 state banks and 48 national banks are opposed to the principles and operation of the law. 180 state banks and one national bank favor it.

(2) "What do you think will be the outcome of the plan?"

Answers. Almost all of the 220 state banks who are not in favor of the law predict its ultimate downfall and repeal. Of the 180 state banks favoring the law, 75 per cent of them say the situation will right itself in five years or less. The remaining 25 per cent advocate certain changes in it before venturing an opinion on its outcome.

(3) "Would you advise other middle western states to adopt a similar law, and, if so, what changes, if any, would you suggest?"

Answers. Sixty per cent of all replies from state banks warned other states not to adopt a guaranty plan similar to the Nebraska plan, 10 per cent of all the replies would change the law in certain respects before urging its adoption, 10 per cent frankly advise other states to adopt the Nebraska plan as it now stands, and 20 per cent of the state bankers failed to venture an opinion.

(4) "How has the guaranty law affected your bank and your community?"

Answers. The answers range all the way from "Has saved Nebraska," to "Has torn down our state financial structure."

"So, if we destroy the financial system by a series of assessments that are burdensome and unbearable, we materially affect the entire wealth of our state.

"Iowa with its some 150 bank failures is in better financial condition today than Nebraska, because the financial structure remains intact and the weak ones have gone out. It is true, the people have suffered losses but the real value of the property has not been decreased on account of breaking down the financial structure. We in Nebraska are drifting along with some 50 to 100 crippled banks under the guaranty commission which are growing worse all the time and most of these, eventually will have to be liquidated and there is a large indebtedness and the outcome of the system is very much doubted even by state bankers. They would like to get rid of it but do not know how to let the animal go. They tell me that they are afraid of the results if they should do away with the system because deposits would be withdrawn from the state banks so rapidly, especially in the western part of the state, that it would be impossible for the sound state banks to stem the tide or pay the losses and a crash would follow in the financial structure, the results of which would outlive the present generation.

"I could fill volumes on this subject but I think this is enough."

PLAN WILL FAIL EVENTUALLY

"In answer to your letter, as president of a state bank and an officer of a national bank, I submit the following answers to your questions:

"1. What is your opinion of the principles and operation of the Nebraska Guaranty Law?"

"The Guaranty Law created a boom in banking. It caused the creation of two banks where one could easily supply the necessary banking service. Many of the new banks were established by men who

had no banking experience, and often the banks were run by incompetent officers. It rapidly increased deposits in state banks, and much of this increase was derived from other states and other sources. Many of these deposits were too large for the banks receiving them, and were made because they were protected under the guaranty system. When times got hard, or the depositors wanted their money, these deposits proved to be 'dynamite' to the banks. These growing deposits created competition, not only to receive more deposits, but also to make additional loans in order to get the interest. As a result, more loans were made on a speculative basis, and for more than the normal security would justify. A lot of these loans are now frozen or doubtful loans, and the percentage of loans to deposits is too large.

"The Guaranty Plan is wrong in principle, because it makes good banks pay for the losses incurred by the poor banks, and without any compensation.

"To cite the case of one bank with which I am familiar: This bank has a capital of \$25,000, and has had an average deposit of not over \$300,000. The guaranty assessments paid in six and one-half years was over \$14,000. Over eight and one-half per cent a year on their capital. This bank, like many others, has not paid a dividend, nor increased its surplus, in the past five years. The stockholders have received no wage for their money invested.

"2. What will be the eventual outcome of the plan?"

"I don't know. Under the state banking laws the banks are not permitted to loan to any one person or firm more than 20 per cent of their capital and surplus, while the national bank laws limit such loans to 10 per cent of the capital and surplus. Nearly all of the state banks have exceeded the ten per cent limit, and cannot nationalize.

"A strict enforcement of the regulations now would be a calamity. It would cause more bank failures and would throw many

(Continued on page 37)

NEWS AND VIEWS

OF THE BANKING WORLD

By Clifford De Puy

R. C. Budlong, agency publicity director of the **Northwestern National Life Insurance Company** of Minneapolis, is to be congratulated upon the recent series of nine advertisements run in the leading insurance and financial journals, stressing the identity of the nine members of the board of directors of that company. Owing to the use of identical halftones of the directors, together with setting of units, the advertising was readily recognized as a part of a series by the reader, and while the Northwestern National Life is by no means a newcomer in the field, the number of changes in personnel during its business history now brings it into position to capitalize on the splendid prestige of the men who now form the management. The series of advertisements have now been reissued in booklet form.

"For California Readers Only" heads the following ad: "The Iowa Family Tree (California Branch) is preparing a directory which is to include the name and address of every representative Iowa family now living in California. You are invited to register your family now—and without fee or obligation of any kind. In reply please print plainly your name, permanent California address and former Iowa address. Former Iowa address is necessary." Signed, "The Iowa Family Tree, Los Angeles." So far as we have been able to determine, this is the only "free" thing ever given an Iowan in California—except advice.

"America's fastest growing crime"—check forging and raising—is costing banks and business men of the United States between \$100,000,000 and \$300,000,000 annually and the losses are growing each year in an alarming rate, was the message recently brought to the Chicago chapter of the American Institute of Banking by W. L. Barnhart, vice president of the National Surety Company of New York. The greatest handicap which banks and protective agencies have to overcome in their task of apprehending and convicting forgers and swindlers, Mr. Barnhart said, is the reluctance of bankers and business men to admit they have been swindled. "Often," he said, "they are so ashamed of their credulity they will not even report the case to the police." It should be a simple matter to pocket your pride if by so doing you could protect yourself against forgers and swindlers.

High finance as reported in New York concerns a man who inherited \$10,000 in the form of bonds of \$100. He took them to a safe deposit company and found upon inquiry that a box large enough to hold them would cost \$10 a year. The idea of paying this much annoyed him and he went to his bank and made a loan which cost him 30 cents per annum in interest and left his 100 bonds in the bank as collateral for the loan. He then took the \$5.00 he had borrowed and deposited it in a savings bank at 4½ per cent, receiving 23 cents in interest. Thus the bonds were safely taken care of for a year and the cost was only 7 cents.

Carl A. Gode, publicity director of the **Illinois Merchants Trust Company** of Chicago, who recently resigned as treasurer of the Financial Advertisers Association after eight years of able service to that organization, is now taking a well-earned vacation. Mr. Gode will be succeeded in his splendid work by Ed-

ward A. Hintz, cashier of the Peoples Trust and Savings Bank of Chicago.

Fred Staker, publicity generalissimo of the **Commerce Trust of Kansas City**, sent us this one. "That new teller is a man of stone, that's all," ejaculated the cashier. "How do you know?" "Yesterday I pointed out a girl to him who was wearing one of those garter watches. He looked the other way and said he didn't care what time it was." No one could call this fellow a clock-watcher.

To see the way some people spend money reminds us of the story of the colored man who had spent all of his money on the merry-go-round. When he alighted from his last ride his thrifty wife confronted him with, "Now yoh spent all yo money, nigger, wha's you bin?"

Economists tell us that no midsummer dullness has developed in general business this year. This is very interesting in view of the fact that every year since the war, with the single exception of 1922, there has been a general slowing down during the summer months. The present prospects are that no drastic change in these general conditions will take place during the remaining months of 1926.

(Continued on page 34)

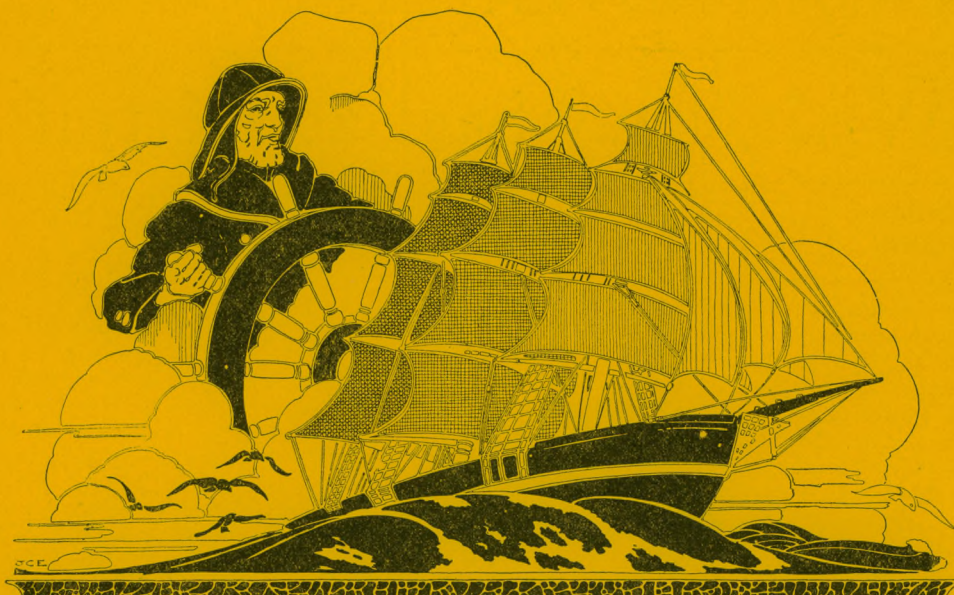
Among the Black Hills of South Dakota



Top row—No. 1, partial view of canyon near Crystal Cave; No. 2, looking down Whitewood Hill, near Sturgis; No. 3, R. E. Lemley, cashier, State Bank of Scenic, the center of the Bad Lands; No. 4, A. C. Frolich, cashier, the Little Missouri Bank, Camp Crook, South Dakota.

Bottom row—No. 5, another view of Whitewood Hill; No. 6, left, William Lange, cashier; center, David Hughes, director; right, C. E. Lange, president, James County State Bank, Murdo; No. 7, another view in the Black Hills, near Deadwood.

The photos above were taken by R. V. Lentz, advertising director for the NORTHWESTERN BANKER, who enjoyed several days of vacation amid the splendors of the Black Hills of South Dakota.



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

SPECIAL SECTION DEVOTED TO THE FINANCIAL ADVERTISERS CONVENTION

What They Said at Detroit

TRUST COMPANY ADVERTISING

Modern trust service advertising has developed from a timid mouse into a roaring lion, Theodore Tefft Weldon, vice president of Wm. Elliott Graves, Inc., told delegates at the Detroit meeting. Admitting that while a great deal of trust company advertising is thoroughly good, nevertheless as much of it is just as thoroughly bad, Mr. Weldon said in part:

"Starting with trust newspaper advertising it would seem that it is too general. It contains too much the feeling of philosophical argument—of propaganda. It is full of banalities, self-evident facts, bromides.

It dwells on:

1. What the trust company does;
2. Its permanence;
3. How careful, experienced and competent it is;
4. It compares the excellence of trust company service to the shortcomings of an individual.

"This may all be very convincing and very necessary, but isn't it the moat around the fort rather than the picked soldiers to be sent out to press the attack? Will not the more successful advertising sell the reader on his own problem *first*, then tell him how to solve it, and finally tell him how important the trust company is to his plan?

"Perhaps your prospect—the average man on the street who has some money and expects to make a fortune before he dies—is worried about a son who is wild, yet whom he dearly loves and wishes to protect. Isn't this an opportunity for you to show how human and sympathetic you are, how you appreciate that the more worthless a boy is, often the more compassion his father feels for him. If you play on this subject and skillfully show this man a way out, he will come in and talk to you about it.

"Maybe his daughter will marry a spendthrift. The thought worries him. Does his wife know anything about business? Will she indulge in charities she cannot afford after he is gone? Is she easily swayed? Could she be sold an unsound investment? If she has a keen business mind, is she soft-hearted? Would she give in to the pleading of her chil-

dren for financial indulgence, even against her best judgment? Does she need protection from this temptation? Are financial matters uncongenial to her? Would she appreciate being relieved from them?

"Has the prospect meddling relatives whose well-meant interference and advice may work mischief? Has he parents or dependents to whom he is now paying an income and does he wish it continued? He must remember that his heirs might cut them off, or if they did not do that, they might make it very unpleasant for those dependents by taking an attitude toward them which would prove even more disagreeable than poverty.

"Does your prospect like his wife's relatives? Does he understand that if she outlives him there is a grave possibility that all his property will ultimately go to her family and not a penny to his?

"The prospect will be more interested in knowing how much cash he should leave his executor to protect his estate from various death items, than to know that your trust company is permanent. It will strike him nearer home to learn why an executor, inexperienced in this highly technical work, may greatly overpay inheritance taxes and other probate expenses, than to hear the bald fact that a trust company is more efficient than an individual.

"How many false claims might be put over on an individual executor, how far can he be trusted, how he would handle things, his financial responsibility to pay for his own errors, are matters which are, of course, important to every testator. But they will not get his attention as quickly as those things which worry him more, such as how many states will tax his holdings upon his death, and how much his estate will shrink at the moment of his death.

"These are things which disturb the average man of wealth. Through your advertising you can whet his hunger for knowledge on these subjects, and in satisfying it, you can tell your whole story.

"The problem then becomes one of touching these vital points with authority and aptness, always weaving in a background of the trust company's efficiency, experience and permanence.

"The trend in trust advertising seems fortunately to have a tendency away from general propaganda, the bromidic, and to be steering a course toward the very definite problems which confront

testators in the ever-increasing complexities of modern business and modern life.

"Now let us suppose that a man is partially convinced that this trust thing is something worth thinking about.

"Then what?

"He must summarize his family and property situation and form a plan for the protection of his dependents. He has three alternatives. He can sit down and do it alone; he can let you help him; or he can go to his attorney. Being but partially sold, he will attempt to do it himself, in the great majority of cases.

"Now, his is an extremely difficult and laborious task. All you men and women are familiar with the usual practical provisions of wills and trust agreements. You have seen lots of them—helped lots of people make them. But to the average man it is a new line of thought, strange, one upon which he will make little headway.

Here is a big gap to be filled. The public needs to be told what to put in a will or a trust agreement exactly. The average man needs a form to guide him, one which he can follow step by step so that his ideas will take form in his mind as he goes along, will be well ordered and nothing will be overlooked. Most enterprising advertising departments of trust companies have folders on wills, and various forms of agreements which give the most practical alternatives of each question to be decided, but rarely indeed are they given the prominence they deserve in the scheme of selling."

A REVIEW OF SAVINGS BANK ADVERTISING

The improvement in the quality of bank advertising during the past few years has been astounding, Guy W. Cooke, assistant cashier, the First National Bank of Chicago, said in his splendid address on "A Review of Savings Bank Advertising," at the Detroit conference. After presenting to the convention, a number of advertisements of former days, he made the following comparison between today and yesterday in savings bank advertising:

"We of the present day have developed a certain amount of style and technique, probably giving more attention to policy and plan than did those

whose advertisements appeared before most of us here had any connection with financial advertising. Collectively we have followed many by-paths. Savings advertising is tied up with spending. The Christmas Club, the Vacation Club and the Save to Travel Clubs are but instances of the present day tendency to offer inducements for savings that are not inherent to thrift. Banks have developed various plans for savings and insurance—savings and investment and savings and checking; all of these plans have been productive of and developed by excellent advertising. There is probably no form of savings advertising that has been so extensively used as that in connection with the Christmas Savings Club idea and the other combinations mentioned while not so universal in their appeal nor so generally adopted by savings banks, offer advertising possibilities—advantage of which has been taken to the fullest degree.

"As yet savings advertising apparently has been able to offer little to meet directly the competition of partial payment buying. The practice of "buy now, pay later" has gained considerably on "you can do it better with cash." Employees and customer ownership in corporations and speculative and semi-speculative investments have taken millions of dollars that might have once been results for savings bank advertising. Perhaps it is as well so. The old school of experience remains the best teacher and those who are responsible either for savings bank advertising or savings bank management or both may gain a reasonable degree of satisfaction in the fact that savings deposits in the United States have more than doubled in the last 10 years.

"Savings banks have profited by advertising and the cause of advertising has been served by savings banks. The bank which advertises and its neighbor which does not pay the same rate of interest. The cost of the advertising is absorbed by volume. Progressive policy, evidenced by advertising, assures broader facilities, more comprehensive service and a better appreciation of financial requirements.

"Savings advertising no longer needs economic justification."

THE VALUE OF NEWSPAPER PUBLICITY

Advertising for savings accounts in the prosperous Iowa town of Cedar Rapids, has grown to an astonishing degree, said C. E. Auracher, advertising manager for the Cedar Rapids Savings Bank and Trust Company. After describing the Christmas savings advertising, the "new baby" advertising campaigns, Mr. Auracher made the following interesting

OFFICERS AND DIRECTORS FINANCIAL ADVERTISERS ASSOCIATION, 1926-1927

President—C. H. Handerson of Cleveland.

First Vice President—H. F. Hodapp of New York.

Second Vice President—Kline L. Roberts of Columbus.

Third Vice President—C. H. Wetterau of Nashville.

Treasurer—E. A. Hintz of Chicago.

Directors—Carroll Ragan of New York, C. E. Bourne of Montreal, A. E. Bryson of Chicago, Frank Fuchs of St. Louis, F. W. Gehle of New York, Robert J. Izant of Cleveland, F. R. Kerman of San Francisco, Marjorie Schoeffel of Plainfield, Fred M. Staker of Kansas City, Dale Graham of St. Louis, Minnie A. Buzbee of Minneapolis, A. Douglas Oliver of Philadelphia, Carl A. Gode of Chicago, Thomas J. Kiphart of Cincinnati, E. Ennis Jones of Philadelphia, H. J. Bernard of Houston.

For member for 3 years of the Advertising Commission of the International Advertising Association—Clinton F. Berry.

comment on the value of newspaper publicity:

"We consider that newspaper publicity is as valuable to our institution as advertising that we pay for, if not more so. We get into the reading columns at every opportunity. It is a standing joke with one newspaper that I send all advertising copy to the editorial rooms. Last

January, a talk given by one of our officers during National Thrift Week at one of the public schools was published in a space thirty-six inches single column. Thirty inches of publicity was secured not long ago on our Save-to-Travel Club. The Christmas Club also comes in for publicity each year. Publicity is a matter of taking the time to secure and arrange material that will be accepted by the newspapers, and the maximum benefit comes when there is a plan for continuous publicity. We secure publicity also in the way of interviews with officers, news items, mention of lobby displays, etc. Occasionally one of the articles in our house organ that is of particular local interest is republished in the newspaper.

"Many banks spend from forty to seventy per cent of their total advertising appropriation for newspaper space, but how many give much thought to a plan for continuous publicity in the newspapers? Even a legitimate business such as banking is not singled out by the press of the country or even by local publications to any great extent and its activities made the subject of publicity. The stimulus must come from the banker; he must initiate the newspaper man.

"Generally speaking, news and publicity are for all practical purposes one and the same, except that news is gathered for the public that desires to be informed, while publicity is presented from the point of view of one who de-

(Continued on next page)

Convention Resolutions

WHEREAS, This Convention has given members, their families, visitors and guests a remarkably clear vision of its dynamic force, which through organization and efficiency has generated an occasion long to be remembered and

WHEREAS, The Michigan group of the Investment Bankers Association, the individual bank and trust companies of Detroit, the general committee comprising four exmembers of Detroit's citizenry and also to the program committee of which Mr. Clinton F. Berry was such a capable chairman, have given their utmost in time, talent and ability to the complete success of the convention, and

WHEREAS, The Tam-O'Shanter Golf Club gave of its warm hospitality on the occasion of the golf tournament, the Aderaft Club provided an evening of the finest entertainment at the Bonstelle Theatre, the Women's Committee contributed thoughtfully and painstakingly to the entertainment in a marked degree; the invited speakers whose contributions have made the time spent worth spending and have given us unbounded inspiration—including Ty Cobb, manager of the Detroit Baseball team, and Edgar A. Guest, whose poetry of life was so gripping, and the Detroit Free Press, whose generosity placed in the hands of each a volume of Mr. Guest's latest works, and

WHEREAS, The Officers, Directors and Executive Committee of the Association for the year 1925-1926 have served most wisely and loyally, and

WHEREAS, Carroll Ragan, the retiring president, has given most freely of his time to the furtherance of the organization's affairs, and

WHEREAS, Mr. Carl A. Gode of Chicago, who has served this association so faithfully, diligently and accurately during eight terms of office found it necessary to relinquish his post as treasurer during the past year, therefore be it

Resolved, That a hearty vote of thanks be tendered him as our appreciation of his work and as an acknowledgment of our obligation to him for having successfully conducted our financial affairs during all these years.

WHEREAS, The financial publication, *Countrywide*, has so freely aided to make secure the attendance at the convention, therefore, be it

Resolved, That this convention go on record as expressing a vote of the deepest and most sincere thanks to all of those individuals and organizations with the firm assurance that their deeds and their dynamic interpretation of the reason for our sojourn shall remain as a vital chapter in our history.

(Continued from preceding page)
sires to inform the public. While bank publicity and bank advertising work together hand-in-hand and each is strengthened by the other, they are different in their requirements, their execution and point of view. Publicity is commonly thought of as free advertising but since the purpose of the newspaper is to print news, genuine publicity is news and not advertising wearing a cunning veil. Advertising run as publicity no longer deceives the reading public but its own purpose as well.

"The bank's publicity man is a reporter so to speak, working for the newspaper without pay, but entering his material in competition with the regular news for space in the reading columns. At times he works in close cooperation with the reporters by tipping them off to information which they themselves write up as publicity. At this point, the material is elevated above the field of advertising; it is accepted for publication because of its worth as news. The publicity man in the bank has an ad-

vantage over the newspaper reporter because he can actually make events happen in order to obtain publicity, but he must keep in mind always that his news stories must be submitted wholly and entirely for their news value.

"At the present time, we are getting continuous publicity in one of our daily newspapers in a space eight inches single column. A series of sixteen articles was prepared under the title "Modern Investing." Each Sunday one of these articles appears with the following sub-

(Continued on page 27)

The "Advertising Clinic"

Editor's Note: Below is given a composite of the fifteen reports submitted to the "Financial Advertising Clinic" at the Detroit meeting of the F. A. A. The summary is by A. D. Welton, former advertising director for the Continental and Commercial National Banks of Chicago, now with the Meyer-Both Bank Service.

The "Clinic," presided over by Fred W. Ellsworth, vice president of the Hibernia Bank and Trust Company, New Orleans, dealt with a survey of a hypothetical bank in a city of 175,000, giving a somewhat full account of the advertising experience to date and giving vital statistics relative to the various departments. All active members of the Financial Advertisers' Association were invited to write a brief data given to determine:

(1) A Publicity Policy for the bank to follow, in principle, permanently.

(2) A Theme to be followed for the year which forms the basis for advertising planned.

(3) A complete Publicity Program for the current year, on an appropriation of \$10,000.

The three best briefs were selected by a committee composed of Guy W. Cooke, Assistant Cashier, First National Bank, Chicago; Gaylord S. Morse, Assistant Cashier, State Bank of Chicago; A. E. Bryson, Vice President, Halsey, Stuart and Company, Chicago.

Composite of the Reports

By A. D. Welton

A CLASSIFICATION of the ideas of how to distribute the appropriation is of more than passing interest and, in regard to some points there is sufficient unanimity to make it comparatively easy. The difficulty of classification is met only in the minor items but as there was no system to follow—billboards and car cards are not always distinguished. Sometimes both are covered under such a heading as posters. Window and lobby displays are united. Direct mail efforts are often divided as to material, for instance, statement folders and blotters are separated from leaflets, booklets and mass plan matter. Novelties, in which are included pocket banks, celluloid calendars and tablets, sometimes cover blotters also. But, with the

exception of the one contestant who began his brief with the statement that he was neither an advertising man nor a copy writer, there were points of agreement. With the one exception noted every contestant advocated newspaper copy. The amount of the appropriation to be devoted to that purpose varied, but the variations were not so great. One proposed an expenditure for newspaper space of \$5,000, and one was as low as \$1,800, but the general recommendation was from \$2,700 to \$3,600. The conclusion seems warranted that these fifteen men believe about one-third of the appropriation should be spent with newspapers.

Billboards and Direct Mail

Billboards and direct mail share about equally in favor (?) made specific recommendations as to billboards. The amounts range from \$600 to \$3,900, but the average is close to \$2,200, so we may say roughly that one-eighth of the appropriation should be given to out-door or poster display.

Direct mail is in high favor but with many variations of idea as to the manner of its use. The recommendations run from \$250 to \$6,250, but they average close to \$2,000. One may well hesitate to say that there is argument that one-fifth of a ten thousand dollar (\$10,000) appropriation should be spent for direct mail advertising. The calculations of cost permit too many variations. Some of the contestants assumed the 666 banks' equipment included mailing lists, addressograph and multigraph facilities and some included the labor costs. Six mentioned specifically the mass plan of distribution for savings particularly. Several included the cost of personal letters for the development of trust business and there was great divergence of opinion as to the merits of letters or booklets for safe deposit. Careful analysis indicates a disposition to spend about \$3,000, for direct mail advertising of all kinds.

Window and lobby displays are popular, but here, too, ideas of cost vary.

The composite of the suggestions offered shows roughly about as follows:

Newspaper space	\$3,300
Outdoor	1,200
Direct by mail.....	3,000
Window and lobby display..	300
Novelties and calendars.....	600
Miscellaneous, including emergencies	1,600
	\$10,000

The miscellaneous recommendations cover a rather wide range. Included are trade letters, house organs or publications for savers, house organs for employes, dues to various associations, programs, hold-ups and blackmail, which are specifically mentioned, training or personnel, small banks, pocket memo books and, often, salaries. Omitting the item of salaries and allowing \$1600 for emergencies, extravagances, blunders and what-not, it would seem that the Blank National Bank would get along pretty well under the circumstances by spending for newspapers \$3,300, for outdoor \$1,200, for direct by mail \$3,000, for window and lobbies \$300, and for calendars, blotters, novelties, etc. \$600.

We will agree that a year's campaign could be put on for that and the rest would depend on how it was done.

ARTHUR D. WELTON,
Counsel, Meyer-Both Bank
Service, Chicago.

Poetry makes immortal all that is best and most beautiful in the world; it arrests the vanishing apparitions which haunt the interlunations of life, and, veiling them, or in language or in form, sends them forth among mankind, bearing sweet news of kindred joy to those with whom their sisters abide, because there is no portal of expression from the caverns of the spirit which they inhabit into the universe of things. Poetry redeems from decay the visitations of the divinity in man.—Shelley.

Trust men, and they will be true to you; treat them greatly, and they will show themselves great.—Emerson.

Sidelights of the F. A. A. Convention

By *Wm. H. Maas*

THE honor of having the largest delegation from one city at the convention goes to Chicago, with approximately sixty members and representatives in attendance. A majority of this group arrived Sunday night on the Twilight Special.

Financial Detroit opened wide its doors to this greatest collection of financial advertising wizards the world has ever seen. They came from every section of the United States and a number of cities in Canada.

One of the most interesting features of the conference is a large exhibit of financial advertising on display. It is made up of every type of advertising material used by banks and bond houses.

Fortunately a large number of investment houses have become members of the association and instead of regarding advertising as a necessary evil, instead of indulging in it mildly and ineffectively, there are bond houses, still too few in number, who because of a right viewpoint toward their advertising have lifted it to the level of the advertising in other fields both in technique and results.

Gaylord S. Morse, an expresident of the association, Chicago, recognized as one of the keen thinkers among financial advertising men in America, is here with his charming wife and little daughter Gayl. Three things of importance stand out in favor of Gaylord's institution—The State Bank of Chicago. For some time, it's stock has been the highest of any bank in the city, Ralph Van Vechten has been brought in as the new president, and now a contract has been let on La Salle Street to build the institution one of the most modern banking homes in the country.

New York has sent a goodly number of keen publicity men to the meeting. These include Carol Ragan, United States Mortgage & Trust Company, who is the retiring president of the association; Arthur De Bebian of the Equitable Trust Company, Fred W. Gehle of the Chase National and H. G. Hodapp of the National City Company.

Herbert V. Prochnow, publicity manager for the Union Trust Company, Chicago, is quietly absorbing pointers at every business session. A year ago he succeeded Paul L. Hardesty as advertising manager and his work has already proved itself unusual for its effectiveness. We will hear more about this man's work as time goes on.

Chicago banks spend upward of *six million* dollars a year for bank advertising. This is a conservative estimate although we have been unable to find any one who would hazard a guess as to the total amount of money spent annually for advertising by all the banks in the United States.

Edward Hintz, treasurer of the association, who is cashier of the Peoples Bank & Trust Company, Chicago, was considered among the lucky ones at the convention. Immediately following adjournment he boarded a train for Philadelphia as a guest of C. C. Pyle (manager for "Red" Grange) to have a ringside seat at the Dempsey-Tunney fracas in the Quaker City.

The **Continental & Commercial Banks** of Chicago have two splendid representatives here. Julius K. Waibel and H. Fred Wilson are the able representatives of the fourth biggest bank in the country.

William J. Kelly, vice president of the Chicago Trust Company, who, incidentally, has served as secretary of the Association of Commerce of Chicago and had a lot of other civic jobs wished onto him the past couple of years, is one of the youngest executive officers of metropolitan banks in the country.

The well-known **Corboy** family of Chicago and the Central Trust Company of Illinois is ably represented by Louis Corboy, capable bank advertising manager.

J. N. Easton is a newcomer in the field of financial advertising, but has already made a good impression upon members of the association. He is in charge of publicity for the Northern Trust Company of Chicago, which is located at the northwest corner of La Salle and Monroe streets.

Two of the good old standbys of the Financial Advertisers Association from Chicago are Carl Gode of the Illinois-Merchants and Guy Cooke of the First National Bank. The association would not be the success it is without having had the benefit of the time and vision of these two men.

Preston Reed, secretary of the association, with offices in Chicago, has proved himself the "100 per cent efficient secretary." Many nice things are being said in his favor as concerns his manner of

handling the multiple duties that come before the association from day to day.

Mrs. M. K. Graves, chairman of the board of the William Elliott Graves, Inc., 30 N. Michigan Avenue, Chicago, has sent two capable representatives. Theodore Tefft Weldon, vice president, formerly advertising manager of the Northern Trust Company, was one of the speakers before the convention. The other representative is W. T. Wilson, who recently joined the Graves organization after successful work with the O. A. Koss Company of Detroit. During the past six months the Graves institution has gradually added a splendid corps of executives and field men who should do credit to the work of the late pioneer, William Elliott Graves, who passed away on the eve of the last F. A. A. convention.

Many of the delegates at the F. A. A. have packed their bags for a long trip across the country to attend the annual convention of the American Bankers Association in Los Angeles.

That the work of the advertising managers is meeting with the Okeh of the executive officers of the banks is demonstrated here through the attendance of many senior officials along with their publicity representatives. Several bank presidents from various parts of the country made a special trip here for the meeting.

The **Standards of Practice** originally adopted by the association ten years ago are still rigidly adhered to and have accomplished much for the public as well as for the banks, trust companies and bond houses. These include the discouragement of clean and efficient advertising; the discouragement of financial advertising in newspapers and periodicals that do not measure up to the highest standards, as well as encouraging the investment through reputable financial institutions of the surplus moneys of the American people.

Whether you are willing to give financial advertising credit or not, the per capita savings deposit in banks in the United States during the past decade has grown from \$90.00 in 1915 to slightly more than \$204.00 at the present time.

Four other prominent delegates from the Northwest include C. W. Hillberg of the First National, Minneapolis; Eugene C. Glasgow, Northwestern National, Minneapolis; C. S. Yarnell, Jr., Lane-Piper-Jaffrey, Minneapolis, and W. E. Brockman, Minnesota Loan & Trust Company.

(Continued on page 34)

SNAPPED AT DETROIT



On the Opposite Page

Snapshots taken at the Financial Advertisers Convention last month in Detroit. No. 1, left to right, Elwell Whalen, Amer. Bk. and Tr. Co., Philadelphia; Sam P. Judd, mgr. publicity, Mercantile Tr. Co., St. Louis, and Frank J. Campbell, financial advertising counsel, Detroit. No. 2, Gaylord Morse, ass't cashier, State Bank, Chicago, former president of the F. A. A. No. 3, Preston Reed, secretary of the F. A. A.; Dale Graham, adv. mgr., Mississippi Valley Tr. Co., St. Louis, and Clinton Berry, vice pres., Union Tr. Co., Detroit. No. 4, Loris Corboy, adv. mgr., Central Tr. Co., Chicago, and J. M. Easton, adv. mgr., Northern Tr. Co., Chicago. No. 5, Mrs. J. F. Gardiner, Chicago; Mrs. James Bustard, Danville, Va., and Mrs. R. S. Jensen, Port Angeles, Wash. No. 6, Geo. H. Keim, Chicago; J. F. Gardiner, asst. adv. mgr., H. M. Byllesby & Co., Chicago. No. 7, C. H. Wetterau, asst. vice pres., Amer. Nat. Bk., Nashville. No. 8, Wm. J. Kelly, vice pres., Chicago Tr. Co. No. 9, Edward Hintz, cashier, Peoples Trust and Sav. Bank, Chicago. No. 10, Carroll Ragan, past president, the F. A. A., and Gus Handerson, new president of the F. A. A. No. 11, C. K. Woodbridge, New York, president, International Advertising Assn. No. 12, Wm. H. Maas, vice president, the DePuy Publications, Chicago, and Fred M. Staker, adv. mgr., Commerce Tr. Co., Kansas City.

A Detroit Delegate's Daily Diary

Saturday, September 18: Another year and another F. A. A. Convention. If Detroit does half as much as she promises to do it will be a great meeting. Just saw George Way Williams buying his ticket for Richmond. He is to make a speech before the Farm Mortgage Bankers' Association. I know it will be a good one too because that is the only kind George ever makes.

Sunday, September 19: There should be a law against furnishing cold water to shave with in Pullmans. I had a tough time of it this morning removing the "sagebrush." The Rock Island is late again—very unusual. I intend to speak to Hal Ray about it.

Had breakfast at Henrici's. George Williams suggested we attend the Fourth Presbyterian Church and hear Dr. Timothy Stone. I gladly consented. Heard a fine sermon. H. L. Mencken says, "Ministers are ticket scalpers outside the gates of heaven"—but not so with Dr. Stone. He knows more about the real gospel than many ministers I have heard.

Saw John S. Broeksmit "passing the plate." John probably forgot it was the Sabbath day and that he should not ply his trade seven days in the week. Anyway, I noticed James B. Forgan, Jr.'s name among the Trustees so I guess everything financial is O. K.

At 3 p. m. I left Chicago for Detroit on the Twilight Special. Most of the Chicago delegates were on board, except Gaylord S. Morse, who with his wife went up by bus. Incidentally, since Gaylord is stepping on the publicity pedal and "Van" has joined the Caravan, the deposits are rolling in.

Some of the boys invited me to have a drink in their drawing-room. I do not believe I have ever tasted purer White Rock or more sparkling Canada Dry. It is strange what effect these beverages have on some people. Even one of the

delegates recited poetry while others told wonderful stories of experiences they had had.

Julius K. Waibel introduced me to his wife—now I know the real reason for his success. It is remarkable the power some women have.

Our train was on time at Detroit. Preston Reed met us at the station. Took a Buick taxi to the hotel. There are no Yellow taxis in Detroit. They are not allowed. We had to wait in line at the Statler to register. I have a nice room but I do hope Mr. Statler will wake up some day and put longer mirrors in his hotel rooms so I can see above my Adam's apple without being round-shouldered and humpbacked. I guess he doesn't expect any six foot "he men" to use his hotels.

Monday, September 20: I played golf today at the Tam O'Shanter Club. Beautiful course and a perfect day. This is a stag golf club with about 70 members who pay \$2,500 each to join. There is a long waiting list the Detroit boys tell me.

The golf club is 20 miles out from the city. Driving back I thought I was in Florida, with subdivision after subdivisions as far as the eye could see. It will take a considerable multiplication of the population of the "Dynamic Fourth City" if these "lot holders" ever make any money. One woman, Louise Lathrop, has made a million as a subdivider expert—but it will take a city of 4,000,000 to ever make the lots valuable to the present owners. The population now is about 1,600,000.

Some reports indicate that the peach crop in Michigan will be a little short this year. I couldn't see any signs of it on the streets of Detroit.

Detroit has made a wonderful record as an industrial center. There have been only a few failures and the bankers tell

me it is because of the large amount of "liquid assets" always available. What a blessing to have Canada as a next-door neighbor.

Fred N. Staker heard a funny conversation in a restaurant this morning when he was ordering his breakfast. Here is what is was, together with Fred's translation:

F U N E X—Have you any eggs?

S V F X—Yes we have eggs.

F U N E M—Have you any ham?

S V F M—Yes we have ham.

O I C U F M N X—Oh I see you have ham and eggs.

Tuesday, September 21: Bumped into Harry R. Drew as I was going in to breakfast. Harry has been east looking over other new business departments to get some ideas on what the other fellows are doing. We matched for the breakfast—and I lost. Harry said it served me right, to gamble that way.

F. A. Crandall will represent their bank at the A. B. A. This will be the 20th consecutive A. B. A. convention that Mr. Crandall has attended. That is some record. After the Los Angeles gathering he will go to Honolulu for a trip, Harry said.

Eddie Guest and "Ty" Cobb entertained us at luncheon this noon. They are a great pair. Eddie was kept busy before the speaking started, autographing copies of his book, "The Light of Faith," which the Detroit *Free Press* gave to each one present. Eddie knows how to take the common things of life and write poetry about them. He knows the human appeal to the 'nth degree.

Eddie was delightfully introduced by Arthur D. Welton, who used to work with him on the *Free Press* in the early days. Mr. Guest said, "I read all the financial ads in the hope that some day I may be one of your customers." Because of his love of nature and his many friends, Mr. Guest admitted "he was the

richest man in Detroit with the least money."

After the theater dancing "was enjoyed" on the stage. W. E. Brockman took first prize in an unofficial Charleston contest which was held. Oh, boy, but he can dance! W. H. Maas danced with the "blond secretary" who was a beautiful brunette off stage. J. M. Easton and L. W. Corboy were also keeping step with the steppers. C. W. Hillberg, Eugene G. Glasgow and C. S. Yarnell, Jr. unfortunately (?) had to leave before the dancing started.

Wednesday, September 22: Heard some good speeches this morning. Henry G. Weaver said if he had \$25,000 to spend for advertising he would spend \$5,000 of it in research to help him decide just how and for what purpose he should spend the remaining \$20,000. That sounds like sense. Any advertising campaign, if it is to be a success, should have a definite objective—a goal.

Guy W. Cooke presided at the luncheon this noon. Guy is full of "dry" humor and knows how to introduce the speakers so they will have a running start.

Charles Kettering who was the first luncheon speaker, said, "A damp church, a morgue and a bank were three of a

kind." That is some indictment of the modern bank. He also said, "ninety-five per cent of the people don't know what a bank is for." Looks to me like the F. A. A. still has plenty of opportunities to 'do its stuff' if the vice president of a big corporation talks like that in public.

Thursday, September 23: It was raining hard this morning. This was Ford's day as we all went to the River Rouge plant to Dearborn and to the Ford Airport station. I had no idea of the vastness of the flivver factories until this trip. To think what one man has done in twenty years is most remarkable. Mr. Ford has 200,000 people on his payroll in the U. S. and there are 600,000 people directly and indirectly dependent on him for a living. He works three shifts of 8 hours each. He produced 6,500 "rattle boxes" today. Acres of space are used just for the parking of cars of the employes. Mr. Ford carries about \$100,000,000 in cash on hand they told us. Rumor has it that he is working on a new 6-cylinder Ford, but no one knows definitely.

Mr. and Mrs. E. H. McIntosh invited me to dinner at their home tonight. Mr. and Mrs. Preston Reed and Mr. and Mrs. W. H. Maas were also present. It was a most delightful dinner. About 9 p. m. we listened to the prize fight. Jack took an awful pounding—but I suppose he could

stand for a good deal of beating for \$700,000.

Speaking of Mr. McIntosh, according to the Adercraft Club edition of the Detroit *Free Press News Times*, he made a convention address which was reported as follows: "Finance is no longer frenzied. In fact it is difficult for the average man to determine what it is and yet we boys receive handsome salary checks each month for interpreting to an eager public a subject that defies even a Pandolfo or a Ponzi to elucidate. Trying to teach the dear old public that baby bonds, fatherless stocks and 3 per cent savings are the thing, inducing the boobletariat to part with its hard-earned ducats is the toughest kind of a tough proposition. Yet we boys must bring in the money or out we go. Merchants can sell their merchandise by simply making people want it. We have nothing to sell except lithographed paper, promises to pay and 10 cent bank books. We must dig the simoleons out of the sock and dangle glittering promises of wealth, of leisure, or trips to Europe before the diggers before we get any returns from the agate lines we write and writhe about. We are the king-pins of finance, we advertising men, and without us Morgan would be a flat tire and Dillon Reed a busted flute."

Too much of one thing is good for nothing.—Thales and Solon.

FIRST IN FINANCIAL SERVICE THE FIRST WISCONSIN GROUP



THE First Wisconsin National,
the largest bank in the state
the largest bank northwest
of Chicago and the twenty-
second largest national bank
in the United States provides a banking service complete in every detail

FIRST WISCONSIN NATIONAL BANK of MILWAUKEE

with which are affiliated the

FIRST WISCONSIN TRUST COMPANY
and FIRST WISCONSIN COMPANY

WHAT THEY SAID AT DETROIT

(Continued from page 22)

head: "Prepared by the Bond Department of the Cedar Rapids Savings Bank and Trust Company. A series of articles such as this, printed in the reading columns as reading matter and run without cost to the bank is worth many times the same material printed as advertising copy in paid space."

EMPLOYEES MUST COOPERATE IN ADVERTISING

The president of the bank, or its officers, are not the chief salesmen of the institution, on the contrary, the employes of the bank are the principal salesmen of the bank's services, declared Dr. W. F. Gephart, vice president of the First National Bank of St. Louis, at the Detroit meeting. Enlarging on this thought he said in part:

"It is the employes of the bank who have the most frequent contacts day by day with the buying public who are the chief salesmen of the bank's service. It is the officers who are dealing with the public, the tellers and the department heads. Even though a department head or his employes are not coming into direct personal contact with the bank's patrons and the public, nevertheless, they are selling the bank by the manner in which they do the work and transact the business of the patrons by the way in which they are writing letters, by the performance and the correctness with which they are conducting the business of the bank and the patron.

"The advertising departments of American banks spend millions of dollars telling the patrons and the public what the bank can do and what service the institution can render. But, all this work of the advertising department is a promise and not a performance. The advertising must be made real—that is, tangible and concrete by the work of the officers and employes. Advertising, because it is a comparatively new phase or kind of business, has many of the admirable qualities as well as the weaknesses of youth. It is enthusiastic, it is aggressive, it is optimistic, and sometimes it is inclined to make larger promises than the article or the service warrant. The article in the case of a product and the service in the case of an institution must always make good the advertising. In banking, advertising must not oversell the bank, a thing comparatively easy to do. This result sometimes comes about, on the one hand, because of the long continued conservatism of bank officials themselves, and on the other hand, because the active, aggressive, enthusiastic character of the advertising man. Banking of all industries

ESTABLISHED
1879**Forty-Seven Years
in Chicago**

Bankers, more so than other business men, appreciate the value and importance of a long and varied experience. It is the most valuable asset any individual or financial institution can possess. For it signifies sound judgment, understanding and seasoned capacity in the transaction of business affairs. The State Bank of Chicago — established in Chicago for forty-seven years — will be glad to explain and demonstrate its specialized service for correspondent banks.

The new State Bank of Chicago building — the site of which is now being prepared at La Salle and Monroe Streets — will provide increased facilities for a constantly growing clientele.

HENRY A. HAUGAN
Chairman Board of Directors

RALPH VAN VECHTEN
President

LEROY A. GODDARD
Chairman Executive Committee

OSCAR H. HAUGAN
Vice Chairman of the Board

**State Bank
of Chicago**

LA SALLE AND WASHINGTON STREETS

Member Federal Reserve System

CAPITAL \$2,500,000 SURPLUS & UNDIVIDED PROFITS \$7,360,000

has perhaps been the slowest to take on new functions to try out new ideas, and this is due partly to the training of the bank official, but very largely to the fact that the public expects above all that his banker be conservative, even ultraconservative."

The fashion wears out more apparel than the man.—Shakespeare.

THE PLACE OF DIRECT MAIL ADVERTISING

No matter what other media of advertising are used, direct mail will always have a definite place on the bank's advertising appropriation, Paul T. Cherington, director of research for the J. Walter

Thompson company, believes. Speaking on this point at the F. A. A. convention he declared:

"The personal income tax lists were a godsend to the financial houses which use mail pieces, or as they are commonly called, "direct mail" advertising. These lists made it possible to develop graded mailing lists based on income. Any advertising financial house which did not take advantage of the publicity given these returns to compile good lists was asleep at the switch.

"A short time ago I heard a direct mail expert tell how he sold pleasure yachts to bankers by means of circular matter. My comment is that either the bankers are a particularly credulous lot of yacht buyers, or else the mailing pieces were much better prepared than most of those I get from bankers. Dull in appearance, secretive and disingenuous in content, wholly lacking in every virtue (including the banker's cherished "dignity"), it seems incredible that most of them could influence anybody to buy anything, invest anything, sell anything, give anything, or even write for anything. Once in a long while one runs across a really well-prepared piece of financial direct mail matter. But a great many of them look as if they had been prepared by the president of the bank himself. The preparation of such matter is an expert task for the best of specialists. And without any reflection on the ability of bank presidents in their own field it seems hard for some of them to realize that it is just as rare to find a bank president who is a good writer of direct mail matter as it is to find a good direct mail writer who is a good bank president.

"One of the virtues of direct mail advertising is its adaptiveness. If a house finds by experiment a group of two or three hundred people for example, who respond most readily to the turgid reticences of the president's style they can be fed with that while the rest of the list is given more persuasive treatment. At comparatively little extra cost, when lists are not very long, it is possible to adopt the appeal to the various parts of the market it is designed to reach.

"Whatever other medium proves to be useful in financial advertising, direct mail always will have its place.

In Larger Offices

The Milwaukee office of the First Illinois Company, underwriters and participating distributors of investment securities, has been moved into larger quarters, room 804, First Wisconsin National Bank Building, from room 1422 in the same building. The company was founded in 1920, operates in the midwestern states, and has offices in Milwaukee, Chicago, St. Louis, Aurora and Springfield. Grinnell Wylie is the Wisconsin manager.

National Bank of Commerce in New York

Established 1839

STATEMENT OF CONDITION, JUNE 30, 1926

RESOURCES		LIABILITIES	
Loans and Discounts	\$322,984,561.38	Capital Paid up.....	\$25,000,000.00
Overdrafts, secured and unsecured	70,160.40	Surplus	35,000,000.00
United States Securities	61,028,216.99	Undivided Profits ...	6,942,978.69
Other Bonds and Securities	14,535,190.07	Dividend payable	
Stock of Federal Reserve Bank.....	1,800,000.00	July 1, 1926.....	1,000,000.00
Banking House	4,000,000.00	Dividends unpaid ...	15,769.50
Cash in Vault and due from Federal Reserve Bank.....	68,326,181.26	Deposits	515,005,640.27
Due from Banks and Bankers	8,312,874.86	Reserved for Interest, Taxes and other Purposes....	6,716,197.06
Exchanges for Clearing House	123,914,071.98	Unearned Discount..	1,081,175.20
Checks and other Cash Items	2,859,686.31	Acceptances executed for Customers ...	23,126,533.32
Interest Accrued.....	1,527,353.12	Acceptances sold with our Endorsement..	17,513,372.72
Customers' Liability under Acceptances.	22,043,370.39		
	\$631,401,666.76		\$631,401,666.76

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WHAT THE NEW BUSINESS DEPARTMENT DOES

According to Julius C. Peter, vice president of the Detroit Trust company, there is almost no end to the number of services the new business department of a bank may render. Speaking on the subject, "The New Business Department in Perspective," he enumerated the following list of miscellaneous jobs that have been handed to the new business department of his particular bank:

"A revised will filing system.

"Use of only one signature on checks.

"Offering additional services, such as safekeeping of securities.

"Changing the set-up of our financial statement, by more or less frequent transfers from undivided profit to surplus account.

"Encouraging suggestions from employees.

"Various investigations of possible new services, and methods employed by other trust companies.

"Plan for monthly meetings of all the officers of the company.

"In addition to close touch with internal affairs, it is obvious, of course, that in its numerous daily contacts with outsiders the department has its finger on the public pulse. It knows how the bank or trust company is regarded, and it reports constructive criticisms. It is in a position to advise with respect to relations with lawyers, insurance men, realtors and other important bodies of business and professional men. It is constantly endeavoring to turn the knowledge thus acquired to the advantage of the company. The department, in short, has a position of vantage in the crow's nest, and has a bird's-eye view of the activities of the business, both inside and out.

"In closing these somewhat random observations, let me try to take a brief look into the future. I have tried to picture the conditions that gave rise to the new business idea, and I have discussed some of the policies and guiding ideas that our experience has led us to use today. As to the future, I believe that the new business department will play an increasingly prominent part in banks and trust companies. Its place will be determined by the importance which the management attaches to the continued growth of the institution. The department will deal with the extension of business, the improvement of service, and the betterment of public relations. A financial institution developing along these lines is bound to be a success. These are the possibilities of the new business department. It is up to you and to me to develop them."

SELECTING YOUR ADVERTISING MEDIA

There is a definite rule for selecting advertising media, and it is this, according to George Reed, vice president, Edwin Bird Wilson, Inc.: "Reach the largest number—of your best prospects—with the most effective message—at the lowest cost."

Commenting on each of these four points at the Detroit meeting Mr. Reed said in part:

"First—'Reach the largest number.'

"Mass Plan contemplates the placing of an effective message in every home in a city or in a district or in a natural trade territory of a bank.

"Can this be done in any other way?

"Possibly by direct mail methods, if one could in any conceivable way prepare an

accurate list of the names, one in each home, and could devise a method to keep this list even 75 per cent correct—with an average, in some sections, of 10 per cent removals each May first and October first, and the toll of death also to be reckoned with.

"In any mail follow up, corrections that one does receive will not as a rule come promptly. This means a complete loss of a certain percentage of *more than one* mailing and a lessening of effectiveness in those that do finally reach their destination *through forwarding*.

"The second point in our formula is—'Reach the best prospects.'

"Women are naturally more thrifty than men; particularly is this true of married women, the mothers in the home. Not only are they endeavoring to see that the family gets ahead, but they are more inclined to teach the children the importance

**The
Royal
Union
Life
Insurance
Company
DES MOINES
IOWA**



Royal Union Life Building, Cor. 7th and Grand Avenue
Des Moines, Iowa

We have an unexcelled line of policy contracts.

Our new Select Risk low-rate policy for business and professional men is a fast seller.

Over fifty per cent of our policies are issued and in the mails within twenty-four hours after the application papers reach the Home Office.

Royal Union Life Insurance Company

A. C. TUCKER, President

Total Paid to Policyholders - - - Over \$ 21,000,000.00
Insurance in Force as of Dec. 31, 1925 - \$148,281,904.00

Individual Attention

No matter what your business, there is someone in this organization qualified and ready to give it his individual attention. Indeed, the personal element has been a vital factor in placing this institution foremost among Chicago banks

The **CONTINENTAL and
COMMERCIAL
BANKS**
CHICAGO

RESOURCES HALF A BILLION—AND MORE

of thrift. Probably the modern woman is not as thrifty as her mother or her grandmother, but nevertheless an examination of your savings accounts will prove to you that a very large percentage are in the names of married women and a much larger percentage are in the names of married and single women combined.

"The Secretary of the Savings Bank Association of New York State has stated that a survey of savings accounts in New York State showed that over 75 per cent of the savings accounts in the savings banks were in the names of women.

"The married woman's place of business is in the home. There is where the Mass Plan takes your message, direct to the home and to the mothers in the home—and it is our belief that no other method of advertising will reach this profitable field of your best prospects for savings accounts as thoroughly as will the Mass Plan.

"With Mass Plan you can also concentrate your efforts without waste on your natural trade territory or on certain districts which you may have found, from an investigation of your savings accounts, to be the most productive of business, or on those which are least productive and need cultivation. You can follow along certain street car lines. You can mass your distribution around a new branch. Banks located in an outlying section of a city which have a local problem can localize their advertising and can make a complete coverage of their particular territory—something that is impossible under any other method, at least without tremendous waste or excessive cost.

* * *

"Continuing our formula, our third point is—'*With the most effective message.*'

"The subject of copy or its mechanical presentation is not a part of this discussion. Mass Plan has come to mean a method of distribution, not a certain kind of material. However, a few general statements will not be out of place in this connection.

"To attract maximum attention, a Mass Plan medium should carry no earmarks of advertising. As soon as it is labeled "advertising" it will lose a large percentage of readers and a still larger percentage of its retention value. One should aim to present something a little unusual, something particularly attractive to the eye, which will interest the recipient and which will also suggest retention for other members of the family to see. The selling message, the copy, should be example rather than precept or preaching.

* * *

"The fourth and last item in our formula is—'*At the lowest cost.*'

"Actual cost is not only the cost in dollars but also the cost in time and effort.

"How are we to measure cost? By charging our expenses up to the new accounts directly traceable to advertising?

If that were the proper method, little sav- ings advertising would be done by intelli- gent people. But experience has taught that such a system of measuring advertis- ing values is unsound.

"Newspapers and magazines base their rates upon the number of copies placed in the hands of the public and the best ad- vertising brains in the world buy space on the basis of so much per reader, not of so much per dollar of direct return.

"Why then is that not a sound method of measuring the cost of savings adver- tising?"

"You will agree, I believe, that there are only two possible ways of reaching every home in a city or in a district— namely, by Mass Plan or by mail. Let us compare them as to cost.

"What would it cost to prepare a list for direct mail purposes which would reach every home in your city or in any certain section, to set up the machinery and employ the help to do the addressing and the mailing? What would it cost to try to keep this list even fairly accurate?"

"Add to this the cost of postage—1½ cent for every piece of literature if it is to be sent out unsealed, 2 cents if it goes out sealed. Include the cost of the en- velopes. By the time your message reaches your prospect, ten cents will prob- ably be a low estimate of the cost.

"What does Mass Plan offer? It offers you the possibility of producing a piece of literature and putting it into a home for about the cost of the postage stamp, with absolutely no work on the part of your- self or your institution.

"This seems to cover the subject of com- parative costs."

WOMEN IN THE TRUST FIELD

There is a broad field for women in the trust field, Miss Nora Kirch, manager of the Women's Department of the Louisville Trust company, of Louisville, declared at the Detroit conference. She said:

"It may seem strange to have a woman talk on trusts—a field still completely mon- opolized by men. But this is a day of transition and change. The developed woman of today is beginning to do her own thinking. In the big scheme of life she is in touch with the fuller life of men and women. She is interested in solving the problems of youth—those who are to carry on 'Our Tomorrow.' We are get- ting away from the faults of our train- ing—we are thinking, feeling, growing, ready in a more competent way to give something worth while in partnership with men in business.

"The Shuttle of Life and Death works constantly. Trusts—like Death and the Undertaker, are 'stiff' subjects and have come to stay. For the same reason, the insurance field is a permanent one. The value of the latter has reached the great

mass of people through advertising me- diums, solicitors and superior organiza- tion work. Insurance protection has be- come universal. The value of the Trust field is just beginning to be understood by the average individual. That an awak- ening is coming is evidenced by the nu- merous Trust Departments opened by banks throughout the country. It has al- ways seemed to me that advertisements making a more human appeal are needed before trust functions will be more clearly understood. Advertisements for Trust business, like wills, are too technically written. They are not understood by the average person—a criticism often made by testators.

"A real Trust officer, like a real teacher, is born. I know a number of men who are well versed in the technique of trusts who lack human warmth. This must be genuine, not feigned, if one is to gain the confidence of people to a degree to get them to confide in them their family se- crets. This is what will-making and Trusts involve. Only the highest type of people should be selected for Trust work. A real Trust officer, be it man or woman, should have a strain of altruism in their make-up. They have the boy and girl problems to deal with in every walk of life; the derelicts of all degrees; invalids; old age problems; *non compos mentis* types as well as normal persons. Compe- tition is getting keener, and those who wish to succeed would do well to begin to train suitable types of women as Trust officers as well as men. That women are a success as "contact officers" is demon- strated all over the country by the work done in Women's Departments, headed by women. They are infusing a human ele- ment in Banking and Trust work. By familiarizing customers with the service of all departments—a kind of combination service—they sell good will, give people a better understanding of business methods, which brings new business. We get what we give."

(Continued on page 96)

Buys Bank Interest

J. I. Christansen has recently pur- chased an interest in the Seven Valleys bank of Callaway, Nebraska, and has taken active charge of the institution. Mr. Christansen has been associated with banking interests in Nebraska for a number of years, for the past nine years as cashier of the First State bank of Enders. There will be no other change in the personell of the bank for the pres- ent.

President Dies

George W. Little, 65, president of the First National bank of Lyons, Nebraska, for the past fifteen years, died recently of heart failure. Mr. Little had been a resident of Nebraska for fifty years, and thirty years past he had lived at Lyons.



The Road to Financial Independence

is open to every man and woman in a gainful occupation in these four investment com- mandments:

1. *Make regular additions to sav- ings accounts.*
2. *Buy life insur- ance.*
3. *Own a home.*
4. *Buy sound se- curities.*

This simple program is a practical way to get ahead, to accumu- late a comfortable in- come, or even a for- tune.

Our booklet, "The Business of Buying a Bond," will help you along the road to finan- cial independence. Ask for booklet N-106. You incur no obliga- tion.

First Illinois Company

BONDS FOR INVESTMENT

208 S. La Salle, Chicago

Milwaukee St. Louis
Aurora



A Specialized Service

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Complete facilities are provided for active and inactive accounts, collections, bills of lading, investments and foreign exchange transactions

FRANK O. WETMORE, Chairman
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Combined Resources
Exceed \$400,000,000

Personal Paragraphs

At the regular monthly meeting of the board of directors of the Guardian National Bank of Chicago, held September 14th, **Edward N. Heinz**, formerly assistant cashier, was elected vice president. **A. L. Rogers**, formerly assistant cashier, was elected cashier. **E. E. Rose**, who held the position of vice president and cashier, still remains as senior vice president. The Guardian National Bank of Chicago was organized January 2, 1925, and since then has shown a steady and conservative growth.

The financial division of the Industrial Acceptance Corporation of New York has opened a branch office in the First National Soo Line Building, Minneapolis, in charge of **S. H. Petterson**.

The Industrial Acceptance Corporation is engaged exclusively in financing Studebaker dealers throughout the country.

The corporation has also opened offices in St. Louis, Missouri, and Dallas, Texas.

Board of Directors of The National Bank of the Republic have elected **Robert R. Mentz** assistant vice president of the bank. Mr. Mentz has been associated with the bank for a considerable number of years and is in charge of the credit department. He has been active in the affairs of the Robert Morris Association and the Chicago Association of Credit Men and is looked upon as one of the foremost bank credit men in this part of the country.

J. Edward Maass, vice president of the Illinois-Merchants Trust Co. of Chicago, has been on a tour of Europe, returning to America October first.

John J. Mitchell, president of the Illinois Merchants Trust Co. of Chicago, who has been convalescing at his country home on Lake Geneva, has returned to his desk.

Walter T. Fisher has been elected president of the Amalgamated Trust & Savings Bank of Chicago, a labor bank operated by the Amalgamated Clothing Workers of America. Mr. Fisher is the son of Walter L. Fisher, who was secretary of the interior under President Taft.

John C. Smith, of Mandan, North Dakota, has been appointed a member of the board of directors of the St. Paul Federal Land Bank, to fill the vacancy through the recent resignation of Paul A. Preus, as treasurer. The appointment of Mr. Smith gives North Dakota two representatives on the board, Samuel Torkerson, Grand Forks, being the other member.

Ralph C. Lawrence, in charge of bond examination in the state auditor's office, Lincoln, Nebraska, has drawn up recommendations for a uniform bond law, which will be presented to the coming session of the state legislature. The recommendations ask for elimination of all existing statutes regulating issues, and the substitution of a general law eliminat-

Our Successful Record

During the long period of years since its founding, no investor who has purchased, through the American Bond & Mortgage Company, First Mortgages or First Mortgage Bonds secured by improved city properties, has lost one dollar of either principal or interest. This long period of faithful investment service comprises "Our Successful Record."

Send for latest circular.

AMERICAN BOND & MORTGAGE CO.
Established 1904 CAPITAL AND SURPLUS OVER \$8,000,000 Incorporated

IOWA
OFFICES:
CHICAGO

Over 35



DAVENPORT
DES MOINES
CEDAR RAPIDS

other cities.

NEW YORK

ing from the definition of "net indebtedness" sinking funds and special assessment bonds, together with market regulation.

—\$—

Thomas C. Schaack, of Harris, Winthrop & Co., recently returned to Chicago from a pleasant vacation at Green Lake, Wisconsin.

—\$—

Louis M. Mielenz, of Omaha, has been appointed manager of the credit department of the Cosmopolitan State Bank, Chicago, to fill the vacancy through the resignation of Edward M. Warner. Mr. Mielenz is well known in Chicago banking circles, having served for the past eight years as vice president of the Union State Bank of Omaha.

—\$—

William Howard Bell has been appointed manager of the new office of G. L. Ohrstrom & Co., New York, recently opened in the McKnight building, Minneapolis. Mr. Bell was formerly associated with the bond department of the Marquette Trust Co., of Minneapolis.

—\$—

L. E. Fischer, general manager of the Illinois Traction System, has been elected president and general manager of the Illinois Power and Light Co., succeeding William A. Baehr. Clement Studebaker, Jr., president of the company, announces the retirement of Scott Brown as vice president and secretary and P. C. Dings as treasurer. Dwight Holmes has been elected secretary of the company and F. L. Smith is the successor to Mr. Brown as secretary. The changes in personnel are made following acquisition of control of the company through purchase of the North American Light and Power Co., the holding company, by the Middle West Utilities and North American Companies.

—\$—

Jay Dunne, head of the economic research department of A. G. Becker & Co., Chicago, has just returned from nine months' study of industrial conditions in Germany. Mr. Dunne states that Germany has a tremendous interest in American production methods, and a vigorous effort is being made to adopt them to German needs.

—\$—

J. F. Ebersole, assistant federal reserve agent of the Minneapolis Federal Reserve Bank, in an address made recently before the Lions Club, stated that the rediscounting system used by federal reserve banks has almost eliminated seasonal credit variations and is the most important feature of their service.

—\$—

James S. Alexander, chairman of the Board of the National Bank of Commerce, New York, is now in Europe, where he will attend the meeting of the Committee on International Payments to be held in Rome.

Jay E. Markle, vice president and cashier of the Bank of Commerce and Savings, Duluth, spent his vacation in Hot Springs, South Dakota, where he attended the Fourth Biennial Boy Scout Conference.

—\$—

Mike Holm, Minnesota Secretary of State, and J. Grant Hinkle, Secretary of State for Washington, together attended the annual meeting of the National Association of Secretaries of State, held in Providence, Rhode Island.

—\$—

Joseph A. Boyer has been appointed manager of the A. B. Leach & Co. offices in Minneapolis. For the past five years

Mr. Boyer has been associated with the bond department of Paine, Webber & Co., in Minneapolis.

With American State

Raymond Converse, formerly associated with the First National bank of Akron, Colorado, has recently taken a position with the American State bank of Sutherland, Nebraska.

Becomes Bank Examiner

F. A. Jones, formerly cashier of the Ruskin State bank of Ruskin, Nebraska, has accepted a position with the State of Iowa as a bank examiner.

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 100 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

PARAPHRASED PROVERBS

A Collection Service Chain Is No Quicker Than Its Slowest Link



The elimination of avoidable delays in the handling of out-of-town collection items is a feature of our service. This is the result of—

Direct routing to place of payment.

Continuous night-and-day operation.

Liberal use of telephone and telegraph inquiries and advices.

Close official supervision.

We can save from one to three days' time in the collection of your business.

All items received at par.



THE PHILADELPHIA-GIRARD NATIONAL BANK

PHILADELPHIA, PA.

Capital, Surplus and Profits—\$27,900,000

SIDELIGHTS OF THE F. A. A. CONVENTION

(Continued from page 23)

The latter is not only adept at financial advertising but clearly demonstrated his Charlestonian ability on the stage of the Bonstelle Theater.

D. R. Wessling, banker, Lytton, Iowa, who is president of Wessling Services, is a regular visitor at these annual conventions. He is quietly gathering ideas to improve Wessling Services for Banks, if that is possible.

NEWS AND VIEWS

(Continued from page 18)

The Continental and Commercial Bank of Chicago organized some two years ago a service station designed to aid its friends and patrons in "personal financial organization and economical home management." To date the station has helped some 6,728 families, the annual incomes of these families ranging from \$1,100 (the wages of a widow) to \$60,000. In every case the station found the fundamental trouble was the same—inability to use money to the best advantage. The man with the \$60,000 income was presented with a financial plan which enabled him to save \$18,700 the first year he put it into operation, and the widow with \$1,100 income was able to "get by." A good many people don't get along solely because they lack financial training as a basis and don't have any source of sane financial advice. When a \$1,500 store clerk depends on the teamster next door to tell him how to make the most of his salary he is not likely to get far. Some day, it is safe to predict, at least one bank in every city will furnish this sort of service.

Wholly tax-exempt securities, according to the treasury Department estimate, amounted to \$15,199,000,000 on June 30, 1926, representing a gain of \$110,000,000 in June. It is well to keep in touch with the growth of these figures, because we should pass a law preventing the further issuing of tax-exempt bonds.

Foreign trade will not be the cause of any depression in 1926. If trouble should come it would be because of conditions at home, but facts as to trade, manufacture, money and credit give adequate grounds for expecting business to be good the remainder of this year. Prosperity is with us and thought of the morrow, careful planning, watchful management and tempered optimism will continue the period of active, profitable business.

The convention committee in the city of Dallas makes this interesting description of the state and city, locating the

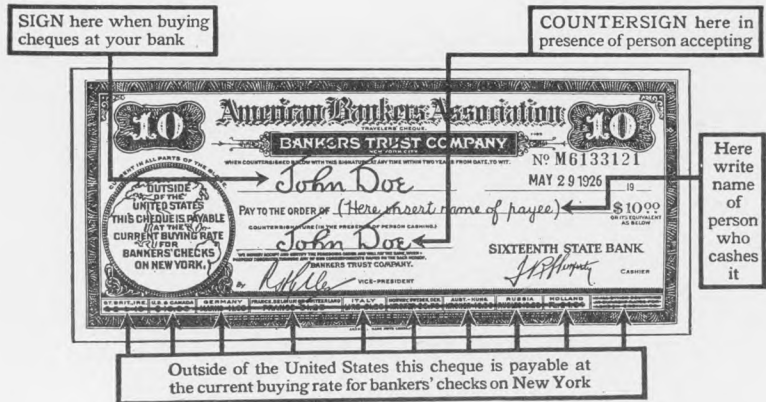
state as follows: "Texas occupies all the continent of North America, except a small part set aside for the United States and Canada. Texas is so big that the people of Brownsville call the Dallas people Yankees, and the citizens of El Paso sneer at the citizens of Texarkana as being snobs of the effete East. It is 150 miles further from El Paso to Texarkana than it is from Chicago to New York; Dallas is nearer to St. Paul, Minn., than it is to Brownsville. The United States with Texas left out would look like a three-legged Boston terrier. The chief occupation of the people of Texas is trying to keep from making all of the money in the world. Chief pursuit of the Texans was formerly Mexicans, but now it is land buyers, steers and Texas crop records."

One of our Scotch banker friends was polishing his car the other evening when a man happened by who inquired how he liked his car, stating that he was considering buying one of the same make. In the course of conversation our friend stated that the "pick-up" was especially good, owing, no doubt, to the fact that the car had eight cylinders. "Oh, six cylinders are better than eight," said the man, "because if anything goes wrong with the cylinders you haven't so many to repair." No doubt if that fellow's engine was "missing" he would return to his garage to see if he had left it there.

Southern wholesalers who are advising customers that checks on Florida banks will not be accepted by them are introducing a new form of killing the goose that laid the golden egg. Such action does a great injustice to the strong, safe, conservative banks of Florida. In the second place, it has a tendency to instill fear of all banks in the public mind, and fear is not an ally of business. When any business man does something to shake confidence in business institutions he is pulling down the pillars of the entire business structure—and on his own head.

A well-known president of a well-known bank in the middle west is an ardent disciple of Izaak Walton. When he went on his vacation this year he promised to send to the other officers of the bank trophies of his hook and line. He was as good as his word and shortly before his return a box of pike arrived, which were duly distributed.

However, before the president returned a bill came to him at the bank which the vice president thought pertained to business but which disclosed that a local butcher was entitled to \$7.50 for fourteen pike and one pickerel. Consternation reigned—had their idol feet of clay—had his hand lost its cunning? However, someone thought the bill looked "fishy"



Grateful Customers

A customer who remembers your bank gratefully while away from home on a trip is likely to remember your bank again when he returns.

Customers of yours, supplied by you with A·B·A Travelers' Cheques for travel purposes, will carry a constant reminder of your good counsel and your thoughtful provision for a pleasant trip.



Write us for literature and further information.

The Agent for the Member Banks for the payment of all American BANKERS Association Travelers' Cheques is

BANKERS TRUST COMPANY
 NEW YORK PARIS LONDON

Without a Peer



TOWERING into the air, the elephant is monarch of his African world. His mastery is due not to his size alone. It is due as well to his remarkable adaptivity to the land over which he roams. Every sense is acute. Every organ is alert. Every activity is in harmony with the moment's need.

So with Wessling Services. From coast to coast they are taking the lead among personal bank publicity programs. Wessling Services succeed not by mere bigness. They succeed because they are uniquely sensitive to local needs.

Simple, sincere, adaptable, the Wessling program brings traceable results which show on the bank's balance sheet.



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

and made investigation. Clues were followed and the cashier culprit pleaded that it was all a joke. The president on his arrival home was greeted with cheers of "Fish, fresh fish."

An interesting experiment is being tried in the Maryland penitentiary at Baltimore. A bank is to be opened there for the sole purpose of handling the savings of the prisoners. It is said these range between \$200,000 and \$300,000 annually. At first glance it would seem an easy matter to get plenty of home talent to operate the bank, though the difficulty in finding honest bankers among the convicts would be a problem in itself. Presumably, therefore, the bank will be conducted by outside financiers rather than those who find themselves inside walls through their own peculiar methods of handling other people's money.

It is no small wonder the pedestrian is pitted. On January 1, 1926, the number of motor cars in operation throughout the world totaled 24,589,249—or one for every seventy-one persons.

The United States has the highest ratio of cars to population, with one to every six persons. Hawaii is next with one car to every eleven people. Canada is third with one car to every thirteen people.

Brookmire says: "Iowa is in better shape than any other part of the corn belt. Farm income in Iowa for the crop year 1925-6 was a considerable improvement over the previous year, and our estimate for 1926-7 shows a further gain of \$12,000,000." And still Brookhart raves on!

Johnny, ten years old, applied for a job as a messenger. The banker, to have his little joke, said, "Well, my boy, what would you do with a million dollars?" "Oh, gee," replied Johnny, "I don't know—I wasn't expecting so much money at the start!"

Theodore Wold, vice president and a newly elected member of the board of directors of the Northwestern National Bank of Minneapolis, has recently been appointed chairman for Minnesota of the Save to Travel Association. This association is made up of banks, railroad companies and steamship companies to encourage travel and vacation through systematic savings accounts.

In analyzing the relations of Europe with America, regarding the settlement of war debts, Dr. Bonn, in an interview with the New York Times, states that the main cause is an uneasy misgiving over the possibility that Europe may be confronted with an economic development which must lead irresistibly to a hopeless dependence of the debtor countries upon the great creditor, unable to ever get out

of debt and bound thus in an economic slavery hopeless of freedom. May we be so bold as to ask what Europe would have done in her hour of need if the United States had NOT loaned her the money she now thinks she should not repay?

NATIONAL BANKERS SAY LAW IS COMPLETE FAILURE

(Continued from page 17)

borrowers into bankruptcy, or make them turn their property over to their creditors.

“Our guaranty law has been amended several times, and now the Nebraska Bankers Association, through its executive committee, wants the state bankers to organize and appoint a committee to tell them what else to do about it.

“3. Would you advise other western states to adopt a similar law?”

“No. A law that is wrong in principle cannot stand. In the end the public must ‘pay the freight.’ To quote a financial article published by the Chicago Journal of Commerce in August 2, 1922, in regard to the Guaranty Law: ‘We must not build statues of snow, and weep to see them melt.’

“4. How has the Guaranty Law affected your bank and your community?”

“The state banks have experienced the wrong of this law, but the most of them are afraid to urge its repeal. An amendment, permitting banks to withdraw, would mean, like it has in Kansas, the complete failure of the plan.”

FINE IN THEORY BUT BAD IN PRACTICE

“This is without prejudice. Cold facts as I see them. Could write a book on banks from my experience as examiner a few years ago. Have seen a lot of inside stuff as handled by a bunch of ‘kids’, called ‘examiners.’

“1. Bunk. Fine theory but in my estimation it is not practical. Spend more money on good examiners, charter less banks and in that way make safety for depositors.

“2. A few more meager crop years and we will go same route Oklahoma did. The state banks of Nebraska have mortgaged their entire profits for years to come.

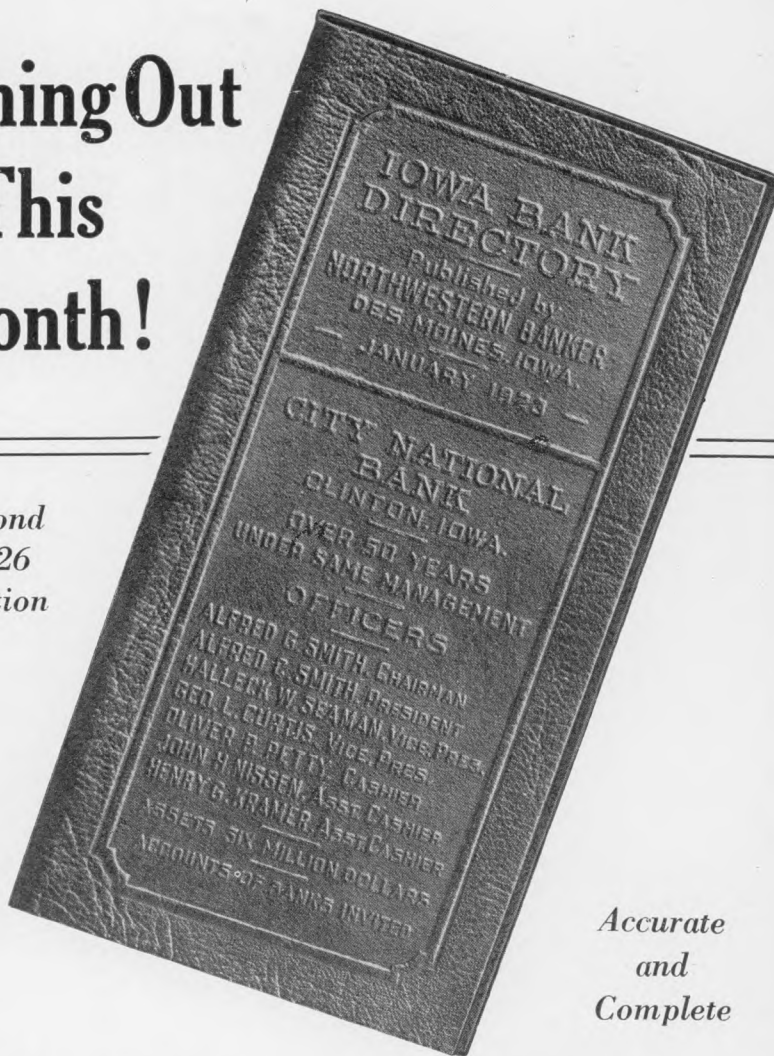
“3. Would not so advise. It has proven a failure in every state so far, 1921 bank failures in eight states, four of which have guarantee laws. South Dakota will repeal theirs. North Dakota is on verge. Oklahoma has repudiated her liability as a state and rightfully so, leaving only a handful of state banks left to pay millions deficit. We judge from actual results. Why should it be recommended? Can suggest no formula or changes that would specifically classify money protection or guarantee more than any property of value—the theory is wrong.

“4. It has put to sleep and allayed the fears of some depositors, therefore, it has done some good, temporarily, but that does not change facts. In hard times the system is found wanting when carried over a long period of time, and in times of ease, it is not needed.

“Substitute for Guaranty Law: Get good men on examining force, pay them real money for their work. Cut down expensive method of Guaranty fund commission and say this to field men who are capable of acting as advisory personnel as

**Coming Out
This
Month!**

*Second
1926
Edition*



*Accurate
and
Complete*

THE Second 1926 Edition of the IOWA BANK DIRECTORY, pocket size, will be off the press this month—thoroughly revised accurate, and up-to-date. Five thousand five hundred copies reach the desks of Iowa bankers each year, and they tell us the DIRECTORY is the handiest reference ever placed in their hands.

In addition to an up-to-the-minute listing of every bank in Iowa, the DIRECTORY contains the following information:

- The officers of the Iowa Bankers Association.*
- The officers of the Group Associations of the Iowa Bankers Association.*
- The officers of the American Bankers Association.*
- The officers of the County Bankers Association.*
- The officers and directors of the Seventh Federal Reserve District.*
- The State and National Bank examiners.*
- A brief summary of the banking and commercial laws of Iowa.*
- The members of the Iowa Farm Mortgage Association.*

The demand for the new Iowa Bank Directory will be great. Place your order now, and be sure of receiving your copy promptly.

The Iowa Bank Directory

Published Semi-Annually by

THE NORTHWESTERN BANKER

Clifford DePuy, Publisher

DES MOINES, IOWA

The Fisher Co.

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Charles City, Ia.

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As a banker you are interested in the efficiency of organizations. Whether an organization can demand your consideration depends entirely upon its ability to efficiently gather facts about the thing in which you are interested.

Probably you are considering a new bank or fixtures. If you aren't now, it is inevitable you will some day.

Now, in the installation of fixtures, you would select an organization with years of experience in designing, building and installing bank interiors.

You would be interested naturally in the cost of the project also.

In the efficiency of designing, building and installing and yet making it at a reasonable cost, The Fisher Company has pleased hundreds of banks and bankers throughout the United States.

Thoughtful Bankers Consult the Fisher Co.

well as examiners. Cut loaning limit to 10 per cent of capital and surplus instead of 20 per cent. Make every state bank a member of Federal Reserve System. All of this will help to cure their ills."

FINE LAW FOR THE INEFFICIENT BANKER

"From a national banker who seriously considered taking out a state charter several years ago but is mighty happy that his decision was against it, for his stockholders have never missed a dividend since that time, while his state bank friends have never received any and several have paid assessments instead.

"1. The principle of a guarantee law is all right and for the inefficient and crooked banker it is certainly fine, for all he has to do is to hang a sign in his window, 'Deposits Guaranteed' and he is ready to do business—but for the honest, able banker who gets his business on account of his ability and his experience, he has to pay for the errors and crookedness of the other fellow, just because he happens to be engaged in the same line of business, and to him it is practically a confiscation of property.

"2. Undoubtedly it will come to an end, just as soon as they can let go and about ninety per cent would like to quit right now and save a little money for themselves.

"3. No indeed, not a similar law, but if you can place the cost of the guarantee where it should be, then I think it a good measure. Where should it be? To be paid by the state by assessing capital, and then pass a law to hang crooks.

"4. It has not affected us very much. Some few depositors have been attracted by the sign (Time Certificates drawing interest) and the small depositor whose balance runs about \$4.95 is anxious to have it in a guaranteed bank, but the people operating the bank were inexperienced so that the man who really wanted to do business with bankers didn't hang around the sign very long."

Additional Office Space

Halsey, Stuart & Company have leased 3,000 square feet additional on the fifth floor of The Rookery for housing the accounting department, leaving the third floor to correspondence and advertising departments and the first and second floors of the building to sales and customers' departments. The company now occupies 25,000 feet of floor space in the building.

American Tourists in Europe

Officials estimate that American tourists have spent approximately \$500,000,000 in Europe this summer, and the impression is that tourist travel and expenditure will be much greater next year. This is coming to be an increasing important item in our foreign trade situation, weighing on the side of imports, the side which is still short.

In place of dynastic conditions the danger of war now is to be found in popular misunderstanding and resentments.—Elihu Root.



The Directors of Your New York Correspondent

IN the case of the Seaboard, it is interesting to note the wide range of the Directors' business interests—a decided advantage to a Commercial Bank.

THE SEABOARD NATIONAL BANK

of the City of New York

MAIN OFFICES: BROAD AND BEAVER STREETS



Business Fluctuation Needs Bank Cooperation

The amount of a customer's business—whether it is a matter of millions, thousands or hundreds—does not determine the amount of attention he receives.

We have *one* policy governing all financial cooperation with our customers and that is to place at his service experienced Senior Executives—*specialists* trained for every conceivable problem that may confront the banker.

FIDELITY TRUST COMPANY
120 Broadway of New York Equitable Building



\$4,000,000

Interstate Iron & Steel Company
 5 1/2% First Mortgage Sinking
 Fund Gold Bonds
 Series A

Dated August 1, 1926
 Due May 1, 1946

Price 99 1/2 and accrued interest
 to yield 5 1/2%

**THE NATIONAL
 REPUBLIC
 COMPANY**

La Salle and Adams Sts., Chicago
 Telephone State 4600

Since 1885 . . . *Growth*
 that has been normal,
 consistent and sure

An ever-growing clientele that includes
 many American, Scotch, Dutch and Brit-
 ish Banking Houses . . . a steady
 increase in resources and facilities year
 after year for forty-one years . . .
 and in all that time never a loss to a cus-
 tomer because of steadfast adherence
 to a strong and conservative policy.

Banks which act as local distributors
 for Foreman First Mortgage Bonds are
 afforded a profitable affiliation. Cor-
 respondence is invited from interested
 bankers.

GEORGE M. FORMAN & COMPANY

EQUITABLE BLDG., DES MOINES, IOWA

Chicago New York Pittsburgh St. Louis Minneapolis
 San Francisco Indianapolis Springfield, Ill.
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GREENEBAUM SONS BANK AND TRUST COMPANY

OLDEST BANKING HOUSE IN CHICAGO

Resources Over \$31,000,000

A commercial bank, offering complete facilities for the handling
 of domestic and foreign banking, and serving as a depository
 for accounts of individuals, firms, corporations and banks.

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J. A. MOLITOR.....	Assistant Cashier

TRUST DEPARTMENT

JOSEPH G. STRAUS.....	Vice President and Trust Officer
JOSEPH S. SAMUELS.....	Assistant Trust Officer
CHAS. J. GREENEBAUM.....	Assistant Secretary



Bond Departments and Investments

I HAVE been asked to talk to you today about a business which, in spite of its phenomenal growth in the last few years and its vital importance to the business of banking, is nevertheless still somewhat of a novelty to the old line commercial banker in the small-sized bank. I refer to investment banking, or more familiarly, the bond business.

I must confess to you, however, that I enter upon the subject with great trepidation as I do not feel that I can enlighten such a distinguished group of men as comprise the National Bank Division of the American Bankers Association on the subject of Bond Departments or Investments. But as I have been asked to do so I will do the best I can and hope your time consumed will not be the greatest loss you have ever suffered.

You will pardon me, I hope, if I block in briefly a little history in order to provide a background which will help you to understand the conditions, opportunities, and possibilities of the bond business in relation to banks.

The bond business as it existed before the world war was conceded to be very aristocratic; it was conducted by a few very old, very conservative houses who sold the fixed obligations of their inherited clients to individual or institutional customers in blocks of \$25,000 and up. This was a time in the history of this country when there was neither so much cash wealth nor so wide a distribution of it as followed upon the tremendous stimulus which war-time necessities gave both individual and national resources.

Such banks as had bond departments during this period were the largest banks in the largest cities, and these departments were really little more than service or statistical departments which had come into being in most cases from two causes, either to aid in the distribution of the securities of companies in connection with which the bank had some interest or responsibility, or to supply the demand of commercial customers for ad-

P. D. Houston

*President American National Bank,
Nashville, Tennessee.*

*Address before National Bank Division Meeting,
American Bankers Association Convention,
Los Angeles*

vice or investments; probably both causes had a good deal to do with it. These bond departments rarely or never participated in what we know today as underwritings. They maintained in general, only such a list of bonds as would be likely to meet the needs of the bank for secondary reserve, and when it came to filling orders for customers they, as a rule, bought bonds at a concession of $\frac{1}{8}$ or $\frac{1}{4}$ of 1 per cent from the lists of the large houses of issue.

What happened to the bond business during the years immediately following the outbreak of the great war is, of course, well known. The bond business was suddenly called upon to finance a large part of the requirements of the nations at war, even before the United States went into the war. The \$500,000,000 Anglo-French Loan, next the flood of American securities heretofore held in England, and later the deluge of Liberty Loan Bonds, placed upon the investment banking fraternity and the banks a burden which could only be met in one way, by the education of the great mass of American people in the habit of buying bonds in small quantities. This was necessary owing to the fact that capitalists were largely occupied in war production, which used up their investment capital, or were withdrawing their funds by placing money in tax-free municipals on account of high war taxes, thus effectively removing the usual sources of bond buying from the corporate investment market.

It has been said that the Liberty Loan Bond campaigns raised the number of bond holders in this country from 500,000 to 20,000,000. The result was an immediate expansion in the bond business shown in several ways; first, by the initia-

tion of an elaborate system of distribution on the part of the large houses of issue who began giving out underwriting participations in amounts as small as \$10,000 to bond dealers; second, the gradual increase in the number of bond departments in banks of moderate size who were literally forced into the bond business by the sudden growth of interest in investments as well as what seemed to be opportunities for profit in selling bonds; and third, by the creation of hundreds of small firms or investment dealers largely composed of men who had received their early training in the older bond houses. These factors soon brought about a decrease in the average sale to a customer from \$25,000 to \$3,000, thus broadening the bond market tremendously. Immediately after this development came the "Inventory Panic," of 1919-1921, and an exaggerated demand for fixed capital on the part of over-expanded industry and over-taxed government budgets. This was the result of the so-called "Frozen Assets" with which all bankers were only too familiar at the time. Various industries had increased the size of their plants for war-time requirements and in many cases had just finished such expansion when the war ended and business demand fell off, or at any rate only lasted for about 18 months, and finally ended in a tie-up of transportation and an over-supply of finished goods which the consuming power of the country was unable to absorb at a profit. The bond business was then confronted with a large number of obligations secured on "Bricks and Mortar" by which means industry raised capital to absorb inventory losses and in many cases cash to enable the business to continue.

This brings us down to the past five years which have witnessed probably the largest growth in investment banking, a period during which the most noticeable fact has been that the increase in the number and buying power of private investors has kept pace with the increased number of bond issues.

☛ An Investment Banking House of Service ☚

What Is Market Value?

An Important Feature to Remember

The marketability of all bonds is an important feature which every banker must necessarily consider.

This question has arisen many times regarding the proper analysis of market value.

First the Investment must be founded on basic needs, of course, but there is a greater factor to consider which bankers and investors now recognize—that is the almost intangible yet paramount factor of weighing the resources, integrity, stability, and ability of the investment house to intelligently “analyze” and “confidently know” the facts concerning the bonds they are selling.

The White-Phillips Company, and its entire organization has consistently maintained this practice in selling high grade bonds to Iowa banks and bankers.

THE WHITE-PHILLIPS Co. INVESTMENT BANKERS

DUBUQUE, IOWA
B. & I. Building

DAVENPORT, IOWA
First Nat'l Bank Bldg.

OMAHA, NEBRASKA
Bankers Reserve Life Bldg.

DES MOINES, IOWA
219 Securities Bldg.

CHICAGO, ILLINOIS
137 S. La Salle St.

Now it is no light matter for the directors of a bank of moderate size to decide whether or not to establish a bond business. We must remember in the first place that though it is a popular notion that the bond business is very safe, the opposite is more nearly true as far as those are concerned who are putting up the capital. Your stock broker for instance, has a much safer game to play, as he depends solely on the commissions and interest differential on a large volume of trading. But the bond dealer must be prepared to take large long-time commitments, to subscribe and pay for a big block of bonds at any time, and run the risk of not being able to sell all of them, and of having their market value depreciate and must even agree to the syndicate managers' having the necessary extraordinary powers for the success of new issues, and agree on his own part to protect the market for 60 or 90 days or even longer with respect to the specific bonds for which he is liable in the syndicate.

Therefore the two most important questions about a new bond department are “Who will run it?” and “How?”

The small bank not in close communication with financial centers, and possibly not in a position where it might be able to control any great amount of local financing, is still faced with this decision, now that its customers are going to be educated through the mails on the subject of investment, whether or not their own bank does it. Obviously, no banker worthy of the name will wish to forego the opportunity and responsibility of serving his customers in the most complete way in all matters relating to banking. It is probable that the average bank will be able to operate a bond department at least without loss, and if this is so the most important question, and I cannot emphasize it too strongly, is the necessity of obtaining the proper personnel. There is no aspect of a man's private life which he will ordinarily ask to be treated with more seriousness, more respect, and more secrecy than that which concerns his financial affairs. It is common knowledge that the officers and directors of a commercial bank, who have naturally neither the necessary time nor the experience, must depend upon the manager of a bond department for the selection of the investments which will be offered to customers with the bank's name, reputation, and recommendation risked on each one. It is obvious, therefore, that such a manager must have unusual experience, integrity, analytical ability, and initiative. Owing to the peculiar marketing conditions in the bond business under which a bond department manager must decide in a few minutes and on the strength of a telegram a few hundred words long, as to the merits of a new issue of bonds, and as to whether or not his bank should be let in for a

commitment running from \$10,000 to \$200,000, it can easily be seen that he must have not only the qualifications but also the power to act immediately and that it is useless to organize either his functions or those of his subordinates on any other basis. It has been my own observation that in general the affiliated and separately incorporated securities company organized in this way, keeps all the advantages of a simple bond department and has, besides, somewhat greater flexibility and freedom of action. This is particularly true, for example, in cases where it may be necessary in the process of raising fixed capital; either for a business, to finance some equity which is not in such a form as can be offered to the public. In this situation the directors of a securities company have been selected for the very qualities and resources which will aid the bond business, can be very useful in organizing a temporary group to carry such an equity, frequently at some considerable gain to their institution. This situation will usually arise where more money must be secured than can be safely raised by placing a mortgage on the property and where the junior financing must be in the form of a loan which would necessarily run for a longer time than a commercial bank would care to carry it. Resource can be had either to a note issue to be retired serially or to a preferred stock issue on an attractive basis, which can, after the establishment or re-establishment of the company's credit, be sold to the public at a profit.

Having selected the right personnel for directors, manager, and staff, the question of selection of bonds is more than half solved. The real problem is to maintain at all times a list of bonds sufficiently diversified as to interest, rate, maturity, industry, geographical location, etc., so as to serve the double purpose of providing a liquid reserve for the bank and at the same time of satisfying the various demands of customers.

In order for a bond department to be able to liquidate inventory upon short notice if the needs of the parent institution should require it, it is not necessary to restrict any considerable proportion of the investment inventory to short-time bonds and notes. Diversification as indicated above is usually, and has proved in our case, to be sufficient safeguard. We have found our affiliated company has the capacity to liquidate large portions of its inventory in cases where it has seemed either desirable or profitable to do so. You will readily see that this flexibility represents a type of service which in itself is worth a great deal of trouble to acquire.

Sources of statistical information have kept up with the growth of the bond business so that it is not difficult to pass judgment upon bond issues. It is not so easy to accumulate and maintain a list which will sell at an operating profit. The first

and best thing to do is to try to get on the syndicate list of some of the best houses of issue, and next to try to form a working agreement with the bond department of some large correspondent bank which can be expected to supply some bonds at a concession. After this the management will be on the lookout to pick up from time to time blocks of sound and seasoned bonds which look out of line with the market and may be expected to improve their position. There will be further opportunity in connection with local corporations, municipalities, and counties, and every effort should be made to get a connection with other houses of similar size and character in the surrounding territory so as to permit bidding on industrial and municipal issues of larger sizes.

One policy our own experience has indicated as invaluable, is the giving of all possible information to the customers themselves. The most successful bond department is not necessarily the one which begins right away to sell bonds rapidly to a comparatively small number of obvious prospects who are probably more interested in the speculative than the investment features of the bonds they buy, but the house which succeeds in developing patiently a great number of people who place in it such confidence that their first thought on acquiring any spare cash is to come to the offices of the investment house and place it in a conservative bond according to the advice of the house. This confidence will be misplaced unless the house exercises a great care in the selection and recommendation



Outpost of an Army

EVEN in a land accustomed to tremendous business developments, the story of the growth of the telephone reads like a fairy tale.

Where only fifty years ago a single message was heard over a single telephone, today there are more than 73,000,000 daily conversations over a network of 54,000,000 miles of wire, connecting over 17,000,000 telephones.

In the brief span of a half century, the first telephone has developed into a national service.

The Bell System alone requires a personnel of 300,000 people, and uses plant facilities costing over \$2,600,000,000.

A nation-wide plant and nation-wide service underlie Bell System securities.

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."



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of investments. The public hardly realizes what a weight of responsibility it places upon bankers when asking them to invest money. All of our officers, entirely aside from those operating our affiliated company, are met daily with the request that they recommend, or often actually invest sums of money for customers who have grown accustomed to absolute reliance upon our institution.

The problem then, if a bank wishes to deserve for its bond department the highest reputation, is to be sure that the business is conducted on the proper plane, which can only be the highest. This can not be attained unless the bank organizes and maintains a personnel which understands the exercise of judgment and authority, conditions which will never be realized unless all, from the manager down, are efficiently trained. It would be suicide to send out to the public salesmen who are not sufficiently trained both

in actual statistical information about the securities which they are offering and in the power to interpret that and other information so as to guide properly the investment policies of their customers. Money spent on statistical services as Moody's, Babson's, Standard Statistics and other equally well-known and reliable services, will return very large dividends on the investment if full advantage is taken of the information thus acquired. This advantage can only be pursued when it is realized that the bond business is now really a profession, and that men of the highest type must be secured and allowed sufficient opportunity for themselves; it will rarely be possible in a small bank to operate efficiently a bond business in charge of a junior officer or to employ salesmen having no more opportunity than the junior officers of the bank.

It is my belief that in spite of the growth and competition, perhaps because

of these factors, there is still a real opportunity for mutual advantage to both investors and banks in starting bond departments in communities the amount and character of whose wealth will justify it. It will also be found that the bond end of a bank can be of great value to other departments. Our own company, if you will pardon the reference, has through the rendering of good service to its customers, brought to the commercial and trust departments of the American Banks accounts which in all likelihood would have been otherwise inaccessible.

There are, of course, pitfalls to be avoided. It would be fatal, I believe, for any bond business to specialize on any one type of bond either real estate, municipal, or whatnot, as the only guarantee of a stable business is in the ability to sell some classes of bonds at all times. Two very frequent statements which will be heard are, "If these X, Y and Z 5's are so good why haven't you sold them all?" and "You're just trying to sell me these bonds because you have some of them on hand." So you will readily see that in order to satisfy the modern bond buyer it will be necessary for your bond department to exercise more than ordinary discretion, oftentimes to neglect all the bonds on hand and go out into the market to buy bonds without profit in order to give a customer the bonds he ought to have and in general to display the foresight demanded by the risks inherent in any business which sells merchandise subject to the whims of its customers and its market. Nevertheless, I believe that, properly started and carried on, the bond department of a bank should be a source not only of financial reward but also of the priceless prestige which comes to an institution as a result of a constant effort to make the practice of thrift more attractive and to give intelligent advice to the impulsive American public, which needs it badly. And, not least important, a bond department ought to develop among the personnel of the banks a corps of men who, if they conscientiously follow the principles of the profession of bond selling, will provide an ever increasing number of valuable leaders in finance and in business.

An Excuse

Procrastination is more than the "thief of time." It is the prospect's last excuse—whatever he says is the reason, it isn't a reason—it's an excuse.—(Objections, Meeting)—*The Stethoscope.*

Poetry, in its nature, is sacred to the good and great; the relation between them is reciprocal, and they are ever propitious to it. It is the privilege of poetry to address to them, and it is their prerogative alone to give it protection.—Congreve.

CERTAIN INVESTORS

in order to comply with the law or to satisfy their own particular needs, require a uniformly high standard of safety in all their investments. Others must have a definite degree of marketability or a certain standard of yield. But whatever these individual needs may be, it is always possible to satisfy them without sacrificing the advantages of diversification. With a little study, a list can be so chosen that it will contain all the different types of bonds from many different localities,—yet all about equally secure, equally marketable or equally productive of income. We shall be glad to explain this process further, personally or by letter, upon request.

DE WOLF & COMPANY, INC.

Investment Bonds - Established 1889

CHICAGO

MILWAUKEE

The Land Trust or "Ground Rent" Certificate

By *Milton O. Johnson*

Manager, Analytical Department, First Illinois Company

THERE is now being introduced into the general investment markets a comparatively new form of real estate investment known as the land trust certificate—or, as it is sometimes called, the ground rent certificate.

The land trust certificate, as its name implies, is a certificate evidencing an ownership interest in the fee title to land held in trust and usually land which is centrally located in large cities and from which rentals are received under a long-term lease. It is, therefore, a real estate investment.

Is Not a Mortgage

At the outset, it should be clearly understood that the land trust certificate is not a mortgage, a leasehold bond or a note, but it is an evidence of actual ownership and each certificate holder has the actual equitable ownership of an undivided part of the land. In other words, the certificate holder is an owner and not a creditor.

The land trust certificate, in many localities, is a comparatively new medium of investment, but it is based on well recognized principles of law and business, for the land trust certificate method of financing real estate is a refinement of "ground rents," one of the earliest known mediums of investment, which were common in the days of the Egyptian and Roman Empires and mention of which is first made in America in 1662, in connection with Lord Baltimore's development of the soil of Maryland.

"Ground rent" is now generally understood to mean the rent paid to the owner of land under a long-term lease, and the payment of rentals under a long-term lease for the use of centrally located land in large cities is the fundamental basis upon which the financial and the operating structure of the land trust certificate rests.

Simplicity is a characteristic of the legal, financial and operating structure of the land trust certificate. Usually the land is leased under a long-term lease to provide a steady income. Title to the land is conveyed to a trustee under the terms of an agreement and declaration of trust reciting that the trustee is acting as trustee for the certificate holders and in which capacity he holds the fee title to the land for the benefit of the certificate holders and collects and distributes the rentals, received for the use of the land, pro rata to each certificate holder.

The equitable ownership of the land, under the trust agreement, is divided into a designated number of equal parts and certificates are issued by the trustee showing the holders thereof to be the owners of such number of parts as they have individually purchased. It is this division

of the ownership of the fee title of the land into parts, coupled with various legal and business safeguards, which assure the validity of operation and income, which makes it possible for the average investor to share in the ownership of the fees to centrally located land in large cities.

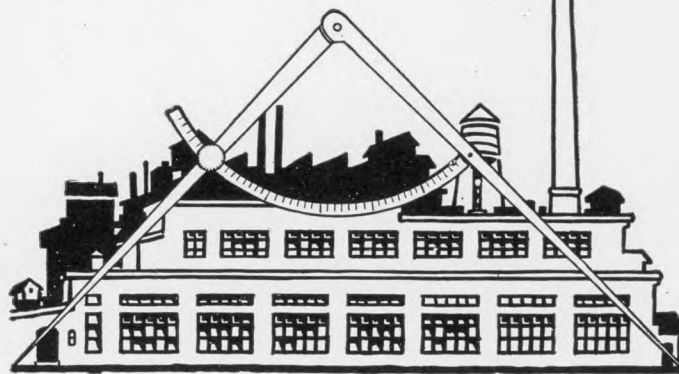
When the Title Passes

When the title to the land has been conveyed to the trustee and a long-term lease has been placed on the property, any number of shares in this ownership can be sold, such shares being represented by

Measuring *your security*

THE real security back of any given bond can be determined only through a judicious application of the proper measurements. Industrials, rails, public utilities, foreign bonds—all require experienced scrutiny.

The National City Company has unusual facilities for measuring the values back of the bonds which it offers to banks. We will gladly send our regular monthly list of recommended issues.



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BONDS

SHORT TERM NOTES

ACCEPTANCES

land trust certificates, but the aggregate price of any particular issue of such certificates should not exceed a conservative appraisal of the land.

Usually the lease provides that the lessee shall pay all taxes and assessments on the land, and that the lessee shall keep the building in good repair and adequately insured at all times. In order that the trustee may be in a position to pay to the certificate holders the full amount of the "ground rent," the lease should further provide for the payment by the lessee of all expenses incident to the trusteeship.

Another provision of the modern land trust certificate is an option whereby the lessee, who has an investment in the form

of an improvement on the land, may purchase the fee title to the land before the expiration of the lease in which event the certificates are retired at a price exceeding the original cost.

The security of the land trust certificate holder rests upon two fundamental facts:

First. The holder of the land trust certificate is an actual part owner of the fee title to real estate usually centrally located in large cities and from which rentals are obtained under a long-term lease, and usually at a price corresponding to the value of the land. If the lessee defaults in the payment of the "ground rent," the lease may then be cancelled and the trustee, without foreclosure procedure, comes into

immediate possession of the land and all the improvements upon it, for the benefit of the certificate holders. Presumably the value of the land and the building should be much greater than the value of the land alone, and the certificate holders may dispose of the land and the building to suit themselves.

Second. The source of the income received by the certificate holders is the "ground rent" paid by the lessee. In order to retain the use of the improvement on the land which represents an investment on the part of the lessee, the lessee must pay the rentals regularly and promptly.

It is the general tendency for all well located real estate to increase in value over a period of years. The question, therefore, arises as to what possible effect any increase or decrease in the value of the land would have upon the land trust certificate holders.

From a theoretical standpoint, an increase or a decrease in the land value would have no effect on the certificate holder for the ownership of the land is subject to a lease, and during its life, if properly drawn, the lease provides for a fixed income and establishes the value of the land to the lessor.

If, however, the lessee defaults after the lease has been in operation for a number of years, the certificate holders come into possession of the land and any improvements made thereon, and the value of the land, without the value of the building, may be considerably greater than at the time of the issuance of the certificates.

The essence of the security of the land trust certificate holder is that so long as rentals are regularly and promptly paid there is no worry about income and if the rental is not paid the land plus the improvements thereon is owned by the certificate holders, without the necessity of a foreclosure suit, at a cost considerably less than the going value.

The land trust certificate method of financing real estate has been more highly developed in Cleveland, Ohio, than in any other large center. These certificates are legal investments for Ohio savings banks and trusts if the aggregate price of any particular issue does not exceed the value of the land or 60 per cent of the combined value of the land and improvements, and provided there are certain safeguards as to insurance and the application of funds for construction of buildings if the land is unimproved.

Individual and institutional investors with large sums available for investment are already familiar with the fee title to land centrally located in large cities as a medium of investment. Through the structure of land trust certificate financing, this form of investment, in an increasing number of localities, is now open to the average investor.



In the immediate neighborhood of the Fairfax Hotel are located some of the finest and most successful hotel properties to be found anywhere in this section of the country. These include the Windermere, Chicago Beach, Madison Park and East End Park Hotels.

Small Unsold Portion of \$675,000 Issue

The Fairfax

First Mortgage Leasehold 6½% Serial Gold Bonds

In opinion of counsel, these bonds are a legal investment for National and State banks

SECURITY: Direct closed first mortgage on completed ten-story and basement fireproof apartment hotel together with 197-year leasehold in land thereunder, and equipment and furnishings of the building located in the heart of one of the best residential districts of Chicago, on the southwest corner of Hyde Park Boulevard and Dorchester Avenue. The security has been conservatively valued at \$1,250,000, only 54% of the total valuation. Net annual income is estimated at \$134,000, more than three times the greatest annual interest charge. Bonds dated November 1, 1925; mature serially in 3 to 10 years. Interest payable May 1 and November 1. Callable at 102. Normal federal income tax up to 2% paid. Chicago Title & Trust Company Title Guaranty Policy. Fire insurance is carried for the full amount of the bond issue. Denominations of bonds: \$100, \$500 and \$1,000.

Price 100 and accrued interest to net 6½%.

Ask for Circular No. 804

No investor in our First Mortgage Real Estate Gold Bonds has ever lost a dollar of principal or interest

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Bond Market Continues Strong

"ALL the fundamental factors which have contributed to advancing security prices during the past year remain favorable, with no indication of an early major change."

In brief, this statement sums up the opinion of Halsey, Stuart & Co., on current business conditions and their relation to the bond market, as expressed in its quarterly review, issued recently. In support of the statement, the review points out that:

Business Is Strong

"Business is active, the agricultural outlook is promising, building operations continue on a large scale, employment conditions are excellent, the banking situation with respect to both loans and reserves is exceptionally sound, and prosperity is widespread. The existing strength of bond prices is a natural consequence."

In view of the renewed interest in foreign financing, occasioned by a number of offerings in recent weeks, the comments of the review on the foreign bond situation are particularly pertinent. It says:

"There are unmistakable signs that the American investor is gradually becoming habituated to the role of foreign lender. Sensational news dispatches from Europe no longer produce the effect upon the market which they formerly did, and there are evidences of a tendency on the part of the public to distinguish between important developments and those which are purely ephemeral in character.

"A representative list of fifty foreign government and municipal obligations show an average gain of somewhat over two points on the basis of present quotations as compared with those of a year ago. Eighteen South and Central American items in the list show an average gain of over three points. Eighteen European items, government and municipal, of countries which participated in the World War, show a gain of nearly two points, while those of former European neutrals included in the list show an advance of slightly less than one point. The foregoing may be interpreted to indicate that investment confidence in well-selected foreign bonds is steadily gaining ground."

With business conditions in general in good order, as the review indicates, it naturally follows that the position of the industrial companies is excellent, and the review points this out, saying:

"The present outlook is that the industrial companies of the United States will report larger aggregate earnings for 1926 than for any previous year. All classes of industry naturally are not sharing uniformly in this prosperity but, generally speaking, it is the exceptional

company which is not reporting satisfactory income. As a rule, the companies are taking advantage of the opportunity to strengthen their financial position and, in many cases, have built up reserves adequate to meet any likely contingencies. Industrial bonds are in a materially stronger position than ever before. It is the opinion of many well-informed investors that this class of bonds offers the most attractive opportunity at the present time, from the viewpoint of reasonable safety and satisfactory rate of return."

Comment is also made on the present position of public utility, real estate mortgage and municipal bonds in the following manner:

"Three developments of outstanding interest have occurred thus far in 1926 to emphasize the strong investment position of public utility bonds. The first was the action of the Legislatures of Massachusetts and New Jersey admitting public utility bonds, under certain restrictions, to the list of securities eligible as 'legal investments' for trustees and savings banks in these states.



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Swifter than the flight of time....silent as a moonbeam....powerful as an army of Goliaths....
Electricity, flowing through copper strands, brings light, energy and power to widely scattered cities.



The marked stability of Electric Power and Light Companies dates back many years to the development of Central Stations. By linking many communities together on long distance transmission lines, there was brought efficiency and economy of operation to these companies and safety to their bonds.



Call or write for our booklet, "The Ideal Investment," and special January list of bond offerings. Ask for Booklet T-14, please.

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"The second has been an increase of about twelve per cent in the output of the electrical power plant of the country over last year, which was by far the largest on record. A significant aspect of this increase is that all sections of the country shared almost uniformly in the gain. The third has been the renewal of investment confidence in well protected electric railway bonds evidenced by strengthening prices among representative issues and the ready absorption of recent offerings of this character. Utility bonds, as a class, continue in a very strong position.

Building Trades Active

"The financing of the vast volume of building construction which has been

undertaken in this country during recent years has greatly increased the amount of outstanding real estate bonds. When surrounded with proper safeguards, these bonds are attractive investments. The main assurance of the existence of these safeguards, such as conservative valuation and adequate earning power, must come from the reputation of the sponsoring investment house. Investments in this class should be selected probably more carefully under existing circumstances than in any other field of domestic securities.

"Perhaps the most notable development in the municipal market for the year so far has been the distinct decline in the total volume of new issues as com-

pared with the corresponding period of 1925, although there has been an increase in the total volume of corporate financing. Another feature of the market has been the relative scarcity of obligations offering medium yields, while there has been a fairly liberal supply both of those approaching a 4 per cent basis and those yielding 5 per cent and upward. Issues now in prospect for the remainder of the year are not numerous, and the outlook at present is that the final figures for 1926 will be below those for either 1925 or 1924. In direct contrast with a year ago, price levels were well maintained during the slack midsummer season of 1926, and the tone of the market continues strong."

Enters the Bond Field

Senator H. I. Foskett, until recently vice president of the Shenandoah National Bank, at Shenandoah, Iowa, has resigned his position with that institution and will devote his full time to the bond business. His headquarters will for the present be in Shenandoah, and possibly later on a Des Moines connection will be established.

Senator Foskett has been in the bank business since 1883, holding various executive positions. He was chairman of the legislative committee of the Iowa Bank-



SEN. H. I. FOSKETT

ers Association in 1922, and has been a member of that committee ever since until last June. Several years ago he was state senator from his district.

The type of bonds in which Senator Foskett will specialize are known as Illinois Special Assessment bonds, dealing exclusively with public improvements such as paving, sidewalks, and sewer installations. Under the laws of Illinois, the holders of Local Improvement Bonds receive special protection.

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An Attractive New Issue

AT THE request of "Constant Sucker," Rutherford, N. J., the following is reprinted. It is a scholarly treatise on the average issue of bonds:

NEW ISSUE HOME EDITION
(Exempt from Federal Income Taxes and the Draft)
\$100,000,000.00

INTERNATIONAL SLEDGEHAMMER COMPANY

6 per cent Gold Bonds
Dated Dec. 1, 1926. Due April 1, 1956.
Defaulted Dec. 1, 1928.

Description of Bonds: These bonds have triangular or oblong-shaped coupons, at the option of the buyer. In \$1,000 or heavier denominations, the bonds have yellow filigree work along the edges and handsome green engraving in the center. They are printed on the best grade of vellum and neatly folded, face up. This is as accurate a description of the bonds as we can give.

The principal and interest, or both, will be payable in gold, sterling, silver, platinum tin or I. O. U.'s in New York, Boston, Chicago and other major league cities

This issue is callable as a whole, in part, in fractions, in absentia or habeas corpus on any interest date at 105 in the shade, up to and including December 1, 1929; at 103 up to and including December 1, 1934, and at a nominal temperature up to and including December 1, 1941. Applications will be made, when we have a spare moment, to have it listed on the New York Stock Exchange and the Drama league bulletins.

Mr. D. V. Bloosh, vice president of the company, has summarized the following facts concerning the company and these bonds:

Business: The International Sledgehammer Company is engaged in the manufacture of high-grade sledgehammers, croquet mallets, chairmen's gavels, patrolman's nightsticks and xylophone thumpers. Its products are sold wherever the English language is spoken or murdered. The rapid increase in autioneer's sales and Rotary Club luncheons insures expanding business for the next six years.

The International Sledgehammer Company has been operating since 1821 A. D. and every knock is a boost for this particular industry. There isn't a chance in the world of our orders falling off unless something unexpected happens like Borah cancelling a chance to speak.

Property: We own sledgehammer factories, warehouses and shipping plants in North Swishing, Me., Yoohoo, Mich., Goldfish, Ky., and Snippet, Ariz., covering the entire country like a wet blanket. All factories are protected from wear and tear by first and second mortgages on the roof. The physical property of the company is in first-class shape. Spiritually and morally it is also O. K.

Earnings: The company has a long record of magnificent operation. It was established 125 years ago (eastern standard time) and hasn't had a bad year since, except for income tax purposes. The following is the statement of earnings for the last 12 months, ending St. Swithin's Day, as examined and doctored by our own certified private accountants:

Gross earnings.....	\$ 44,000,000.08
Operating	76,000,000.50
Net earnings	105,000,000.87
Annual interest require- ments	268,000,000.29

The above net earnings are over three times the interest requirements, the way we figure it out.

Purpose of the Issue: The proceeds of this bond issue will be used by the president and board of directors to purchase steam yachts. This will make our competitors think we are making money and worry them sick. We step in and take their business while they're laid up.

We offer these bonds when, as and if issued, for the people, of the people, by the people.

Investments

SUITABLE FOR BANKS

Name of Security	Rate	Maturity	Price	To Yield About
Compañia Cubana 3 Year Guaranteed Gold Notes	6	1929	100	6.00%
Associated Simmons Hardware Companies, 10 Year Secured Gold Notes	6 1/2	1933	Market	7.10%
Pennsylvania-Dixie Cement Corporation, First Mortgage S. F. Gold Bonds, Series A	6	1941	99.50	6.05%
Chicago Beach Hotel First Closed Mortgage S. F. Gold Bonds	6	1941	100	6.00%
Seaboard Terminal and Refrigeration Company, First Mortgage Serial Gold Bonds	6	1929-1941	6.10 to 6.13%
Hotel Sherman Company First Mtge. Serial Gold Bonds	5 1/2	1946	98.80	5.60%
Illinois Central Railroad Company Forty Year Gold Bonds	4 3/4	1966	96.50	4.95%
Central Power and Light Company First Mortgage Gold Bonds, 1956 Series	5	1956	96	5.25%
West Penn Power Company First Mtge. Gold Bonds, Series G	5	1956	100.50	4.97%

Subject to prior sale and change in price.

Your order or your inquiry concerning these securities will receive our prompt attention.

Mitchell, Hutchins & Co.

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(The statements in the above advertisement are not guaranteed by us, although taken from sources with a reliable reputation for perjury, etc. You can believe them or not, but don't say we didn't warn you.)—Copyright, 1926.

Foshay to Expand

In connection with the broad expansion program of the W. B. Foshay Company whereby security sales offices are being opened in Portland, Oregon, San Francisco, Denver, and Boston, in addition to

their present offices in Minneapolis, St. Paul, New York and Chicago, there is the announcement of the appointment of Harold C. Gage, of Minneapolis, Minnesota, as general sales manager of the Foshay Company Investment Department in charge of all security sales offices.

Mr. Gage has had his own investment business in Minneapolis for the past fifteen years. He possesses an extensive and valuable knowledge of public utilities, being one of the oldest distributors in the Northwest of public utility securities. He has a wide acquaintance with investment dealers throughout the United States.

This appointment follows close upon

the opening of the W. B. Foshay Company sales offices in Denver and Portland, Oregon, the Denver office being under the management of Merritt E. Bailey, an experienced investment man and a former resident of Minneapolis.

C. H. Burnworth, formerly of the Lumbermen's Trust Company, Portland, Oregon, will be in charge of the Portland office. Mr. Burnworth is well known as an investment expert and has a large clientele on the Pacific coast.

The W. B. Foshay Company is a Minnesota corporation with its main offices in the Foshay Building in Minneapolis. This company conducts an extensive investment business throughout the country, originating and underwriting issues of securities of public utilities and industrial companies, and operating and financing its own utility and industrial companies. The combined properties of the company serve electric, gas, water and street railway service to more than one hundred cities and towns in eight states—Washington, Oregon, California, Arizona, Iowa, Wisconsin, Minnesota and Vermont—and properties are being acquired in New Jersey, Ohio, Indiana and Idaho.

The Denver, Portland, San Francisco and Boston offices are being established to provide for sales directly to investors of securities issued or underwritten by the W. B. Foshay Company.

Krenn & Dato Offering

Krenn & Dato, dealers in exclusive investment securities, located in Chicago, are offering First Mortgage Fee 6½ per cent Serial Gold Bonds to the sum of \$600,000, dated July 1, 1926, and due serially 1929 to 1938, on the new Hotel Roosevelt, Cedar Rapids, Iowa.

The Hotel Roosevelt will be located in the heart of the financial, theatrical and business section of Cedar Rapids, and close to four railroad stations. All street cars pass the door or are within one block.

The building will be of fireproof reinforced concrete construction, and will contain 250 guest rooms.

The ground and building complete with furnishings has been appraised at \$1,222,000.

To go about moping, depressed, blue, out of spirits in general, is to exist, but not to live. It is the condition of a mollusk and unworthy a human being. Worry is a state of spiritual corrosion. A trouble can either be remedied or it cannot. If it can be, then set about it; if it cannot be, dismiss it from your consciousness, or bear it so bravely that it may become transfigured to a blessing.—Whiting.

Open air, open door, open shop, open covenants, and open minds are all desirable, but the country is suffering still from open mouths.—*Wall Street Journal*.

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CEDAR RAPIDS

Why Country Banks Are Buying Bonds

BANKERS are asking frequently nowadays why it is that the banks of the smaller cities and towns are coming into the bond market more and more for sound securities.

It was only a few years ago that the "country banker" waived a deprecating hand whenever any hopeful young bond salesman entered his portals and tried to argue him into the notion of buying bonds for the bank's account or for resale to customers.

Questionnaires sent out by The Northwestern Banker and other inquiring publications show conclusively that in the last few years the smaller banks have bought more and more securities. Their reasons for buying bonds may suggest to other bankers similar possibilities of profits.

For the bank's own investment account, safe bonds are particularly to be recommended. In this time of easy money, such as the present, the banker will find that he can materially increase his bank's income by investing a part of his available funds in selected bonds. These may be either of the short-term variety for more or less liquid funds, or may be of longer maturities for funds upon which the bank does not expect to be called in the near future. In either event the increase in the bank's income, as against idle funds or money loans at a low rate of interest, is well worth while.

Guard Against the Future

In years to come, just as in the past, the United States will undoubtedly undergo certain periods of depression. These are unavoidable and should be guarded against by the conservative banker. The investment of a part of the bank's funds in safe bonds constitute a dependable bulwark for such times.

Going beyond the bank's own account, many bankers in smaller cities and towns have found it quite profitable to purchase bonds for their customers' investment. In many instances these customers of the bank are going to buy bonds somewhere, so the bank where he does business might as well make the commission as some other bank or investment house. The bank can go still further, however, and create new bond investors to the bank's own profit.

Some bankers seem to fear their depositors withdrawing funds from the savings account to purchase bonds. I think it is pretty generally proven, however, that the savings accounts have not suffered where new bond investors have been created. The habit of buying bonds itself inculcates thrift in a man or woman, with the usual result that their savings account is actually increased rather than decreased. Oftentimes the bond coupons themselves go to the savings accounts.

By *R. G. Fields*

*Advertising Manager, Caldwell
& Company*

Many bond buyers follow the practice of opening savings accounts to save funds with which to buy a \$500 or \$1,000 bond at some future date.

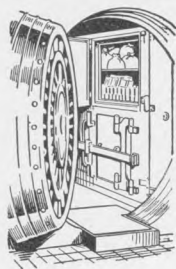
Sources of Profit

When a new investor is created, the bank automatically creates a new prospect for its safety deposit boxes.

By preaching and selling sound investments, the bank serves materially to keep

within its own community the many thousands and hundreds of thousands of dollars which go out annually into fraudulent stock promotion and are permanently lost. This one fact alone should be sufficient to induce the thinking banker to place safe investments before his customers.

In many communities about the only investment ever considered is a first mortgage on real estate. There is no denying that such loans, where properly placed, are a very prime investment. Where all the investment funds of one community,



Favorable Provisions

WE PREFER to recommend securities for which sinking fund provisions automatically develop dependable markets. We favor bonds of reasonable maturities, so as to give greater consideration to changing conditions.

The application of these principles will, in our opinion, tend to strengthen the security holdings of financial institutions as well as those of individual investors.



*A List of Current Offerings
will be mailed upon request*

BARTLETT & GORDON

INCORPORATED

First National Bank Building, Chicago

First Wisconsin National Bank Building, Milwaukee

however, are placed in this one form of security, the old error of putting all of one's eggs in one basket is committed. Bankers know that this should be guarded against in any investment program. Diversification of an individual's or a community's investments by including sound bonds as a part of such investments will prevent this situation.

Bond Sales Increase

The American public is buying more bonds now than ever before in the history of this country, and the hunger for safe securities shows no signs of abatement. It is probably true that 100 people are buying bonds today to every one that bought them ten years ago. The finan-

cial institution which does not keep step with this forward movement is placing itself liable to be relegated to the classification of Back Numbers.

In the territory covered by THE NORTHWESTERN BANKER, an unusually large percentage of the smaller as well as larger banks are rated as progressive institutions. It is probably for this reason that the questionnaires sent out by this publication each year have shown that the banks are annually increasing their interest in safe investment bonds.


Superpower in Action

It is commonly understood that electric power cannot be transmitted for dis-

tances of more than about two hundred miles without considerable loss in volume. The question naturally arises as to what, therefore, is the value of superpower lines extending from five hundred to two thousand miles. During the past year a drought in the southeastern part of the country seriously interfered with the generating facilities of companies in this territory. The companies in the immediate vicinity of the one most seriously affected were suffering to some extent and consequently had no surplus power for sale. A company seven hundred miles away, with power in excess of its own needs saved the situation. It directed all of its excess power to an interconnected system one step nearer the drought area. This system thus relieved of a part of its regular demand, in turn sent its surplus power into the transmission lines of the next adjacent company. Service in the territory suffering from drought was maintained and no electrical energy was forced over high-tension lines for a distance of more than two hundred miles.—From *Bond Briefs*, Chicago Trust Company.

Open in Davenport

Davenport has been selected as the headquarters for Iowa by a Chicago investment banking house, the First Illinois Company, the state agency here to be in charge of Byron E. Heitzman, man-



The Time Is at Hand

when every well-balanced list of bond holdings should include a substantial proportion of

Corporate Building Bonds



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B. E. HEITZMAN

ager for Iowa, and Clinton E. Hentrich, his assistant.

This company is one of the well-known reliable bond houses doing a large business in the investment field. It participates in and originates bonds of the high-

est class dealing in a diversified list including government, municipal, industrial, public utility and first mortgage real estate bonds. Its clientele consists of banks, investment houses and individual investors. The establishment of the state agency in Davenport is in line with its program of expansion now being carried on so as to be in a better position to care for the increased business coming from the Iowa territory. All salesmen of the state will be under the supervision of the Davenport office.

Both young men in charge of this district are Davenport bankers, having been connected with the Union Savings and Trust Company.

Mr. Heitzman came to Davenport about five years ago as manager of the Business extension department of Scott County Savings Bank, and since the consolidation has acted in the same capacity for the Union Savings Bank and Trust Company. He is well known in banking circles, having written many articles for bank publications, and appeared on programs at several conventions.



CLINTON HENTRICH

Mr. Hentrich is a native Davenport and has lived here all of his life. He was formerly teller in the savings department of Scott County Savings Bank, and since the consolidation of this bank with the Union-Davenport, has held a similar position with the Union Savings Bank and Trust Company.

The Cost of State Government

The Department of Commerce has recently issued a report showing the cost of state government in the United States.

For the year 1925 expenditures of the forty-eight states amounted to \$1,614,562,230. In 1917 the expenses of the states amounted to \$517,503,220. The increase in the past eight years has been over 211 per cent.

It may be interesting to know for what these large sums are being spent. In 1925 permanent improvements absorbed \$579,084,195 or 35 per cent. Of this 83.2 per cent was expended on highways. The \$1,035,478,035 used by the states for running expenses was distributed roughly as follows: education, 38.4 per cent; charities and correction, 16.3 per cent; main-

tenance of highways, 13.9 per cent; general government, 8.3 per cent; miscellaneous, 23.1 per cent.

New construction and maintenance of highways together took \$625,700,000 in 1925. Of this amount license fees provided \$198,710,310 and gasoline taxes \$87,353,194, leaving \$339,636,496 of the motor car bill to be taken care of by other forms of taxation or through bond issues. Twenty-six states reduced their indebtedness during 1925, but borrowings by the others raised the aggregate debt of all the states by \$118,683,000.—From *Bond Briefs*, Chicago Trust Company.

Safe Investments

The safest investments are those whose payments of principal and interest depend on taxes collected. Of this type are

Illinois Special Improvement Bonds

Local Improvement Bonds are recognized as a proper investment for National, State, and Savings bank funds.

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Visualization of the property holdings of the Cities Service Company and subsidiaries on the American Continent alone, will overcome any hesitancy as to placing bank reserve funds where high yield is offered.

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721 First National Bank Building

What the Joint Stock Land Banks Are Doing

By **Robert J. Koeppe**

President, Koeppe, Langston, Loper & Co., Chicago

Editor's Note: This is the first of a series of three articles giving details of the history, organization, and methods of operation of the Joint Stock Land Banks. Other articles will follow in our November and December issues.

JOINT Stock Land Banks, while comparatively new to this country, have been in successful operation abroad for the last century or more, and demand the attention of every banker in this country. They certainly deserve recognition when it is considered that through them the farmer no longer has to contend with the loan shark which infested this country prior to the act authorizing the formation of these banks.

Plan of Organization

The Federal Farm Loan Board, created ten years ago under the Farm Loan Act, and operating under the jurisdiction of the U. S. Treasury Department, authorizes the formation of corporations to be known as Joint Stock Land Banks for carrying on the business of lending on farm mortgage security and issuing farm

loan bonds, by any number of natural persons, but not less than ten.

Each bank is operated by a Board of Directors of not less than five members and the capitalization must be at least \$250,000 fully subscribed, one-half thereof paid in cash and the balance subject to call by the Directors. Each Joint Stock Land Bank shall have authority to issue bonds based upon mortgages taken by it in accordance with the terms of the Farm Loan Act, and such bonds can be issued to the extent of fifteen times its capitalization, but before this can be done the capital must be fully paid in.

Joint Stock Land Banks shall in no case charge a rate of interest on farm loans exceeding by one per cent the rate of interest established for the last series of bonds issued by them, and in no case may they demand or receive any commission or charge not specifically authorized.

From the foregoing it will be seen that being empowered to issue bonds to an amount of fifteen times the capital, at a differential of 1 per cent, and also with the capital itself loaned out at 6 per cent, the banks have a potential gross earning power of 21 per cent.

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Method of Operation

The banks obtain their loans through local banks located in the districts of the two states in which they operate. These local bankers first pass on the value of the farm to be mortgaged and make their recommendation to the Joint Stock Land Bank, which then has its own experienced agents make their examinations. Under the Federal Farm Loan Act, the farm must be further appraised by one of the Federal Appraisers for the district.

The loan may not exceed 50 per cent of the accepted appraised value of the land and 20 per cent of the permanent insured improvements thereon. In no case may a loan exceed \$100 per acre, nor a total amount of \$50,000. The loan must be a first mortgage for thirty-three years, bearing interest at 1 per cent more than the coupon rate of the land bank bonds sold to provide the money, and carrying an additional payment of 1 per cent. This additional payment of 1 per cent serves to completely extinguish the loan in thirty-three years, so that the farmer never faces repayment of the principal at a rate of more than 1 per cent per year.

History

The first bank received its charter April 24, 1917, and others were subsequently issued until on June 30, 1926, fifty-seven banks were in operation.

By the terms of the act, bonds issued by the banks were declared exempt from all Federal, State and local taxation. In order to test the validity of this clause, a test suit was entered in the United States Supreme Court in midsummer 1919, and in March, 1921, decision was rendered declaring these bonds exempt from all taxation. During this period of almost two years, all banks remained practically dormant so far as the making of loans was concerned.

To illustrate the tremendous growth of these banks in the nine years in which they have been in operation, less practically two years while awaiting the Supreme Court's decision, the following figures are quoted covering the entire system as of July 1, 1926. Total assets: \$654,598,627.01; net mortgage loans, \$605,718,039.86; farm loan bonds outstanding, \$579,294,000.00.

Having digested these enormous figures, the reader will appreciate the important position these banks occupy in the financing of the American farmer, and will justify the statement made in the beginning of this article that they demand the attention of every banker in this country.

Some interesting facts are obtained by comparing the latest figures of the Joint Stock Land Banks with those of the Federal Land Banks, the two largest systems created under the Federal Farm Loan Act.

For the seven months ending July 31, 1926, the net mortgage loans of Joint Stock Land Banks increased \$60,158,-

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Equitable Bldg.

Des Moines

A Simple Test

In buying foreign bonds, a simple test which anyone may apply is to measure the economic progress of foreign countries in the light of the following points. They constitute, in the order of importance, the five principal stages of economic reconstruction which every nation must undergo to make its bond issues sound investments.

1. Stable Government
2. Determination of Debt
3. Balancing the Budget
4. Stabilization of Currency
5. Reorganization of Industry

Baker, Kellogg & Company, Inc., thoroughly analyze, according to the above formula, all foreign issues offered in this market.

Any inquiries you may have in regard to FOREIGN BONDS will receive our most careful attention.

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The man we select will receive a liberal salary and commission and will be assisted by carefully planned mail and general advertising. As we originate a considerable volume of financing in addition to participating in the more important syndicates, he will be able to offer his clientele a widely diversified list, including public utility, industrial, real estate and municipal bonds, thus meeting the requirements of all types of investors.

We shall be pleased to interview any applicant whose letter indicates that he possesses the necessary qualifications. State age, experience, local contacts and reasons for believing you could successfully market high grade investment securities. Your application will be held in confidence.

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Joint Stock Land Bank Stocks

*Are they a purchase at
present levels?*

Comparative table and
summary of new rules
which may affect divi-
dends and market
action of these stocks
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Specialists in Joint Stock Land Bank Securities

839.00 as against \$42,590,236.00 increase by the Federal Land Banks. Reserves, surplus and undivided profits of Joint Stock Land Banks increased to \$11,313,544.00 during the same period, a gain of \$1,229,388.00, while the reserves, etc., of the Federal Land Banks dropped \$660,613.00 to \$12,104,499.00. The Joint Stock Land Banks with \$597,294,000.00 bonds outstanding, have built up reserves of \$11,313,544.00, a margin of 1.95 per cent, whereas the Federal Land Banks with \$1,046,438,715.00 bonds outstanding have built up reserves of \$12,104,499.00, a margin of 1.16 per cent. Capital assets as of July 31, 1926, of the Joint Stock Land Banks were \$55,217,565.00, a margin of 9.53 per cent on the bonds outstanding.

Present Conditions

Due to the severe depression in American agriculture during the last few years, many of these banks were forced to foreclose on farms where delinquency of payments had occurred. However, we find at the present time that the enforced acquisition of farms through foreclosure by the Joint Stock Land Banks should be approaching the end, and general opinion is that the deflation in farm lands which has been going on for several years is completed, and with the exception of some sections in the northwest the values are stabilized, or are showing a tendency to advance. Whereas a few months ago it was almost impossible to sell farm lands, buyers are now appearing, and foreclosed farms are gradually being disposed of.

The fact that these banks have been able to pass through the worst depression in American agriculture proves the fundamental soundness of these institutions, and the recent modified rulings of the Federal Farm Loan Board should enable them to gradually liquidate their real estate without undue hardship to either the banks or their stockholders.

Treasury Loans and Investments

That the treasury's offering of so considerable a sum in nine months' 3½ per cent notes as \$350,000,000 should have been covered nearly three times by the applications, notwithstanding Wall Street's talk of higher money, is an interesting sign of the times.

It is nearly three years since such an oversubscription was obtained for a government loan; yet the rate of interest borne by the treasury certificates is substantially lower than either the reserve bank rate or the rate for high-grade loans on the open Wall Street market.

No doubt this result, like the smaller oversubscription to the thirty-year 3¾ per cents offered last March, is primarily witness to the government's rising credit; but it must also be accepted as proof of an exceptionally large available supply of American investment capital.

This inference is borne out by the market for other investment bonds.

Many high-grade corporation bonds, both railway and industrial corporations, have been selling on the stock exchange at higher prices than they brought in 1913; some of them yield only 4 or 4½ per cent to the investor at present prices.

This would be recognized more readily as an inevitable result of the country's admitted wealth and prosperity, if it were not for the prevalent theory that a fall in the purchasing power of money, reflected in average prices about 32 per cent higher than in prewar days, ought traditionally to call for a larger yield on fixed investments.

In European markets bond values have sunk progressively while values of stocks have risen.

That result is in fact unavoidable with a depreciated currency irredeemable in gold, but it does not follow in the case of a currency whose gold value is maintained.

Under such conditions the price and yield of high-grade investment securities is necessarily governed by the community's investing capacity and by the cost of money in the open market.

The present Wall Street money rate is higher than in 1925 or 1924, but it is distinctly lower than in prosperous years before the war, and the available supply of investment capital in this country is indisputably far greater than in that period.

Probably, however, the absence of use of credit on a rapidly increasing scale and in a speculative way for purposes of trade has been an important influence, directly and indirectly, in determining values for all fixed-revenue securities.—*New York Times*.

Receiver for G. L. Miller & Company

G. L. Miller & Company, one of the largest mortgage bond houses in this country, went into equity receivership September 3d.

The complaint, Joseph L. Goodman, who applied for the receivership, lists the liabilities of the corporations at \$6,915,324 and assets at \$9,636,987, consisting of bonds held for sale at par, \$4,657,100; notes and accounts receivable, \$3,479,496; stocks and securities including the investment in the subsidiary corporation, \$713,723; certificates of deposit, \$500,000; cash on hand, \$100,000; bonds placed for sale at par, \$100,000; furniture and fixtures, \$56,667, and accrued interest, \$30,000.

G. L. Miller & Company had its origin in the real estate business conducted years ago by George L. Miller in and about Miami, Florida.

Mr. Miller branched out as a mortgage broker and eventually financed the construction of hotels and apartment houses in Florida. Succeeding there, he moved on to Atlanta, establishing the house of


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Burlington, Iowa

Pioneer Bank Bldg. Waterloo, Iowa	Muscatine State Bank Bldg. Muscatine, Iowa	Security Life Bldg. Lincoln, Neb.
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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, Investigation, Appraisals, Safe-Guards, Guarantee.

Security

The safety of every Fidelity First Mortgage Real Estate Gold Bond is secured in three ways; by physical security, by a rigid policy of conservatism and by unconditional guarantee of payment of principal and interest.

When a Fidelity loan is made, a closed first mortgage is taken on the land (in fee not leasehold) building and equipment. This mortgage also includes a First Lien on the income from the building; so that the investor in Fidelity Bonds has first claim on the money earned by the owners.

The investment is further secured by our unbreakable rule never to loan in excess of 60 per cent of the actual property value, by our building and financing experience, by our reputation for integrity and finally by our unconditional guarantee as to payment of principal and interest of every Fidelity Bond at maturity.

For the bank's own funds as well as its clients' savings, Fidelity Bonds represent an investment unexcelled in yield and safety.

Denominations \$100, \$500, \$1,000

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	Rate	Due	Yield
West Penn Power Company . . .	5s	1956	4.95%
Florida Power & Light Co. . . .	5s	1954	5.50%
Iowa Southern Utilities Co. . . .	5½s	1950	5.70%
Southwest Utility Ice Co. . . .	6s	1941	6.25%

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Illinois Central Railroad Debentures 4¾s, 1966-----	96½	4.95%
Sierra Pacific Electric Company Notes 5s, 1929-----	99.73	5.10%
Monmouth Consolidated Water Company 1st Mortgage 5s, 1956-----	95	5.35%
Iowa Southern Utilities Company First and Refunding 5½s, 1950-----	97½	5.70%
Minnesota & Ontario Paper Company First Mortgage 6s, 1945-----	98½	6.10%

Bond Department

Chicago Trust Company

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Southeast Corner Monroe and Clark Streets

CHICAGO

G. L. Miller & Company, but not abandoning his Florida activities. The latter continued to be conducted by the G. L. Miller Bond & Mortgage Company.

The company maintained twenty branch offices and in addition had more than 500 agencies throughout this country and Europe for distribution of its bonds.

Its operations extended throughout the South, North, and Middle West, the corporation having underwritten bond issues for approximately 150 structures located in 58 cities in 16 states, and aggregating about \$70,000,000 in value. The firm is understood to have approximately 21,000 customers.

Twice the world has been free of racial hatred: when Adam was a young fellow, and when Noah came out of the ark.—*Pueblo Star-Journal.*

BOTH SIDES OF THE STORY

(Continued from page 15)

State Guaranty Fund should be reimbursed to some extent, at least, to properly distribute the cost of the protection given. The people of the state and all business interests have profited through this Guaranty Fund protection, and as a matter of fairness and justice, the cost should be spread over the state and not be borne entirely by the state banks."

PROTECTION SHOULD BE OPTIONAL

"I approve of the idea of guarantying deposits, but it is too much of a burden for stockholders alone to bear indefinitely. Since the bank depositors are the main beneficiaries of the protection given, they should bear the burden; in other words, assessments should be levied on the depositors.

"It might be left to their own choice, if they want the protection, they might deposit their funds subject to assessment; if they do not care about sharing in the guaranty protection, they might deposit in the same bank (state banks), not subject to assessment.

"Deposit guaranty is nothing more than insurance. In other kinds of insurance the insured pays his premiums commensurate with the losses likely to occur except that in all mutual insurance plans he is subject to assessments. An ordinary stock company has the power to fix premium rates, but the bank has no such power to make any collection from the insured, the depositors of the bank; therefore, I contend the depositors should be assessed.

"Our bank has paid, for six years, an average of 10 per cent per annum of its capital and often 100 per cent of its earnings. Had this been passed on to the depositors, it would have amounted to less than 1 per cent."

IS A MUTUAL INSURANCE PROPOSITION

"The guiding principle of the Depositor's Guaranty Law of Nebraska, is one of mutual insurance, and mutual insurance is always good where no better kind is available.

"The operation of this law in Nebraska has been the means of saving many Nebraska business men and farmers from financial ruin and bankruptcy by avoiding losses to depositors and keeping intact and in circulation the usual and maximum deposit of the state. True, the loss in failed or insolvent banks is just as large, whether that loss is stood by the depositors of the bank, or paid by the operation of the Guaranty Law, but the distribution of the loss under the operation of the Guaranty Law, making it statewide instead of local, is the feature of the law which holds the confidence of the depositing public in the state banks of Nebraska.

"What the future holds in store for a people in any period of deflation no one can tell, but having had some banking experience in Iowa during the past three years, the writer is of the opinion Nebraska state bankers are much better off under our present Guaranty Law than without it, and with a few needed changes in the law can be relieved of what now seems to be a burden to some of them.

"Those states wishing to consider a law guaranteeing deposits in their state banks would do well to take the Nebraska act for their foundation, but not with the thought the law is perfect. Our law is functioning well, but some needed changes would relieve the bankers of the state of some of the burden, which is the principal objection to the law. As I view the matter three changes in our present law would remove most, if not all, of the objections to it, take it out of politics, and smooth up its operation. They are:

Reduce Interest on Deposits

"1. Under all other forms of insurance with which I am familiar, the insured pays the premium. Under the Depositor's Guaranty Law of Nebraska, the depositor is insured without charge, and in addition is paid the usual interest rate of 4 per cent per annum on time and savings deposits. I would suggest the rate of interest on such deposits be reduced 1 per cent per annum in consideration of this protection, and that the rate be fixed by law. This 1 per cent savings in interest on the time deposits in the state banks of Nebraska would pay a large per cent of the assessment for the Guaranty Fund, which as a maximum annual charge is .6 of 1 per cent of the average total deposits.

Security Buyers

—have found that they can depend upon our lists for quotations on sound investments of a type to meet their strictest requirements.

[You, too, will be interested in our list - - - Ask for it - - -]

L. H. Davis, Resident Manager

Telephone Market 315
526 Liberty Building, Des Moines

THE BROWN-CRUMMER COMPANY
WICHITA KANSAS



Chicago
Kansas City

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Los Angeles

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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

We have a notable selection
of six months' to four-year
Notes and Bonds recom-
mended for bank investment.

WRITE FOR LIST

PRIESTER-QUAIL & CUNDY-INC.



BONDS FOR INVESTMENT

First National Bank Bldg.
DAVENPORT, IOWA

29 South La Salle St.
CHICAGO

Safe Bonds

for Bank Investment

LONG experience; wide banking con-
tact and efficient investment fa-
cilities, provide a proper guide to safe
investment.

*These factors, coupled with a desire
to be of service, characterize our in-
vestment recommendations.*



BOND DEPARTMENT

CENTRAL STATE BANK
OF DES MOINES

Banking, Trusts and Investments
Safe Deposit Vaults

Member Federal Reserve System

Remove Operation from Politics

"2. The operation of this sort of a law is too important and productive of too much good, to be used as a football for the different political parties, and therefore, should have business, and not political, supervision. To do this the law should be supervised by a Guaranty Fund Commission of not less than seven (7) members elected by the bankers themselves from a like number of districts into which the state should be divided, and in which the bankers should hold their group meetings and elections. Such commissioners should be subject to recall. This will make the commission answerable to the bankers of the state, instead of the political party responsible for the appointment of such commissioners.

"3. Under the Depositors Guaranty Law of Nebraska we have this question of 'divided authority' to contend with. The secretary of the Department of Trade and Commerce, in addition to numerous other duties, has charge of all of the solvent banks, while the Guaranty Fund Commission (7 members) has charge of the insolvent banks and receiverships. The line between solvent and insolvent banks is, of course, measured with a political rule, political influence, pulls, and the many other things which enter into the business of politics. Under a commission form of supervision of banks the organization would have the benefits derived from a personal acquaintance of a commissioner with most every banker in his district and from such acquaintance would know whether or not the bank was being conducted in a safe or unsafe manner. Under our present law the Guaranty Fund Commission has no authority until a bank is turned over to it. 'Medical aid' which the commission is prepared to give, sometimes is denied until the patient is dead, on account of divided authority. I therefore, suggest a law with a single authority for the supervision of banks, and I believe all will agree with me that the job is too big and too much responsibility for any one man.

"The writer has been in the banking business in Nebraska for the past 35 years, almost continually, and owned three banks at the time our Depositor's Law was passed. Yes, I fought it. Was opposed to 'digging up' for the dub who could not keep his bank clean, etc., etc. I am for it now, though. A Nebraska banker can spend all his time looking after his note case, instead of spending it all trying to convince his depositors his bank is safe and sound, and no cause for a run on him.

A Depositors Guaranty Law is workable, and too, without hardships on any one, or the banks which contribute the fund, and when the bankers see the light they will no longer ask the depositing public to lose their money by reason of their own inefficiency, inexperience, or dishonesty."

PLAN NEEDS SEVERAL AMENDMENTS

"The principles and operation of this law will be good to our mind after there have been a few amendments made to the law as it now stands. It now looks as though the banks of this state will be reduced to the number they should have been for several years past. To my mind the greatest drawback, and the only loss, or nearly so, which has been sustained has been caused by too many banks and men allowed to go into the business without any previous experience. These men not knowing what they would be able to offer their customers have overstepped themselves and have caused the men who have been in the business for years to not only make no money out of their business, but have forced them at times to get very near to the place where they themselves would be on the point of making bad deals.

"I believe the law is on the books of this state to stay, as there is no doubt but that it is the law the people of the state want, and they will be satisfied with nothing less, but there are still some amendments to be made to it before it will work the way I think it should.

"I think the proper way to have the law work is to have the guaranty to cover but 85 per cent of the certificates, those being in the nature of an investment, and then in doing this you will have the moral support of the community in the event of the failure of a bank, where as it now is, when a bank fails, the community knows they will receive all their money, and have been known at times in this state to work against the receiver of the bank, thereby causing the other banks to sustain a greater loss than they should, and by doing this the people before depositing their money in a bank will make some inquiry as to how the business of the bank is conducted, and the length of experience the officers of the bank have had.

"I would also suggest that the banks of the state have some say as to who is appointed bank examiners, thereby taking it out of politics as it now is in this state, for you are very apt to get poor examiners when the governor is paying off some political obligations, which has been known to happen in this state.

"Since they have changed the law and reduced the amount we can be assessed each year, the bankers seem to be better satisfied with the working of the law.

"We believe the law has been a benefit to the community, as the people who place their money in the banks feel they are safe."

The only banks that amount to anything in Russia now are the mountebanks.—*Washington Post*.

A. J. Boldt & Company

PUTNAM BUILDING
DAVENPORT

BONDS FOR CONSERVATIVE INVESTMENT

GENERAL MOTORS ACCEPTANCE CORPORATION

Executive Offices:

250 West 57th Street, New York City

THE obligations of this institution are selected as appropriate and sound mediums for short term investment by a large banking clientele. They may be obtained in convenient denominations and suitable maturities.

DIRECTORS

Alfred H. Swayne, . . . Chairman — Vice President, General Motors Corporation

Curtis C. Cooper . . . President

Albert L. Deane . . . Vice President

Pierre S. duPont . . . Chairman, General Motors Corporation and E. I. duPont de Nemours & Co.

Lammot duPont . . . Finance Committee, General Motors Corporation.

O. H. P. LaFarge . . . General Motors Corporation

Seward Prosser . . . Chairman, Bankers Trust Company New York

John J. Raskob . . . Chairman, Finance Committee, General Motors Corporation

Alfred P. Sloan, Jr. President, General Motors Corporation

John J. Schumann, Jr. Vice President

Donald M. Spaidal. Vice President



A Plan of Profit—

For the Banker For His Community

The International Life Insurance Company has a bank agency plan which includes not only the element of profit for your bank, and service from this Company, but also profit for YOUR COMMUNITY.

It calls for—

1. A direct profit to eligible banks from deposits placed in the bank.
2. A profitable commission contract.
3. A complete and up-to-date line of life insurance policies, both standard and sub-standard.
4. Consistent cooperation from this Company in the closing of business.
5. An active part in the building of your community through the investment of this Company's funds.

W. K. WHITFIELD
President

DAVID W. HILL
Vice President

W. F. GRANTGES
Vice President and General
Manager Agents

International Life Insurance Co.
St. Louis, Missouri



Iowa bankers should do business with this strong Iowa company, which has gained a country-wide reputation as a "National Institution of Service."

The Federal Surety Company is managed by experienced underwriters, and has from its conception built for STRENGTH rather than size.

Backed by Federal Service, these lines are written—
Accident and Health, Automobile, Burglary, Plate Glass, Public Liability and Workmen's Compensation Insurance, and Surety Bonds.

FEDERAL SURETY COMPANY

CASUALTY INSURANCE SURETY BONDS

W. L. TAYLOR, Vice President and General Manager

HOME OFFICE

DAVENPORT, IOWA

INSURANCE SECTION

Selling Life Insurance in the Rural Districts

I BELIEVE that a man who has been reared in a great city and who has never known anything of the joys of living in the great open spaces has missed one of the greatest things in life. I do not believe that an agent who has solicited business only in a city is as well equipped to meet all the acid tests of this business as the agent who is reared in the country and who has been privileged to solicit country business. Because the rural districts and small towns are not thickly populated, the successful country agent must sell people of many classes. He must be very alert and resourceful if he expects to match his wits with those of men whose line of thought runs in many different channels. He must be able to sell the million dollar banker as well as the one thousand dollar farmer. His training is varied and of such a nature that it will enable him to meet almost any situation that may arise.

In the Old Days

I remember quite well a few incidents in my early experience in the life insurance business that will illustrate to you some of the many different problems that once confronted the agent in a rural territory. These, however, were extreme cases.

Soon after I received my early training (a rate book and a swell letter from Campbell & Hart, general agents), a man applied for a one thousand dollar policy. For some strange reason, he did a very unusual thing. When the policy arrived, I took it to him for delivery and he told me that he had decided not to join now and that I could just do whatever I wanted with the policy. I told him that I deeply regretted his decision but that I would dispose of the policy in the usual manner in such cases. He, of course, wanted to know what the usual manner was. I told him that I buried all untaken policies. He hesitated only a moment, then looked me straight in the eye and said, "I'll be damned if you bury my policy, so I'll just take her."

You know life insurance salesmen take much for granted. Once I had talked with a man until both he and I were black in the face, and seeing that he was rather groggy I decided that the great psychological moment, about which I had read so much in Campbell & Hart's letter had arrived. So I took from my inside coat pocket the precious blank, un-

By Joseph S. Maryman

Aetna Life, Little Rock, Arkansas

(From address before International Convention of Life Underwriters, Atlantic City)

"I believe that most salesmen talk too much about subjects that have no bearing on the sale. Many salesmen think that a lot of talking must be done and they do it regardless of the effect. I try to boil my talk down where every sentence has a real meaning that will interest the buyer!"

folded it carefully, filled in the usual data and handed it to him and told him to sign it. He looked at me like he thought I was a fool and to my surprise, said, "I am sorry you spoiled that blank but I won't take any today." I turned to him in amazement and told him that because he had allowed me to fill out the blank, I thought he was ready to buy, and now I had spoiled this fine application made of sheeps skin, the finest parchment paper to be had. He then seemed ashamed of himself and said, "Since you've gone to all that trouble, go ahead and fix it up."

Another Reminiscence

I was soliciting a man who bore a reputation of being insurance proof. He was very prosperous; had one way pockets, made lots of money, and never spent any. After a long battle with him, he said, "That's the finest proposition I ever saw but I won't take any today because it would look foolish for me to put out all that money when I am so badly in need of a new pair of trousers. You see these are patched nearly all over." I asked him what size trousers he wore and he told me 46-32. I jotted the size down in a memorandum book and said, "I'll bring you down a fine pair of trousers from Little Rock with the policy." He said, "Write it up." I delivered him a \$10,000 policy along with the finest pair of \$3 trousers in Little Rock.

On another occasion, I was soliciting a wealthy old bachelor. He said he was a staunch believer in life insurance and would buy \$25,000 if he had someone to leave it to. I happened to know that single blessedness had begun to lose its charms for him, so I told him that I knew a pretty young widow whom I believed would be interested in a grand old

man and I believed I could throw in a wife with the policy. He said, "Young man, bring on your widow." Believe it or not, I brought on the widow. The policy was written, the beneficiary, again a widow, receives a substantial check each month and will continue to do so as long as she lives.

There is no longer any country business in the strict interpretation of the phrase—rural business. Our artists still picture a farmer as being a gaunt gnarled figure, very narrow between the eyes, as well as under his flopped straw hat, having a long chin with whiskers to match, and one would not glean that the artist intended to convey the idea to the uptown boys that he was a man of average intelligence or that he had the slightest idea of what was going on outside the radius of two miles.

Today, this type of man has passed on. Education, good roads, radios, automobiles, and airplanes have made it possible for the main street business man or farmer to be just as well informed as his city brother. As a class, I believe they understand and appreciate life insurance more than the people of the big city. Although the country man has in many respects become more like the man of the city, he is honest, frank and sincere, and does not hesitate to ask for any information that he desires, whereas, the man of the city is ashamed to let the agent know that he knows so little about life insurance. If the city agent, because of his inability to handle a city business, thinks that he can transfer his activities to the country with any degree of success, he has a sad awakening coming to him.

Methods That Count

As to my subject—"Carrying the Life Insurance Message to the Country Man:"

First, by being honest and sincere with all men no matter what their station in life may be. Confidence is one of our greatest forces. No man can gain and maintain the respect and confidence of his clients unless he is honest with them to the nth degree. I try always to conduct myself and my canvass so as to reflect upon the great institution of life insurance the dignity that it deserves.

I do not try haphazard methods, yet I do not try to trace my prospects' record back to the landing of the "Mayflower."

I do not believe in elaborate systems,



Back of NORTHWESTERN NATIONAL A Strong Board of Directors

CLIVE T. JAFFRAY

Director and Member Executive
Committee Since 1905

C. T. JAFFRAY is president of the "Soo Line" (Minneapolis, St. Paul, and Sault Ste. Marie Railway), an important factor in Northwest transportation, with 4,400 miles of trackage. From 1917 until 1923 he was president of the First National Bank.

Mr. Jaffray was born in Berlin, Ontario, in 1865. He entered the banking business with the Merchants Bank of Canada in 1882, coming to Minneapolis in 1887, where he obtained a clerical position with the Northwestern National Bank. He was assistant cashier from 1891 to 1895, when he left to go with the First National as cashier, receiving the additional title of vice president in 1905. In 1917 he was made president of the First National Bank, and in 1923 he was elected president of the "Soo Line."

This is Number 3 of a series of nine advertisements on the Board of Directors of Northwestern National Life. Each member has been eminently successful in business, and each is in close touch with the affairs of the Company, taking an active part in its management.

**NORTHWESTERN
NATIONAL LIFE
INSURANCE CO.**
O. J. Arnold, Pres.
Minneapolis

yet I know that the agent should plan his work so as to take advantage of his time, so as not to waste his time and energy on people who are poor prospects. As a man becomes more experienced in this business, he should be able to separate the wheat from the chaff and spend practically all his time on the wheat.

I believe that most salesmen talk too much about subjects that have no bearing upon the sale. Many men think that a lot of talking must be done and they do it regardless of the effect. I try to boil my talk down where every sentence has a real meaning that will interest the buyer.

Few men have a definite plan in life unless some diligent life insurance salesman has helped them to make it. Few salesmen can conduct an uninterrupted canvass which has a real definite object in view from the outset. Why not make a short talk, all of which is interesting and sensible, than a long rambling talk with only an occasional good point in it, the rest being what cereal manufacturers call filler. In the first method, the buyer does not react, but the further the canvass goes, the harder sold he becomes, thus giving a constant opportunity for the close. Ultimately, the sale is easily made, whereas, in the latter method, about the time the buyer gets half sold, the agent rambles on and he gets unsold and in the end instead of the arrival of the much discussed psychological moment and his name on the dotted line, he gets so full of filler that the sale is lost.

Requires Vision

It takes a man of vision and imagination to make a good buyer of life insurance. Likewise, it takes an agent of vision and imagination to become a real salesman. The fundamentals of this business are not founded upon petty cash values, paid up insurance, extended insurance, and technical terms. No agent can possibly become successful if these features are all he can see in a life insurance contract. Almost any man can be sold who is convinced that you have outlined a policy which will fill an actual need and plan for him.

I am convinced that almost without exception, a man can so arrange life insurance that it will carry out the plans which are nearest and dearest to his heart in a manner unequalled by any other known agency. I am so thoroughly sold upon the merits of this business that even though I am not a master of English, I find it no trouble to tell a man clearly and forcefully that, should he be so fortunate as to live to be an old man, life insurance will lift all cares from his shoulders in the evening of his life, or should he be taken away prematurely, that the mortgage will be paid, his children will be educated, the home will not be broken up, and that his wife and daughters will receive a check on the

first day of each month so long as they live, reminding them that "dad" did not forget. He can see that I have outlined a way for all that he loves best to be made secure.

When we perform a service of this kind for humanity, then, surely, we will raise the standards of life through life insurance.

New Board at Waterloo

Formation of a local board, to be known as the Waterloo Insurers Association, has just been completed in Waterloo, Iowa, with twenty agencies as members. Meetings of the association will be held monthly. The officers elected are: President, J. R. Vaughan, newly elected president of the Iowa Local Agents' Association; vice president, W. H. Brunn, Hoxie & Brunn; secretary-treasurer, N. O. Arthur Insurance Agency. The officers form the executive committee together with O. B. Harris of the Harris-Bickley agency and H. E. Weatherwax, Inc.

New Companies Licensed

Insurance Commissioner Ray Yenter of Iowa has licensed the following companies to write insurance in Iowa: Pilot Reinsurance Company of New York; Service Life Insurance Company, Lincoln, Nebraska; Kansas Life Insurance Company, Topeka, Kansas; Monarch Life Insurance Company, Springfield, Massachusetts, and the American Farmers Mutual Life of Des Moines.

Davenport Man Dead

John G. Sorensen, connected with the Continental Casualty Company of Chicago for the past forty years, and for the past twenty-nine years representative of that company in Davenport, Iowa, died at his home recently from a heart attack terminating a short illness. Mr. Sorensen was well known and prominent in many fraternal organizations of the city. He is survived by a wife and one son.

Omaha Bureau Planned

The Greater Omaha Association, through its newly-formed insurance committee, met recently with a special group of the Omaha Insurance Companies to work out plans for the creation of an insurance bureau to make Omaha an outstanding insurance center. Dr. W. R. McGrew, president of the Prairie Life, presented the possibilities to those present.

In Colorado

C. W. Wilson, superintendent of the Prudential Insurance Company at Ottumwa, Iowa, has been promoted to the superintendency of the company's business for the southern half of Colorado, with offices at Pueblo.

Mr. Wilson was formerly assistant superintendent for the company in Clinton, Iowa.

Becomes Director

The high quality of the personnel of the board of directors of Northwestern National Life has been maintained in the selection of Theodore Wold to fill the vacancy created by the recent death of James A. Latta. Mr. Wood, who was formerly governor of the Federal Reserve Bank for the ninth district at Minneapolis, is vice president of the Northwestern National Bank of Minneapolis, and a member of the advisory council of the Federal Reserve Board at Washington. He was also elected to membership on the executive and finance committees of the Northwestern National Life.

Visits Home Office

E. M. Williams and William H. Carter, general agents of the Central Life Assurance Society at Memphis, Tennessee, were recent visitors at the home office in Des Moines.

Sioux City Manager

"Jack" Hamilton has been appointed in charge of the Sioux City office of the New York Life, succeeding M. H. Beck, who died recently. Mr. Hamilton's appointment comes after seventeen years of service in the company. He started as an office boy in Memphis, Tennessee, and worked in the Louisville and Milwaukee offices before joining the Sioux City office as cashier seven years ago.

The Sioux City office will be headquarters for the northern twenty-one counties in Nebraska and twenty-five counties in northwestern Iowa.

The growth of the Sioux City office has been so great that the company contemplates opening an office in Sioux Falls to take care of South Dakota business.

Hold Agency Convention

The Mutual Life Insurance Co. of New York recently held a one-day Des Moines agency convention at Hotel Savery with a splendid program including in the list of speakers, Manager G. A. Patton; A. R. Linabury, president; M. C. Galpin, superintendent of agents; T. R. Phillips, cashier and W. I. Kortright of the Omaha agency. A banquet brought the meeting to a close. Clifford DePuy, publisher of THE NORTHWESTERN BANKER, was the principal speaker of the evening session.

Fort Dodge Meeting

The first fall meeting of the Ft. Dodge Life Underwriters was held recently at the country home of the president of the Association, Gus B. Cox. Twenty-five members were in attendance. Manly V. Keith had charge of the program of the meeting. A special feature very much enjoyed was a dinner given by Mr. and Mrs. Cox at the close of the meeting.

Old Policyholder Campaign

During this month, October, every agent of the Missouri State Life will give

special attention to calls on old policyholders. It is to be a month of service. The degree of success to be achieved will depend largely upon the individual agent's preparation for the work and the spirit in which he sets himself to the accomplishment of it. A thorough study and diagnosis of each case, before making a call, will add greatly to the results. Complete details of the month's program are now in the hands of each agent. Before the month begins each agent should thoroughly prepare himself for the work in order that the greatest possible benefits may be secured for the policyholder, himself and the company.

New Company Licensed

The American Farmers Mutual Insurance Company, backed largely by men prominent in the Iowa Farm Bureau Federation, has just been licensed to do busi-

ness in Iowa. The company, while it has no official connection with the farm bureau federation, is expected to receive strong support from its members.

Active in the preliminary work of launching the company are Guy L. Roberts, of Monroe, Iowa, and Knute Eepe, well-known farm bureau leader. Headquarters of the company will probably be in Des Moines.

Dies in Seattle

Mrs. Emma Talbott, daughter of Absalom Morris, one of the founders of the Equitable Life of Iowa, died in Seattle, Washington, recently.

William Anderson Dead

Funeral services were held recently in Des Moines for George William Anderson, vice president of the Des Moines Life and Annuity Co., who died at the

The
**Royal
Union
Life
Insurance
Company**

**DES MOINES
IOWA**



Royal Union Life Building, Cor. 7th and Grand Avenue
Des Moines, Iowa

We have an unexcelled line of policy contracts.

Our new Select Risk low-rate policy for business and professional men is a fast seller.

Over fifty per cent of our policies are issued and in the mails within twenty-four hours after the application papers reach the Home Office.

Royal Union Life Insurance Company

A. C. TUCKER, President

Total Paid to Policyholders - - - Over \$ 21,000,000.00
Insurance in Force as of Dec. 31, 1925 - \$148,281,904.00

age of sixty-eight. He had been a farmer, school teacher and at the time of his death was proprietor of the Anderson Publishing Company of Des Moines. He was a cousin of former governor John Lund of Minnesota.

Becomes Director

Mrs. Mamie Middleton, widow of A. L. Middleton, of Eagle Grove, Iowa, former president of the American Farmers Mutual Life, has been elected a director of the company. Guy Roberts, first

vice president, was made acting president and William C. Children, of Council Bluffs and Charles E. Hearst, of Des Moines, were chosen as directors.

New Advertising Service

The Northwestern National has announced a mail advertising service for the use of its agents. The plan calls for the submission of mailing lists by the agent, letters to be mailed out by the home office. Each letter is to be followed up by a personal call within two weeks after it has been received. The service is offered in an attractive binder, each letter with enclosures being in a folder by itself.

With Equitable

Roger H. Hostetler has recently associated with St. John & Carter, general agents in Des Moines for the Equitable Life of Iowa.

New Income Policy

The Northwestern National Life of Minneapolis has announced a new retirement income policy, without death benefit except for return of premiums to the beneficiary in event of the policyholder's death. It is written without examination.

The policy is issued in units of \$10 a month life income, beginning at age sixty-five, and guaranteed for five years certain. It is on a full participating basis. Disability coverage may be added upon satisfactory evidence of insurability, providing an income of \$10 a month in event of total and permanent disability occurring before age sixty-five.

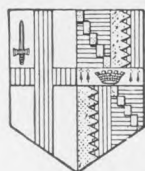
An unusual feature is that the assured may elect to stop paying premiums and receive a life income at any time after age fifty, the size of the income depending upon the age of the assured as set forth in a table printed in the contract.

Good Advice

See him again! When he took that \$5,000 he thought it would be all. But he has been given a better position, or his first baby has come, or any one of numerous events favorable to you have happened to him. See him again! Turn the \$5,000 into a \$10,000, and later change the \$10,000 to a \$20,000. Don't neglect first-class policyholders. Somebody will get the increasing business which their broadening life makes possible.—(Old Policyholders)—*News Letter*.

Luck

Luck means rising at 6 o'clock in the morning, living on a dollar a day if you earn two, minding your own business and not meddling with other people's. Luck means appointments you have never failed to keep—trains you have never failed to catch. Luck means trusting in God and your own resourcefulness. The only good substitute for luck is work.—(Production)—*Pelican Club News*.



A Complete Banking Service

The Midland Bank offers exceptional facilities for the transaction of banking business of every description. Together with its affiliations it operates 2,250 branches in Great Britain and Northern Ireland, and has agents and correspondents in all parts of the world. The Bank has offices in the Atlantic Liners *Aquitania*, *Berengaria* and *Mauretania*, and a foreign branch office at 196 Piccadilly, London, specially equipped for the use and convenience of visitors in London.

MIDLAND BANK

LIMITED

HEAD OFFICE: 5 THREADNEEDLE STREET, LONDON, E.C. 2
Affiliated Banks: Belfast Banking Co. Ltd., Northern Ireland; The Clydesdale Bank Ltd., and North of Scotland Bank Ltd., Scotland

Industrial Acceptance Corporation

New York

Capital & Surplus Over \$7,000,000

COLLATERAL TRUST GOLD NOTES

(The National City Bank of N. Y., Trustee)

The Notes of this Corporation are regarded by a nation-wide banking clientele as appropriate and attractive investment for short term funds. They may be obtained under customary option in varying maturities between 2 and 12 months. Complete information available on request to any of our offices.

Commercial Paper Offices

CHICAGO
105 So. La Salle Street

NEW YORK
100 East 42nd Street

SAN FRANCISCO
225 Bush Street

Financing exclusively dealers of

**THE STUDEBAKER CORPORATION
OF AMERICA**

Archie Cunningham and Harlen Lacy have purchased the realty company and insurance agency of Seward and Vincent at Algona, Iowa. The firm will hereafter be known as Cunningham and Lacy. Messrs. Seward and Vincent will go to Chicago to form a suburban real estate development company.

Fire rates in Clarinda, Iowa, may be reduced soon, due to the adoption of two new fire trucks by that city. Each of the new trucks is equipped with two sixty-gallon tanks which can be used by direct pressure from the engine, for use particularly in rural districts adjacent to Clarinda. One of the trucks will be designated for rural use, within eight miles of the city, and a small charge will be made for its use.

M. L. Dudley, head of the M. L. Dudley local agency in Des Moines, is said to be the only man in Iowa who is the grandson of a Revolutionary war soldier and one of the few men in the United States who can claim that honor. He was two years old when his soldier grandfather, Samuel Dudley, died. Mr. Dudley's father and mother came to Iowa in 1856 in a two-horse buggy from West Virginia, and were among the early settlers of the state.

Des Moines Man Honored

J. A. Blum, general agent in Des Moines for the Guaranty Life Insurance Co., was signally honored in Milwaukee recently, being elected by the district grand lodge convention of the I. O. O. B., or Independent Order of B'nai B'ath, as their Trustee of Leo N. Sevi Memorial Hospital at Hot Springs, Arkansas. This hospital is maintained for the treatment of the Black Plague, and all patients are admitted without charge for board or attention. It is conducted as non-sectarian, admitting all afflicted.

Mr. Blum is also interested in an Orphan Asylum maintained by this Order in Cleveland, Ohio, and a hospital for tuberculosis in Denver, and devotes much time to charitable institutions.

Allan F. Pither, assistant cashier of the Illinois Merchants Trust Company of Chicago, died at his home in Riverside on Sunday, August 15th. Although he had been in poor health for a long time, he was at his desk every day to within a week of his death.

Mr. Pither came to The Merchants Loan & Trust Company, now the Illinois Merchants Trust Company, in 1896, and leaves a record of thirty years of useful and faithful service.

He is survived by his widow, Cora Loomis Pither, and a son, Allan, now eight years old.



Wish to
GO INTO BUSINESS
for Yourself

All of us at some time or other wished to enter business for ourselves. Perhaps we have had the opportunity but lacked the courage to venture.

Opportunity Is Ringing Your Doorbell

The National Life Association offers YOU the unlimited opportunities of a good paying business of your own. In Illinois a National Life salesman has been noted for his consistent production, which over a spread of 98 months has averaged \$30,058.00.

A number of National Life salesmen have increased their earning ability by 50 per cent through the National Life's popular low-cost policies. This same opportunity is possible to you through a National Life contract. Correspondence invited.

AGENCY DEPARTMENT

National Life Association

Home Office: Des Moines, Iowa

Top Contracts Available in

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|------------|--------------|
| Alabama | Michigan |
| Arizona | Missouri |
| Arkansas | Nebraska |
| California | New Mexico |
| Colorado | North Dakota |
| Florida | Oklahoma |
| Georgia | Pennsylvania |
| Idaho | South Dakota |
| Illinois | Tennessee |
| Indiana | Texas |
| Iowa | Washington |
| Kansas | Wyoming |
| Kentucky | |

A Great Company
Daily Growing Greater

Insurance in force January 1, 1926

\$587,586,508.00

Insurance in force August 31, 1926, in excess of

\$624,000,000.00

A great Company daily growing greater.

Splendid openings for Banker Agents.

Liberal Contracts. Prompt Service.

B. C. THURMAN

Manager Des Moines Branch

618 Insurance Exchange

Des Moines, Iowa

MISSOURI STATE LIFE INSURANCE COMPANY

M. E. SINGLETON, President

HOME OFFICE: SAINT LOUIS

Life Accident Health Group

Title Insurance

eliminates waste
reduces cost
and time

For the
Real Estate Investor

There are five important points which commend Title Insurance to anyone owning or dealing in real estate:

FIRST—There is a thorough examination of title, once and forever down to a certain point.

SECOND—There is an absolute guarantee, backed by the total resources of the Insurance Company, which is under direct supervision of the State.

THIRD—There is a saving of time and expense—two important items in business.

FOURTH—Great ease and cheapness in the making of mortgages and all subsequent transfers, where quick liquidation is desired.

FIFTH—Title Insurance is a business asset, as all other kinds of insurance are assets, enhancing the value of the thing it protects.



Title Insurance Department

Southern Surety Company

201 Youngerman Building

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

Hold Formal Opening

The Peoples Stock Yards State Bank, Chicago, one of the large outlying banks, held a formal opening of its new and enlarged bank building on Saturday, September 18th. For a year work has been going forward on this project and it is today the largest outlying bank building exclusively occupied by a bank. It fronts 375 feet on three streets, 47th street, Ashland and Gross avenues, is three stories high, has five entrances and as a result of the triangular-shaped building, there is an abundance of daylight afforded to all departments.

Hoggson Brothers, of New York, were the architects. The building presented a number of unique problems in that the work consisted of enlarging and remodeling with the bank in operation the full time. The old vaults were replaced with four new ones, all protected with huge time-lock doors.

The Peoples Stock Yards State Bank is over 22 years old. Its resources are \$17,000,000. Its rapid growth has occasioned the taking on of additional space from time to time and with this latest enlargement it doubles its quarters and the majority of its departments are in the first floor, including the safe-deposit vaults. It now has facilities for giving service to 100,000 customers. The Peoples Stock Yards State Bank is not only one of Chicago's largest banks, but is one of the 300 largest banks in the United States—and when it is recalled there are over 30,000 banks, the southwest side may well be proud to have one of the 300 largest.

New Vault Ventilator

A bank vault problem existent since bank vaults were first built has unquestionably been finally and completely solved by the West Vault Ventilator, devised and patented by M. G. West, a well-known Pacific Coast engineer. It has already come into general use in California, but has been introduced elsewhere only for a few months back; nevertheless has received the enthusiastic approval of architects and bankers as rapidly as brought to their attention.

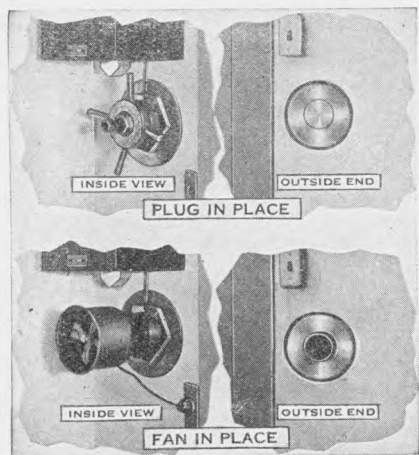
The device is really simple, like many other outstanding inventions. Nevertheless its ingenuity overcomes difficulties in the ventilation of a closed vault hitherto regarded as insuperable.

The ventilator is by no means a mere "hole-in-the-wall" but—drawing fresh air in and expelling the foul air—provides forced draft ventilation sufficient to make comfortable any number of people who may be locked in a vault. At the same time it is so designed as to afford not the slightest encouragement to, or opportunity for, burglarious attack. In covering these two points it will be recognized that the invention exactly solves the problem hitherto existing.

The installation consists primarily of

placing in the vault wall a heavy steel cylinder of a length corresponding with the thickness of the wall.

When not in use for ventilation, and during night hours when burglary attack must be guarded against, this cylinder is transformed into a solid mass of steel by the insertion of a close-fitting core or plug so constructed as to offer full resistance to heat or drilling, and which, according to the burglary insurance re-



quirements, more than matches in burglary-resistant strength, the wall in which it is placed.

This steel plug is screwed in and locked in position from the inside of the vault.

When ventilation is desired, the plug is removed, from the inside of the vault, of course, and is replaced by a fan assembly kept in the vault for the purpose. This fan draws the fresh air through a central tube, while the foul air escapes through a vent afforded by the space between this tube and the cylinder wall.

As shown by the cut herewith, the device presents upon the exterior of the vault wall merely a polished steel disc, in the center of which appears the ventilation flue whenever the plug is withdrawn and fan assembly is inserted from within the vault.

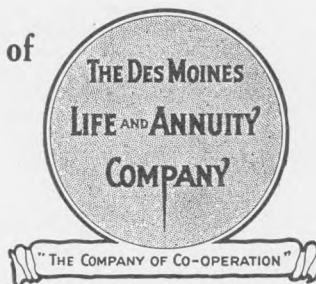
The manufacture and sale of the device outside California is in the hands of the O. B. McClintock Company of Minneapolis. It can also be obtained from vault and safe manufacturers generally.

New Credit Manager

The Cosmopolitan State Bank, Chicago, announces the appointment of Louis M. Mielenz, of Omaha, Nebraska, as manager of its credit department, with the office of vice president, succeeding Mr. Edward M. Warner, resigned. Mr. Mielenz is well known in banking circles of Chicago and throughout Nebraska, having served for the past eight years as vice president of the Union State Bank of Omaha, which he assisted in organizing.

The less we have to do with our sins, the better.—Emerson.

The Symbol of



is the symbol which expresses the friendly and cordial relations between the Des Moines Life and Annuity Co. and its agents and policyholders.

Hundreds of agents have recognized and now appreciate the sincerity behind this well known expression of this company's business creed.

With these agents we are working in a personal, friendly way, having in mind their interests as much as our own.

Through this policy we are building a progressive, sound and growing life insurance institution—and each agent's opportunity and prosperity grows with the company's progress.

During 1926—and thereafter, we will welcome the opportunity of serving you.

J. J. Shambaugh, Pres.

Des Moines Life and Annuity Company

Des Moines, Iowa

You Value Security

Just as you Bankers value the security behind your loans, so also do our policyholders value the security that they know is behind this old reliable Fire Insurance Company. You can recommend the Iowa National Fire with safety.

Promptness, here, is habitual.

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.



Position wanted as cashier of a country bank by married man, 14 years' general banking experience, 34 years of age. Steady and reliable. Now employed but available on short notice. References furnished. Address No. 2923, The Northwestern Banker—10.

Position wanted by man 22 and single. Four years banking, farm loan and insurance experience. Speak German fluently. A-1 references. Available Dec. 1, 1926. Address No. 2924, the Northwestern Banker—10.

Position wanted as cashier of a country bank by married man with 11 years' banking experience. Have written all kinds of insurance. Central or northern Iowa will be considered. Can furnish A-1 references. Address No. 2926, the Northwestern Banker—10.

Position wanted as cashier of a country bank by married man 36 years old, with 15 years' general country banking experience. Now employed but desire change. References furnished. Address No. 2927, the Northwestern Banker—10.

Position wanted as assistant cashier in country bank with possibilities for advancement. Prefer Minnesota or South Dakota but will accept any location. Twenty-three years of age. Four years' actual banking experience. References furnished. Now employed but desire change. Address No. 2928, the Northwestern Banker—10.

Position wanted by an energetic young man as teller or assistant cashier. University graduate with banking experience. Good references. Address No. 2918 The Northwestern Banker—Indef.

For Sale Cheap: One set bank fixtures, marble-faced counters, and about 60 feet oak wainscoting with marble baseboards. An ornament to any bank. Address W. Sperry, Hamburg, Iowa—Indef.

Assistant Cashier Wanted in prosperous northeastern Iowa town. Prefer young married man between age of 25 and 30, Protestant, with experience to operate bank if necessary. Address No. 2925, the Northwestern Banker—10.

For Sale: First National Bank building and fixtures. Mosler triple timer Manganese safe, practically new. McClintock burglar alarm. Numerous small accessories. W. R. Payne, Receiver, Pleasantville, Iowa.

Position wanted as cashier or assistant cashier. Twenty years state banking experience. Write No. 2929, the Northwestern Banker—10.

Position Wanted: As cashier in bank located in town of 2,500 to 500. Prefer Iowa. Can furnish best of references. Experience includes regular work of cashier in bank and handling insurance department over period of six years, also, 2½ years in investment banking and real estate office. 32 years old. Address No. 2922, The Northwestern Banker—9.

Research work on banking subjects, and speech writing to specifications. Edward West, 500 Fifth Avenue, New York.

Wanted: Good second-hand Staats Money Changer. Must be cheap. L. J. Bitterley, Baring, Mo.

Hole in One

The famous artists of the middle west held a golf tournament at Nippersink Lodge, Genoa City, Wisconsin, recently. P. M. Reed of Chicago, was the honor guest, and just to show the artists that bank advertising is not his only specialty, he drove straight to the peg, making the seventh hole without a roll in one, with a Spaulding "Kroflite"—17.

To prove it wasn't luck, on the next round P. M. drove his Dunlop "Maxfli" within one and a quarter inches of the peg.

A Youngster's Business Sense

Six-year-old Billie found a pocketbook and made haste to return it to its owner.

"You're an honest lad," the latter told him, magnanimously. "Here, I'll give you a dime."

"Aw, you don't hafta," replied Billie, turning away. "I kept a quarter out."—*The American Legion Weekly.*

Each man has his own fortune in his hands.—Goethe.

USED SAFETY BOXES FOR SALE

We have twelve hundred slightly used safety deposit boxes, sheet metal, single keys, all locks different, in nests of twenty-five each.

DIMENSIONS

	Wide	High	Depth
Nests	26¼ in.	26¼ in.	14¼ in.
Boxes	4¼ in.	4¼ in.	13¼ in.

While they last, twenty-five dollars per nest of twenty-five boxes, including keys, with individual pigeonholes for each box.

Address

IOWA NATIONAL BANK

Des Moines, Iowa

James F. Hart, Asst. Cashier



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

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LOOSE-LEAF DEVICES AND
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Sold in Iowa by
J. H. WELCH PRINTING CO.
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South Dakota Bank News

**Officers South Dakota Bankers
Association**

President.....Einer Johnson
Volin

Vice President.....Harry M. Griffith
Gettysburg

Secretary.....Geo. A. Starring
Huron

Treasurer.....Geo. C. Fullenweider
Huron



EINER JOHNSON
President

GEO. A. STARRING
Secretary

Charter Approved

The application of the Chases of Willow Lakes for charter to open the Chase National Bank at De Smet, South Dakota, has been approved. A second bank is thus assured the county seat.

Opens at Carthage

The Farmers State Bank of Carthage, South Dakota, opened its doors for business recently. The same officers are in charge as before the reorganization, with the exception of the directors.

Meets in Huron

Problems of the South Dakota Bankers Association were discussed in Huron recently by members of the executive council of the association at their quarterly meeting.

The sessions of the council were held in the firemen's club rooms at the city hall. The first session continued to noon, when the council adjourned for luncheon.

Named President

T. A. Belgium, former vice president of the Corona State Bank, Corona, South Dakota, has been elected president of that institution to fill the vacancy caused by the death of Phil G. Saunders. E. H. Benedict of Milbank was elected vice president.

To Reopen

Arrangements have practically been completed for the reopening of the Delmont State Bank at Delmont, South Dakota. At a meeting recently, signatures of 75 per cent of the depositors were obtained for the reorganization plan drawn up by the board of directors and the state banking department. It is expected that as a result a new charter will be issued to the bank in the near future.

New Bank Organized

At Conde, South Dakota, local men have joined to form the Peoples Bank. The new bank has \$20,000 capital and \$2,000 undivided profits.

The bank is owned by Conde men only, no one of whom has more than 10 shares of the 200. The stockholders are an-

nounced as follows, the star being placed before the names of directors:

*E. H. Robertson, H. H. Haydlauff, *John Evans, L. C. VanOrnum, E. R. Place, Anton Lenz, M. P. Hynes, Ed. Lenz, *Neil G. Herman, *Joe Lenz, Bert Lenz, John Hynes, Anton Klapperich, L. D. Miles, D. Robertson, Jasper Klapperich, Wm. Simmons, H. J. Place, *W. A. Geary, N. J. Haight, Bert Miles, Paul Brown, *James Cutshaw, *Earl Baertsch.

Change Cashiers

A change of cashiers is announced at the Deuel County National Bank, Clear Lake, South Dakota. Conrad Johnson, present incumbent, has accepted a position as manager for the Maytag Washing Machine Company, in a large district surrounding Davenport, Iowa.

The new man to assume the duties of cashier is August Berger of Park Rapids, Minnesota. Mr. Berger has been connected for some time with the State Banking Department of Minnesota, but is really a native boy from Canby, Minnesota, and is well known in this vicinity.

For Clearing House

The Dallas Commercial Club of Dallas, South Dakota, and a delegation of farmers union men met recently at the fire hall for the purpose of talking over the matter regarding the establishing of a clearing house in Dallas. It was agreed that such an institution was needed in Dallas. A committee composed of N. H. Sears, Ed Brimmer, Will Carroll and Albert Schultz was appointed to put the deal over. Another meeting will be held, at which time it will be known whether the plan can be worked out.

Deadwood in 1927

Deadwood will entertain the members of the South Dakota Bankers Association at their annual convention in 1927.

The executive committee of the association, meeting in Huron recently, set July 1st and 2nd as the dates for the 1927 gathering. These dates fall on Friday and Saturday.

This arrangement will give the bankers a little longer time in the Black Hills for the day after the convention ad-

journs will be Sunday and then will come Independence day.

In addition to the convention days, Sunday and Independence day, the bankers plan to remain in the Hills for the Belle Fourche Tri-State Round-Up.

At the meeting the executive committee adopted resolutions of condolence for Phil G. Saunders, Milbank, member of the protective committee of the association, who was killed recently in an automobile accident, and Egbert Stone, Howard, who was killed in a naval seaplane accident near the Great Lakes naval training station at Chicago.

Standardization of bank forms was one of the principal topics discussed at the meeting.

New Bank for Colman

The organization of the New First National Bank of Coleman, South Dakota, is practically completed and the amount of the capital, surplus and undivided profits decided upon. The directors have been selected and the organization meeting will be held shortly.

SOUTH DAKOTA NEWS

The Executive Council of the South Dakota Bankers Association recently voted to hold its 1927 annual convention on Friday and Saturday, July 1st and 2nd at Deadwood, which was the place selected by the 1926 convention. This date will give many bankers an opportunity to kill two birds with one stone, the other bird being a trip through the beautiful Black Hills and an opportunity to witness the famous Tri-State Round-Up at Belle Fourche on July 4th and days following. A large attendance is anticipated.

President Einer Johnson has appointed a "Committee on Standardized Forms and Analysis of Accounts," consisting of Chairman Fred B. Stiles, vice president of the First National Bank of Watertown; D. H. Lightner, cashier of the Citizens Trust & Savings Bank, Aberdeen, and H. E. Edmunds, cashier of the American State Bank of Yankton. This committee will employ legal talent in standardization of forms as its first job. The inspiring address of Harry D. Baker of the Wisconsin Bankers Association at the 1926 South Dakota Bankers convention was in part responsible for this action.

President Johnson recently appointed a committee to confer on the matter of a service charge on out-of-town creamery checks. The members are L. M. Larsen, cashier Jerauld County Bank, Wessington Springs; E. W. Radeke, vice president First National Bank, Alexandria, and Louis Jacobs, president Exchange Bank, Lennox. The committee met and

as a result of their deliberations make the following recommendations:

1. A charge of at least 50 cents per \$100 or major portion thereof where the creamery company keeps no balance in the bank. For smaller amounts, at least 5 cents for every \$10.

Or

2. A charge of not less than 25 cents per \$100 where the creamery company has a balance of at least \$100.

Or

3. A charge of not less than 3 cents per item where the bank charges by the check.

The committee has requested all member banks in the state to fall in line with its recommendations.

The Edmunds County Bankers Association has done some effective work in organizing an Edmunds County Protective Association in cooperation with

thirty-six business firms. Red placards have been posted in the various places of business offering \$275 cash reward for the capture, dead or alive, of a person or persons robbing any of the banks or co-operating firms. One nonmember store was robbed but the reward was paid just the same, the five persons implicated being sent to the penitentiary.

The newly organized Campbell-McPherson County Association has adopted a schedule for miscellaneous service charges and a service charge of 50 cents on checking accounts which average less than \$25.

The Charles Mix County Association is investigating the matter of service charges and exchange on out-of-town creamery checks, the same to be reported upon by the secretary at the next meeting. The Association recently voted to hold monthly meetings during the fall and early winter.

The Hanson County Bankers Association will meet on October 15th to discuss the matter of reducing interest rates on time deposits to 4 per cent and adopt a service charge on small checking accounts.

Carl Nitz has been added to the list of employees of the Farmers State Bank of Big Stone City.

The Tabor State Bank has installed a new line of fixtures.

Will Your Customers Feed Their Corn?

If so—have you sufficient outlet for
YOUR FEEDER PAPER?

The Live Stock National Bank

Located at the Stock Yards
Sioux City, Iowa

Is especially well equipped to handle
Live Stock Loans

YOUR ACCOUNT IS INVITED

The Chase National Bank of the City of New York

57 BROADWAY

Capital \$ 40,000,000.00
Surplus and Profits 36,764,122.23
Deposits (June 30, 1926) 813,425,869.65

OFFICERS

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Chairman of the Board

GATES W. MCGARRAH
Chairman of the Executive Committee

JOHN McHUGH
President

ROBERT L. CLARKSON
Vice Chairman of the Board

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REEVE SCHLEY	FRANK O. ROE
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WILLIAM E. PURDY	JOSEPH PULVERMACHER
GEORGE H. SAYLOR	LEON H. JOHNSTON
M. HADDEN HOWELL	FRANKLIN H. GATES

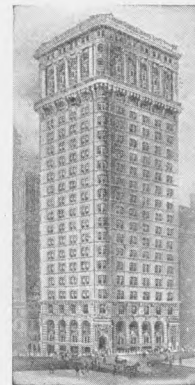
ARTHUR M. AIKEN

Comptroller
THOMAS RITCHIE


Foreign and Trust Department Facilities

THE HANOVER NATIONAL BANK OF THE CITY OF NEW YORK

Established 1851



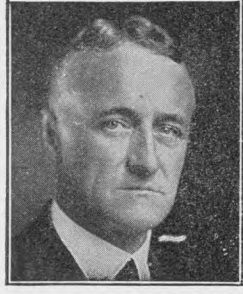
Capital \$5,000,000
Surplus and Profits \$25,000,000



Nebraska Bank News

Officers Nebraska Bankers Association

President.....I. R. Alter
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



I. R. ALTER
President

WM. B. HUGHES
Secretary

Among the Nebraska bankers who have made reservations for the national convention of the American Bankers Association are J. R. Cain, Jr., and M. D. Cameron, Peters National Bank, Omaha; F. C. Horacek and Jacob Horacek, Union State Bank, Omaha; Walter W. Head, Omaha National Bank, Omaha; W. H. Learned, State Bank of Haigler, Haigler; C. L. Countryman, Citizens Bank, Ogalala; E. H. Sutherland, Citizens Bank, Norfolk; J. G. Hohl, Farmers & Merchants Bank, Prague; W. H. McDonald, McDonald State Bank, North Platte; James F. O'Donnell, Nebraska State Bank, O'Neill.

F. H. Davis, president of the First National Bank, Omaha, is chairman of a committee of the Greater Omaha Association, to study means of making Omaha a greater insurance center.

Mrs. Albert L. Schantz, wife of the president of the State Bank of Omaha, has been elected a member of the board of directors, becoming the first Nebraska woman to hold such a post. With more than six million dollars in deposits, the State Bank of Omaha is the largest in Nebraska.

D. C. Eldrege, who has been a director of the State Bank of Omaha for many years, has been elected vice president. He will be inactive, it is said. Mr. Eldrege is also vice president of the Harding Creamery Company of Omaha.

Four special cars of bankers, bound for the American Bankers Association convention at Los Angeles, will be attached to special trains for the coast at Omaha, September 29th. One of the cars will contain Omaha bankers, two will have bankers from Des Moines, and the fourth will come from Minneapolis. In Omaha the bankers will be entertained from 11 a. m. to 5:30 p. m. Among the nationally prominent bankers who will be on board the trains when they leave Omaha will be Oscar Wells, Birmingham, Ala., president of the A. B. A.; Melvin T. Traylor, Chicago, first vice president and the president-elect; Thomas R. Preston,

Chattanooga, Tenn., second vice president; Craig B. Hazlewood, Chicago, second vice president-elect; E. E. Rooney and C. F. Mills, First National Bank, Boston; Frank H. Sisson and Challen R. Parker, Guaranty Trust Company, New York City; George W. Bloodgood and D. Dexter Davis, Kountz Bros., New York City; Arthur Reynolds, president of the Continental and Commercial Bank, Chicago; Nathan D. Prince, Hartford Commercial Trust Company, Hartford, Conn.; Rudolf S. Hecht, Hilbernia Bank and Trust Company, New Orleans; Charles A. Fairelothes, National City Bank, Tampa, Fla.; William H. Heath, chairman, Federal Reserve Bank, Chicago; Grant McPherrin, president, State Bank Division, American Bankers Association,

CONVENTION SPEAKERS

Former Governor Frank O. Lowden, of Illinois, and John G. Lonsdale, president of the National Bank of Commerce, St. Louis, head the list of speakers for the 1926 convention of the Nebraska Bankers Association, to be held at Lincoln, November 11th and 12th.

Other speakers will be:

A. F. Dawson, president, First National Bank, Davenport, Iowa.

Anna C. Kramph, assistant cashier, First National Bank, North Platte, Neb.

Dr. John E. Kirshman, professor of finance, University of Nebraska.

T. Bruce Bobb, University of Nebraska.

I. R. Alter, Grand Island, president, Nebraska Bankers Association.

Earl Kline, Lincoln, regent, University of Nebraska.

Officials and technical experts from the college of agriculture and state university will also speak on questions of finance closely connected with the agricultural needs of the state.

Business sessions of the convention will be held at the state college of agriculture.

Entertainment features will be centered around a dance to be given at the university field house, to which the students will be invited, one night; and a theater party at which the university players will give a production especially for the bankers.

A golf tournament will be held on the Saturday following the convention.

and James Ringgold, president, United States National Bank, Denver.

Bettered conditions in the North Platte Valley are reported by W. J. Stafford, cashier of the Scottsbluff National Bank, who said: "We, in this valley, are particularly fortunate in that our money is constantly working. Loans made to finance farmers in the spring are paid at the close of the beet harvest, but go out again immediately to finance stockmen who bring in cattle, sheep and hogs to fatten during the winter. Deposits are particularly low during the summer months, but will show an increase of 40 per cent within the next 60 days. Conditions of loans are improved in that, while the amounts have not been materially reduced, frozen loans have been supplanted by liquid loans."

Van E. Peterson, secretary of the Nebraska guaranty fund commission, has published a booklet of facts about the operation of the state bank guaranty law of the state. Among the points he stresses are these: The Nebraska depositors' guaranty fund protects \$288,000,000 deposited by 550,000 people in the 896 state banks. No Nebraska state bank depositor has lost a cent in the past fifteen years, in spite of the financial depression within that period. Since the guaranty law became effective, 155 banks have been closed and deposits of more than \$28,000,000 paid in full. Of this amount state banks have contributed \$11,500,000. During the past year the fund has paid out an average of \$25,000 to depositors in failed banks. The law, which has been sustained by the United States supreme court, provides that all state banks can be assessed yearly .6 of 1 per cent of average daily deposits.

Recent bank robberies in Nebraska include the Bloomington State Bank, where thieves blasted a vault door and took \$3,000, and the consolidated Pioneer and State Banks of Ewing, where thieves took \$10 after unsuccessfully prying open money drawers.

F. W. Clarke, who was president of the Nebraska National Bank when it was merged with the First National Bank in July, 1923, has recently organized the Nebraska National Company, of which he is president, for the lending of money to those engaged in farming and live stock business.

In order to increase its savings accounts, the First State Bank of Alliance, Nebraska, conducted a contest in which prizes were given for those who turned in the greatest number of savings accounts. A first prize of \$50 was won by Miss Alice Prettyman. Total prizes of \$100 were paid.



FEEDER LOANS FINANCED

Write Us

Live Stock National Bank

Union Stock Yards—Omaha

(Quick Service on Collection of Live Stock Proceeds at Stock Yards)



The real difference in banks lies not in the buildings they occupy but in the men and women who conduct them. Our bank building may be superior or inferior to other bank buildings nearby or far away, but inside our bank are human beings vitally interested in rendering a service to our customer bankers which will make their job easier and their growth more rapid. We solicit your business because of our belief in our ability to satisfy you.

THE STOCK YARDS NATIONAL BANK
AND
THE STOCK YARDS TRUST & SAVINGS BANK
of CHICAGO

New Banking Home



Architect's drawing of the new Union State Bank, Omaha

This is an architect's sketch of the Union State Bank building, under construction at Nineteenth and Farnam streets, Omaha. The building will be completed in the spring of 1927, according to President F. C. Horacek.

The structure, 68 by 132, will be seven stories in height, the bank occupying all the first floor except retail shop rooms on Farnam street. The upper six stories will be for office rent. The building will be entirely of Indiana limestone exterior, of marble and granolithic floors, and fire-proof. Cost, with site, is \$800,000. John Latenser & Sons, Omaha, are the architects. Concrete is completed now to the fourth floor.

J. O. Wentworth, of the Peters National Bank and Trust Company, who is secretary of the Nebraska Farm Mortgage Bankers Association, attended the annual Farm Mortgage Bankers Association at Richmond, Va., September 21st to 23rd.

The Carson National Bank of Auburn, Nebraska, second oldest bank in Nebraska, has begun its forty-fourth year of service in Auburn. It was founded in 1857, as the First National Bank of Browneville, Nebraska, by John L. Carson. Later it was removed to Auburn and named after its founder. Browneville has disappeared from the map of Nebraska.

Reduces Interest Rates

The Federal Land Bank of Omaha, with the approval of the Federal Farm Loan Board, has reduced the interest rate on new loans to 5 per cent per annum, effective October 1, 1926. The full importance of this announcement cannot be understood without a knowledge of the record of the Federal Land Bank since its organization nine years ago.

The Federal Land Bank is a farmers' cooperative institution, established by the

United States Government to enable farmers to borrow money on their lands at lower interest rates and on longer and better terms. Funds are obtained from the sale of Federal Land Bank bonds, which are secured by the collective mortgages of its borrowers.

When the Federal Land Bank was established nine years ago, its rate on farm loans was 5 per cent per annum. Later on, on account of the high interest rate prevailing during and following the war, the interest rate was successively increased, first to 5½ per cent and then to 6 per cent per annum. In 1922, the loan rate was reduced to 5½ per cent, and in June, 1925, again reduced to 5¼ per cent.

This being a cooperative system, the net profits of the bank belong to borrowers in the shape of dividends on borrowers' stock, as each borrower, at the time he makes his loan, takes 5 per cent of his loan in stock.

The Federal Land Bank of Omaha has an exceptionally good record in net earnings and in the payment of dividends. Semiannual dividends have been paid since the beginning at an annual rate of not less than 9 per cent and as high as 13 per cent.

Taking into consideration the dividends paid by the Federal Land Bank since its organization borrowers whose loans were made nine years ago at 5 per cent per annum have really only paid 4¾ per cent

per annum as the dividends have served to reduce the rate to that figure. So, taking into consideration the past dividend record of the Federal Land Bank of Omaha, and there is every reason to believe that it will be fully as good in the future, this interest rate of 5 per cent, together with the dividends received by borrowers, really means a rate of 4¾ per cent per annum. This is the lowest rate ever made on farm loans in this territory and will result in an immense saving to the farmers.

The Federal Land Bank of Omaha is able to accomplish this splendid result through its long-time amortization plan, whereby, by payment of 1 per cent in addition to the interest rate annually, the loan is paid in full in 36 years, thus saving the costs of renewal and commissions every five years, as was the case before the Federal Land Bank was established.

Federal Land Bank bonds are now very popular with investors and command an interest rate lower than any other security save Government bonds. A large issue of 4¼ per cent bonds were sold recently at a premium. The Omaha Federal Land Bank District comprises the States of Iowa, Nebraska, South Dakota and Wyoming. Its present capital is about \$7,000,000.00, and it has at present loans outstanding of about \$135,000,000.00. It is the largest farmers' cooperative institution in the world.

Owing to the high interest rates caused by the war, the Federal Land Bank was

obliged, during and following the war, to extend the callable period on its bonds to ten years, and pay as high as 5 per cent and 4¾ per cent interest on its bonds sold at that time. As those bonds are not callable for a few years yet, this reduction of the interest rate will not include loans now on our books.

In fairness and justice to all borrowers, it is considered that loans made with the proceeds of those high interest bonds should not be reduced until the approach of the callable period on those bonds.

The Nebraska National bank of Hastings has purchased a site, 44 by 150 feet, which includes the present bank building, and has announced plans for the erection of a six-story bank and office building. The bank paid \$72,500 for its land, buying from Mrs. C. H. Dietrich and Mrs. H. K. Smith.

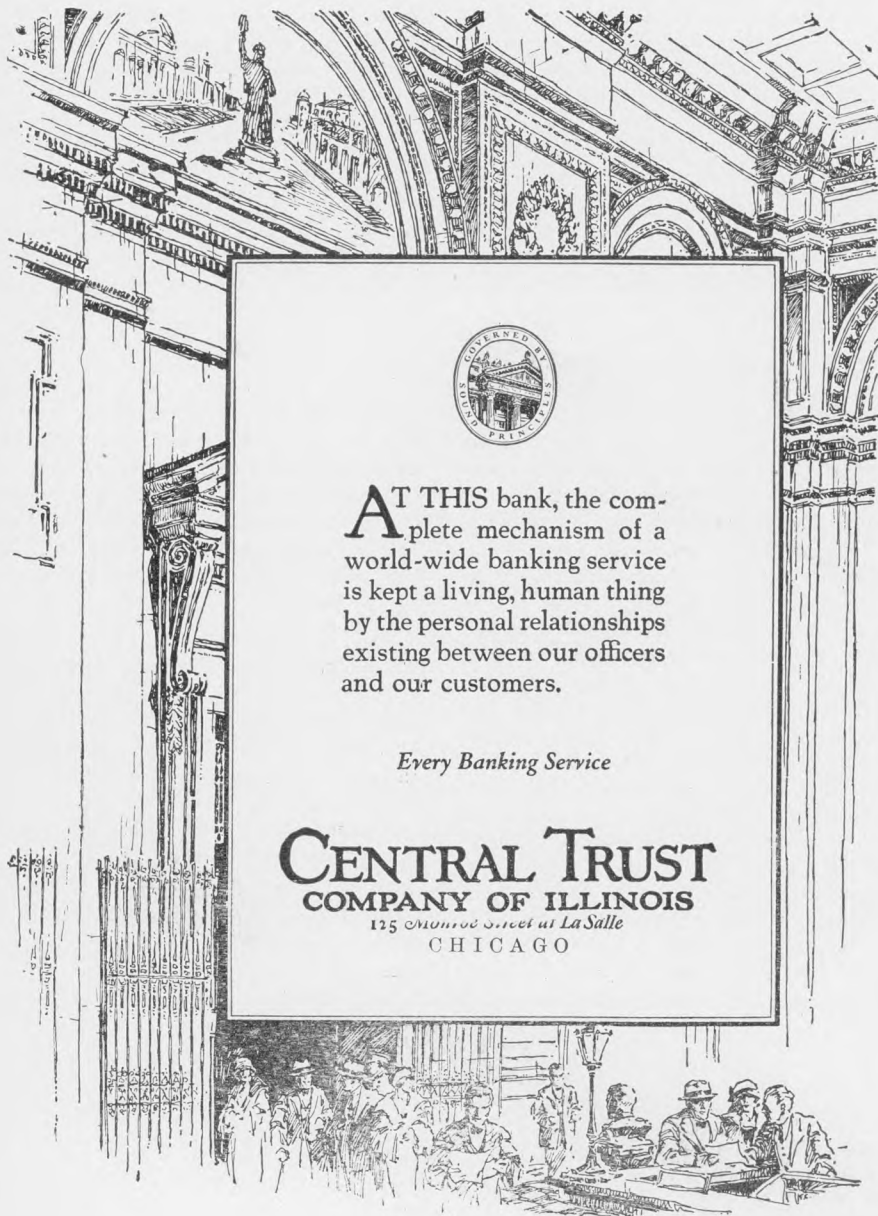
Deposits in the **Nebraska state banks** at the close of business June 30, 1926, amounted to \$284,130,935, a decrease of \$1,523,936 for the three months since the March 31st statement. Kirk Griggs, secretary of the state department of trade and commerce, announced 893 state banks reporting their deposits.

Our hope of happiness lies in our ability to visualize usefulness.

A Sympathetic Understanding

of the affairs of our correspondent banks is the purpose of every officer of **The Omaha National Bank**. It tempers our business relationships with a fine spirit of personal friendship.

The Omaha National Bank
Walter W. Head, *President*



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Visits in Chadron

Frank Coad of Omaha was in Chadron, Nebraska, recently, to attend to business matters and visit old friends. Mr. Coad is president of the Packers National Bank of Omaha.

Change at Monroe

At the last regular meeting of the Board of Directors of the Bank of Monroe, Nebraska, a change was made on the board. Mr. Paul Gertsch, who is now located in California, resigned and A. L. Pollard was elected in his place. Mr. Pollard bought an interest in the bank at the time he became identified with it last spring. Mr. Pearson, who has been actively employed the last eleven years as manager of the institution, has made arrangements to devote half of his time to the duties of the bank and the other half to outside business.

To Attend University

Harold Killinger, who has held the position as assistant cashier of the Inman State Bank, Inman, Nebraska, resigned his position and has gone to Lincoln, where he will enter the State University. Evan Davies has taken the position made vacant by the resignation of Mr. Killinger.

F. A. Peterson, Ed Fricke and associates who purchased the Madison National bank from the Stuart interests, are understood to be negotiating for a merger with the First National bank of Madison. The contemplated new capital of the enlarged bank would be \$100,000, the surplus \$20,000 and the deposits approximately \$1,000,000.

Victor B. Smith, assistant to the president, Omaha National bank, has returned from a month's vacation in the northern Minnesota lake country.

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Minnesota Bank News

Officers Minnesota Bankers Association

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Jordan

Secretary.....F. P. Fellows
St. Paul



R. E. MACGREGOR
President

F. P. FELLOWS
Secretary

Celebrates Twenty-fifth Birthday

The doors of the State Bank of Lafayette, Minnesota, were opened on September 1, 1901, with \$10,882.75 on deposits. Today the deposits are more than a quarter of a million dollars—\$254,283.19. The growth of these figures plainly speak of the prosperity of the institution, and is not alone of pride to the officials and directors, but should be of pride to every person in this community.

During the twenty-five years, its stability has been given the acid test of financial depressions, and each time it has carried on stronger and more stable than ever.

The present directors are: Aug. Samuelson, O. A. Olin, Jos. Schaeffler, Chas. Samuelson, C. H. Nelson, F. O. Swenson, O. W. Strom, E. E. L. Johnson and H. N. Somson. The officers are: O. A. Olin, president; Aug. Samuelson, vice president; V. F. Quist, cashier, and O. W. Strom, assistant cashier.

Federal Land Bank Loans

Of a total of 401,912 loans made to farmers of the United States by banks of the federal land bank system, 38,767 have been made to farmers of Minnesota, North Dakota, Michigan and Wisconsin by the Federal Land Bank of St. Paul, H. K. Jennings, president of that institution, said recently.

The loans of the St. Paul Bank totaled \$145,650,500, while the total amount of the loans by the federal land bank system was \$1,247,969,039.

North Dakota leads in the number of loans with 10,928, Minnesota is second with 10,234, and leads in the amount loaned with \$45,672,600.

During the seven months ending July 31st 2,690 farmers have been served with approximately \$13,214,600 through their local loan associations.

Banks Merge

The Bank of Fisher, Minnesota, was taken over by the Red River Valley State Bank at that place, A. J. Veigel, commissioner of banks, announced recently. The institutions were consolidated following a meeting of directors of the two banks.

Organize Morris Plan

Organization of a new "bank" in St. Paul under the tutelage of officials of the St. Paul Association is under way. The "bank" is to be known as the St. Paul Morris Plan Bank, for the handling of small loans to salaried people, and is intended to relieve other banks of this type of loan and at the same time compete with the "loan sharks," organizers said.

The new organization will have a capitalization of \$150,000, \$40,000 of which already has been raised. Opening of the bank will take place as soon as the capital is raised and necessary formalities with the State Banking Department are completed.

Create New Department

A change in the Bank of Willmar, Minnesota, some weeks ago, which leaves the personnel the same, but which created a new department in the bank, was the election of C. F. Olson, former assistant cashier, to the office of cashier, and the creation of a new department to be filled by Nels S. Swenson, who has been cashier of the bank for many years.

Mr. Swenson's new position with the bank is that of manager of the Real Estate Farm Loan Department, he now devoting practically all of his time to this branch of the bank's work.

Observe Birthday

A birthday cake weighing 500 pounds was cut when the thirty-seventh anniversary of the Austin National Bank, Austin, Minnesota, was celebrated October 1st. Two coins, a \$5 and \$10 gold piece, were baked in the cake, to be kept by the person lucky enough to get it in his slice. The cake consisted of the following ingredients: 57 pounds of flour, 45 pounds of sugar, 35 pounds of butter, 31 pounds of nuts, 560 fresh eggs and 250 pounds of fruit. It was three feet in diameter at the base.

County Bankers Elect

At a meeting held in the council chamber at the Municipal building at New Ulm, Minnesota, the Brown County Bankers Association elected officers for the ensuing year, as follows: H. E. Fay,

New Ulm, president; C. O. Strom, Hanska, vice president; Albert L. Gag, New Ulm, secretary-treasurer. Due to the inclement weather, the attendance was small, only seven banks being represented. It was decided to hold a special meeting, preceded by a luncheon, some evening in the near future, for the purpose of discussing important matters.

Named Assistant Cashier

Announcement was made recently of the appointment of John G. Schutz, former state bank examiner with the banking division of the Department of Commerce, to the position of assistant cashier at the Winona Savings Bank, Winona, Minnesota. Mr. Schutz will fill the vacancy caused by the resignation of P. C. Peterson.

Mr. Schutz who has been a bank examiner for the past seven years, has made his headquarters in Winona for the past three. During his experience with the banking division, he worked in banks in cities and small towns. Prior to being an examiner, he was connected with a bank at Marshall.

Undergoes Operation

K. I. Shager, president of the First National Bank of Parker, South Dakota, was operated upon for goitre at Rochester recently and is recovering nicely. Mr. Shager has been in very poor health for nearly a year and has been spending the last two months in Colorado. Mrs. Shager and son Karl and wife are with him in Rochester.

Debits Show Decrease

Debits to individual accounts of banks in seventeen clearing cities of the ninth reserve district, barometer of northwest business volume, totaled \$167,896,000 during the week ending September 8th, a decline of \$2,103,000 from the \$169,999,000 of the preceding period and of \$20,095,000 from the \$187,991,000 reported for the corresponding week of 1925, reports the Federal Reserve Bank of Minneapolis.

Collection Expense High

Since the Duluth Banks School Thrift Association of Duluth, Minnesota, is of the opinion that the cost of handling deposits of school children is "excessively high," the finance committee of the board of education will make an investigation as to the advisability of an appropriation of \$6,000 to defray one-half the expenses of collecting the deposits.

The committee on schools recently recommended to the board members that no appropriation be made but the recommendation was not accepted. The matter was referred to the finance committee for investigation.

A recommendation by the committee on schools was made following a communication last June from Lewis Castle, sec-

retary of the association, who stated at that time that "It is felt by the banks that the educational program of thrift is beneficial to the students, excessively costly to banks, and at the present time has become a very important part of the school curriculum; and if the program has any merit at all, it must be worth the expenditure by school authorities of 25 cents per year per pupil, which amount would be equivalent to about \$6,000, or one-half the expense of handling only the administrative cost of the program." The entire cost is now assumed by the banks alone.

In the report made by the schools committee it was stated "that since the present system of handling the school savings accounts was proposed by the officials of the banks, November 7, 1919, the officials of the banks should make such changes as in their judgment seem necessary in handling the collections

should the banks see fit to continue this work."

Biweekly collections and minimum deposits of 10 cents are proposals of the association this year if the program is carried out. During the last year collections in the schools amounted to \$152,590.17, the largest in the history of the association, but a decrease was noted during the months the minimum deposit was raised to 5 cents. This was in April, and it was stated that the deposits would show a large decrease were the minimum deposit to be 10 cents this year.

Appoint New Committees

The following are the new members appointed on the several committees of the Minnesota Bankers Association to serve during 1926-1927:

Agricultural Committee: Emil A. Boie, Chairman, Mankato; J. G. Brauch, Lake-

field; L. H. Briggs, Houston; R. J. Lewis, Moose Lake; H. L. Marsh, Crookston.

County Organization: Wm. Duncan Jr., Chairman, Milroy; A. V. Gardner, Winona; C. W. Weis, Le Sueur; P. O. Skoglund, St. Paul; G. E. Harris, Wadena; L. A. Lien, Graceville; L. O. Kirby, Hibbing; F. P. Powers, Quamba.

Banking Practice and Ethics: C. A. Chapman, Chairman, Rochester; W. A. Streator, Mankato; George Susens, Alexandria; J. S. Ulland, Fergus Falls, H. Van Der Weyer, St. Paul.

Insurance Committee: R. W. Lindeke, Chairman; St. Paul; Frank Shandorf, Northfield; C. B. Brombach, Minneapolis.

Membership Committee: J. W. Barton, Chairman; Minneapolis; R. E. Shepherd, Spring Valley; T. A. Perkins, Windom; John Thiem, Shakopee; A. O. Miller, Backus; H. M. Alger, Tracy; D. W. Stebbins, Virginia; H. A. Krostue, Detroit; A. E. Eddy, Brook Park; H. B. Humason, St. Paul.

Educational Committee: L. O. Anderson, Chairman, Duluth; D. K. Patterson, St. Paul; E. H. Johnson, Winona.

Bank Costs and County Credit Bureaus: A. B. Cheadle, Chairman, Jackson; E. A. Stoll, New Ulm; J. D. Costello, Kellogg; C. J. Leusman, Rochester; W. L. Nelson, East Grand Forks; A. L. Egge, Hibbing.

Committee Opposed to Branch Banking: J. J. Ponsford, Chairman, Watertown; S. A. Rask, Blooming Prairie; Edwin Brickson, Adrian; O. J. Schumaker, So. St. Paul; A. J. Newgren, St. Paul; J. K. Martin, Little Falls; S. F. Nelson, Minneapolis; Theo. Aune, Glenwood; Alfred Hoel, Gilbert; J. H. Shea, Perham; R. H. Fairfield, Wayzata.

Legislative Committee: J. J. Maloney, Chairman, Heron Lake, 2nd Dist.; R. D. Sprague, Caledonia, 1st Dist.; M. H. Mickelson, Mankato, 2nd Dist.; R. W. Putnam, Red Wing, 3rd Dist.; T. J. McGrath, St. Paul, 4th Dist.; R. B. Rathbun, Minneapolis; 5th Dist.; Geo. Harris, Wadena, 6th Dist.; A. W. Wells, Herman, 7th Dist.; J. A. Gillespie, Carlton, 8th Dist.; N. S. Hegnes, Argyle, 9th Dist.; G. J. Stolberg, Harris, 10th Dist.

Before philosophy can teach by experience, the philosophy has to be in readiness, the experience must be gathered and intelligibly recorded.—Carlyle.



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Service the Keynote of Railroad Success

In spite of the competition from motor buses, railroads of the United States are succeeding because they are able to render service to their patrons without the hindrance of obnoxious governmental restraint under which they operated during the war and postwar period.

This was the statement made to the Western Railway Club at a recent meeting at the Hotel Sherman in Chicago by William G. Edens, vice president of the Central Trust Company of Illinois.

"Railroad companies of the United States generally find themselves on the upward grade," said Mr. Edens. "They are meeting conditions which they never had to meet before. One of their big problems has been the competition from automobile trucks and motor buses, which carry freight and passengers on both short and long hauls, over roadways which are provided by the money of taxpayers.

"Yet, because the railroads have gradually recovered from the stultification which hindered them as a result of too much governmental control over too long a period, growing out of the war, they are rendering better service than ever before and their stockholders, officials and employes are beginning to see better times. This condition, I believe, is due to the fact that their operation and management has been restored to the ingenuity and initiative of their personnel from the ground up. Outside management such as that under governmental supervision, which begins at the top and goes down, cannot compare with inside management, which goes both up and down.

"The rule of order now in the railroad industry is service to customers. The roads which have the most highly developed service are those which are succeeding the fastest. I believe this will not be disputed by any railroad of standing.

"In the old days our railroads were pictured as tyrannical organizations, with a rule or ruin policy toward communities and business organizations. Happily, this idea has disappeared and the business man now regards the railroad as an institution which wishes to cooperate with him in the extension of his industry, in order that it might have its proper share of his prosperity.

"Personally, I know of many fine things that have been accomplished by the regional conferences between railroad representatives and representatives of business organizations over the handling of traffic and the massing of cars in regions where there was demand.

"Few people realize that we have less mileage of steam railroads today than we had ten years ago. The latest figures I have been able to find, show that there were 250,003 miles of railroad trackage

on December 31, 1924, against 254,251 miles on January 30, 1916 a falling off of 4,248 miles.

"The railroads have been quick to appreciate the importance of the motor bus, and all over the country they are adopting the motor bus lines as feeders for their long haul business. Here we have an excellent example of service to the traveling public."

Piety, like wisdom, consists in the discovery of the rules under which we are actually placed, and in faithfully obeying them.—Froude.

Poetry is simply the most beautiful, impressive, and widely effective mode of saying things, and hence its importance.—Arnold.



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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.

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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

Fred W. Allen, formerly connected with the Northern Trust Company, Chicago, has recently affiliated with the Dispatchers Investment Company as executive vice president.

Joseph F. Nothesis, assistant cashier of the State Bank of Chicago has recently returned from a three weeks vacation spent in Minnesota, his home state.

Grantland Rice, well known golf and sports writer, has been elected to the board of directors of the Harriman National Bank, New York.

The Investment Bankers Association will hold its 1926 convention this year at Quebec, October 11th-15th. There will be three special trains from Chicago.

Stanley Klonowski, president of the Bank of Cleveland, Ohio, has returned from a three-months trip to Europe.

Establish Service Charge

Beginning October 1st, the banks of New England, North Dakota, will follow the lead of most banks in the state in collecting a service charge of 50 cents a month on all accounts falling below \$50 during any months. Decreased revenues and increased expenses are reasons given for the change.

The levying of the small-fee, the bankers expect, will pay a part of the cost of the banks in doing bookkeeping, furnishing checks, monthly accounts, etc., for patrons. When a depositor is unable to keep his balance above the required amount of \$50, he or she is urged to deposit in the savings accounts.

Another argument in favor of everlasting peace is that it would give us time to finish paying for the war.—*Fresno Republican*.

The gods are just, and of our pleasant vices make instruments to plague us.—*Shakespeare*.

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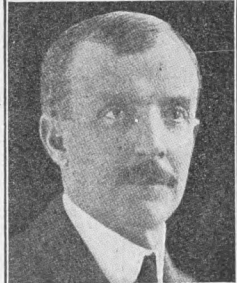


MINNEAPOLIS



North Dakota Bank News

Officers North Dakota Bankers Association



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Hebron

Treasurer.....J. E. Davis
Goodrich

Secretary.....W. C. Macfadden
Fargo

H. T. GRAVES
President

W. C. MACFADDEN
Secretary

Appointed Director

John C. Smith, Mandan, North Dakota, farmer, has been appointed a member of the board of directors of the St. Paul Federal Land Bank. Mr. Smith will fill the vacancy caused by the resignation of Paul A. Preus as treasurer in July. The appointment of Mr. Smith will give North Dakota two representatives on the board.

Becomes Cashier

C. T. Tollefson, formerly with the Security State Bank of Dunseith, North Dakota, has been elected to the cashiership of the Farmers and Merchants Bank of Rolla. His wife will join him in Rolla as soon as they can find a residence.

Mr. Tollefson succeeds C. I. F. Wagner as cashier of the Farmers and Merchants Bank, Mr. Wagner having resigned from the cashiership and accepted the vice presidency.

School Savings in Minot

The cooperation of the Clearing House Association of Minot, North Dakota, made possible perhaps one of the best systems of school banking yet devised.

The sale of stamps representing various sums of deposit with the stamps by pupils placed in their account books represents one automatic way of caring for the bookkeeping. Sometimes automatic vendors are provided in schools for the sale of such stamps; and sometimes the stamps are sold through the schoolrooms.

The "Richmond plan" devised in Richmond, Virginia, provides for a rather elaborate bookkeeping system, the expense of the book being cared for in most communities by a local bank. In this system, the teachers receive the moneys and keep the books, and then make a single deposit in bank in the name of the school account. The plan while excellent is at once open to several objections.

The plan devised at Minot is very successful, both in method and in results. Here, the banks take their turns sending clerks to the school building—Junior high school—once a week, on "banking day," and at the "school bank" receive actual deposits in the same manner they would at the downtown banks. With deposit slips for every bank in town at

hand, they give due credit to depositors, and then place their moneys at the proper banks at the close of the day.

All bookkeeping, all handling of funds, all business contact with pupils, is done by actual representatives of the banks. There is a flavor of "real business" about the plan that cannot otherwise be secured.

A National Depository

The First National Bank of Carrington, North Dakota, has just been designated a depository by the director of postal savings funds at Washington and in the future will be custodian for many thousands of dollars of government money.

The bank has also been designated as a depository for Indian funds, money held in trust for the aborigines by the federal government.

Banking Conditions Good

North Dakota banks and financial institutions are generally in splendid shape, Gilbert Semingson, state bank examiner, said recently in commenting on the latest consolidated report of financial institutions.

Although all but two of the items listed in the resource account show decreases, the same thing holds true with items in the liabilities account, and savings deposits are greater than they were at this time last year, although slightly below the figure reported for April.

Reserves held by banks total \$11,391,984.20 or \$2,384,563.49 more than the required figure, \$9,007,420.71. The total reserves on June 30, 1925, was \$13,164,325.26 and on June 30, 1926, it was \$13,087,109.83.

A significant thing in commenting on the lower totals of practically all items is the reduction in the number of banks reporting. A year ago 494 state banks and four trust companies made reports. On April 1st the number was 454 banks and four trust companies, and the latest report includes figures from only 438 banks and four trust companies. The reduction has been caused largely by the consolidation of two or more banks in one community.

Total resources of the banks reporting

are placed at \$88,686,398.13, as compared with \$92,290,037.77 on April 1st and \$98,448,675.98 on June 30, 1925.

NORTH DAKOTA NEWS

The Maza State Bank has been given permission by the banking board to change its corporate name and headquarters to the "Perth State Bank."

The Farmers State Bank of Baker has changed its corporate name and headquarters to the "Farmers State Bank of Leeds."

J. E. Strohmaier has been appointed assistant cashier of the Elgin State Bank, succeeding A. B. Rixman.

Robert J. Geyer has been elected to the office of assistant cashier of the Rock Lake State Bank.

George L. Klein has been appointed assistant cashier of the Pierce County State Bank, Balta.

Christine M. Halvorson has been appointed teller of the First & Security State Bank of Crosby.

George Knudson has been elected assistant cashier of the Security State Bank of Dunseith, succeeding Clarence T. Tollefson.

Jens M. Haugland has been elected to the office of cashier of the Eckelson State Bank, succeeding A. O. Silverson, who resigned.

H. L. Buck has been elected cashier of the Nortonville State Bank, succeeding Geo. Steele.

Landis S. Day has been appointed to the office of assistant cashier of the Southam State Bank.

Luther C. Skari has been appointed teller and bookkeeper of the First State Bank of Kempton, succeeding Thos. R. Powell.

C. T. Tollefson has been elected to the office of cashier of the Farmers & Merchants Bank of Rolla, succeeding C. I. F. Wagner, who is now vice president of the bank.

Clifford L. Lien has been appointed cashier of the State Bank of Ross, succeeding O. A. Moe who has been appointed vice president and director. Mr. Moe succeeds Geo. Borrud, who is now president, as vice president, and succeeds C. G. Hammond as director. Mr. Hammond, the former president, is no longer with the bank.

Napoleon Bank Moved

The Merchants Bank of Napoleon, North Dakota, has been moved into new quarters located in the recently erected Miller building. Prizes are being offered by the bank to encourage savings.

Opens Bank at Leeds

Cashier Arne A. Gregor and Assistant Cashier Kinneberg have opened the Farmers State Bank in Leeds, North Dakota, in the old Farmers and Merchants Bank building. This bank was recently moved from Baker. These gentlemen, as well as the financial interests behind the new Leeds bank, are recommended to the people of Leeds and vicinity.

Goes to Minneapolis

W. D. Wyard, vice president of the Sheridan County State Bank of McClusky, North Dakota, has resigned and accepted a position with the Northwestern National Bank of Minneapolis. Wyard, who left McClusky recently, will

act as North Dakota representative for the Minneapolis bank.

Robbery at Flora

The State Bank of Flora, North Dakota, southwest of Devils Lake, was looted recently and the robbers escaped with \$1,400 in money. The cashier at work did not notice the entrance of the bandit, who covered him with a revolver and afterwards bound him. Another person in a car awaited the bandit outside and they made their getaway without leaving any clues.

Make Service Charge

Effective October 1st, banks of Stark county, North Dakota, will attach a serv-

ice charge of 50 cents a month to all checking accounts which do not maintain an average balance of \$50 per day during the month. In addition, the following charges will be made on checks drawn on banks outside of Stark county which are cashed by or deposited with the member banks: Five cents on all checks up to \$50; 10 cents on all checks up to \$100 and 10 cents per \$100 on all checks of more than that amount.

The above charges, however, will not apply to checks drawn on any Stark county bank nor banks at Killdeer, New England, Dunn Center, Fryburg, Regent, Mott and Hebron. A charge of 10 cents will be made on all items taken for collection.

Two Minutes to Play!

The East had conceded itself the victory—too soon

IT was East vs. West in the greatest of all intersectional contests. The football champions of the Big Ten were on the short end of the score by one point. A scant two minutes remained to play.

Then, above the terrific din from the Eastern stands came the West's old familiar battle song. Across the field it swept, in unison from thousands of husky throats. Louder in volume it swelled in a mighty burst of loyalty. Another play failed, but its thrilling strains had reached those eleven western warriors on a foreign field.

The next play started—in the twinkling of an eye, a youth with winged feet and a stout heart had broken through. Two seconds more and a clear field lay before him. Then Victory! The West had won and a

new hero was crowned with football fame. The Big Ten was supreme.

What lay behind that mad dash for a touchdown? Strenuous work by the players! Intense loyalty by the students and players! Characteristics common to American Universities.

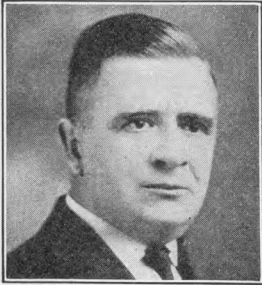
* * *
Less emotional, perhaps, but guided by a spirit of unusual loyalty is DROVERS SERVICE. The spectacular may be missing, but day in and day out the careful and conscientious work of officers and employes has made for it an enviable record.

Its merit strongly recommends the DROVERS Banks as your Chicago Correspondent—endorsed through use by over a thousand representative Correspondent Banks in the Middle West.

DROVERS
NATIONAL BANK
TRUST & SAVINGS BANK

Union Stock Yards, Chicago





IOWA SECTION


**Officers Iowa Bankers
Association**

President.....A. C. Smith
Clinton

Vice President.....John Sieh
Spencer

Treasurer.....F. A. Schuetz
Lawler

Secretary.....Frank Warner
Des Moines



A. C. SMITH
President

FRANK WARNER
Secretary

McDade Resigns

E. D. McDade, assistant treasurer of the Iowa Loan and Trust Company, Des Moines, has resigned and with his family will motor to Los Angeles about October 1st, where he expects to re-enter the banking business.

Mr. McDade has been associated with the Iowa Loan and Trust Company for about five years. His successor has not been named.

Charge for Overdrafts

Sioux City, Iowa, banks, acting through the clearing house association, have announced that a charge of 25 cents will be assessed against the depositor for every check written with insufficient

funds. This charge will not take the form of a penalty but a charge for additional services performed in handling the checks. A second step in the campaign to be staged by bankers is that no check will be cleared through the clearing house more than once, and returned checks in the future will have to be handled directly with the bank upon which they are drawn.

With Farm Loan Department

W. H. Bailey has resigned his position with the First National Bank of Armstrong, Iowa, and has accepted a position in the farm loan department of the Northwest Mutual Insurance Company and will be located at the Cedar Rapids office

of this company. The position came unsolicited and after a careful investigation by Mr. Bailey as to the possibilities for future promotion, he decided to accept.

County Bankers Meet

The session of the Fayette County Bankers Association was held in Oelwein, Iowa, recently, the meeting being held at the Country Club, where a fine dinner was served at 6:30. There were fifty-seven guests registered, all but three banks in the county being represented.

A short program, under direction of Hubert Karrmann, was given, consisting of some fine violin and piano selections by Mrs. Brumlick and Sophia Hanson, a solo by Raymond Jipson and a reading by Maxine King.

After the program the meeting got down to business. It being the annual election of officers, the following were re-elected for the next year: President, Joe Mengers, Arlington; vice president, J. A. Erickson, Clermont; treasurer, A. B. Blunt, Maynard; secretary, G. A. Kidd, Oelwein.

The discussions were largely on the subject of the vigilantes recently organized for the banks' protection in the county, and it was voted to buy the necessary arms and ammunition to equip them. The association also voted thanks to the Oelwein bankers and the Oelwein Country Club for the entertainment provided.

In New Location



New home of the Walker D. Hanna Corporation at Burlington

W. D. Hanna and Company, investment bankers of Burlington, Iowa, have announced the removal of its home offices to larger quarters. They will occupy the entire second floor of the Bock Building, located at 308 North Third Street, a central location in Burlington's business section.

The new offices will cover 1,000 square feet of floor space, and will be equipped in the most up-to-date manner. A cordless telephone exchange will be installed, and they will also maintain a statistical bureau concerning all kinds of bonds.

W. D. Hanna and Company are members of the Investment Bankers Association of America, the Iowa Bankers Association,

and the Des Moines County Bankers Association. They maintain branch offices at Muscatine, S. E. Phillips, manager; Waterloo, Leo L. Mak and Leslie H. Schrubbe, managers; and at Lincoln, Nebraska, under the direction of L. J. Shearer.

Most of the personnel of the organization are also stockholders.



Iowa
Lithographing Co.
DES MOINES



Founded by
GEORGE H. RAGSDALE
EDWIN G. RAGSDALE
SECRETARY

Change Corporate Name

The Continental and Commercial Company, Chicago, an adjunct of the Continental and Commercial National Bank, of which two former Iowa bankers, George M. and Arthur Reynolds, are chairman of the board and president respectively, recently filed articles of incorporation with the Iowa secretary of state.

The bond department of the bank has operated in Des Moines for two years under the title, Continental and Commercial Trust and Savings Bank. The change in name was said to be responsible for the filing of new articles.

Sioux City A. B. A.

The winter school for bank employees, conducted by the American Institute of Banking, opened at a dinner and rally held on the evening of September 25th, by the Sioux City, Iowa, chapter at the West Hotel.

James F. Hart, assistant cashier of the Iowa National Bank, Des Moines, Iowa, was the guest of honor at a recent meeting. Mr. Hart was present to assist in outlining the courses of study to be used in the school this winter.

There were 65 students enrolled last year for the course, and a much larger enrollment is expected this year, it was announced. The place of the opening meeting will be announced later, officials said.

Clinton Banker Weds

A marriage ceremony uniting Miss Helen Willihnganz, daughter of Mr. and Mrs. Frank Willihnganz of 928 South Sixth street, and James Ernest Babeock, son of Mr. and Mrs. Ernest Babeock of 530 Third avenue, Clinton, Iowa, was performed recently by Rev. Frederic G. Williams at Grace Episcopal Church.

The bride is a graduate of the Lyons High school, class of 1924. She has been actively connected with the enterprises of Grace Episcopal Church, a member of the Girls' Friendly Society, which attended the wedding in a group, and also a favored Sunday school worker. Mr. Babeock was graduated from the Clinton High school, class of 1922. He is now employed at the City National Bank, Clinton.

Hold Annual Outing

Officers, employees and directors of the Union Savings Bank and Trust Company, Davenport, Iowa, held their annual outing at the Springbrook Country Club recently, an attendance of 60 being recorded. Wm. Wieck, Ray Camblin and Wm. F. Siegle tied for first place in the handicap golf tournament after a spirited battle for the trophy cup which President Wm. Heuer had offered for the winner.

William Goodell won the horseshoe pitching contest, Edith Atherton the ladies' golf driving contest, Mrs. Lucile

Dittmer the ladies' putting contest, Frances O'Connor the nail driving contest and Hazel Voss the balloon bursting contest.

Attorney Charles Grilk announced the winners in the various events and awarded the prizes. Maurice Leahy led the community singing. Following dinner those present entertained themselves with cards and dancing.

Presidential Candidate for 1927

Of particular interest to Iowa bankers, is the announcement by friends of George J. Schaller, president of the Citizens First National Bank of Storm Lake, Iowa, that he has consented to become a candidate for the presidency of the Iowa Bankers Association next year, in 1927.

Mr. Schaller is a veteran in Association circles, and is widely known throughout the state. He first entered the banking business in Storm Lake in 1892, and, with the exception of three or four years, has been continuously in that business since then.



GEO. J. SCHALLER

The Citizens First National Bank of Storm Lake, of which Mr. Schaller is president, was organized in 1902 by Mr. Schaller and his father, and is known as one of the best managed banks in the state.

Mr. Schaller is no stranger in State Association work. For the past five or six years he has been a member of the Association Legislative Committee, and chairman of that committee the past three years. In addition, he has been prominent in the activities of his Group.

Changes at Union

Certain changes in the management of the Union Savings Bank of Union, Iowa, which have been under consideration for some time came to a head recently, when the resignation of D. D. Reynolds as vice president, which had been on the table for some time was accepted and he and his father, W. H. Reynolds, of Sheffield, will also retire from the board of directors following the sale of their stock to other members of the board. W. S. Mason, assistant cashier, was elected cashier and A. J. Tisdale, of Colo, was chosen assistant cashier. C. V. Hauser, of

Whitten and L. J. Glenney, of Union, were also elected to membership on the board of directors and one place yet remains to be filled, also the position of vice president was left vacant for the time being. All of the above changes are effective October 1st.

D. D. Reynolds expects to move to Ames and will take over a district agency for the Equitable Life Insurance Company of Iowa, his territory being Story County and portions of Hardin and Marshall Counties. He has been giving considerable time to the insurance business and has contemplated making the change for a year or more.

IOWA bankers who have worked through us will tell you that a connection with the Bankers Trust in Des Moines can be a real advantage to your bank.



BANKERS TRUST CO. BANK

Cor. 6th and Locust Sts., Des Moines

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



The
**MERCHANTS
 NATIONAL BANK**
 CEDAR RAPIDS, IOWA

**“Have done more
 than they agreed”**

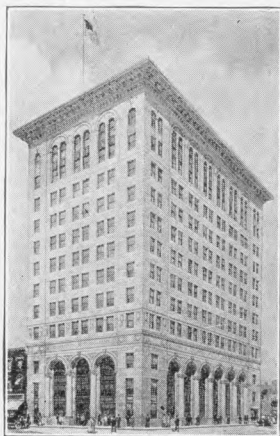
Doing what is promised is one thing,
 and doing more is another.

Read this cashier's letter about the relations he has had as a correspondent bank of the Merchants National:

“This bank has carried an account with the Merchants National Bank of Cedar Rapids for the past ten years, and we have always found the officers ready and willing to give us more than the ordinary amount of service that we could expect. In fact, I believe I can say they have in every instance done more for us than they have agreed to do.”

Resources \$15,000,000

James E. Hamilton, President



P. C. Frick
 Vice President

E. E. Pinney
 Vice President

Edwin H. Furrow
 Vice President

H. N. Boyson
 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

Elect New Cashier

The Citizens Savings Bank, West Branch, Iowa, has elected R. W. Millen cashier to succeed P. V. N. Myers, who has resigned after twenty-eight years of efficient service, and is leaving the banking business to enter the insurance field.

Mr. Millen needs no introduction, having been employed as assistant cashier during the past six years, and his promotion is well deserved.

Eugene Gray has been chosen as assistant cashier.

Enters Drake

Millard Riley, who has been employed as assistant cashier at the First National Bank of Williams, Iowa, for the past two years, resigned from his position. Mr. Riley will enter Drake University, where he will study for the ministry. He has made many friends in Williams who regret very much to see him leave, and hope for him success in his chosen work. The vacancy at the bank has been filled by George Johnson, who has been clerking in Johnson Bros. store.

Elect County Officers

At the annual meeting of the Plymouth County Bankers Association in Le Mars, Iowa, recently, officers were elected as follows: President, H. Shoulberg, Akron; vice president, George Ellison, Hinton; secretary, E. H. Youngstrom, Akron; treasurer, W. G. Sievers, Remsen.

Brenton Banks Picnic

About fifty people comprising the employees and their families of the Brenton banks gathered at the Perry, Iowa, Country Club recently and enjoyed the afternoon and evening in a social good time.

The main feature of the afternoon was the Kitty Ball game between the employees of the banks of Dallas Center, Waukee, Van Meter and Granger in the south half against the employees of the banks of Jefferson, Dana, Woodward and Perry in the north half.

While the ball game was in progress, the ladies who were not engaged in playing, spent the time in social conversation and games more to their liking.

At 6:30 o'clock, the second feature of the picnic took place. A picnic supper. And, according to the local people who had the privilege of attending the picnic, it was a real supper.

Following the big meal, the balance of the evening was spent by those who were able to do so, in dancing, music for the occasion being furnished by Mrs. Frank Chapman and Mr. Charles Crawley. Those who had overeaten spent their time in conversation and playing bridge.

If the mountain will not come to Mohammed, Mohammed will go to the mountain.—Mohammed.

Elected Assistant Cashier

At a recent meeting of the board of directors of the First National Bank, Elkhart, Iowa, Ernest F. Seifert was elected to the position of assistant cashier to fill the vacancy caused by the resignation of Lucy Lenth, who has been employed in this institution for the past eight years.

Office in Storm Lake

Ex-senator Ben C. Abben of Little Rock, Iowa, moved to Storm Lake recently to take up offices in the W. F. Park building for carrying on farm loan, investment, insurance and collection business.

Grandfather Again

Harry T. Blackburn, vice president of the Iowa National Bank, Des Moines, is again a grandfather. He received a telegram recently of the birth of a daughter to Mr. and Mrs. Mortimer Blackburn in Palo Alto, California. This is the second daughter of Mr. and Mrs. Blackburn.

Back from Vacation

R. M. Moehn, cashier of the Commercial Savings Bank, Carroll, Iowa, is back at work after a three weeks' vacation. With Mrs. Moehn and children he motored through northern Iowa to Minneapolis, thence to Duluth, and returned to Carroll through the Black Hills of the Dakotas.

Pay for Printing

The banks of Grinnell, Iowa, announce their intention of discontinuing the custom of having checks printed with the cards of customers. The banks will continue to supply checks as before but they believe that the customers should pay for their own printing.

This action of the banks of Grinnell is in line with the action taken by banks in neighboring towns and in many other places in the interest of economy and better management. The banks explain that the cost to the individual will be slight but that to the bank it reaches an amount often staggering. The officers of both banks state that they are anxious to have their motives understood and to have the public appreciate the greatness of the burden which the banks have been called upon to bear under the old system.

Appointed Cashier

Appointment of Robert P. Gillogly as cashier of the First Trust & Savings Bank of Rock Island, Illinois, was announced recently. He succeeds to the post held by O. O. Litt, who died several months ago. E. A. Beers is the president.

Mr. Gillogly has been associated with the Rock Island bank for six years and for the past three years has been assistant cashier. Prior to that he was associated with the Citizens Trust & Savings Bank of Davenport, Iowa.

1872



1926

**Over 1,000 Iowa Banks
Find It Convenient
to Have a
Des Moines Checking
Account**

*Many of These Like
Our Friendly Service*

IOWA  **LOAN**
& TRUST COMPANY
BANK
Member Federal Reserve System
DES MOINES, IOWA

CAPITAL AND SURPLUS OVER \$1,000,000.00

Established 1874

"Reputation
Is the
World's
Measure
of an
Institution"



OFFICERS

CHARLES E. PERKINS,
Chairman of Board
E. WEBBLES, President
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

MEMBER FEDERAL RESERVE SYSTEM BURLINGTON IA.

Close at Noontime

Beginning with September 15th, the Citizens State Bank of Panora, Iowa, will be closed one hour at noon each day, from twelve until one o'clock.

This step is taken largely as a safety measure in order that one person may not be left alone in the bank at any time during the day. Each member of the force also has a child in school and the hour off at noon makes it much more convenient for all as far as family dinners are concerned.

Adopt Service Charge

To meet the continual loss, through the handling of small checking accounts, the Farmers Savings and State Savings Banks of Ute, Iowa, have come to the conclusion that a small service charge must be asked from customers carrying a checking account below \$50, at any one time during a current month.

This system of service charge has been in effect in the cities for the past two years, and is being adopted by a large number of the small town banks in the county and state. Recently the Mapleton banks made the announcement of the adoption of the system.

Elected Cashier

R. W. Millen has been elected cashier of the Citizens Savings Bank of West Branch, Iowa, to succeed P. V. N. Myers, whose resignation took effect September 16th. Mr. Myers has been cashier of this bank twenty-eight years, ever since its organization. Eugene Gray has been elected assistant cashier.

Chosen President

George Thompson, assistant cashier of the Des Moines National Bank, was elected president of the newly organized Bank Auditors Conference at the second meeting, held recently at Younkers Tea Room.

Raymond Miller of the Capital City State Bank was named vice president, and J. E. Bradbury of the Bankers Trust Company was chosen delegate to the American Bankers Association convention.

The conference will be affiliated with the clearing house section of the A. B. A. and will be patterned after similar conferences already existing in the large cities.

Frank M. Foley Dead

Frank M. Foley, one of the most widely known men of Delaware county, and president of the Security Trust and Savings Bank of Ryan, Iowa, died at Mercy Hospital at Cedar Rapids, death being due to pneumonia.

Mr. Foley was born in Muscatine county, Iowa, August 19, 1873. His father's family came to Dubuque county when he was a mere boy. He grew to

young manhood in Dubuque county, and thirty-five years ago the family came to Delaware county and located at Ryan. For more than twenty years Mr. Foley was engaged in the mercantile business in Ryan, and later engaged in banking. For some time he was the vice president of the Ryan State Bank, and at the time of the death of the late W. H. Norris, of this city, Mr. Foley was elected president of the Security Trust and Savings Bank of Ryan, which position he filled exceptionally well.

Ask Service Charge

Announcement was made recently by Mapleton's three banking houses, Mapleton, Iowa, that beginning October 1st a service charge of 50 cents will be made on all checking accounts where the balance falls below \$50 at any time during the month.

This policy, which has been in effect in hundreds of banks in Minnesota, Wisconsin and Nebraska and other middle western states for the last two years, has been suggested by the "Better Banking Committee" of the Iowa Bankers Association.

The committee on bank costs of the Minnesota Bankers Association says that it costs a bank four cents for each check handled. Examinations have been shown that in nearly every bank more than half of the checking accounts have balances of less than \$50 and that the total of these balances amount to less than 5 per cent of the total deposits of the bank; also that the average balance of these accounts is less than \$15.

Considering the expense the bank is undergoing in the way of furnishing checks, the ledger leaves for the book-keeping, clerical help, postage on the mailing of statements and pass books, it is no more than fair that a sufficient balance should be maintained to pay the expenses of carrying the account, it is pointed out by bankers.

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Cover Designs
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SALES BULLETINS
CATALOGS

Herbert MacDonald
Producing Pictures Exclusively
for Sixteen Years

STUDIO AT THE CORNER OF
THIRD ST. AND SENECA AVE.
IN DES MOINES, IOWA

Assets
Over Six Million Dollars

Statement of Condition

JUNE 30, 1926

RESOURCES

Time and Demand Loans . . .	\$5,271,255.22
U. S. Bonds	343,519.70
Stock in Federal Reserve Bank . . .	19,500.00
Real Estate and Fixtures . . .	86,201.95
Cash and Due from Banks and U. S.	1,236,286.07
	\$6,956,762.94

LIABILITIES

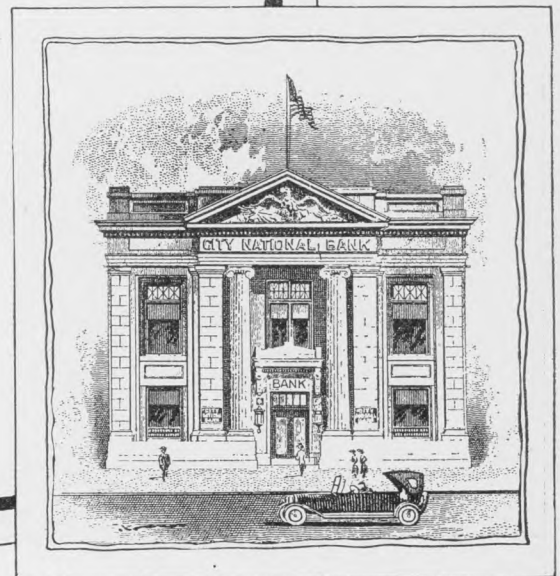
Capital	\$ 300,000.00
Surplus	350,000.00
Undivided Profits	113,103.31
Reserve for Taxes and Interest . . .	90,000.00
Circulation	300,000.00
Deposits	5,803,659.63
	\$6,956,762.94

DIRECTORS AND OFFICERS

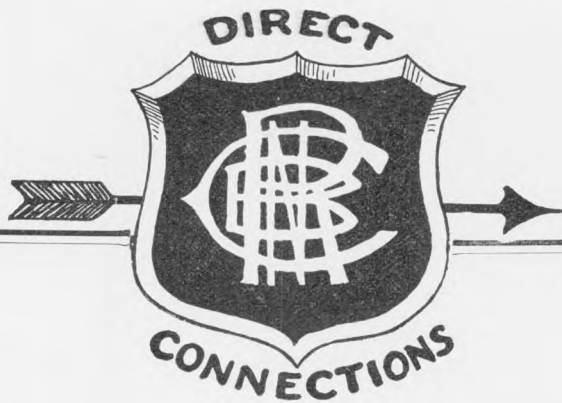
- ALFRED G. SMITH,
Chairman
- ALFRED C. SMITH,
President
- G. L. CURTIS,
Vice President
President, Curtis
Companies, Inc.
- G. W. DULANY, JR.,
President, Reclipse
Lumber Co.
President, Climax
Engineering Co.
- H. W. SEAMAN,
Inland Waterways Advisory
Committee
- M. J. GABRIEL,
President Gabriel
Lumber & Fuel Co.
- J. PETERSON,
J. O. SHAFF,
Farmer and Live Stock
Dealer
- B. M. JACOBSEN,
E. J. CURTIS,
Vice President Curtis
Bros. & Co.
- C. A. ARMSTRONG,
Pres. C. F. Curtis
Company, Inc.
- W. R. SMITH,
General Manager
Clinton Corn Syrup
Refining Co.
- A. P. BRYANT,
Manager of Operations
Clinton Corn Syrup
Refining Co.
- F. H. VAN ALLEN,
V. P. and Sec'y.
J. D. Van Allen & Son
Inc.
- H. S. TOWLE,
V. P. and Treas.
Towle & Hypes Co.
- O. P. PETTY, Cashier

- J. H. NISSEN,
Assistant Cashier
- H. G. KRAMER,
Assistant Cashier

Established
1870



The
City National Bank
CLINTON IOWA



SPIRIT

—WE HAVE IT

and it's essential to us all

THE CEDAR RAPIDS NATIONAL BANK

CEDAR RAPIDS, IOWA

OLD-TIME HOSPITALITY

The Spirit of Our Service

—OFFICERS—

RALPH VAN VECHTEN Chairman of the Board	VAN VECHTEN SHAFFER Vice President	GEO. W. SWAB Assistant Cashier
GLENN M. AVERILL President	CHAS. C. KUNING Vice President and Cashier	MARVIN R. SELDEN Assistant Cashier
GEO. F. MILLER Vice President	PETER BAILEY Assistant Cashier	BERTHA M. WOLF Assistant Cashier

Secure Temporary Quarters

Another step toward the erection of the new \$2,000,000 skyscraper and bank building of the American Commercial & Savings Bank, Davenport, Iowa, was taken recently when President Ed. Kaufman announced the leasing of the former Peoples Light Company building at 125-127 West Third street to serve as a temporary banking home during the construction of the new building.

The Third street building, amply large for the purpose of temporary home, was leased of the owner, Dr. Charles E. Smith of Omaha, Nebraska, on an open lease, the bank to occupy it until the new home is completed. It is probable that the bank will move into these temporary quarters about the first of the year.

Through this lease the American Commercial will expedite the construction of its new home, erecting it in one unit instead of two, providing the customary easy access of customers, eliminating interference with the operation of the banking business and also allowing the contractors to proceed unimpeded in the big work of erecting the great new structure. Both time and money will be saved through the leasing of the temporary home and convenience of customers will also be better provided for, bank officials stated.

The former Light company office is equipped with two excellent vaults, one running three stories in height, from basement to second floor, and the other being a large modern vault in the basement. It is probable, however, that the bank will find it necessary to provide additional vault space.

This and other alterations will be completed before the first of the year. The building on West Third is vacant at the present time, allowing alterations to begin at once.

Architects are working daily on the plans and specifications of the new \$2,000,000 building to be erected on the site of the present bank, the southwest corner of Third and Main streets, and the final plans will be ready for bids before the end of the year, it is expected.

A Benedict

L. V. Tawney, one of the popular receiving tellers of the Iowa Loan & Trust Company Bank, Des Moines, was recently married to Nina L. Keeran. Mrs. Tawney is a former Drake girl and a member of the national musical sorority, Sigma Alpha Iota. Their honeymoon was spent in Chicago.

Parker Is President

S. L. Parker is the newly elected president of the Yale Savings Bank at Yale, Iowa, succeeding the late S. Jaskinsky, deceased.

Nature never gives everything at once.
—Johnson.

Have a Son

Mr. and Mrs. Howard E. Jackson are rejoicing over the arrival of a son, Robert High Jackson, Sunday, September 12, 1926. Mr. Jackson is vice president of the Farmers State Bank, Paton, Iowa.

Proud Father

R. M. Messerschmidt, cashier of the University State Bank, Des Moines, Iowa, and Mrs. Messerschmidt, are the proud parents of a son born recently at the Iowa Congregational Hospital. He has been named Roy Wendall, and while his dad says the youngster's last name will undoubtedly prove a handicap to him, there is a good chance, on account of his youth, to completely outgrow it.

Iowa Business Gains

A great improvement in the condition of banking and all other business has been experienced in Iowa during the last year, and especially in the last four or five months, declared L. A. Andrew, state superintendent of banking for Iowa, in an address before the Ottumwa Credit Men's Association at Hotel Ottumwa recently. Mr. Andrew stressed the fact that Iowa is now much better off than a number of erroneous published reports would indicate, and that with the harvesting this fall of a normal corn crop the state will enjoy a prosperity that is rightly hers.

He expressed a faith in the loyalty of Iowa people in their willingness to respond to corrective business procedure, crediting to this fact the remarkable stability of all Iowa business.

While Mr. Andrew was speaking directly to a group of bankers and men who handle all lines of merchandise credits, his analysis of business methods in vogue today is of vital interest to the individual. Installment buying and unwise luxury buying were characterized as a great menace to business success. He explained that installment buying has reached such proportions that the average man has, through his installment contracts, mortgaged his future income for a period of from five to fifteen years. Mr. Andrew said that the granting of an unwise extension of credit to an individual or a business firm is not a kindness to the one who receives the credit. He took into careful account the highly changed standard of living seen in recent years, though, with all this, he appealed for a concerted effort toward the most careful in business management.

W. S. Munger, president of the Ottumwa Credit Men's Association, presided at the dinner meeting, presented Mr. Andrew and led a general discussion on credit methods.

The Citizens National bank of Streeter has taken over the First National bank of that city. Charles W. Spaulding is president of the Citizens National.

The Facilities

and departments developed, the experience and the banking prestige acquired by the "American Commercial and Savings" in over 57 years of service to Iowa interests, benefit not only this institution, but also those banks and bankers who carry their Davenport accounts with it.

**AMERICAN
COMMERCIAL &
SAVINGS BANK
of
DAVENPORT, IOWA**

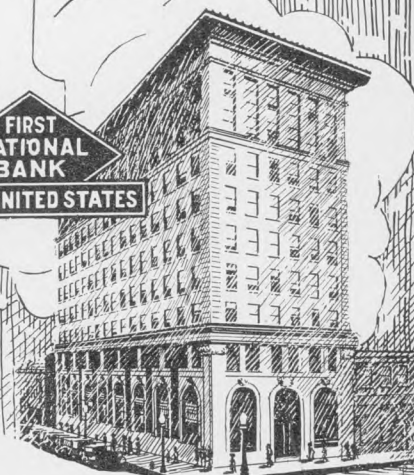


The spirit of friendliness which prevails throughout the First National organization is the same now as it was sixty-three years ago, when the bank was established. Today we are better equipped than ever before to give Iowa banks our friendly—an efficient—cooperation.

OFFICERS
A. F. DAWSON, President
JOE R. LANE, V. President
IRVIN J. GREEN, Cashier
C. F. SCHMIDT, Asst. Cashier
P. A. TORNQUIST, Asst. Cashier

*We Will Consider It a
Genuine Pleasure to
Serve You*

**FIRST
NATIONAL
BANK
IN THE UNITED STATES**



**FIRST
NATIONAL BANK
DAVENPORT, IOWA**



PEARSON HOTEL

On the near North Side
CHICAGO

WITH an environment and equipment not excelled by any other Chicago hotel. The Pearson may be your first and only consideration as a Chicago stopping-place. The opera, the Chicago Symphony Concerts at Orchestra Hall, the theatres, the stores and smart shops, the business and financial districts are all within pleasant walking distance, yet restfully distant when quiet is wanted.

The Pearson offers rooms and two-room suites, all with private bath, that are larger and more completely and modernly furnished than may be found in any Loop hotel at moderate prices. Food of notably fine quality, a la carte or in club breakfasts, special luncheons and table d'hote dinners, is served at reasonable cost. A fire-proof, 300-car garage is close by if you prefer to bring your own motor.

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 from \$5.00 to \$7.00; two-room suites \$10.00 to \$14.00.

Send today for illustrated folder

Convention Delegates

Secretary Frank Warner of the Iowa Bankers Association, as this goes to press, announces that Iowa has a worthy delegation scheduled to make the annual convention pilgrimage of the A. B. A., to be held this year in Los Angeles. Two special cars were to leave Des Moines the morning of Wednesday, September 29th, making connections with the Chicago train at Ames. The Chicago train was to run in six sections. Entertainment was to be provided for the delegates at Omaha, Denver, Colorado Springs, Glenwood Springs, and Salt Lake City, the entire trip to take five days.

Below are listed the Iowa delegates:

Alton—Mr. J. N. Kuhl, President, Alton Savings Bank.

Anita—Mr. and Mrs. Harry C. Faulkner, Cashier, The Anita Bank.

Burlington—Mr. and Mrs. George Swiler, President, Burlington Savings Bank.

Cedar Rapids—Mr. and Mrs. Charles C. Kuning, Cashier, Cedar Rapids National Bank; Mr. and Mrs. J. M. Dinwiddie, President, Cedar Rapids Savings Bank & Trust Co.; Mr. and Mrs. F. C. Welch, Cashier, Peoples Savings Bank.

Charles City—Mr. and Mrs. M. W. Ellis, President, Security Trust & Savings Bank.

Clarion—Mrs. Clifford Crowe (Nee Norene Wohlenberg).

Clinton—Mr. and Mrs. A. C. Smith, President, Iowa Bankers Association, President, City National Bank.

Council Bluffs—Mr. and Mrs. C. F. Spooner, Cashier, First National Bank.

Davenport—Mr. and Mrs. Ray Nyemaster, Vice President, American Commercial & Savings Bank, member of State Banking Board; Mr. and Mrs. F. B. Yetter, Vice President, Iowa National Bank.

Des Moines—Mr. and Mrs. L. A. Andrew, State Superintendent of Banks, State House; Mr. and Mrs. John H. Hogan, President, Des Moines National Bank (member State Banking Board); Mr. J. H. Sharpe, Manager, Des Moines Clearing House; Mr. Frank Sharpe; Mr. and Mrs. Herbert C. Metcalf, Manager, Youngers Dry Goods Store; Mr. and Mrs. Grant McPherrin, President, Central State Bank (President, State Bank Division, American Bankers Association); Mr. and Mrs. Carl Mesmer, Assistant Cashier, Peoples Savings Bank; Mr. and Mrs. C. B. Hextell, Vice President, Iowa Trust & Savings Bank; Mr. Clifford DePuy, Publisher, North-



The FIRST NATIONAL BANK, Waterloo, Iowa

DIRECTORS
 B. F. SWISHER
 Pickett, Swisher & Farwell
 R. J. HOXIE
 Secretary Waterloo Fruit & Commission Co.
 A. M. PLACE
 Vice President
 E. E. PEEK
 Vice President Waterloo Bldg. & Loan Association.
 H. W. GROUT
 Real Estate
 C. A. MARSH
 President

THE First National Bank of Waterloo is equipped to give you the highest degree of SERVICE, and do it promptly and efficiently at all times. Fifty-eight years of steady conservative growth enables this bank to extend such service.

OFFICERS
 C. A. MARSH, President
 A. M. PLACE, Vice President
 WILL A. LANE, Cashier
 P. W. EIGHMEY, Assistant Cashier
 O. L. MORRIS, Assistant Cashier

Total Resources Over \$2,900,000.00.

DIRECTORS
 W. W. MARSH
 President Iowa Dairy Separator Co., President Associated Mfg. Co.
 J. T. SULLIVAN
 Lawyer
 J. O. TRUMBAUER
 Vice President Farmers Loan and Trust Co.
 H. A. MAINE
 President H. A. Maine & Co.
 WILL A. LANE
 Cashier

Chartered 1865

western Banker; Mr. and Mrs. R. A. Crawford, President, Valley National Bank.

Fort Dodge—Mr. A. J. Moe, Assistant Cashier, Security Trust and Savings Bank.

Grand Junction—Mr. and Mrs. T. R. Watts, President, City Bank.

Holstein—Mr. and Mrs. C. J. Wohlenberg, President, Holstein Savings Bank (member State Banking Board); Mrs. E. Gordon Fox, Mr. and Mrs. C. J. Wohlenberg (Nee Irma Wohlenberg).

Manly—Mr. C. S. Rye, Cashier, Manly State Bank.

Mason City—Mr. and Mrs. W. G. C. Bagley, Vice President, First National Bank.

Montezuma—Mr. and Mrs. E. D. Rayburn, President, First National Bank.

Spencer—Mr. and Mrs. J. H. McCord, President, Citizens National Bank.

Storm Lake—Mr. and Mrs. George Schaller, President, Citizens First National Bank; Miss Catherine Schaller, Citizens First National Bank.

Waterloo—Mr. and Mrs. E. W. Miller, President, Commercial National Bank (member State Banking Board); Mr. and Mrs. Ira Redamar, President, Pioneer National Bank; Mr. and Mrs. W. A. Lane, Cashier, First National Bank; Mr. and Mrs. E. H. Wyant, Secretary, Commercial National Company; Miss Lenna Prather, Commercial National Company.

Webster City—Mr. and Mrs. R. E. Jones, President, Farmers National Bank.

Now in Montana

G. S. Pitts, formerly vice president of the Northwestern Bank of Ireton, Iowa, is now in Montana, and is examiner in charge at the closed Brotherhood-Labor Bank of Whitefish. He writes that this is a fine little town, near the Glacier National Park, surrounded by countless trout-filled streams and lakes, all kinds of hunting, in the midst of the mountains. Such things, he admits, have a very strong appeal for the man who likes the great outdoors.

No Summer Slump

A year ago at this time, the Mutual Trust Life of Chicago announced a 27.4 per cent gain in new business for the month of August, 1925. It was then that the members of its agency department concluded that a summer slump was not one of the necessary evils with which we must contend, but that by proper planning and sales stimulation, this old idea must give way to hard work and concentrated effort.

With this in mind came the development of a summer sales stimulation campaign for July and August this year. The campaign started out with a "bang" and gained momentum through to the finish. July brought an actual increase of 22.2 per cent, and, in August, production continuously increased until the final records were complete. The total increase during the month was 35.7 per cent.

Murl F. Swart has been appointed assistant cashier of the Farmers State bank of Page succeeding Lydia L. Johnson resigned.



Safe Investments
Demand
The Special Training
Experience and Judgment
That Our Record
Proves We Possess

"All Your Money—All The Time—On Time"

W.B. FOSHAY CO.
(Incorporated)
Foshay Building
Minneapolis

New York
Boston

San Francisco
Portland, Ore.
Denver

Chicago
St. Paul

At your service—
in Eastern Iowa
and
Western Illinois

**PEOPLES
TRUST &
SAVINGS
BANK**

Peoples Trust & Savings Bank
CLINTON, IOWA.
Remember it this way—"PEOPLES TRUST"

THE STATE CENTRAL SAVINGS BANK
KEOKUK, IOWA

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

WILLIAM LOGAN, President
L. J. MONTGOMERY, Vice President ASAPH BUCK, Vice President
C. J. BODE, Cashier ALVIN KRAFT, Assistant Cashier
L. J. WOLF, Assistant Cashier

:: ACCOUNTS OF BANKS AND BANKERS INVITED ::

We Were 70 Years Old

**[On the thirteenth
day of July, 1926]**

In this, our seventy-first year, our hearts are full of gratitude for the good will accorded us and for our host of friends.

Our banking house is adequate—working capital and surplus are ours—a loyal organization we have—but our greatest asset—a priceless possession—is good will.

We gratefully acknowledge the large part our friends have contributed to our progress and success during the past three score years and ten.

Capital	-----	\$200,000.00
Surplus	-----	100,000.00
Profits	-----	126,000.00

“An Honor Roll Bank”



Elected Cashier

The Yorktown Savings Bank, Yorktown, Iowa, has a new manager in the person of Geo. E. Wollenhaupt, who has recently become associated with that institution. Mr. Wollenhaupt formerly lived at Cumberland, Iowa. He has had twelve years of experience in the banking business, and comes very highly recommended.

Meet at Le Mars

The annual meeting of the Plymouth County Bankers Association was held in Le Mars recently at Columbia hall. R. B. Dalton, of the First National of Le Mars, presided, and the meeting was attended by 35 bankers from various towns of the county.

Officers were elected for the ensuing year, with H. Shoulberg of Akron, president. W. G. Sievers of Remsen was elected treasurer.

The association donated \$100 toward the boys and girls' farm bureau clubs, to be used as prizes in the exhibition work at the fair. The association also voted to make service charges in the future, the charges to become effective the first of the new year.

Is Appointed Special Agent

Robert Lindsay, formerly a druggist, has been appointed special agent for the Equitable of New York at Council Bluffs. Offices will be in the Bennett building.

Preventing Daylight Robberies

In a recent letter, Samuel Newberger, member of the American Institute of Accountants, and the senior member of Samuel Newberger & Company, of New York City, says:

“In these days of pay roll holdups and daylight robberies a little caution and common sense on the part of business men will save them their money, as well as the lives of trusted employees otherwise placed in jeopardy.

“1. If you receive or collect lots of cash you should make several bank deposits daily. Have your collectors deposit their money collections in your bank immediately on their return from their routes. Robbers and holdup men are not tempted by small amounts. This will save you from a big money loss in case of holdup. And it may even save your life or the lives of your employees, since the resistance offered the holdup men is usually in proportion to the size of the cash in hand.

“2. Don't leave money in your safe overnight. It is the only thing that attracts burglars. This will save you a large part of your burglary insurance cost.

“3. Pay your workers by check. A client of mine, a large manufacturer, who pays his help by check, has arranged with a near-by bank to cash his employees'

checks. The employees (on pay roll day) leave the factory one-half hour before the usual quitting time to call at the bank to cash their checks.

"One-half hour's time of a teller and over several hundred employees' checks are cashed. Of course a factory representative is there to identify the employees.

"The employer need not worry about armed guards or hold-ups or hold-up insurance. The bank is saved the time and expense of messengers, armored car, etc.

"It is criminal negligence on the employer's part to leave large sums of cash in his place of business.

"All payments of one dollar or more in amount should be by check.

"If the business men of the community used some common sense there would be fewer hold-ups and a lot of money would be saved."

Form A. B. A. Foreign Travel Association

At a recent meeting sponsored by the Foreign Travel Bureau of the First National Bank of Chicago, an association known as the "American Bankers Association of Travel Bureaus," was formed, with the following officers: President, C. F. Sweet, vice president, the Old National Bank of Grand Rapids; vice president, Wm. J. Frank, manager the foreign department of the First National Bank of Pittsburgh; secretary-treasurer, P. A. Kinnoch, manager foreign department of the Mercantile Trust Company of San Francisco; chairman of the advisory council, A. H. Price, manager foreign travel bureau, First National Bank of Chicago.

The new association will have for its purpose the promotion of the general usefulness of bank travel bureaus, to secure uniformity of action, to establish a bureau of service for the purpose of obtaining a record of the experiences of its members in operating their own travel bureaus, and for general exchange of ideas along that line. About forty banks from all sections of the country were represented at the organization meeting held in Chicago. From Iowa, the Iowa Loan and Trust Company Bank of Des Moines, was represented by H. E. Toson, foreign department manager, the Security Savings Bank of Cedar Rapids, by L. H. Straka, foreign department manager, and Frank Filip, cashier.

Any state or national bank or affiliated institution in the United States, that is a duly appointed agent of the steamship lines of the Steamship Conference, may become a member of the association by presenting application for membership and having it favorably acted upon by the executive council.

Words are rather the drowsy part of the poetry; imagination the life of it.—Felltham.

The FASCINATION of BUSINESS

There is something fascinating about business. We take a personal interest in the success of each of our clients. And our wide experience in business matters is their's to draw upon.

That's why clients find here a spirit of helpfulness and cooperation which is as valuable to them as the complete facilities we have for handling their banking transactions.

YOUR ACCOUNT WILL BE WELCOME

SECURITY STATE BANK

KEOKUK "Where Banking Is a Pleasure" IOWA

1876

1926

IF YOU HAVE ANY BUSINESS IN

DUBUQUE

Why not entrust it to

The Consolidated National Bank

whose unbroken record of fifty years is a guaranty of safe and satisfactory service.

Consolidated National Bank

UNITED STATES DEPOSITORY

DUBUQUE, IOWA

J. K. Deming, President

Geo. W. Myers, Vice President
Jas. M. Burch, Vice President

Herman Eschen, Secretary
Jos. W. Meyer, Cashier

Fortifying the Future

(Little Talks on Tiling, No. 21)

FARM profits are earned year after year by men who fortify themselves against probable future difficulties. One of the most important contingencies against which they must guard is the certainty of the return of a series of years having abnormally heavy rainfall. Offi-

cial records show that this cycle of heavy precipitation is now due. The farmer who has his clay soils all thoroughly tile-drained in advance will reap generous rewards from his forethought of getting abundant yields in spite of the wet seasons—large yields when prices are high.

**Tile Drainage Fortifies the Future
by Insuring Weather Independence**

Mason City Brick and Tile Company

312 Denison Bldg. Mason City, Iowa



CHAS. SHULER, President
FRANK B. YETTER, Vice Pres.
WM. H. GEHRMANN, Vice Pres.
LOUIS G. BEIN, Cashier
HERMAN STAAK, Asst. Cashier

*“The Genius
of
Real Service
Is
Sincere
Enthusiasm”*

Iowa National Bank
Davenport, Iowa

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

WHAT THEY SAID AT DETROIT

(Continued from page 31)

THE TREND OF TRUST ADVERTISING

“It is not important that the advertising cover the technical details completely, but that it find the point of contact.” That is the way A. F. Young, vice president of the Guardian Trust company of Cleveland, described the foundation of trust company advertising at the F. A. A. convention. He continued:

“If this be true—I believe you will all admit it—the most important quality to get into trust advertising is not what you want to tell the prospect but an understanding of what the prospect wants to be told—and the trust officer, overwhelmed with his manifold problems, usually the busiest man in the bank, every day handling musty documents that make up estates, is the man frequently furthest away from the prospect who knows nothing of estates, trusts, wills and investments.

“On the other hand you might think—and in many concerns the impression seems to prevail—that the best man to handle advertising would be a typical consumer. This is not true any more than it is true that the technically letter-perfect trust officer is the man best equipped to interpret his own department to the public. Ask the average person to put down in writing what he believes to be the story of an insurance trust campaign or of property management and he will flounder. He is as much unable to paint a word picture as is the actual person whom the writer of genius endows with perpetual fame as the hero of Mark Twain’s Huckleberry Finn or Shakespeare’s Hamlet. To live the part and to write down the part are two entirely different things.

“Indeed our trust advertising will not find the point of contact and have that pulling power which today characterizes the outstanding advertisements of merchandise unless the creator of that advertising has the novelist’s rare genius of understanding the wants, ambitions and actuating motives of the common man or typical consumer. He must be far enough away from the rendering of the service itself to be able to pick out the news points and factors of appeal in trust service; by picture, by lines of cold type competing for attention in the crowded pages of the newspapers, he must be able on the lines and between them to tell and imply something so unusual and so dramatic as to engage the attention; something so close to the reader’s own wishes and daydreams as to grip the interest; something so brief and to the point as to suggest action along the lines of the least psychological resistance leading toward a sale.



Public confidence
over fifty years
—and still growing
as we serve.

Combined Resources Over
\$28,000,000.00



OFFICERS

Homer A. Miller	President
Clyde E. Brenton	Vice Pres.
H. T. Blackburn	Vice Pres.
Geo. E. Pearsall	Vice Pres.
Albert J. Robertson	Vice Pres.
J. R. Capps	Cashier
R. L. Chase, Jr.	Asst. Cash.
James F. Hart	Asst. Cash.
J. Burson	Asst. Cash.
Sherman W. Fowler	Asst. Cash.

DIRECTORS

Geo. N. Ayres	F. H. Luthé
H. T. Blackburn	M. Mandelbaum
Clyde E. Brenton	Homer A. Miller
Howard J. Clark	Geo. E. Pearsall
Gardner Cowles	Ralph H. Plumb
J. H. Cownie	M. Shloss
E. C. Finkbine	E. R. Stotts
J. B. Green	O. H. Thompson
Wm. C. Harbach	G. M. Van Evert

IOWA NATIONAL BANK
DES MOINES SAVINGS BANK AND TRUST COMPANY
Iowa's Largest Bank - Des Moines - Sixth and Walnut

"ROLL OF HONOR" BANKS

It is an honor to be listed among the **Honor Roll Banks**. It indicates that the bank has **Surplus and Undivided Profits** equal to or greater than its capital.

Such distinction is accorded to the banks listed on this page. By careful management and sound banking they have achieved this enviable position.



These banks will be especially glad to handle any collections, special credit reports or other business in their communities which you may entrust to them.



Correspondence is invited.

IOWA

Town	Bank	Capital	Surplus and Profits	Town	Bank	Capital	Surplus and Profits
Davenport	Union Sav. Bk. & Tr. Co.	\$1,250,000	\$1,250,000	Monticello	Monticello State	\$ 200,000	\$ 225,000
Ft. Madison	Lee County Sav.	50,000	56,000	Soldier	Soldier Val. Sav.	20,000	28,991
Lake Mills	Farmers State	25,000	38,000	Wallingford	Farmers Sav.	15,000	35,000
Little Rock	First National	25,000	26,000	Waterloo	Pioneer National	200,000	210,000

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



Bureau of Canadian Information

The Canadian Pacific Railway through its Bureau of Canadian Information, will furnish you with the latest reliable information on every phase of industrial and agricultural development in Canada. In our Reference Library at Montreal is complete data on natural resources, climate, labor, transportation, business openings, etc. Additional data is constantly being added.

Development Branch

If you are interested in the mining wealth and industry of Canada or in the development or supply of industrial raw materials available from resources along the Canadian Pacific Railway, you are invited to consult this Branch. An expert staff is maintained to investigate information relative to these resources and examine deposits in the field. Practical information is available as to special opportunities for development, use of by-products and markets, industrial crops, prospecting and mining.

"Ask the Canadian Pacific about Canada" is not a mere advertising slogan. It is an intimation of service—without charge or obligation—that the information is available and will be promptly forthcoming to those who desire it.

CANADIAN PACIFIC RAILWAY CO.

Department of Colonization and Development

J. S. DENNIS
Chief Commissioner

Windsor Station
Montreal, Can.

For Your Des Moines Business—

Friendly contacts and thorough familiarity with local conditions make it possible for the Des Moines National Bank to serve the needs of Iowa bankers and business men in every detail.

The Des Moines National has grown with Des Moines and Iowa, and through the forty-five years of its banking experience has become closely associated with the commercial, industrial, and financial activities of the Capital City.

This intimate contact enables its officers to efficiently dispose of difficult commissions with unusual success. Let a friendly and alert organization handle your Des Moines account.



Des Moines National Bank

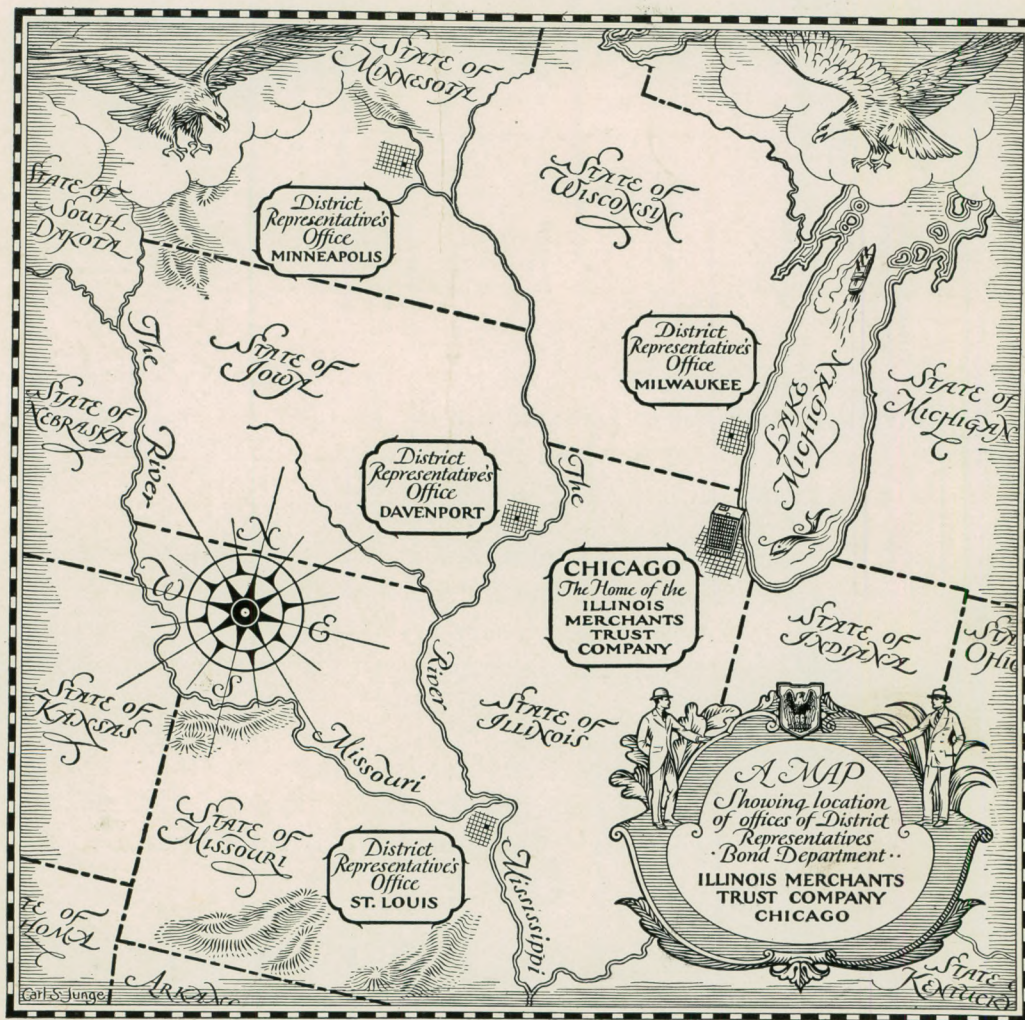
6th & Walnut Sts.

Capital \$1,000,000

"The White Bank"

OFFICERS

LOUIS C. KURTZ	Chairman of the Board
JOHN H. HOGAN	President
H. R. HOWELL	Vice President
H. E. RUMSEY	Vice President
ANDREW J. HUGLIN	Vice President
HERBERT L. HORTON	Cashier
CLARENCE A. DIEHL	Asst. Vice Pres.
WALTER J. ROBERTS	Asst. Vice Pres.
R. H. COLLINS	Asst. Cashier
EDWIN F. BUCKLEY	Asst. Cashier
GEORGE D. THOMPSON	Asst. Cashier
CLYDE H. DOOLITTLE	Trust Officer
TAMLIN S. HOLLAND	Manager Bond Dept.



A Comprehensive Underwriting and Distributing Service

In our Bond Department here in Chicago, more than a hundred people are engaged exclusively in serving our investment customers. In addition, local offices are maintained for resident district representatives in Milwaukee, Minneapolis, Davenport, and St. Louis. In all, twelve out-of-town representatives are con-

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.

Capital and Surplus · Forty-Five Million Dollars

ILLINOIS MERCHANTS TRUST COMPANY

*A consolidation of Illinois Trust & Savings Bank,
The Merchants Loan & Trust Company and The Corn Exchange National Bank*

CHICAGO