

# NORTHWESTERN BANKER DES MOINES

THIRTY-FIRST YEAR

NUMBER 471

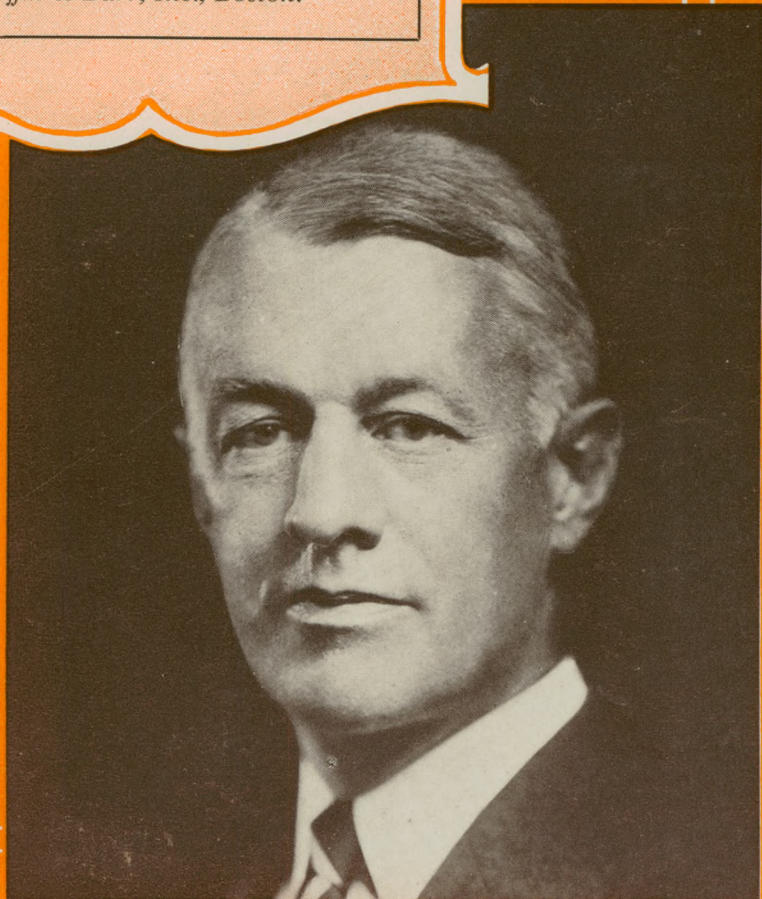
**NOVEMBER, 1926**

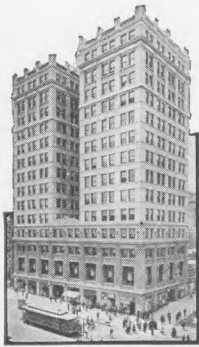
Report of Investment Bankers  
Association Convention

Charting Business Conditions  
at Bohuncus, Minnebraska

*THE PHOTO BELOW*

*Pliny Jewell, newly elected president of the Investment Bankers Association. Mr. Jewell is vice president of Coffin & Burr, Inc., Boston.*





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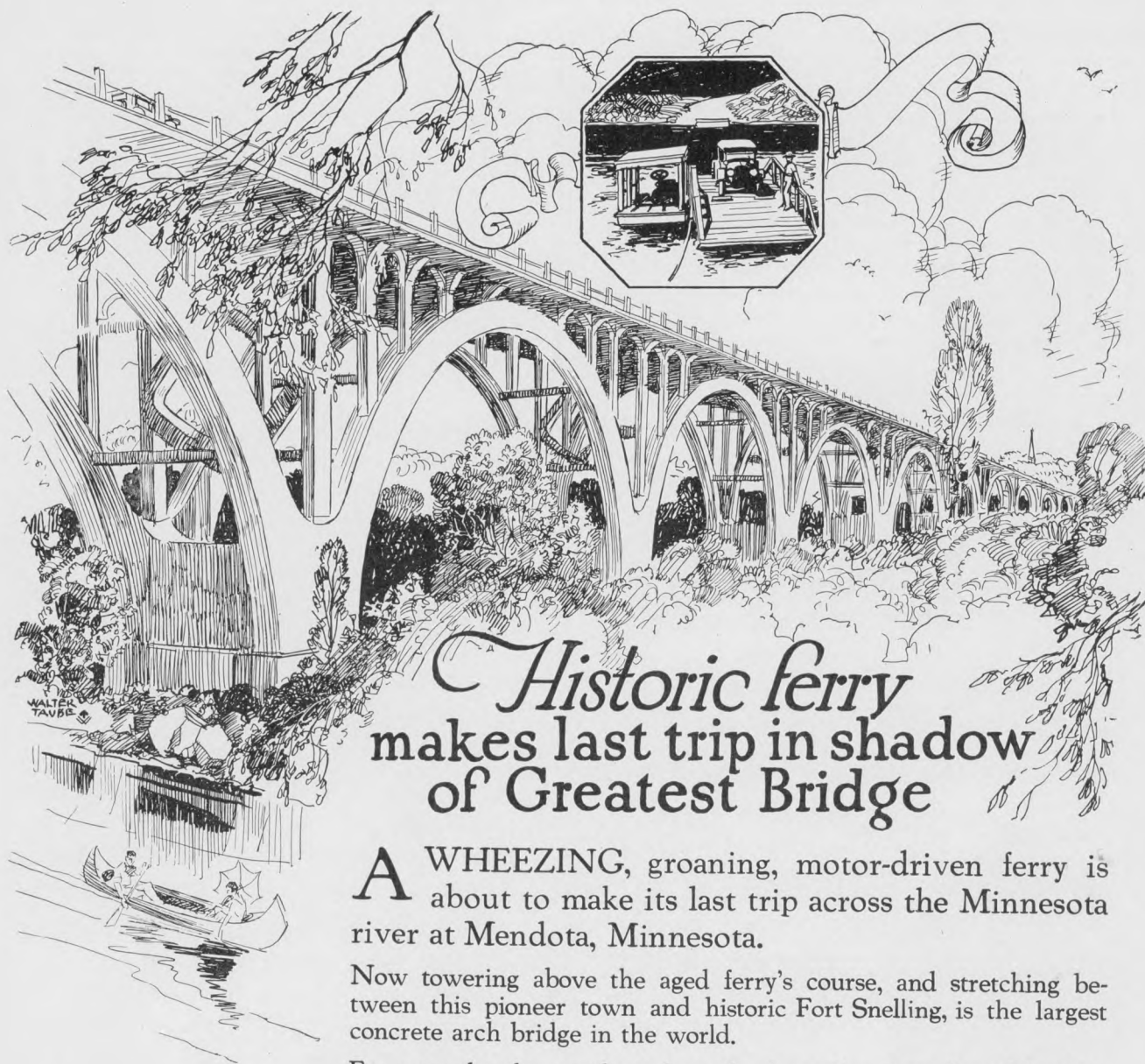
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The Northwestern Banker is the oldest banking publication west of the Mississippi river—and was the first in America to join the Audit Bureau of Circulations. It is the official publication of the South Dakota Bankers Association, the Iowa Farm Mortgage Bankers Association, and the Iowa Bond Dealers Association. It must be used to cover America's richest agricultural territory.

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THE NORTHWESTERN BANKER  
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"AROUND THE NORTHWEST WITH THE NORTHWESTERN"



## Historic ferry makes last trip in shadow of Greatest Bridge

A WHEEZING, groaning, motor-driven ferry is about to make its last trip across the Minnesota river at Mendota, Minnesota.

Now towering above the aged ferry's course, and stretching between this pioneer town and historic Fort Snelling, is the largest concrete arch bridge in the world.

For several miles north and south along the river from Mendota there has been no bridge. In all the years of the *Northwestern National Bank*, in fact, there has been no way of crossing the Minnesota here save by boat or by use of the now 100-year-old ferry service.

Small wonder then that the opening of the colossal Mendota-Fort Snelling bridge this month is the occasion for a tri-state celebration.

Mere physical barriers, as an unbridged river, do not stop the rapid extension of the bank's service to all the northwest. Yet we rejoice in seeing such barriers eliminated and our great territory more closely united. And so with this remarkable new bridge: more often, more directly we will meet with warm hand-clasp our good friends to the south—in Minnesota, Iowa and Wisconsin.

This greatest of concrete arch bridges is 4,119 feet long. It has 13 arch spans. The bridge floor is 120 feet above the river's low water level. Construction required 76,000 cubic yards of concrete and 2,500 tons of reinforcing steel. Total cost: about \$2,000,000. Modernized only by an auto motor, "the river taxi" [insert above bridge] is finishing the last lap of Mendota's 100-year-old ferry service.

# Northwestern National Bank

Minneapolis



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# NORTHWESTERN BANKER

DES MOINES

*The Oldest Financial Journal West of the Mississippi*

Member Audit Bureau of Circulations

THIRTY-FIRST YEAR

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*Bonds*

*Short Term Notes*

*Commercial Paper*

# Across the Desk from the Publisher

WHILE I was in Los Angeles attending the American Bankers Convention, I was invited—as were the other bankers present—to have breakfast at the Breakfast Club.

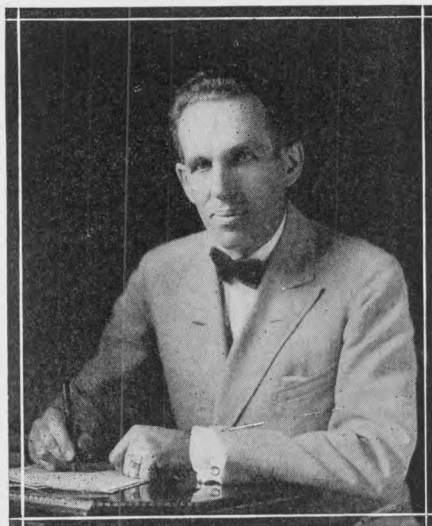
I was very much interested in seeing what kind of an organization this would prove to be. At first I thought that there were so many noonday luncheon clubs and not enough noons to go around, that they were probably starting in having meetings at breakfast time. This latter partially proved to be true, but the Breakfast Club has a far bigger and higher purpose than simply the meeting once every Friday morning for breakfast. It is known to its members as the “Shrine of Friendship.”

In Rotary clubs and other similar organizations you do not meet your competitors; in the Breakfast Club you meet your competitors, who may have been your enemies, and who because of the principles of the Breakfast Club soon become your friends.

The Breakfast Club is located about twelve miles from Los Angeles and breakfast is served under open skies on wooden tables with wooden benches for seats. One of the mottoes which I noticed from where I sat, said, “If you have an enemy, bring him to the Breakfast Club and we will make him your friend.” Another placard said, “The Breakfast Club is probably the only organization in the world where there are no dues and no assessments.” Each member as he comes into the club entertains all of the other members at breakfast and this covers his entire payment while he is a member.

The morning we were there they initiated George Von Elm, the new national golf champion and a citizen of Los Angeles.

The symbols of the organization are the *Oil Can*, which is to “Soothe us as we toil and keep us free from strife,” the *Shovel*, which indicates that each member should dig deep into the human clay and



*By Clifford DePuy*

bring out the best in every man; the next symbol is the *Golden Rule*, which means that each member should treat every other member fairly, honestly, and as he himself would like to be treated.

The Breakfast Club is composed of the most prominent and influential men of Los Angeles and has done much to promote the commercial, educational, and philanthropic needs of the Sunshine City of southern California. As I listened to

G. Allison Phelps, who is known as the Breakfast Club philosopher, read his very beautiful tribute to the Shrine of Friendship, I thought how much better we all would be if we gave more thought and more time in this busy world of ours to making friends and keeping them.

As Mr. Phelps so well expressed it, “In this world of hatred, of jealousy, of deceit and envy, the Shrine of Friendship is like a scintillating star that shines through a black sky of pain. It is a light around which men may gather, gaining as they do so a better understanding of themselves and a clearer conception of the problems faced by their associates.”

## The Cost of Checking Accounts

THE increasing cost of doing business in banks was discussed by Peter W. Goebel, president of the Liberty National Bank of Kansas City, before the State Bank Section at Los Angeles.

Mr. Goebel pointed out that checking accounts represent the bulk of the increase in cost and recommended a monthly service charge to offset this expense. He believed that one dollar or more should be the monthly charge and was opposed to charging only fifty cents, as he did not believe it was enough. This same idea has been advocated by many state associations, and in many cities a service fee is already in operation. As THE NORTHWESTERN

BANKER has pointed out before, there is no reason why any bank should operate any department at a loss, and certainly if the banks of the country are to do the bookkeeping of the community, they should be paid for so doing. Mr. Goebel also pointed out that between 1919 and 1925 the gross income of member banks had increased 42 per cent while the net income had increased only 13 per cent. In addition to making a charge for the handling of checks Mr. Goebel also recommended that banks should make a charge for collections. Other items which he favored in order to reduce the bank's expenses was a cessation of what he termed an undue scramble for the deposit of public funds with a resulting decrease in rates; a readjustment of losses flowing from postwar conditions; an analysis of business handled; and a reduction in the cost of stationery.

Some bankers do not agree with all of these points. Some believe there should be no charge for checking accounts which carry an unsatisfactory average balance, the thought being that such accounts may develop into satisfactory accounts later on or may be the means of bringing other accounts to the bank. Other banks believe that every department of the bank should be made to stand on its own foundation and to pay its own proportionate share of the cost of operating the bank. This much is certain, that bankers everywhere are analyzing the cost of doing business more carefully than ever before and are running their institutions more economically and more carefully.

### *Is There Overproduction?*

RETURNING from Los Angeles many bankers stopped at cities along the Pacific Coast and were entertained by bankers and business men in these various communities. In each city the usual question was asked about manufacturing conditions, the agricultural situation, or the mining situation, depending upon which kind of business was most representative in that community.

In almost every city we found that overproduction seemed to be the great cause of low prices and small profits. In the lumber country too much lumber had been put through the mills. In the apple section too big a crop had been harvested. In the copper mining regions, too much copper was being mined, all of which was resulting in a very low price for the finished product or article.

This brings us to the old question of whether or not there really is such a thing as overproduction.

Economists tell us if we take the world as a whole there is no overproduction. We cannot say that if people are starving in India and we have an abundance of wheat or corn or apples, which if the people in India could secure would keep them alive, that there is any real world-wide overproduction. Our problem is one of marketing and transportation and not of overproduction. However, because we have not yet been able to adjust our marketing and transportation machinery so that we can place our surplus products exactly where there is the greatest demand at exactly the right time, we still have the local problem of overproduction.

The cotton growers in the South are organizing a pool so that they can take 4,000,000 bales of cotton off of the present market in order to stabilize present prices because this year there has been more cotton raised than any year for some time.

So we come to the conclusion that while there is not overproduction as we look at it from the world's standpoint, we still have overproduction to face from a local standpoint and will have until our marketing and distribution facilities have become more efficient.

### *Making Heroes Out of Criminals*

IN THE symposium which is being conducted by THE NORTHWESTERN BANKER on the Guaranty Deposit law, a Nebraska state banker brought out the interesting point that "the Nebraska guaranty law has 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."

About a year ago the superintendent of banking in the state of Texas told us of a banker who had practically robbed his bank of its deposits and then when he was placed on trial for fraudulent banking the jury acquitted him because at one time or another he had loaned money to practically every one of them. Soon after his acquittal he was elected mayor of the town.

If the guaranty-of-bank-deposits law among all of its other weaknesses is going to make heroes out of criminals, then, in the name of good banking, good business, and good economics, let's see that no such a law is put upon the statute books of any states where it does not now exist.



**P. L. HALL**

Chairman, Executive Council Nebraska Bankers Association.

P. L. Hall, chairman of the executive committee of the Nebraska Bankers Association, is cashier of the Greenwood State Bank, Greenwood. His first banking experience was with the Central National Bank of Lincoln, leaving that institution to become adjutant general of Nebraska.

Mr. Hall served in the world war, at the close of which he became cashier of the Greenwood State. He has since been president of the Cass County Bankers Association, member of the state association executive council, and is now chairman of the body.



# NORTH WESTERN BANKER



## THE COVER PHOTO

Pliny Jewell, newly elected president of the Investment Bankers Association, whose photograph appears on this month's cover page, is vice president of Coffin & Burr, Inc., Boston.

Mr. Jewell graduated from Harvard in 1899, and was for several years in the newspaper business; in 1906 he became associated with Perry, Coffin & Burr, and since 1916 with Coffin & Burr, which became incorporated in that year. Mr. Jewell was chairman of the New England Group, member of a number of standing committees; in 1925-1926 was vice president and chairman of the business conduct committee of the Association. He is also a member of the board of managers of The Children's Hospital, Boston; Trustee and Member of the Executive Committee of Boston University, and is Director of the Boston Better Business Bureau.

## A SPECIAL SECTION

This issue would not be complete without a thorough resumé of the proceedings of the Investment Bankers Association, which held its annual convention last month in Quebec. The reader will find this vast fund of information and comment in our regular bond and investment section, starting on Page 41. Of more than passing interest is the article on page 47 of this section, headed, "Advantages of Commercial Paper." It deals frankly with one of the banker's greatest problems and should be read with deep interest by every NORTHWESTERN BANKER subscriber.

## THE A. B. A. CONVENTION

This year's A. B. A. convention at Los Angeles, was one of the most successful in the history of the American Bankers Association. Delegates were entertained royally both en route, and while in California.

Yet the most important part of the convention, as it usually happens, were

## IN THIS ISSUE

the intimate friendships and happenings of the meeting. The NORTHWESTERN BANKER was happy to have its publisher as a delegate there, and he has reported the convention quite thoroughly in this issue. The convention material starts on page 10 of this issue, with a large portrait of the new and retiring presidents, and ends on page 15, with a number of excellent snapshots of the Los Angeles meeting. These will be of particular interest to delegates who attended from the middle west.

## A NEW STATISTICIAN

Many letters from our readers state that they are deriving keen enjoyment from the monthly article which appears in the NORTHWESTERN BANKER under the signature of our fellow banker, Rosecoe Macy. His keen sense of humor, together with his intimate knowledge of country banking, are responsible for the

### Thank You, Mr. Mengers!

We are glad to know we have made another of our subscribers happy, as evidenced by the following letter just received: "We want to thank you for calling our attention to the free service of your classified ad department to subscribers, and assure you we appreciate this and the many services of this and other kinds you are giving your subscribers that go to make the NORTHWESTERN BANKER the magazine it is."

(Signed) JOE MENGES,  
Cashier, First State Bank,  
Arlington, Iowa.

presentation of an excellent series of articles.

His article in this issue is quite up to par, dealing as it does with a very important question, "Business Conditions in Bohuncus, Minnebraska." Most of us are too familiar with the deluge of statistical information we receive on general business conditions, and Mr. Macy's clever satire on page 19 of this issue will be a welcome relief. Be sure to read it! Page 19!

## "PIONEER BANKING DAYS"

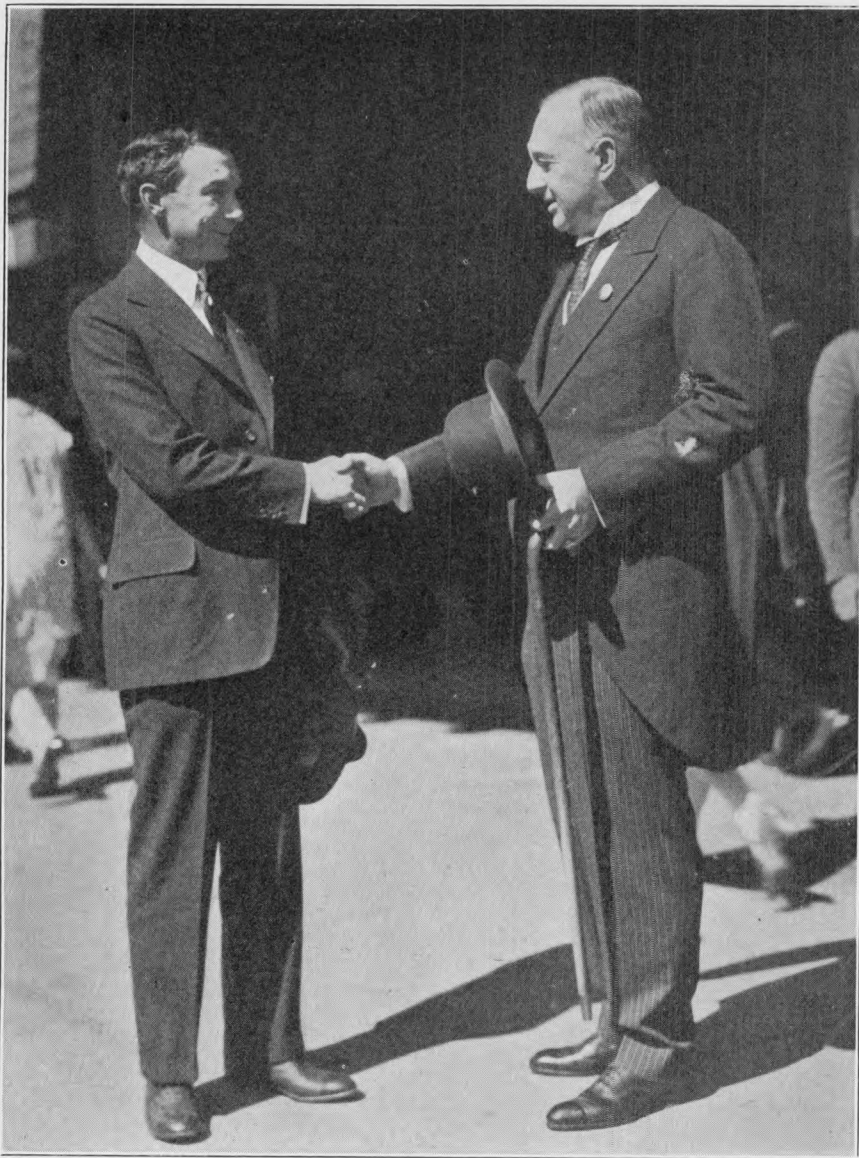
On pages 16 and 17 of this issue, readers will find the beginning of a very interesting series of feature articles which will appear in early issues of the NORTHWESTERN BANKER, under the general caption "Pioneer Days in Banking." A number of the veteran bankers of Iowa, Nebraska, Minnesota and the two Dakotas have already written several articles dealing with reminiscences of early days when most of us were in kindergarten, and the first two of the series starts with this issue. Messers. O. P. Miller of Rock Rapids, Iowa, and S. H. Burnham of Lincoln, Nebraska, are responsible for the first two of the articles. This magazine promises that every article will be of keenest interest to its many readers.

Also, remember that the NORTHWESTERN BANKER is desirous of obtaining other reminiscences from other bankers, on pioneer days and will welcome any such contributions together with any photographs to illustrate. Send in your stories and photographs!

## WAREHOUSE RECEIPTS

Of particular interest to Iowa subscribers, in this issue, is the splendid article by J. G. Mitchell, well-known farm leader, on page 20. This is an excellent analysis of the purposes and methods of the warehouse receipt legislation. With the article, also, is a fine snapshot of Mr. Mitchell, together with the late Senator Albert B. Cummins, of Iowa, one of the last photos of this illustrious son of Iowa.

## The New A. B. A. President



"Out with the old and in with the new." Melvin A. Traylor, of Chicago, new president of the American Bankers Association, on the left in the above photo, is shaking hands with the retiring "prexy," Oscar Wells, of Birmingham, Ala. This photo was taken at the Los Angeles convention last month. Photo, Underwood and Underwood.

**M**ELVIN A. TRAYLOR, president of both the First National and the First Trust and Savings Banks of Chicago, was given the highest honor which a group of bankers may confer on one of their midst when he was elected president of the American Bankers Association last month in Los Angeles at the annual association convention.

Mr. Traylor was born in Breeding, Kentucky, October 21, 1878. At twenty years of age he went to Hillsboro, Texas, where he worked in a grocery store and studied law at night. Soon after being admitted to the bar in 1901 he was elected

city clerk of Hillsboro, and subsequently assistant county attorney of Hill County, Texas, which office he held until 1905.

His banking career began in that year as cashier of the Bank of Malone, Texas. Two years later, he was made cashier of the Citizens National Bank of Ballinger, Texas, and a year later vice president of that institution. In August, 1909, the Citizens National Bank took over the First National Bank, and Mr. Traylor became president of the consolidated institution, then capitalized at \$200,000,000. In 1911 he went to St. Louis to become vice president of the National Stock

Yards National Bank of East St. Louis. After three years of service there he came to Chicago in September, 1914, as vice president of the Live Stock Exchange National Bank, and president of the Chicago Cattle Loan Company. In January, 1916, he was elected president of the Live Stock Exchange National Bank, now the Stock Yards National.

### President of Both Banks

Mr. Traylor was elected president of the First Trust and Savings Bank and vice president of the First National Bank of Chicago in October, of 1918, and was made a director of both institutions. He assumed his new duties on January 1st of the following year and has since been an active factor in the development of the two banks, being elected president of the First National in January, 1925.

Preceding the Second Liberty Loan, Mr. Traylor was appointed director of sales for Treasury Certificates of Indebtedness for the Seventh Federal Reserve District. He built up a remarkably successful sales organization, and throughout the war and the period immediately succeeding was eminently successful in the broad distribution of Certificates throughout the district. He has taken an active interest in banking organizations, and was president of the Illinois Bankers Association, 1923-24. For several years he served as chairman of the Economic Policy Commission of the American Bankers Association, and in 1924 was elected second vice president of the association, becoming first vice president in 1925.

### Is Noted Speaker

During recent years Mr. Traylor has been noted for scholarly addresses, dealing with economic subjects and business conditions, many of which have been published and widely quoted. In recognition of his attainments, Illinois College at Jacksonville, conferred upon him the honorary degree of Master of Arts in 1922.

Mr. Traylor is president of the Shedd Aquarium Society, endowed with \$3,000,000 to erect and equip the most complete aquarium, from a scientific standpoint, in the world. He is an enthusiastic and skillful golfer, a member of many clubs, among them the Glen View and Old Elm Country Clubs, the Chicago Club and the University Club of Chicago; is a trustee of Northwestern University, Evanston, Illinois; of Berea College, Berea, Kentucky; and of the Newberry Library, Chicago.

# What They Said at the A. B. A. Convention

## Peter W. Goebel, California:

"I do not believe I make an over-statement when I say that at least 35 per cent of the checking accounts result in a loss to the bank. A checking account was formerly an indication of merit. It is no longer on account of the great number of checks that have to be returned. You remember when Nate Nixnoox asked Abe Kabibble: "Have you received my check?" and Abe replied: "Yes, twice, once from you and once from the bank." While we are all trying to reduce this nuisance (it will never be quite eliminated) there has been no material reduction thus far. Have you ever studied the amount of time your tellers and junior officers have to put in trying to get identification on these little checks given to Tom, Dick and Harry, and presented to the window for payment? If you have not, you will find that you could reduce your wage expenses a considerable amount if these were eliminated. Of course, an adequate service charge will remedy this to a considerable extent and I am glad that most bankers are putting in such a charge. However, in most cases it is inadequate and I hope the general views of banks on this subject will soon change, so sufficient charges to cover at least a part of the extra expense of taking care of these accounts may be made."

## Thomas F. Wallace, St. Paul:

"Never was there greater need of enlightened and courageous leadership among savings bankers. The conviction that the phrase, "We are living too fast," which is now heard on every hand, is no idle jest, is daily forcing itself upon us.

"Our prosperity is far from even, the volume of trade is enormous, but in this volume businesses which administer to luxuries rank high, while the necessities take second place. A time of real adjustment is inevitable and with it all come political and social changes of great import. If at such times the savings of our great middle class are preserved and made secure, the shock of readjustment will be greatly minimized and the evils it produces largely overcome."

## Craig B. Hazelwood, Chicago:

"Supervision that prevents bank disaster is more valuable to the stockholders and depositors alike than payment of the deposits through liquidation, or by operation of a guaranty fund, or by any other form of insurance after failure has taken

place. If there is a method by which the good banks of your county can help to reduce the risks in banking, is it not worth while for all of them to join together for this purpose? Almost all bankers feel that their banks are being conducted properly. However, many bankers perhaps know of cases of banks which are taking unwise risks. They undoubtedly feel that some of these institutions may at some time get into trouble if they persist in taking these risks. They know also that the judgment of other bankers in their community would coincide with theirs about the danger of such risks. In many cases these risks probably are taken by bankers who are somewhat inexperienced, who desire to favor some particular interest, or who may themselves have interests in outside businesses which they wish to promote. There is a plan which is a demonstrated success in thirty-three cities of this country and which has gone a very long way to reduce these risks in these communities. I refer to the plan of a clearing house examination."

## Dr. Walter F. Dexter, California:

"The banker attaches utilitarian values to the moral and social code of religion and education. Too often the theoretical thinker has emphasized morality for morality's sake alone. It has been made an end in itself, much the same as sacrifice has been made an end in itself. The close observer of human progress admits that sacrifice for the sake of sacrifice alone is worse than absurd, but few there are who do not give sacrifice a large place in human affairs when it is directed toward a concrete and definite result in human society, and consequently is made a means of almost unlimited service. Because of an economic advantage the banker has helped society to direct virtue, sobriety, honesty and frugality toward well-defined aims or purposes, and thus has helped to raise the standard of living to a higher level of satisfaction. He has given utilitarian as well as spiritual value to the fundamental virtues of the average man. The banker has taught the challenging lesson that honesty and frugality and industry are good for society. He has placed the social rather than the individual emphasis upon these outstanding human virtues."

## Don V. Stephens, Fremont, Nebraska:

"The competition that is created as the result of an excessive number of banks,

forces banks into a sort of bank cannibalism, which eats up profits, and later banks, at a rapid rate. Bankers are human and yield to the temptation of sacrificing profits for the sake of new business and to hold what they have from their hungry competitors.

"As a result of this condition, which has been brought about by the various state governments chartering banks to any group of citizens, who may apply for a charter, it has become necessary to collect a fee for every service that the bank renders, in order that the bank may be able to exist and pay expenses, and yet, this very condition created by competition makes the collection of fees most difficult because of the fear that a banker naturally has that such action will cost him business."

## Miss Torba McDaniel, Indiana:

"With a reduction of fully 60 per cent in the number of bank crimes of violence and reduction of 80 per cent in the amount of bank losses during the last year in the six states of Iowa, Oklahoma, Kansas, Minnesota, Illinois and Indiana, which now maintain the Vigilante or County Unit Protective Plan, its effectiveness is conclusively proved. This percentage of reduction, we feel, justifies our pride and enthusiasm in the organization.

"The plan originated in the Iowa Bankers Association, from which much of our data was obtained. Briefly, details of the plan are: first, organize a county bankers association, and within it a county protective organization is formed; a reward of \$1,000 or more is offered for the capture and conviction of bank bandits, dead or alive, and large reward cards are widely distributed throughout the country; each bank then selects its guards or vigilantes and has them appointed special deputy sheriffs. They are then bonded and in many cases each deputy is insured against accident; the deputy sheriffs are furnished rifles, revolvers, shot guns and ammunition at the expense of the county bankers association. An important feature of the plan is the signal system which is worked out with the local telephone company and its operators, so that the alarm can be quickly spread to adjoining counties and to state headquarters. Alarm systems are installed in the banks communicating with the business place of their various vigilantes. In fact every possible detail is worked out for the immediate capture of bandits who attempt a robbery.

"In Indiana we have sixty-eight counties organized, with an army of 1,700 men, equipped with 800 rifles, 1,250 revolvers and plenty of ammunition.

"From July, 1924, to July, 1925, which was the year previous to the inauguration of the vigilante organization, thirty-three Indiana banks were attacked, with a total loss of \$88,000.

"From July, 1925, to July, 1926, the year in which the vigilantes were organized, only nine banks were attacked, with a loss of but \$19,000."

**Eugene P. Gum, Oklahoma State Association Secretary:**

"The greatest evil this situation portends is that Congress, in December, will, no doubt, be again confronted with substitutes for the McNary and Haugen bills for farm relief. In my opinion farm relief is economic and not political. Little or no support can be found for a government subsidy. Such a policy would encourage production to overrun consumption and if the government must purchase the farmers' excess profits to stabilize the price, let them purchase all the excess from the production of all legitimate business and shorten the route to bankruptcy.

"There is little relief to be had from the other alternative of protective tariff. We import very little commodity that we raise at home. The tariff cuts little or no figure on the prices of agricultural products. Nothing will substitute for the fixed law of supply and demand. It is our duty to practice the doctrine of sound

business. Bankers who make agricultural loans should know the farmers' problems. We should know them and assist in their solution. Above all, we should use our influence to help guard the farmers' interest against any political demagogue who might try to trade them a peace offering for their vote, urging upon them some artificial relief that will end in economic disaster."

**W. Espey Albig, Deputy Mgr., A. B. A.:**

"New high totals in school savings for all time mark the report as of June 30, 1926, covering continental United States. The number of systems reporting school savings has increased during the year from 760, embracing 1,557 districts, to 872, which embraces 1,818 districts. The number of schools has increased from 10,163 to 11,371; the number of pupils enrolled in schools having systems from 3,848,632 to 4,319,741; the participants in school savings from 2,869,497 to 3,403,746; the deposits from \$16,961,560.72 to \$20,469,960.88; net savings from \$7,779,922.55 to \$8,770,731.05; and bank balances from \$25,931,531.15 to \$31,984,052.63.

"The number of schools reporting savings systems increased over last year 11.8 per cent; the enrollment in such districts increased 12.2 per cent; pupil participation increased 18.5 per cent; deposits increased 20.6 per cent; net savings 12.7 per cent; and bank balances 23.4 per cent.

"In time it is not a far cry to 1920,

when the first comprehensive statistics covering the whole country became available. This period, measured in school savings growth, is remarkable. The number of schools reporting savings systems has increased 315.6 per cent; the enrollment in such systems 325.3 per cent; pupils participating in school savings 635.7 per cent; deposits 630.9 per cent; and bank balances 661.3 per cent."

**Alex Dunbar, A. B. A.:**

"We are happy to report that twenty-two new clearing house associations were organized this year, the total number of clearing house associations in operation at this time being 389.

"The clearing house associations in hundreds of towns and counties today constitute the chief line of defense against bad banking practice—they are the chief factor in bringing about reforms in banking laws, improvement in banking methods and promotion of sound banking practices. The clearing house association today is a great constructive force in American banking, and its value is no longer a matter of opinion, for the results speak eloquently for themselves.

"There has been a lively interest in the organization and installation of credit bureaus as an effective means of heading off the pestiferous "duplicate borrower" who seems to thrive with the development of good roads and automobile transit facilities. The number of credit bureaus has been more than doubled during the year—both city and county types showing a splendid increase in number."

## Wage Battle Over McFadden Bill

WITH over 6,878 delegates registered at the Los Angeles convention the fifty-second annual meeting of the American Bankers Association, went down in history as the second largest meeting ever held. It was only exceeded by the convention in New York when something over 11,000 delegates registered.

The outstanding problem was the McFadden bill and the Hull amendment. At a special night session which lasted until 1:00 a. m. the delegates present by a vote of 413 to 268 went on record as favoring the passage of the McFadden bill without the Hull amendment.

Previous to this the State Bank Division had very strongly voted in favor of the McFadden bill with the Hull amendment. The National Bank section at its meeting had gone on record as favoring the McFadden bill minus the Hull amendment. The debate therefore at the night session was whether or not the resolutions of the National Bank sec-

tion would be accepted or rejected and these were finally accepted. The resolutions are as follows:

"Resolved, That in view of the existing legislative situation, the national bank division of the American Bankers' Association urge the convention of the American Bankers' Association, in session now at Los Angeles, Calif., to recommend to Congress the final enactment of the so-called McFadden national bank bill, H. R. 2, including the provision rechartering the Federal reserve banks, at the coming session with the following restrictions upon branch banking:

"1. That no national bank be permitted in any state to establish a branch beyond the corporate limits of the municipality in which the bank is situated.

"2. That no national bank be permitted to establish a home-city branch in any state which does not at the time of such establishment permit the state banks to establish branches.

"3. That no state bank be permitted to

enter or to retain membership in the Federal Reserve system if it has in operation any branch which may have been established after the enactment of H. R. 2 beyond the corporate limits of the municipality in which the bank is situated.

"4. That no branches, which may have been established, after the enactment of H. R. 2, beyond the corporate limits of the municipality in which the parent bank is situated, be permitted to be retained when a state bank converts into or consolidates with a national bank, or when two or more national banks consolidate."

Craig B. Hazelwood, vice president of the Union Trust Company of Chicago, was elected second vice president, which means that in two years from now he will succeed to the presidency of the A. B. A.

The 1927 convention of the American Bankers Association will meet in Houston, Texas.

## En Route to and from the A. B. A.

THE four sections of the Falltonic Special Trains to Los Angeles were a great success. The only bad effect of these trains was the gambling indulged in by many of the bankers on board who were betting on just what time the train would reach the various inland seaports. You would be surprised if we should tell you how much (?) money some of our choir leaders made on these pools, but we are sure it will all go for a good cause.

Speaking of winning prizes, the bridge parties were most successful. In fact **Ira Rodamar**, president of the Pioneer National Bank of Waterloo, Iowa, won a pound of sausage which indicated that he knew better than to trump his partner's ace.

When it comes to cancelled checks, **A. C. Smith**, the genial and popular president of the Iowa Bankers Association, had one suit among his many that looked like it had been made of the finest checks obtainable.

Mr. and Mrs. **Melvin W. Ellis** are leaving January 1st for a trip to Australia where Mr. Ellis is going in the interests of Hart-Parr Tractor Company, of which he is president. Under Mr. Ellis' able management, the Hart-Parr Company has greatly increased its business both in this country and abroad.

There was probably more "hell" raised over the Hull amendments at the Los Angeles convention than over any other subject. After two conventions had endorsed the amendments, the Los Angeles meeting decided to "flip-flop" and go on record as endorsing the McFadden bill without the Hull amendment. What action Congress will take of course remains to be seen. Many of the big city bankers believe that the McFadden bill without the Hull amendments is the best means of preventing branch banking from extending beyond the city limits. Both Honorable **Morton B. Hull**, of Illinois, author of the Hull amendments, and Honorable **Otis Wingo**, of Arkansas, and senior member of the Banking and Currency Committee of the House of Representatives made speeches on the subject during the convention.

Probably no banker in America has a better record for attendance at A. B. A. Conventions than **Andrew Jay Frame**, chairman of the board of Waukesha National Bank of Waukesha, Wis. Mr. Frame who is 82 years of age has at-

tended forty-nine of the fifty-two national conventions.

"Since You Were Here Before" was the title of a very attractive souvenir booklet prepared by the Security Trust and Savings Bank of Los Angeles and given to the delegates upon their arrival. The population in 1920 was 576,000 people, and is now over a million. The bank deposits during the 1921 convention were half a billion. At this time they are well over a full billion. The most interesting feature of the booklet was the pictures of down town business property taken in 1921 and in 1926, showing the tremendous improvement in business property.

**Louis E. Bliss**, vice president of the California Bank, extended an invitation on behalf of their president, Mr. **A. M. Chaffey**, to many of the visiting bankers to attend a luncheon which was given on Tuesday noon at the California Club. Many interesting talks were given by such men as **John Blair**, **Walter W. Head** and others. Mr. A. M. Chaffey pointed out that when he came to Los Angeles forty-five years ago the population was 12,000, and the registration at the convention was over 6,000 or over half of the population of the city of Los Angeles forty-five years ago.

Most of the delegates from other states after being in California for a few days decided that every woman was a movie queen and every man a bank branch manager.

**Jay D. Rising**, vice president of the National Park Bank of New York, and his wife, arrived early at the convention and spent a month touring the western states before returning to New York. It is understood that Jay has his golf game down now where the boys contribute regularly whenever they play with him.

Most of the "natives"—we met two while we were at Los Angeles—were commenting on the fact that the W. C. T. U. convention preceded the Bankers Convention. What significance this might have, we do not know, because every banker is known for his purity of purpose and his liquid assets.

**W. E. Rhoades**, vice president of the United States National Bank of Omaha, and his wife, were in attendance at the convention. Mr. Rhoades has been spending some time in Reseda, Calif., where he has been regaining his health.

**Cecil B. DeMille**, who is now producing "King of Kings" at his studio in Hollywood, in addressing the bankers who visited him, said, "We are glad to welcome the money changers of America to Egypt and to meet the money changers in our temples." Mr. DeMille is producing all in colors what he considers will be the greatest picture he has ever filmed. Incidentally, it costs him \$17,500 a day for his pay roll alone.

Probably the most unique feature of the convention for the men at least was the breakfast given by the Breakfast Club of Los Angeles. The Breakfast Club is "nonpartisan, nonpolitical, nonsectarian"—a club for "he-men." It is known as the "Shrine of Friendship" and in order to belong, "You must first be a man, then you must be a friend of another man, and finally you must be capable of being a friend to men." The Breakfast Club has done much to promote good fellowship among the business men of Los Angeles which has in turn resulted in boosting and developing the city.

**Otto H. Kahn** and **Charlie Chaplin**, together with a number of other gentlemen, and a bevy of very beautiful movie actresses dined together on Tuesday evening at the Cocomanut Grove in the Ambassador Hotel. Whether these two gentlemen are planning to organize a new movie combine is not known.

Returning home from Los Angeles many bankers of the middle west rode on the special train arranged by the Northern Pacific officials headed by **M. M. Goodsill**, general passenger agent of the Northern Pacific Railroad. Mr. Goodsill and his associates did everything within their power to make the trip pleasant, enjoyable, and comfortable, and it was the concensus of opinion of the 150 bankers on board that they succeeded most admirably. Stops were made along the way at San Francisco, Portland, Tacoma, Long View, Spokane, Butte, Bozeman and Minneapolis and St. Paul. In each one of these places the bankers were entertained with auto rides about the city and usually luncheons or banquets at night, depending upon what time they reached the various cities.

**Houston, Texas**, was chosen for the 1927 meeting of the American Bankers Association and delegates will again have an opportunity to enjoy the western type of hospitality and especially the Texas variety than which there is none better.

## Photos on the Opposite Page

On the opposite page are several snapshots taken at the A. B. A. convention last month in Los Angeles. No. 1 is a photo of the boat for Catalina Island; No. 2, J. M. Dinwiddie, president, Cedar Rapids Savings Bank, Mrs. Frank Welch, Frank C. Welch, vice president and cashier, Peoples Savings Bank, and Mrs. J. M. Dinwiddie, all of Cedar Rapids; No. 3, John B. McDougal, vice president, Pacific Southwest Trust and Savings Bank, Los Angeles, and Mrs. McDougal (picture taken on boat en route to Catalina Island) No. 4, Group photo of the Northwest Bankers Special Northern Pacific train taken at Butte, Mont., on the return from the convention; No. 5, F. W. McGuire, executive ass't Northern Pacific Railway Co., St. Paul, H. V. Wilmont, general passenger dept., M. M. Goodshell, general passenger agent, and Ernest M. Willis, executive ass't, all of the Northern Pacific, St. Paul; No. 6, Mrs. Craig B. Hazelwood, and her well-known husband, vice president of the Union Trust Co., Chicago, and newly elected second vice president of the A. B. A.; No. 7, scene at Catalina Island; No. 8, Robert M. Cobb, resident manager, Financial Sales Dept., General Motors Acc. Corp., Detroit; and Joseph L. Meyers, vice president, General Motors Acc. Corp., New York; No. 9, Ray Nyemaster, vice president, American Commere. and Savings Bank, Davenport, Iowa; No. 10, L. A. Andrew, Iowa banking superintendent, M. W. Ellis, president, Security Trust and Savings Bank, Charles City, Mrs. W. G. C. Bagley and W. G. C. Bagley, vice president, First National Bank, Mason City, Iowa; No. 11, Alfred K. Foreman, vice president, Foreman National Bank, Chicago, Mrs. Charles A. Burns, Chicago, and Frank Warner, secretary, the Iowa Bankers Association.

## New Officers of the A. B. A.

**O**FFICERS for the various divisions and sections of the American Bankers Association elected during the Los Angeles convention were as follows:

The newly elected officers of the main organization were: Melvin A. Traylor, president; Thomas R. Preston, vice president, and Craig H. Hazelwood, second vice president. Mr. Traylor, who succeeds Oscar Wells, is president both of the First National Bank and the First Trust and Savings Bank of Chicago. Mr. Preston, who succeeds Mr. Traylor as first vice president, is president of the Hamilton National Bank and the Hamilton Trust and Savings Bank, of Chattanooga, Tenn. Craig B. Hazelwood, who succeeds Mr. Preston as second vice president, is vice president of the Union Trust Company and chairman of the board of the Lake Shore Trust and Savings Bank of Chicago.

### State Bank Division

Officers named for the State Bank Division were: G. E. Bowerman, president of the Fremont County Bank of Sugar City, Idaho, president; M. H. Mallott, president of the Citizens Bank of Abilene, Kansas, vice president; M. Plin Beebe, president of the Bank of Ipswich, Ipswich, South Dakota, and L. A. Andrew, president of the Citizens Savings Bank, Ottumwa, Iowa, were named members of the executive committee.

For the National Bank Division those selected were: Charles W. Carey, president of the First National Bank of Wichita, Kansas, president; Elmer A. Onthank, president of the Safety Fund National Bank of Fitchburg, Mass., vice president; members of the executive committee: (three year terms), Chair-

man, E. H. Sensenich, president of the West Coast National Bank of Portland, Oregon; F. B. Washburn, president of the Mechanics National Bank of Worcester, Mass., for the First Federal Reserve district; R. F. McNally, vice president of the National Bank of Commerce of St. Louis, Mo., for the Eighth Federal Reserve district; J. W. Barton, vice president of the Metropolitan National Bank of Minneapolis, Minn., for the Ninth Federal Reserve district, and R. E. Harding, vice president of the Fort Worth National Bank of Fort Worth, Texas, for the Eleventh Federal Reserve district.

### Trust Company Division

For the Trust Company Division officers elected were: Edward J. Fox, president of the Easton Trust Company of Easton, Pa., president; Walter S. McLucas, chairman of the Board Commere Trust Company of Kansas City, Mo., vice president; members of the Executive Committee are: James H. Perkins, president of the Farmers Loan and Trust Company of New York City; J. Shepard Smith, president of the Mississippi Valley Trust Company of St. Louis, Mo.; W. J. Stevenson, vice president of the Minneapolis Trust Company of Minneapolis, Minn.; Gilbert T. Stephenson, vice president of the Wachovia Bank and Trust Company of Raleigh, N. C.; and J. Arthur House, president of the Guardian Trust Company of Cleveland, Ohio.

Officers for the State Secretaries section to serve are: Harry G. Smith, secretary of the Kentucky Bankers Association, of Louisville, Ky., president; William A. Philpott, Jr., secretary of the Texas Bankers Association, of Dallas, Texas, first vice president; Frank Warner, secretary of the Iowa Bankers As-

sociation, of Des Moines, Iowa, second vice president; Robert E. Wait, secretary of the Arkansas Bankers Association, of Little Rock, Ark., secretary-treasurer. The above officers constitute the Board of Control, together with Eugene P. Gum, secretary of the Oklahoma Bankers Association of Oklahoma City, Okla., and C. F. Zimmerman, secretary of the Pennsylvania Bankers Association of Huntingdon, Pa.

### Clearing House Section

Those selected for the Clearing House section are: John P. Downing, vice president of the Citizens Union National Bank of Louisville, Ky., president; O. Howard Wolfe, cashier of the Philadelphia Girard National Bank of Philadelphia, Pa., vice president; members of the Executive Committee; (three year terms) Hal Y. Lemon, vice president of the Commercial Trust Company of Kansas City, Mo., and James R. Leavall, vice president of the Continental and Commercial National Bank, of Chicago, Ill.

The new officers for the Savings Bank division are: W. R. Morehouse, vice president of the Security Trust and Savings Bank of Los Angeles, Calif., president; George L. Woodward, treasurer of the South Norwalk Savings Bank of South Norwalk, Conn., vice president; members of the Executive Committee; L. Howard Mann, vice president of the American Security and Trust Company of Washington, D. C., Austin McLanahan, president of the Savings Bank of Baltimore of Baltimore, Md., A. C. Robinson, president of the Peoples Savings and Trust Company of Pittsburgh, Pa., and R. C. Van Denberg, vice president of the Savings Bank of Utica, of Utica, New York.

# SNAPPED AT LOS ANGELES



# My First Banking Job at a Dollar Per Day

An interview with

O. P. Miller, pioneer banker of Rock Rapids, Iowa

**I**N THESE days of radios, automobiles and the high cost of living, few bankers would have the nerve to work for a dollar a day. But O. P. Miller, veteran Iowa banker, president of the Lyon County National Bank of Rock Rapids, received that princely salary when he first opened a bank at Elgin, Iowa, in October, 1875—a half century ago.

Mr. Miller describes some of his early trials and tribulations as follows:

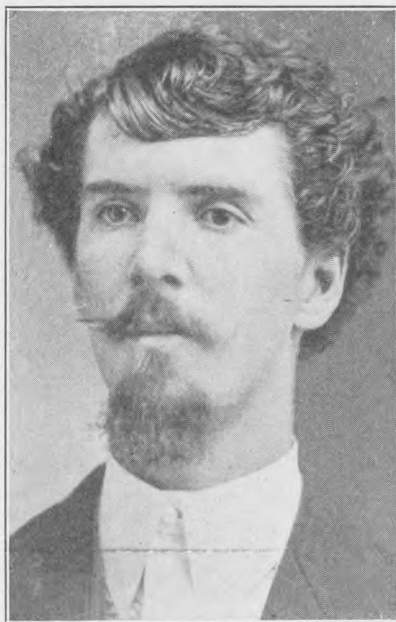
## No Bank in Elgin

"Way back in 1875 I was engaged with J. A. Hoagland in the drug business under the firm name of Miller & Hoagland, at Elgin, Fayette county, Iowa. At that time Elgin was without a bank and no one had the nerve to send a personal check away from home to pay a bill. We were obliged to go to some banking town to purchase a draft and as Elgin was several miles from such a town, it was very inconvenient to be obliged to travel that distance for the purpose of purchasing drafts.

"Dowse & Carpenter were engaged in the milling business at Elgin at this time and as it was necessary for them to go to West Union, the county seat, every time they shipped a carload of flour for the purpose of drawing draft on the same, they, too, were greatly inconvenienced, and it occurred to Dowse & Carpenter, my partner and myself, that it might be possible for us to start a little exchange bank or office and consequently we went to West Union to consult E. A. Whitney, cashier of the Fayette County National Bank, as to feasibility of starting an exchange bank. He discouraged us by saying that it would take at least \$10,000, and as not one of us could raise to exceed \$1,000 each, we dropped the matter. But as time passed on we were more and more determined to plan some way to avoid leaving home for the purpose of purchasing exchange.

## Consulted Senator Larrabee

"We then went to Clermont and consulted with Hon. Wm. Larrabee as to the advisability of starting an exchange bank, but with no idea of entering the general banking business. He advised us that it was entirely feasible, saying that if we had \$4,000 or \$5,000 to put into the business that we could get along very nicely. We asked him if in case we needed a little more money at any time he would accommodate us, and if so, to what extent. He replied he would take our note for \$5,000, but did not think we would find it necessary to borrow.



O. P. MILLER

Veteran banker at Rock Rapids, Iowa. Photo was taken several decades ago when Iowa was more or less an infant state.

"Never having had any experience in banking, not even to the extent of having a bank account, I asked Senator Larrabee to go to Chicago and buy us a bank outfit. He replied in the negative, saying that if we did not know enough to buy an outfit, we could not be capable of running even an exchange office. I went to Chicago in the fall of 1875 and purchased a safe and some fixtures, and in October, 1875, we opened an exchange office in the rear end of our drug store, naming the same the Exchange Bank of Elgin.

## Salary, Dollar a Day

"I arranged with Wm. McKinley to open up a set of bank books for me. I

agreed with my partners to furnish the room, light, heat and do the work for \$1.00 a day. We were not expecting to receive very many deposits, but to our surprise it was not long until we had, if I remember correctly, something like \$10,000 in deposits. As Clermont, the home of Senator Larrabee, was only a few miles away, he often called on us, and after we had been running a few months he suggested that we incorporate under the savings bank law, saying that if we would do that and capitalize the same at \$25,000, we, together with our friends at Elgin, could take whatever stock we wanted and he would take the remainder. Soon after, we took the necessary steps and organized what was called the Citizens Savings Bank of Elgin, with Col. R. A. Richardson as president and the writer as cashier.

"I then agreed to do all the work, furnish the room, light, fuel, etc., for \$1,000 a year. Business increased rapidly and it was not long until we had, if I remember correctly, \$25,000 or more deposits. I was unable to do all the work alone for the entire year and at the end of about nine months I procured the services of a young man who had taken a business course to assist me, so that I did not have very much left of the \$1,000 after paying his salary and other expenses.

"I continued to work as cashier until January 1, 1880. After I had served as cashier for two or three years, Mr. Larrabee was very anxious to have me go west and start a bank, as he thought the opportunities were very much better farther west. So, in June, 1879, he induced me to go with him as far west as Algona, then made me a proposition that if I would go to any place west of Algona and organize a bank, he would furnish whatever money was necessary.

"After visiting Luverne, Minnesota, Sioux Falls, South Dakota, and Rock Rapids, Iowa, I concluded to cast my lot with the people of Rock Rapids. Calling on J. K. P. Thompson & Company, bankers and real estate dealers, I told Mr. Thompson that I was looking for a place in which to start a bank and he suggested that they would like to join me and my associates, as they did not have capital enough to handle the business.

## Moved to Rock Rapids

"Returning home I reported to Senator Larrabee that I thought Rock Rapids would be a fine location for a bank, it being the county seat of Lyon county, notwithstanding the grasshoppers were annual visitors from 1872 to 1878, and that I believed that \$25,000 capital would be necessary to handle the business. I also recommended that we take over the business of Thompson & Company. Mr. Larrabee was favorable to the plan and we decided to start a private bank under the law of special partnership, with the firm name of Miller & Thompson, general

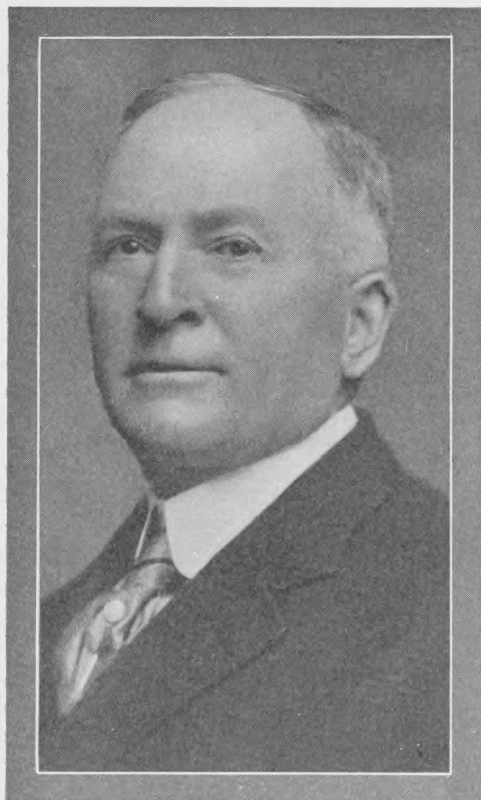
(Continued on page 27)

## PIONEER DAYS

On this and the opposite page are the first of a series of articles dealing with pioneer banking days in Iowa, Nebraska, Minnesota, North and South Dakota, which will be published by the Northwestern Banker in early issues. With the articles will appear a number of old-time photographs, showing scenes and characters of early banking days in the middle west.

This magazine will welcome contributions both of old-time photographs and reminiscences of pioneer bankers, for publication, from any of its readers. If you have a good story, or an interesting photograph, mail it to the Northwestern Banker.—Editor's Note.





S. H. BURNHAM

THE first bank I started was seventy miles from a railroad and there was no banking law in the state of Nebraska," declares S. H. Burnham, veteran president of the First National of Lincoln, commenting on early banking days of the Cornhusker state. He continues:

"In 1883 I was loaning money here in Lincoln when one day a gentleman came into the office and said to me: 'Why don't you start a bank up at Broken Bow, Nebraska, in Custer county?' I had never heard of the town nor been any further west than Crete, Nebraska, at that time. I said: 'How large is the town and on what railroad?' He then said that there was a blacksmith's shop and a post office and that it was seventy miles from the railroad, the nearest point being Kearney on the south and Grand Island on the east. But he said that they had just voted to change the county seat from Westerville to Broken Bow and that there would be quite a town within a very short time. He stated that it was in a good agricultural country and he thought a little bank would do well there.

#### No Banking Laws

"There was no banking law in Nebraska at that time. It seemed ridiculous to me to think of starting a bank seventy miles from a railroad, but after making some inquiry I said to my partner, Mr. L. H. Jewett, 'What would you think of going out into the frontier and running a little bank?' He thought he would like it if the prospects were good

# Starting a Bank 70 MILES from a Railroad

*Reminiscences of early days in Nebraska  
by S. H. Burnham, president, the First  
National Bank of Lincoln*

for making money. 'Well,' I said, 'You might go out there and see what you might go out there and see what you thing of it, because if we should start a bank you would have to run it.'

"He went to Kearney on the Burlington and took the wagon that carried the mail up to Westerville, which was then the county seat and the oldest town in the county.

When they found out that he was thinking of starting a bank they were very anxious to have him locate there, and the merchant who owned the general store offered to give him one of his front windows, let him put his safe in there and partition off a little space for a bank. However, he went on over to Broken Bow and found that they were talking big about the county seat which was to be moved there in a short time, and the amount of building that would be done, and he then came home and reported. He said he thought he would like to try it.

#### Almost Changed His Mind

"So, in three or four weeks, which was late in October, we both started out there to decide which place to choose for the bank. As I stated, I had never been west of Crete. When we got out to Kearney the train was late. We got in there long after dark and found a big snowstorm on. We went into the little hotel and the next morning, while I had lived all my life in the state of Maine where it was not unusual to see a big snowstorm, the worst snowstorm that I have ever seen was raging and continued all the day and no one thought of going out of the hotel. A few traveling men were there and when I thought of that storm and a seventy-five-mile trip in an old two-horse wagon up into the new country, and seventy-five miles back, it certainly was very discouraging to a tenderfoot. When we awoke the second morning, it was still snowing and Mr. Jewett said: 'Well, what do you think? How do you feel?' I said: 'I

think that if there is ever a train through from the west headed east, I shall take it.' He said: 'I don't blame you.' I made up my mind that if I went out into that country late in the fall that I would never get back until the next spring. But he said: 'I'll wait until the storm is over and when the stage starts out, I'll go.' I said: 'All right and whichever town you think is best we'll start a bank there.'

"He went to Westerville again and when he got there they talked to him so strongly that he decided that it would be a long time before Broken Bow would be as large as Westerville and that he had better start in Westerville, but he concluded that he would run over to Broken Bow anyway, which was about eighteen miles. He, however, left his grip and everything he carried with him at Westerville and thought he would be back that night.

"When he got over to Broken Bow, some four or five weeks after he had been there the first time, there had been such a wonderful change and there were so many little buildings going up that instead of going back to Westerville he sent a note back by the stage driver to send his grip, as he had decided on Broken Bow.

#### By Stage from Kearney

"I shipped him a safe and about three weeks later I started there with his wife, Mrs. Jewett, who had just come from the east. We took what they called the stage from Kearney, which consisted of two old plug horses and an old three- or four-seated wagon. They told us that we would stop at Calhoun's Ranch over night. We saw very few houses on the way, but I looked forward to Calhoun's Ranch as a great place. I had never seen a sod house and I expected to find what we would have called down in New England, a big old-fashioned tavern. When we did get sight of Calhoun's Ranch, it consisted of a little one-story sod house, about five or six rooms, all adjoining on

(Continued on page 35)

# NEWS AND VIEWS

## OF THE BANKING WORLD

By Clifford De Puy

**Charles A. Fisk**, vice president of the Amarillo Bank and Trust Company, and president of the Texas Bankers Association, has been strongly in favor of organized effort which would assist in pooling the cotton surplus so as to hold an estimated overproduction of four million bales temporarily off of the market.

The south is faced with the largest cotton crop in its history and President Coolidge has already appointed a Cotton Committee to help solve this problem.

The educational committee of the **South Dakota Bankers Association** has been pointing out the weaknesses of the South Dakota Bank Guaranty Law. On January 1st of this year there was an excess of \$43,000,000 in certificates of indebtedness outstanding. The loss created by failure to meet interest charges alone amounts to more than \$2,000 every day. The Bank Guaranty Law in South Dakota, as in every other state, has proven a failure.

Returning from the **American Bankers Convention** we happened to buy a paper in one of the small towns in Montana and noticed the following want ad: "Party who borrowed guns from car in front of Metropolitan Cafe call at Ingham Hotel for shells—have no use for them."

**Charles T. Root**, president of the American Association for Scientific Taxation, points out that Roger Babson shows that our present tax methods are draining business of from 15 per cent to 65 per cent of its net profits per year, and that this sum is withdrawn from the purchasing power and the capital savings and business investment of the nation each year.

**F. C. Waples**, president of the Midland Mortgage Company, of Cedar Rapids, Iowa, has issued a very attractive four-page folder announcing the opening of the company's new offices in the Merchants National Bank Building. This circular points out that the company has over \$30,000,000 in outstanding loans in the state of Iowa and that one dollar out of every fifteen dollars loaned on farms by mortgage companies and insurance companies in Iowa for the past two years was handled by the Midland Mortgage Company.

More than fifteen million Americans now own shares of stock in corporations

doing business in the United States. This number has more than doubled since before the war according to one authority. This same authority estimates that there were about 3,600 bond salesmen in the United States twenty years ago, whereas, today there are approximately 36,000. We have become a nation of investors.

**E. L. Mattson**, vice president of the Midland National Bank and Trust Company of Minneapolis, is being urged again by his many friends to enter the race for the second vice presidency of the A. B. A. next year. Mr. Mattson stepped aside last year in order that Thomas R. Preston would have no opposition and his friends believe that Mr. Mattson should be elected to this position at Houston. Also, it is a national bank man's turn to be elected, in view of the fact that Mr. Hazelwood, representing the state banks, was elected this year.

**Grant McPherrin**, president of the Central State Bank of Des Moines, and retiring president of the State Bank Division of the American Bankers Association, in his annual address, said, "We take particular pride in the progress made in increasing the efficiency of state bank supervision through freeing this responsible office from partisan politics, increasing the compensation and also securing a longer term of office for bank commissioners, with provision for an adequate force of qualified examiners." One of the best ways to combat the bank guaranty agitation and to eliminate bank failures is to follow this suggestion of the State Bank Division and see that more frequent and more efficient examinations are made of our banks.

**William N. Jarnagin**, president of the Central Manufacturing District Bank of Chicago, stopped off at San Francisco on his way home from Los Angeles with the thought in mind of purchasing some new curios for his very fine collection. He stepped into one of the large, oriental curio shops in San Francisco, and after looking about for some time asked one of the clerks, "How much is that Japanese idol worth—the one near the door?" "It is worth a great deal," replied the clerk. "It's the proprietor."

**William B. Riddle**, a banker of Atlantic City, has protested before his

county tax board because they have assessed his set of false teeth at \$1,200 and are imposing a tax thereon of \$30.50. Mr. Riddle paid \$2,000 for the teeth and Walter J. McDevitt, an assessor, said that they should be taxed. We presume that Mr. Riddle feels that he opened his mouth once too often, otherwise the only "false" thing about him would not have been discovered.

**Kirk Griggs**, secretary State Banking Department of Nebraska, levied a special assessment of one-fourth of 1 per cent against all state banks in Nebraska last month. This money was credited to the Depositors' Guaranty Fund. Secretary Griggs anticipates the loss yet to be faced in insolvent state banks will amount with certificates remaining unpaid in excess of cash on hand to about five million dollars.

**James E. Baum**, who is in charge of the Protective Department of the American Bankers Association, reported at the Los Angeles meeting that there had been the greatest drop in attacks by bank criminals against members of the American Bankers Association recorded for any year in its thirty-six years of warfare on this class of crooks. Mr. Baum also pointed out that vigilante organizations also existed in Iowa, Minnesota and Wisconsin, where criminal attacks have reached a very low level.

**Walter S. Greenough** of the Fletcher Savings and Trust Company of Indianapolis, is an example of a banker who can also be a poet and be both successfully. Mr. Greenough has for years been writing short stories, poems, and articles for various magazines. His "Jethro Boggs" the biggest liar in seven states is one of his well-known poem characters. His first volume of poems is just being published and is entitled, "Three Skallywags."

**P. M. Reed**, without any of his associates, testifies over the signature of his private secretary that he recently made a hole in one at a golf tournament of famous artists held at Nippersink Lodge, Genoa City, Wis. Mr. Reed 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 "Kro-flite" 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.

The **United States Chamber of Commerce** is planning to undertake a broad study of the banking and credit machinery of the country with special attention to the operations of the Federal Reserve

(Continued on page 36)

# Charting Business Conditions in Bohuncus, Minnebraska

By Roscoe Macy

THERE has lately arisen in the smaller communities of this section an insistent demand for a financial service, in the form of periodical bulletins and charts suitable for distribution by banks—one that will be adapted to the needs of the average small-town bank depositor. Various individuals and organizations are now furnishing these "services," but since they are all national in scope, they take in too much territory to be of any great value to the average middle-western bank depositor.

At the urgent behest of bankers all over this section, the writer has at last consented to organize the field and to compile, from the reports received, a series of monthly bulletins which will be distributed to subscribers when, as, and if issued; these reports to be made up so as to present the situation in the particular field of each subscriber. It has been learned that several national "services" of this character are being furnished to subscribers at an average rate of \$1.50 per year, so it seems no more than fair to make a charge of, say, \$1.25 per year for our service, or two years for \$2.00.

To illustrate the value of our service to bankers, let us suppose that John Jones applies for a loan of \$80 on December 13th. No longer is it necessary for the banker-subscriber to hem and haw while he looks up the state of his cash reserves, notes and certificates due, and volume of contemplated live stock shipments in his territory. He simply says: "I'm afraid we can't help you out this month, John. The *Macychart* is clear down to 76.88. Come in again next month." Or, if the month is February, his reply is, "Sure, John. The *Macychart* stands at 133.07. Couldn't use about \$55 more, could you?"

In order that prospective subscribers may know the character of the information to be furnished, it has been decided to publish a sample copy of the service in THE NORTHWESTERN BANKER. This sample happens to have been made up for subscribers in and around Bohuncus, Minnebraska. Particular attention is called to the *Macychart*. Note how the Norm Line pursues the even tenor of its course, halfway between a par of 100 and a normal of 98.6. Contrast this with the ordinary chart, in which this line is allowed to wander about all over the graph, producing a result that is not only confusing to the reader, but fails even to please the eye. The most striking thing about our chart is its unflinching symmetry; we stand ready at all times to refund his

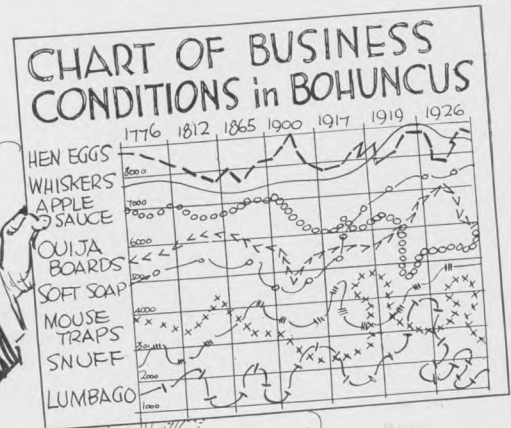
\$1.25 to any subscriber who can find a place where our drawing pen has slipped.

## General Conditions

Our field reports indicate that the regular monthly decline of 10 per cent in general business conditions in Bohuncus has occurred in October as per schedule. This having been going on for some thirty-six months now, the discerning subscriber will at once perceive that there are no business conditions left, and will regulate his investment program accordingly. Fortunately, however, the Macy index finger (I mean, figure) stands at 147.6176 per cent of normal, and the doctors who are working over it hope to bring it down to normal by Christmas. Collections are reported unchanged—none last month, and none in October. There were no business failures reported from Bohuncus for October, but this is only natural, since the whole dog-goned bunch have been failures ever since they started. Total liabilities stand at \$679.30, but our statistician is unable to explain why anybody ever trusted them for that much money.

## Agricultural Conditions

*Rutabaga Production*—Our field reports on rutabaga production are conflicting.



Jerry Brown, our correspondent north of town, reports a bumper crop, but from the south, Jake Klein reports a total failure. We have learned from reliable sources, however, that Jake didn't plant any rutabagas this year, and we are inclined to attribute the failure of his crop largely to that omission.

*Dairy Production*.—Production, as measured by cream checks cashed at the local bank, showed a gratifying increase, from 6 bushels and 17 checks in September, to 8 bushels and 1 peck of checks in October. Butter, which was strong last month, is stronger than ever now. Most of the herds having now been taken off grass, there are reported to be fewer specks in the milk than last month.

*Farm Machinery*.—Sales of farm machinery picked up wonderfully in October, due to a 100 per cent increase in manure spreader sales. There was one such sale in October, as compared with none in September. No doubt the warming up of the fall political campaign is accountable in part for this improvement, but our statistician is not certain whether to attribute the increased sales of spreaders to Republican prosperity, or vice versa.

*Cotton*.—Production of cotton is unchanged from last month, and stands at

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# Simplicity a Feature of the Warehouse Receipt

By J. G. Mitchell

THE greatest difficulty confronting agricultural relief lies in the fact that the farmer, more than any other individual, is treated as a composite. Every one, whether he is an advocate of a particular brand of relief or an opponent, has his own picture of the farmer. These pictures run through a series of gradations, all the way from the one which presents the farmer as a shiftless individual who houses his hogs in the kitchen to the one which presents him as a pure altruist, working only for the betterment of mankind and suffering martyrdom in the process. If all these pictures could be destroyed and a little practical common sense applied to the problem we would rapidly approach its solution.

## Farm Credit Misunderstood

If the same kind of reasoning were applied to any other branch of commerce or industry, and an attempt were made to present a picture of a composite retailer, or a composite manufacturer, the whole community would rise and declare the attempt preposterous. It is no less preposterous when applied to agriculture. It is this sort of thing which leads the publisher of an agricultural paper in Missouri, and one who poses as a leader in political farm relief, to repudiate the effort accredited to Secretary Hoover to place agricultural credit upon a sound and elastic basis, with the rather fatuous declaration that the farmer cannot be aided by putting him further into debt. The changes have been rung to such an extent upon this statement, and it has been mouthed by so many varieties of ignorance, that any repetition of it from any source can only be productive of fatigue. The man who is unable to distinguish between the creation and development of proper credit facilities for the conduct of the agricultural business and "putting the farmer deeper into debt," has no claim whatever to speak on behalf of the agricultural industry or any other. It has the further implication, which is nothing short of a libel, that all farmers are in such financial condition as to be unworthy of credit. There are approximately 213,000 farmers in Iowa. The large majority of these men are sound credit risks, and are vitally interested in the availability of money for the conduct of their business at reasonable rates and for such periods as accommodate themselves to the exigencies of their particular branch of the industry. If anyone, posing as a representative of any other industry undertook to say, upon its behalf, the things which are said in relation to agriculture, the protests would cover the

length and breadth of the country and reach to high heaven.

Congress has made a number of intelligent and honest efforts to provide a credit system which will be adaptable to the needs of agriculture. It is not the present purpose to discuss these systems, for it is the writer's conviction that, while the administration of these agencies has been by no means perfect, it is essential that consideration be given to sound and well-established financial practices by the individual borrowers and that, in so far as practicable, they be adopted.

The term "frozen assets" was introduced into our vocabulary in the year 1920. The lessons it conveyed were acquired by the farmers with drastic rapidity. They have been learned by the banker somewhat more slowly but none the less surely.

## Mutual Adjustment Needed

The intelligent and constructive observer of our agricultural financial expe-

riences of the last six or seven years must have reached the conclusion that to prevent repetition of such disasters, there must be a mutual adjustment. In other words, the system of credit must be adaptable to agriculture and the individual borrower must recognize certain financial laws and practices. It may as well be conceded that, no matter how well fitted the system may be, the borrower himself may cause rates to be high and credit to be restricted by his own attitude.

If he neglects or refuses to furnish reliable information as to his credit standing, he imposes upon the lending agency the expense either of investigation or loss. If he consistently overlooks the date of the maturity of his obligations he necessarily adds to the expense of collection. If he insists upon a disproportionate ratio of exemptions he automatically increases the risk. All these expenses of necessity reflect themselves in relatively high interest rates and restricted credit. If, on the other hand, he is prepared to furnish satisfactory and reliable information as to his credit standing; if he attends to his maturities without action on the part of the lender and, in a word, if he is, to the best of his ability, prepared to conform with accepted practice, he is entitled to credit upon the same basis as to cost and availability as are those engaged in other lines of business who obey these laws.

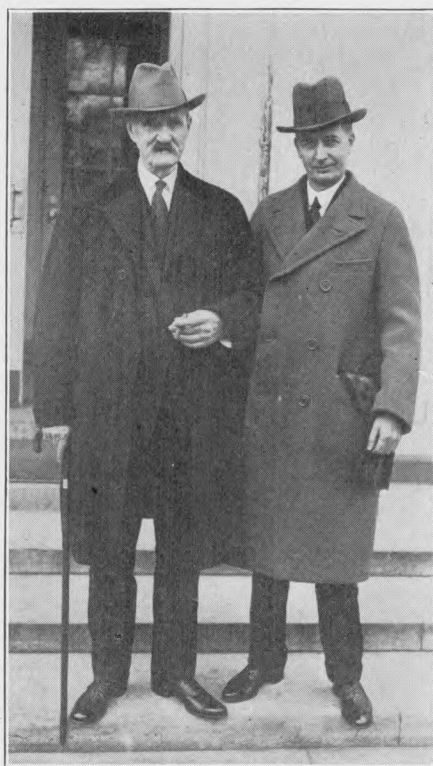
With these considerations in view, the Iowa legislature provided by statute for the issuance of warehouse receipts against grain stored upon the farm. The system has been the subject of attack by critics who, as a general rule, have not only had no experience in its operation, but have not even taken the trouble to examine the law. The favorite declaration regarding it is that it is merely another form of chattel mortgage. It is no more "another form of chattel mortgage" than it is a warehouse receipt issued by a terminal elevator. Anyone who will take a chattel mortgage and a warehouse receipt issued against grain on a farm, lay them side by side, and detect any material similarity between them is a perspicacious genius.

## Not a "Chattel Mortgage"

However, the vital distinction between a warehouse receipt and a chattel mortgage exists in the integrity and homogeneity of the security, which exist in the one, and are absent in the other.

If there is any more preposterous document than the ordinary chattel mortgage, the present writer has been unable to discover it. It is chiefly valuable as an ex-

(Continued on page 58)



J. G. Mitchell, author of the article on this page, on the right in the above photo, with the late Senator Albert B. Cummins, of Iowa, on the left. This photo was taken in October, 1925, in front of the White House, where Mr. Mitchell and Senator Cummins had conferred with President Coolidge relative to problems of agricultural credit.



# CALIBER

THROUGH 57 years of multiplied contacts with business and banking institutions reaching every known market, this Bank has acquired in unusual degree that caliber and breadth of vision which bank officials recognize as desirable in their Chicago correspondent.

FREDERICK H. RAWSON  
*Chairman of the Board*

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*President*

CRAIG B. HAZLEWOOD  
*Vice-President*

# UNION TRUST COMPANY CHICAGO

*Offering the Seven Essentials of a Banking Home*

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# When Should a Check Be Presented at a Bank?

By the Legal Department

**O**FTENTIMES the holder of a check will fail to take it to a bank to be honored until after many days have elapsed. There is an old saying, 'Time and tide waits for no man.' The question now comes to us as to what effect the elapse of time has caused, provided a check is not honored when presented at the bank for payment.

Does the delay in the presentment of the check discharge the drawer of the check?

## An Actual Case

A party by the name of Spring, purchased lumber and building material from a Lumber Company, under contract, for which he has agreed to pay the sum of \$3,125. Various payments were made on the account, and on July 15, 1925, Spring executed and delivered to the Lumber Company his check for \$600, drawn on the State Bank. This check was delivered to the manager of the Lumber Company, who, on the same day, transmitted it by mail to the general office of the Lumber Company, at Savoy. This check was not then presented to the Savoy State Bank on which it was drawn for payment. But it was at once forwarded by the Savoy Office of the Lumber Company to the First National Bank of Grand Rapids. It reached the Grand Rapids Bank on July 16th, on which date the Grand Rapids Bank mailed it to the Savoy State Bank.

The exact date the check reached the Savoy State Bank is not known. The Savoy State Bank closed its doors on July 19, 1925, and was taken over at that time by the state banking department. The \$600 check was protested and returned by the State Bank Examiner to the Grand Rapids National Bank. The records of the State Bank show that at the time the said check was drawn, and at all times thereafter, Spring had on deposit, in the Savoy State Bank, a sum much in excess of the amount called for by said check. The Grand Rapids Bank returned the check to the Lumber Company at Savoy.

At the time the \$600 check was delivered, the Lumber Company credited Spring's account with that amount, but said check was not charged back to Spring when it was protested. On August 1, 1925, Spring gave the Lumber Company a check for \$500, and on August 6th, following, he gave another check for \$500. The Lumber Company disposed of these two checks by deducting \$600 therefrom, to take up the old check, and crediting Spring's account with the remaining \$400. It is out of this transac-

Questions of interest to bankers are discussed in this department and any subscriber has the privilege of writing for information and advice on legal subjects. If the inquiry can be definitely answered without the preparation of a brief, the answer will be given by our attorney free of charge.

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

tion that the differences between these parties arise resulting in the matter being brought before the court for determination. The balance of the account was paid in full.

## Filed Mechanic's Lien

The Lumber Company filed a mechanic's lien, and started foreclosure proceedings, alleging a balance due of \$586.35. Spring denies the indebtedness, and alleges that he delivered to the Lumber Company, to apply on his account, two checks for \$500 each, and that for said checks he received credit on his account for only \$400. Therefore, he claims his account is paid in full and asks that the foreclosure proceedings be dismissed by court order. The Lumber Company contends that it had an oral understanding with Spring that these two checks, amounting to \$1,000, were to be applied exactly as it did apply them, to wit, \$600 to take up the protected check and \$400 on account. It further contends that, even if there were no such oral agreement, it had the right, under the law, to make application as it saw fit, so long as it received no direction whatever from the debtor as to the application to be made of the payments.

Both sides to this controversy argued the question of waiver and estoppel and confession and avoidance.

When the facts are boiled down, it is simply this, that the Lumber Company claimed Spring to be owing them the sum of approximately \$600. Spring says that he paid this amount in the check for \$600 above referred to. The burden

of proof is on the Lumber Company, in this instance, to prove its claim unpaid, and it is entitled to meet any evidence of Spring proving payment by any evidence available which shows non-payment. Therefore, when Spring tendered his evidence showing payment by these two \$500 checks, the burden still rests on the Lumber Company and it has the right to introduce any evidence which will sustain the burden of proving the account unpaid. The Lumber Company had the right to show that even though certain money was paid by him, such payment was not made to apply on the account in controversy.

As to the testimony regarding an agreement that the protested \$600 check was to be paid by deducting that amount from the two checks making the \$1,000 payment, the evidence is in hopeless conflict. The opinion of the court is that the Lumber Company has not sustained the burden of said agreement, and therefore must fail on the claimed agreement.

It is the claim of Spring that the balance of said account has in fact been paid by the check for \$600 above referred to. He bottoms this contention on the proposition that, having issued the check on the 15th day of July, 1925, on the Savoy State Bank, the principal place of business of the Lumber Company, if the Lumber Company had presented said check for payment at the Savoy State Bank within a reasonable time after receipt of same, it would have been paid in full; but the bank on which the check was drawn was closed and the check dishonored through the negligence of the Lumber Company, and the loss caused thereby is therefore on the Lumber Company.

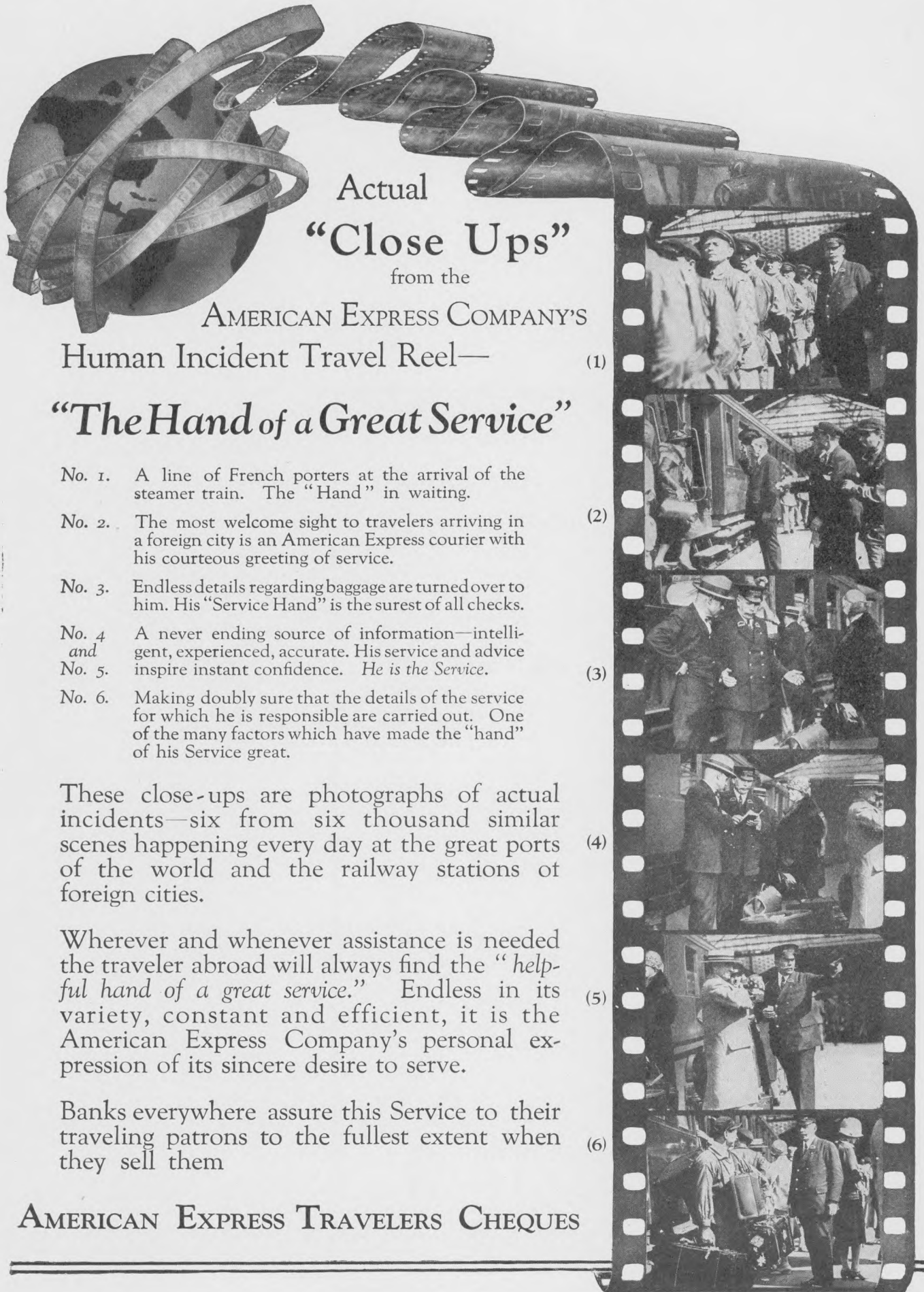
In other words, if the check had been presented to the Savoy Bank the day it was received, or the day thereafter, the evidence shows it would have been paid in full. Instead of so presenting it, the Lumber Company forwarded the check to the Grand Rapids National Bank, some 200 miles distant, and, so far as the record shows, it was not in fact presented to the Savoy Bank until after it closed its doors.

## What the Law Says

A section of the Negotiable Instrument Law adopted by many of the states, provides that: "A check must be presented for payment within a reasonable time after its issue, or the drawer will be discharged from liability thereon to the extent of the loss caused by the delay."

The question therefore is, What is a reasonable time for the presentation of a

(Continued on page 66)



Actual  
**“Close Ups”**  
 from the  
 AMERICAN EXPRESS COMPANY'S  
 Human Incident Travel Reel— (1)

**“The Hand of a Great Service”**

- No. 1. A line of French porters at the arrival of the steamer train. The “Hand” in waiting. (2)
- No. 2. The most welcome sight to travelers arriving in a foreign city is an American Express courier with his courteous greeting of service. (3)
- No. 3. Endless details regarding baggage are turned over to him. His “Service Hand” is the surest of all checks. (4)
- No. 4. A never ending source of information—intelligent, experienced, accurate. His service and advice (5)
- No. 5. inspire instant confidence. *He is the Service.* (6)
- No. 6. Making doubly sure that the details of the service for which he is responsible are carried out. One of the many factors which have made the “hand” of his Service great.

These close-ups are photographs of actual incidents—six from six thousand similar scenes happening every day at the great ports of the world and the railway stations of foreign cities. (4)

Wherever and whenever assistance is needed the traveler abroad will always find the “*helpful hand of a great service.*” Endless in its variety, constant and efficient, it is the American Express Company's personal expression of its sincere desire to serve. (5)

Banks everywhere assure this Service to their traveling patrons to the fullest extent when they sell them (6)

**AMERICAN EXPRESS TRAVELERS CHEQUES**

# Why Organized Labor Must Make Some Concessions to the Farmer

THE strange hold that organized labor now exercises over the economic life of America, is one of the reasons for the present depressed agricultural situation, E. D. Chassell, retiring secretary-treasurer of the Mortgage Bankers Association of America, told delegates to the Association's annual convention last month in Richmond, Virginia. He called upon the Association delegates to rally the farmers to support a plan for enlarging the quota of immigrants allowed in this country each year, saying this, with a normal increase in

population, will give the farmer a broader market for his perplexing surplus.

Mr. Chassell said, in part: "The year has been quite satisfactory in a business way. Farmers as a class are reducing their indebtedness and recovering from the after effects of the war boom. In spite of the fact that he is at economic disadvantages compared with those engaged in industry, commerce and transportation, the farmer is improving his financial condition by stringent economics and hard work. He is paying what he owes by going without many things

which he would like to buy. He has great recuperative powers and will soon be on his feet. In many states and localities, he is already back to a prewar basis. Very few farms are changing hands. For this reason the volume of farm mortgage business has not been large.

## Views on Decline of Stock

"Since our convention in September, 1925, the stock of several joint stock land banks which was then quoted around 175 and 180 or more has dropped to less than half its former valuation and the quotations published have been as low as 80 bid and several have passed two dividends. Many joint stock land banks are well managed and have been profitable, but nearly one-third of those organized have gone out of business. Now that the blunders of management of the earlier years of the Federal and Joint Stock land banks are becoming known, they are likely to be avoided in the future. The mortgage banker is interested in this because in the future they are likely to be fairer competitors than in the past.

"City mortgage business has been phenomenally good during the past year. The rapid growth of urban population and the unusual prosperity of industry and commerce have developed cities and towns to such a degree that the volume of mortgage business in cities has greatly exceeded that of the farms. Present indications are that it will continue with only a slight reduction in volume during the coming year. As in manufacturing it is necessary to guard against overproduction in this line.

## Rural Population Decreases

"The population of the United States increased 39 per cent between 1900 and 1920. Taking into consideration influencing factors that did not restrict the growth during the first two decades of the century, a reasonable estimate places the population at 200,000,000 before 1905, provided the current of immigration is not cut off.

"As the population increases, the percentage of rural population decreases. Twenty-four years hence, when the mid-century mark is passed, it is doubtful if the rural population will have reached 65,000,000, being then outnumbered two to one by the residents of towns and cities.

"There will be no more land in the United States in 1905 than at the present time. Whether there will be more land under cultivation depends on several factors. The natural tendency will be to increase the acreage cultivated with the increase in population. Low cost of trans-

"THE BANKERS' SERVICE STATION"

## What "Republic" Correspondents Say About "Republic" Service

There is a well known adage that "One eye-witness is worth a thousand hearsays." With this in mind we are printing a few extracts from letters recently sent us by our Correspondent Banks regarding "Republic" service.

### "Excellent Service"

"We have your special commercial report on the company we recently inquired about. This is a new service to us and an excellent one. We appreciate it very much."



### "Valuable Ideas"

"I can say without the slightest hesitancy that you have given me some very valuable ideas. I will employ every one of your suggestions."

### "Letter Was a Knockout"

"The advertising letter that you prepared for us was indeed a 'knockout.' It pleased a very great many people and we had a number of compliments on it."

### "In a Class by Itself"

"That advertising booklet you sent us is in a class by itself. There is nothing like it. It is the finest thing of the kind we have ever seen."

### "Appreciate Collection Service"

"We surely appreciate the way you handled the recent collection item we sent you. Our customer is greatly pleased as he had about given up hopes of ever getting his money."

## Beyond the Usual

"Republic" Service IS *beyond the usual* because it embraces scores of special services originated by this bank for the express purpose of helping its correspondents. Why not let us describe them to you in detail?



**The National Bank of the  
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DAVID R. FORGAN, Vice-Chairman GEORGE WOODRUFF, Vice-Chairman  
H. E. OTTE, President

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portation for food stuffs raised abroad and an open market for farm products raised by cheap labor in foreign lands would go a long way to prevent the further development of American farm lands.

"Be this as it may, 65,000,000 people added to our city population compared with a probable 25,000,000 added to our farming population will require correspondingly more places of residence and more edifices for business. There will be more apartment houses, more single dwellings, more office buildings, more factories, more department stores and more hotels.

#### Money Goes Where Sought

"Money goes where it is sought. The financing of the future will be in the cities in proportion to their increase in population. The tide runs that way now and it will continue to so run, although it will ebb and flow at irregular intervals when influenced by economic conditions.

"It is conceded without argument that in the enactment of welfare and protective legislation, the industrial leg of our business has been favored far more than the agricultural leg.

"Organized labor has dictated legislation for its own benefit without regard to the effect of agriculture.

"During the World War, laws were enacted to permit organized labor to practically dictate its own wages. When the cost of living was at the peak, it required \$2.47 to purchase what one dollar would have purchased in 1913, of an average of 200 representative commodities. Confining the purchasing power to commodities used for food, shelter, clothing, light and fuel, the cost of living in July, 1920, was \$2.04½ as compared with purchasing power of \$1.00 in 1914 according to the computations of the National Industrial Conference Board.

#### Farmer Pays Far Higher Wages

"In January, 1926, the cost of living had dropped a little more than thirty points to 174.1 as compared with the peak point in 1920, but railroad operatives still receive within 5 per cent of the highest wages paid when cost of living was highest. The reduction in cost of living makes their real wages, measured by living costs the highest now in history.

"The farmer pays high freight to keep the wages high. His surplus grain which goes to Europe nets him a lower price on his farm because of the higher freights to the seaboard. Organized labor can dictate. The farmer can not.

"It is argued that we must have a protective tariff, to build up a home market to increase the wages of the American workman in order that he may be a better customer for American meat and wheat and cotton which the farmer raises. To a certain extent that works out all right. The wages of American workmen



C. G. HANEMANN  
Resident Manager  
Des Moines Office



J. M. HERMAN  
Des Moines



D. F. STOCKHAM  
Des Moines

THESE are the men who are vitally interested in selling Iowa Bankers in and around Des Moines the proper type of investments for their bank and their customers—so that the perpetuation of The White-Phillips Company—as well as the quality of security behind each and every bond may be maintained in the future as it has been in the past. *The Des Moines office is always at your service.*

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DUBUQUE, IOWA  
B. & I. Building

DAVENPORT, IOWA  
First Nat'l Bank Bldg.

OMAHA, NEBRASKA  
Bankers Reserve Life Bldg.

DES MOINES, IOWA  
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*Foremost in Chicago*  
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*Individual Attention*  
**A Logical Choice**

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

RESOURCES HALF A BILLION—AND MORE

are increased, but when men are invited to this country to work in American factories and to bring their families with them to consume the farmers' surplus products in the enlarged home market, they are held back by the contract labor law enacted to benefit organized labor, not to help the farmer.

**Organized Labor Rules**

"There is a provision in the law that contract labor may be imported when needed. That section of the law is practically a dead letter, because organized labor rules that more workmen are never needed on competitive jobs. The bricklayer and the plasterer who get \$16 a day for regular time and extra pay for overtime and holidays, always insist that there is no room for more men in their trades. It is the same with carpenters and sheet metal workers and also with farm laborers who now get twice the wages that they did twenty years ago. The farmer pays and his market does not correspondingly expand.

"The farmer has discovered by actual experience that the bricklayer drawing \$16 a day for week days and extra pay for Saturday afternoons and Sundays does not eat any more bread than he did when he received \$7 a day. He does not eat so much meat. The consumption of meat in the United States has fallen off 15½ pounds per capita in the last eighteen years, 1907 to 1925. The family of the \$16 a day man do not wear as much of the farmer's cotton as they did when the wages were \$7 a day. The city resident now pays much higher rent as a tribute to the wage earners in the building trades.

**Spend More for Luxuries**

"While the wage earners and his family consume no more bread and eat less meat and wear less cotton as customers of the farmer, they spend more money for imported silks and manufactured rayon and gasoline and theater tickets than formerly, but these do not help the farmer market his surplus.

"Leaders in both political parties are likely to continue running in circles, because they do not dare run the risk of the sharp knives of organized labor. Organized labor wants everything and will concede nothing to the farmer.

"If the farmer is to get his fair share of American prosperity, he must rally his friends to insist on giving him his just due.

**Farmer Must Fight for Rights**

"Organized labor should be willing to reciprocate the favors it has received from unorganized agriculture. If it will not do so, let the farmer fight for equal rights with an iron fist.

"The farmer can secure the support of organized labor for an enlargement of the immigration quota if he makes that the price for farm support of the pro-

ective tariff which labor desires to have retained.

"A free country in which the people rule must be governed on a live-and-let-live basis. With the exception of the 'reds' and the 'pinks' the majority of the American people believe that the standard of living in the United States should be maintained for all citizens higher than in any other country on earth. The unequal distribution of the benefits of the protective tariff and of the immigration law are creating great unrest. Organized labor can not afford to provoke the American public too far lest the reaction and retribution be disastrous.

#### MY FIRST BANK JOB AT A DOLLAR A DAY

(Continued from page 16)

partners and Senator Larrabee, Col. R. A. Richardson and L. Sutter of Fayette county as special partners, each of us contributing \$5,000 of the capital.

"Mr. Larrabee favored erecting a good building, showing the people that we were permanently located, and in the fall of 1879 I let the contract for a two-story brick building, 70 feet long, the first brick building in the county. The railroad was built into Rock Rapids the same fall, and the company offered to haul the material for us, provided we would erect a brick building. The material was purchased at Mankato, Minnesota, the building was enclosed in the fall, the interior work was finished during the winter and we moved into the building in April, 1880.

"After a visit from the eastern partners, Col. Richardson expressed a lack of confidence in the business, because of the newness of the country and requested Mr. Larrabee to purchase his interest. Following a consultation with me he purchased Mr. Richardson's interest, with the understanding that I could have half of it by paying a liberal interest until I could pay for it.

"Our first partnership was for a three-year period, and at the end of that time Mr. Thompson, Mr. Larrabee and myself purchased Mr. Sutter's interest and extended our partnership for a five-year period, increasing our capital to \$50,000 out of the earnings of the bank for the three-year period. At the end of the second period, which was the eighth year, we again extended our partnership agreement for another five-year period, increasing our capital to \$100,000. In December, 1892, Mr. Thompson and I purchased Mr. Larrabee's interest and continued business under the firm name of Miller & Thompson until January, 1904. Mr. Thompson having died, we concluded to nationalize under the corporate name of Lyon County National Bank.

#### Many Changes Since 1875

"There have been a great many changes in the banking business since 1875. At that time such things as adding machines,

typewriters, or even rubber stamps were not in use and all work was done by hand. People expected to pay 25 cents a hundred for exchange. Bankers were not lying awake nights thinking of some way that they could do something for nothing and even then profits were very meager. When I moved to Rock Rapids there were not to exceed a couple of hundred of people in the town and not more than 1,500 in the county, not a person living in one congressional township, and there was very little banking business.

"Our business consisted mostly of looking after lands for nonresidents, taking contracts for breaking, putting up buildings, paying taxes for nonresidents, in fact, there was more business outside the bank than inside. My first cashier, Chas. A. Smith, now with the Bank of Italy in California, and past president of the California Bankers Association, tells the

story on me that the first lesson I gave him in banking was to go into the harvest field and set up a McCormick reaper.

"For six or eight months after opening the bank in Rock Rapids I did all the work, including the janitor work. It was understood that Mr. Thompson would come into the bank as soon as there was business enough for him. After the first year, Mr. Thompson looked after the outside work, including the land business, while I confined my work to the banking end of the business. It was agreed that for the first three years I was to have \$100 a month and Mr. Thompson the same.

"In early days every one was asked to give security and practically the only security that our customers had in those days was chattel mortgage security on stock, crops, etc., and our losses were almost nil."

## ROYAL UNION LIFE INSURANCE COMPANY

DES MOINES, IOWA



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

Offers an unexcelled line of policy contracts.

Our Juvenile policies, written on children as young as one day old, go in full benefit automatically at age five without re-examination.

Our special low rate policies to business and professional men are fast sellers.

We write women on equal basis with men.

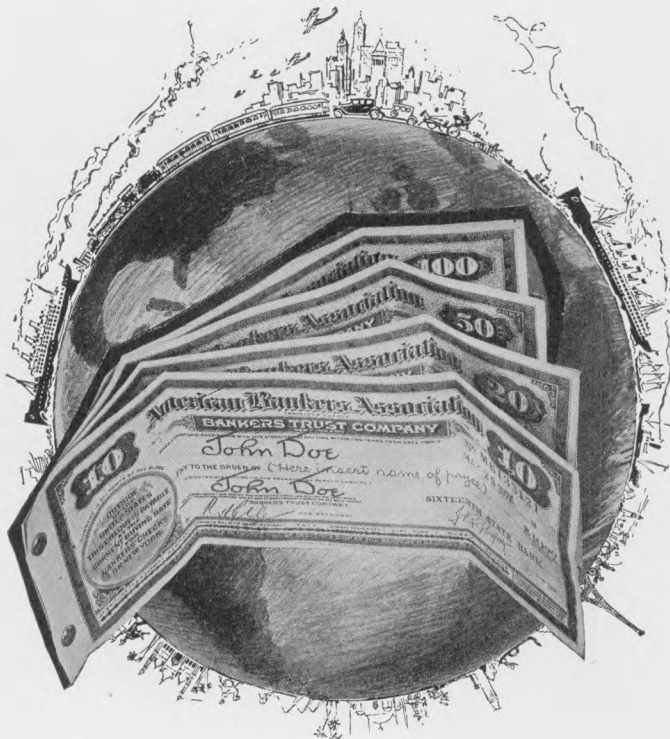
Special agency openings are now available. Write William Koch, Vice President and Field Manager.

## Royal Union Life Insurance Company

Des Moines, Iowa

A. C. TUCKER, President

## 'Round The World And Back To You—Pleased Customers!



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"TRAVEL MONEY"

—Sell your customers A·B·A Travelers' Cheques to take along on trips, week-end or 'round the world—

—And on their return you will have customers all the more pleased by your service and full of respect for your good judgment.

Write us for literature, information and suggestions on how your bank can benefit, both in good-will and profits, by the sale of "Travel Money."

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

### BANKERS TRUST COMPANY

NEW YORK

PARIS

LONDON

#### Opposed to Branch Banking

American agriculture has voiced its opposition to branch banking, especially the type that would be permitted under the McFadden Banking Bill without the Hull Amendments, and has instructed the legislative department of its powerful national organization, the American Farm Bureau Federation, to use every effort for the defeat of this bill without these amendments.

Official action to this effect was taken at the sixth annual national convention of the federation, held in Chicago, when the following resolution, headed "Branch Banking," was adopted:

"That we are opposed to branch banking, as provided for in the McFadden bill, and hereby instruct our legislative department to use its best efforts to defeat the bill."

During the last session of Congress the legislative department of the A. F. B. F. was governed by this resolution and gave its support to opposition to the McFadden bill when needed.

Branch banking in any form has always been distasteful to the farmers of this country, and especially to those in the middle western states in which it is now prohibited by state law, which constitute at least nineteen of the principal agricultural states of the nation.

S. H. Thompson of Quincy, Ill., is president of the American Farm Bureau Federation, with headquarters in Chicago. Mr. Thompson is also a banker, being president of the Broadway Bank of Quincy.

#### Hold Annual Meeting

The Dallas County Savings Bank of Minburn, Iowa, held its annual meeting last month and the following officers were reelected: President, D. J. Storm; vice president and cashier, N. P. Black; assistant cashier, M. S. Luellen. The directors were: D. J. Storm, W. H. Royer, R. W. Harrison, Geo. M. Huffman, N. P. Black and E. J. Rowe.

The bank reports a very successful year, paid their regular dividend of 8 per cent to the stockholders, the balance of profits being left as undivided profits.

The Dallas County Savings Bank was organized twelve years ago by N. P. Black, the present vice president and cashier with a capital of \$15,000.00. Their surplus and undivided profits now total over \$47,000.00 and the deposits are about \$350,000.00.

It goes much against my stomach. Hast any philosophy in thee, shepherd?—Shakespeare.

Next to the originator of a good sentence is the first quoter of it.—Emerson.

Measures, not men, have always been my mark.—Goldsmith.

**Ord State Reorganized**

Reorganization of the Ord State Bank, Ord, Neb., has been approved by the district court of Valley county, with the aid of state banking authorities, with J. C. Meese, continuing as president; John J. Allen, cashier; F. J. Stara, vice president, and other stockholders includ-

ing George H. Lange, A. H. Jackman, Joseph M. Kokos, A. J. Auble and B. R. Hackel. The bank will have a capital of \$40,000, and deposits of about \$400,000. The loss to the state guaranty fund involved in the reorganization, was \$78,000.

**New Officers and Governors of Investment Bankers Ass'n**

	<b>PRESIDENT</b>	
Pliny Jewell	Coffin & Burr, Inc.	Boston
	<b>VICE PRESIDENTS</b>	
Joel E. Ferris	Ferris & Hardgrove	Spokane
Arthur H. Gilbert	Spencer Trask & Co.	Chicago
Henry R. Hayes	Stone & Webster, Inc.	New York
Robert H. Moulton	R. H. Moulton & Company	Los Angeles
B. A. Tompkins	Bankers Trust Company	New York
	<b>EXECUTIVE SECRETARY</b>	
Alden H. Little	105 South La Salle Street	Chicago
	<b>ASSISTANT SECRETARY</b>	
Clayton G. Schray	105 South La Salle Street	Chicago
	<b>EDUCATIONAL DIRECTOR</b>	
Samuel O. Rice	105 South La Salle Street	Chicago
	<b>FIELD SECRETARY</b>	
Arthur G. Davis	105 South La Salle Street	Chicago
	<b>TREASURER</b>	
Frank M. Gordon	First Trust & Savings Bank	Chicago
	<b>GOVERNORS</b>	
Ray Morris	Brown Brothers & Co.	New York
George Whitney	J. P. Morgan & Co.	New York
Joseph R. Swan	Guaranty Company of New York	New York
Clarkson Potter	Hayden, Stone & Co.	New York
George B. Caldwell	100 Broadway	New York
Jerome J. Hanauer	Kuhn, Loeb & Co.	New York
Walter S. Brewster	Russell, Brewster & Co.	Chicago
William J. Wardall	Benbright & Co.	Chicago
Henry C. Oleott	Continental & Commercial Trust & Savings Bank	Chicago
Carroll J. Waddell	Drexel & Co.	Philadelphia
Charles D. Diekey	Brown Brothers & Co.	Philadelphia
Frank D. Nicol	Nicol, Ford & Co., Inc.	Detroit
Sidney R. Small	Harris, Small & Co.	Detroit
R. A. Wilbur	The Herrick Company	Cleveland
Kelton E. White	G. H. Walker & Co.	St. Louis
Henry T. Ferriss	First National Company	St. Louis
Max O. Whiting	Harris, Forbes & Company, Inc.	Boston
John P. Baer	John P. Baer & Company	Baltimore
Simon J. Block	Nelson, Cook & Co.	Baltimore
John E. Jardine	Wm. R. Staats Co., Inc.	Los Angeles
Charles R. Blyth	Blyth, Witter & Co.	San Francisco
Benjamin H. Dibblee	E. H. Rollins & Sons	San Francisco
Hugh W. Grove	First Wisconsin Company	Milwaukee
Edgar Friedlander	Edgar Friedlander	Cincinnati
J. H. Gundy	Wood, Gundy & Co., Ltd.	Toronto
Sigmund Stern	Stern Brothers & Company	Kansas City
Willis K. Clark	Geo. H. Burr, Conrad & Broom, Inc.	Portland
Charles T. Sidlo	Sidlo, Simons, Day & Co.	Denver
John Dane	Marine Bank & Trust Company	New Orleans
J. L. Seybold	Wells-Dickey & Co.	Minneapolis
Robert R. Gordon	Gordon & Company	Pittsburgh
George V. Rotan	Neuhaus & Co.	Houston
	<b>DIRECTOR OF PUBLICITY</b>	
Harry Rascovar	14 Stone Street	New York
	<b>OFFICE COUNSEL</b>	
Theodore S. Chapman	111 West Monroe Street	Chicago
	<b>COMMITTEE COUNSEL</b>	
Paul V. Keyser	Woodward Building	Washington
	<b>OFFICIAL REPORTER</b>	
Frederick H. Gurtler	69 West Washington Street	Chicago



## Are You Wasting Investment Capital?

THERE are several hundred different bond issues which bankers consider good investments.

These issues possess in varying degree the investment qualities of safety, income, marketability, tax exemption, etc.—just as individual and institutional investors possess in varying degree the need for them.

Unless you hold those issues which best fit your needs, you are wasting investment capital—just as a contractor would waste it if he used walnut for rafters, for bond prices like the prices of building materials are affected by the degree to which they possess various qualities.

Hundreds of investors find First Illinois Company investment analysis and advice of marked assistance in preventing a waste of investment capital. Perhaps you also would find it equally profitable.

### First Illinois Company BONDS FOR INVESTMENT

CHICAGO MILWAUKEE  
ST. LOUIS AURORA  
DAVENPORT  
Union Savings Bank Bldg.



## A Specialized Service

for Banks and Bankers which is the result of more than sixty years of experience is offered by

**THE FIRST NATIONAL BANK OF CHICAGO**

and

**THE FIRST TRUST and SAVINGS BANK**

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

FRANK O. WETMORE, Chairman  
MELVIN A. TRAYLOR, President

Combined Resources  
Exceed \$400,000,000

## Personal Paragraphs

Walter W. Head and Wm. B. Hughes were splendid hosts to the "Falltonic" Special stopover in Omaha, supplying cars for a tour of the city, with Mr. Hughes master of ceremonies.

Lawrence E. Shaughnessy has become associated with the Stanley Gates & Co. investment securities, St. Paul. He has been representative of Minneapolis for Prudden Co., of Toledo, the past three years.

Hamilton M. Peyton retired last month as chairman of the board of directors of the American Exchange National Bank of Duluth, which he organized in 1879. He was succeeded by Edward C. Congdon.

Archibald F. Maxwell is another native of Iowa to receive a New York appointment. He has been appointed a vice president of the Guaranty Trust Co. Mr. Maxwell was graduated from Cornell College and first entered the banking field as credit manager of the Mellon National Bank in Pittsburgh. In 1913 he became manager of the credit department of the National Bank of Commerce and was made assistant cashier in 1915. He later became second vice president. With the organization of the Central National Bank of New York in January of this year Mr. Maxwell became its first president, which position he as resigned to go with the Guaranty Trust Co.

The Drake-Jones Co., of Minneapolis, has established a branch office at Sioux Falls, in charge of James S. Graham, who has been in charge of country bank sales for the company in southwestern Minnesota.

R. E. Patty, head of the department of agricultural engineering of South Dakota State College, announces that about a half million acres of land in South Dakota has been cleared with government agricultural explosive, which explosive, pyrotol, is still available to the farmers of South Dakota. Another carload is now on order for delivery in early spring to be used as soon as the ground is breakable.

Lester Bigelow has been elected vice president of the Minneapolis Trust Co. Mr. Bigelow entered the company in May, 1920, as a member of the bond department. In June, 1922, he was made sales manager of that department, which position he occupied until his recent promotion. In his new association Mr. Bige-

low will assist R. W. Webb, president of the company. Henry E. Atwood succeeds him as bond officer of the company.

Clarence Dillon, head of the Dillon, Read Co., with E. J. Bermingham, head of the Chicago office of that company, hunted prairie chickens at Eden, South Dakota, recently and secured their quota, together with many ducks.

George W. Norris, governor of the Philadelphia Federal Reserve Bank, told the Congress of American Industry in session at Philadelphia recently that the development of a banking system that would make bank failures virtually impossible is the goal to which American bankers should devote their efforts. Mr. Norris favors branch banks within a city for the larger banks to facilitate the transaction of business, but did not suggest the establishment of branches by any bank outside of its own city.

Wm. L. McKee has resigned as vice president and director of the National City Co. of New York.

LeRoy W. Campbell has been elected a director of the U. S. Fidelity & Guaranty Co. of New York. He is also president of the City Bank & Trust Co. of Hartford.

Philip G. Gossler has been elected a director of the Guaranty Trust Co. of New York to succeed Thos. E. Wilson, who recently resigned. Mr. Gossler is president and chairman of the board of the Columbia Gas & Electric Co.

Frank H. Lobdell has been elected president of the St. Anthony Commercial Club of Minneapolis. Mr. Lobdell is president of the East Hennepin State Bank.

F. L. Maytag of Newton, Iowa, chairman of the board of directors of the Maytag Company, is possessor of the world's largest medallion, the gift of the Home Appliance Merchants of America, as a token of recognition of his position as manufacturer and merchandiser of electrical home appliances. The medallion is valued at \$50,000.

O. B. McClintock, president of the O. B. McClintock Company, of Minneapolis, was elected president of the Manufacturers' Association of Minneapolis at a recent meeting of the Association's board of directors.

**Frederick A. Yard** has joined the investment banking house of Merrill, Lynch & Company. Mr. Yard was formerly vice president of the Union Trust Company, Chicago.

—\$—

**Wm. J. Watson**, a member of the directorates of the First National, Second Security Bank and Security Bank of Chicago, recently died at the age of eighty-three.

—\$—

**Frank O. Wetmore**, accompanied by Mrs. Wetmore, will sail from New York soon on a world tour of several months. Mr. Wetmore is chairman of the First National Bank of Chicago.

—\$—

**E. N. Baty**, secretary of the Committee of One Hundred, which led the nationwide fight to have the A. B. A. reendorse the Hull Amendments to the McFadden Banking bill, has issued the following from Chicago headquarters: "We congratulate the opposition on their victory in preventing the A. B. A. from endorsing the Hull Amendments. They have won the opening skirmish. We propose to win the real battle, which will be waged during the short session of Congress."

—\$—

**George S. Silzer**, president of the new Interstate Trust Company of New York, which opened recently at 59 Liberty Street, is very optimistic over the reception and prospects for the success of the new company.

—\$—

**Walker D. Hanna**, head of the Walker D. Hanna & Company, Burlington, Iowa, investment house, returned last month from Quebec, Canada, where he attended the annual convention of the Investment Bankers Association. He reports a pleasant and profitable time, his itinerary covering three thousand miles, six hundred of them by boat.

#### Now Heads Own Business

Lloyd L. Coon, who for the past two years has been employed by the Foreman Banks of Chicago, is now engaged in the window display advertising business. The new firm is known as the Coon Window Display Company, organized for the purpose of supplying banks and financial institutions with window displays. The offices of the company are at 10 South La Salle street, Chicago. Mr. Coon was a director and assistant cashier of the First National Bank of Lovington and was later manager of the new business department of the City National Bank of Evanston. For two years he was secretary of the Financial Advertisers Association.

Nay, then, let the devil wear black, for I'll have a suit of sables.—Shakespeare.

#### Radio Reform

Legislation for radio control may go a long way in the direction of improving the situation, but whatever action congress may take, it will probably not be regarded as going far enough.

By the time the owner of a radio receiving set has heard "What Can I Say, Dear, After I Say I'm Sorry?" from New Orleans, Detroit, Cincinnati, Indianapolis, New York, Chattanooga, Davenport and as a part of his favorite hookup, he realizes that what he believes to be the worst offense against radio satisfaction can hardly be prevented by law.

Something ought to be done, in the in-

terest of peace of mind, harmony, good will and all that sort of thing, to keep a dozen stations from broadcasting the same popular song at the same time.

Another reform of which radio patrons feel the need is more frequent announcement of the station.

The man who boasts about the number of stations he has logged, dislikes sitting in front of his instrument for fifteen minutes, waiting for the station to identify itself.—Indianapolis News.

Age is a tyrant who forbids at the penalty of life all the pleasures of youth.—LaRoche foucauld.

# THE FOREMAN BANKS

FOUNDED 1862

Whatever banking service you need, we are equipped to serve you. We especially invite the business of banks seeking a metropolitan connection.

## The Foreman National Bank

*The Foreman Trust and Savings Bank*

La Salle and Washington Sts.  
Chicago

*Combined Capital, Surplus and Undivided Profits exceed*

**\$11,000,000**

# State Bank Division Growing Rapidly

IN REVIEWING the records of the activities of the State Bank Section for the past ten years, I found that C. B. Hazlewood, then chairman of the division, made the statement at the annual meeting of the American Bankers Association held in Kansas City, that the new section would be the largest numerically in the American Bankers Association and should include at least 8,000, and probably many more, state banks and trust companies, doing a commercial business in all parts of the country, both city and country banks. We are now proud to report a membership of approximately 12,000. This only confirms the excellent judgment Mr. Hazlewood has shown in his many activities in the American Bankers Association work.

True to its trust, the division has always championed and continues to champion country banking interests. The eventful years in their procession, of course, bring ever-changing problems and the officers of the State Bank Division have been alert in meeting them. This year we have been busily engaged, in addition to numerous other activities, in

*By Grant McPherrin*

*Des Moines*

*President, State Bank Division, A. B. A.  
(From address before A. B. A. Convention, Los Angeles)*

encouraging the development of cooperative farm marketing facilities along sound economic lines. We have continued our campaign for the development of a better understanding and relationship between state banks and the Federal Reserve System, and are gratified at the strong and growing appreciation of the Federal Reserve System evidenced by our member banks.

We have actively cooperated with the Better Business Bureaus and other agencies in a nation-wide campaign to educate the general public in the fundamentals of sound investments, and commendable progress has been made.

able banking. As one means of attaining this end, the Clearing House Section has devised a simple plan whereby any bank can make an analysis of its accounts and thus ascertain whether it is being carried

We have waged a helpful campaign for the maintenance of complete credit files

on unsecured loans of \$500 or more in each bank.

We have earnestly cooperated with the Clearing House Section in bringing about analysis of accounts, the making of proper service charges, standardization of checks, organization of county bankers' associations and the installation of credit bureaus to head off the danger of duplicate borrowers.

The State Bank Division has been mindful that we will have better bankings as we have more consistently profit on at a profit or a loss. To plug the losses and to increase bank revenues, equitable service charges have been suggested, making each account self-sustaining.

We take particular pride in the progress made in increasing the efficiency of state bank supervision through freeing this responsible office from partisan politics, increasing the compensation, and also securing a longer term of office for bank commissioners, with provision for an adequate force of qualified examiners. Another problem which has engaged our attention has been the making of a careful study and survey of laws governing



## Your New York Correspondent's

### *Knowledge of Foreign Trade*

THE Seaboard's technical knowledge of Foreign Banking in all its phases is at the disposal of our correspondent banks. Specific problems presented to us by mail or wire receive thoughtful study and prompt action.

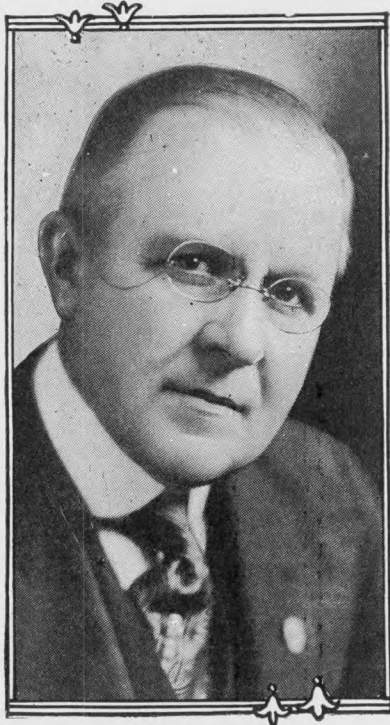
## THE SEABOARD NATIONAL BANK

*of the City of New York*

MAIN OFFICES: BROAD AND BEAVER STREETS



state banks. While Congress makes uniform laws for all national banks, forty-eight state legislatures vie with each other in the enactment of state banking laws—hence, the importance of an organization like the State Bank Division making a nation-wide study of these laws and suggesting more uniform action. The diversity of state banking laws in the past has been astounding, but we are happy to report a general tendency the past few years looking toward making them more uniform and equitable.



GRANT McPHERRIN

Our survey shows a general tendency, especially during the past two years, toward a higher degree of uniformity of legislation dealing with the fundamental principles of bank organization and operation and supervision—among which may be mentioned:

(a) Increasing the minimum paid up capital requirements of banks to \$25,000.

(b) Creating of banking boards to act in an advisory capacity to bank commissioners.

(c) As previously stated, freeing the office from the domination of partisan politics, increasing compensation of bank commissioners, and lengthening his term of office with power to appoint necessary deputies and examiners.

(d) Giving bank commissioners or banking boards full power to grant or reject applications for charters.

(e) Giving banking departments full charge of liquidating failed banks.

(f) Placing building and loan associations, financing companies, credit unions, and private banks under the supervision of state banking department.

## PARAPHRASED PROVERBS

### Overnight Mail is the Shortest Transit Distance Between Two Points



Our continuously operating Transit and Collection Departments make the “shortest”, shorter still by:

Receiving and forwarding items both night and day.

Using air mail and fast train service wherever possible.

Special messenger service to New York City daily.

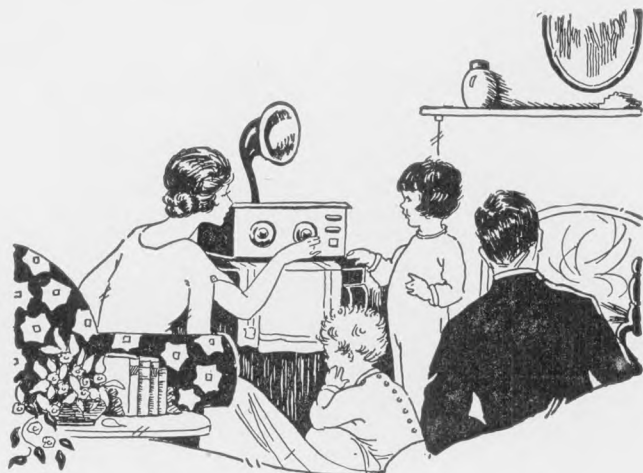
All items received at par.



## THE PHILADELPHIA-GIRARD NATIONAL BANK

PHILADELPHIA, PA.

Capital, Surplus and Profits--\$28,000,000



*"This is living, Mary, the real joy of living!"*

*"For a good many Novembers we have spent evenings like this, but to me there is a new cheer, a new indescribable freedom, about it this fall. For the first time in my banking experience I have learned how to free myself from a load of details and responsibilities.*

*"Wessling Services taught me how. And they not only helped me personally, as a banker, but their method, so unique and yet so simple, is building business for the bank."*

## 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**

(g) Broadening the field of investments for funds of savings banks and trust companies.

(h) Providing for more equitable taxation of bank stock.

In the field of federal legislation, state banks have a growing interest, especially since the enactment of the Federal Reserve Act. Here again the State Bank Division is playing an important part in interpreting and voicing the needs and relationship of state banks. Happily this year we have not found it necessary to differ from the general American Bankers Association program for federal legislation. For instance, it has long been recognized that state banks are taxed unfairly in nearly every state, but yet the way toward a more equitable system of taxation, by taxing banks as other businesses, has been blocked, because states could not tax national banks on their income, and this prevented the taxation of state banks in the same manner. This obstacle was removed at the last session of Congress when the law, due to the activities of the American Bankers Association, strongly supported by the State Bank Division, was changed to permit the equitable taxation of national bank shares. Having this enabling legislation, New York and Massachusetts immediately changed their system of taxing state banks and the amount that state banks will pay was very materially reduced and the rate is now on a basis comparable with other businesses. This action has paved the way for similar moves in other states, and it is now possible for state bankers to get what they should have—quality in taxation with other businesses. In this review I have briefly touched only the high spots of some of the successful achievements, but enough, I am sure, to give you an outline of our activities. Numerous other problems were handled and countless services were rendered our great family of 12,000 member state banks.

It is true, the past four years have been trying indeed for the bankers. Heavy personal demands have been made on our time to discuss business affairs with our clients. While many business adjustments have yet to be made, I feel that the worst is over, and from now on our duties will be somewhat easier, and therefore, our profession will be more delightful. It has been the purpose of the State Bank Division since its organization, to keep before you continuously nothing but the highest standards of banking, and I am confident the aim for the future will be for the constant improvement of banking methods, and the thought of close cooperation with all sections and divisions of the American Banking Association.

Be a philosopher; but, amidst all your philosophy, be still a man.—Hume.

### STARTING A BANK 70 MILES FROM A RAILROAD

(Continued from page 17)

the ground floor, with a bucket of water and a dipper on the outside, to take a drink when you wanted it or to wash up, from the same bucket. It was a great experience to me, to say nothing of Mrs. Jewett, who had just come from Chicago. I wondered just how they were going to stow us away that night. There were no partitions between the different rooms, except a little calico curtain, and I was a great deal worried, but we got through the night all right and started out the next morning. After going about eight miles, we came to the Loup River, and there being no bridge the horses dashed in. The water came up into the wagon and I was never so scared in my life. I felt sure we would drown, but they pulled us through and then for the next twenty-five miles, before reaching Broken Bow, it was a desert country, not a human or animal of any description did we see, and I thought to myself that there were never two bigger fools than Jewett and I starting a bank in such a country.

"When we finally came over the last hill and looked down into the valley, it did certainly look pretty. There were quite a number of little new residences and a little hotel, all painted white, and being in the morning, of course, our courage was much improved. I stepped into the little wooden hotel and said to the proprietor: 'Where is the bank?' He pointed out the window and said: 'Over across the street.' I went over to a little one-story frame building that had a little board about two and a half feet long over the door—painted—BANK. I opened the door and stepped in and was surprised to find nothing that looked like a bank. In one corner at a table sat a young man reading a law book. I said to him: 'Where is the bank?' He said: 'In the back room.' The front room was twelve feet square and the back room about eight by ten. I went in and there sat Jewett in one corner, the safe in another corner, and that was the bank. We called it Burnham and Jewett, Bankers.

"I might say right here that the young man in the front office, whom Mr. Jewett had met after reaching Broken Bow, and they had decided to take this little building together, was the Honorable Silas Holcomb, who afterwards became Governor of Nebraska and made a fine record. Of course, he was our attorney for many years.

#### Bank Capital \$2,000

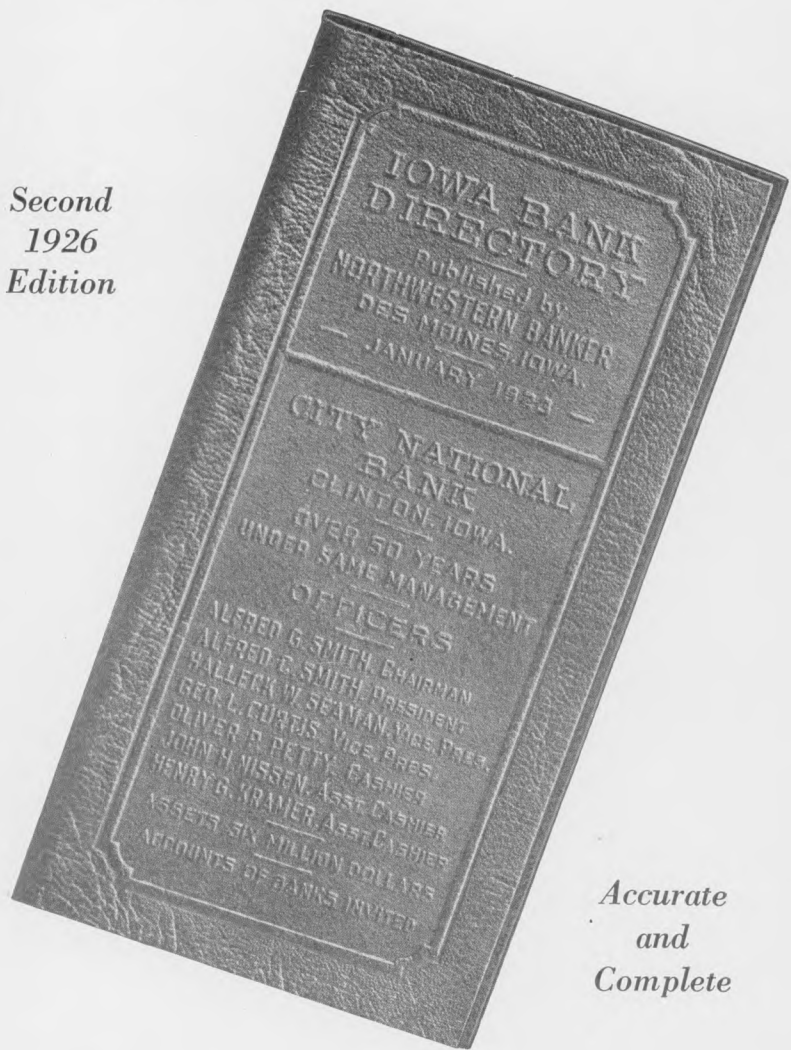
"The capital of the bank at that time consisted of \$2,000, \$1,000 put in by Mr. Jewett, and \$1,000 by myself. We added \$500 at a time as we learned conditions there, and loaned it out and kept increasing for several years, when we learned that the railroad was coming in there,

## Every Bank in Iowa

has now received its Second 1926 Edition of the Iowa Bank Directory. Every mail brings to us letters from Iowa bankers telling what a helpful reference the Directory is to them and their institutions. As one banker says, "It's handy as a pocket in a shirt."

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1926  
Edition



Accurate  
and  
Complete

## The Iowa Bank Directory

Published Semi-Annually by

THE NORTHWESTERN BANKER

Clifford DePuy, Publisher

DES MOINES, IOWA

when we changed it into the First National Bank of Broken Bow, where we did business for a long time with a capital of \$50,000.

"We started a bank at a little town called Callaway, and one at Arnold and at Westerville, in the same county, one at Gandy in Logan county and another one at Sidney in Cheyenne county, and one at Arcadia, and I was president of 'em all. That was going some for a young kid from Maine, who had never before seen a sod house nor been outside of the city limits of Lincoln. But these banks all made money. I used to visit them about four times a year. I would take a little pair of ponies and a buck-

board from Broken Bow and visit those banks and take every note in the bank in my hands and hold it and talk about it. I was the only examiner.

"In 1888, after the legislature had passed a banking law here, I decided to start a bank in Lincoln and organized the American Exchange National Bank of this city. At that time there were, I think, nine banks in Lincoln, and, of course, mine was the last and smallest one. At the end of a couple of years we purchased the State National Bank of this city and merged the two under the name of the American Exchange National Bank. In this bank D. G. Wing was my assistant cashier, at a salary of

one thousand dollars, and was the only man I had. Vice President Charles G. Dawes was one of our directors.

"Mr. Wing was with me several years. During that time we had taken over the State National, when Mr. Dawes, who had become Comptroller of the Currency, wanted me to let him have Wing for a short time to examine receiverships, as there had been a good many failures during that time in different states. During an examination in Boston, Mr. Wing discovered a defalcation in one of the banks there of nearly one million dollars, and he handled it so discreetly that the result was that they asked him to assist them in a reorganization of the bank and to take the vice presidency, which he did, as you probably know is at the present time president of the First National Bank of Boston, the largest bank in New England, and one of the leading bankers of our country (all owing, of course, to the fine early training he had here in Lincoln).

"Then hard times came on in the period of '93, '94 and '95. Several banks here failed and in May, 1899, came an opportunity to purchase this bank, the First National. It gave us then the leading position with deposits equal to all the others. I think there were five banks here at that time. The present combined resources of the First National Bank and the First Trust Company, which is owned by the stockholders of the First National, is \$20,300,437.19, and we have employed in the two organizations 105 persons."

#### "NEWS AND VIEWS"

(Continued from page 18)

System in normal times. The committee which is headed by Harry A. Wheeler, president of the Union Trust Company of Chicago, will endeavor to differentiate between the operations of the country's credit machinery in normal times as contrasted with the emergency conditions of the previous eight years, and to promote public understanding of the nation's financial mechanism in the light of the new economic situation of the country.

—\$—

B. C. Forbes gave a very fine address before the American Bankers Association, on what he terms his "Dream Bank." This dream bank Mr. Forbes pictured as a savings bank. Mr. Forbes said he believed that saving was next in importance to salvation, that all progress, all prosperity, all employment, all happiness, and civilization itself was based on saving. He also pointed out that the motto of every individual should be, "Save to give and really live."

—\$—

John G. Shedd, chairman of the board of Marshall Field & Company, died recently at the age of seventy-six, following an operation for appendicitis. Mr.

## Guaranty Trust Company of New York

140 Broadway

LONDON PARIS BRUSSELS LIVERPOOL HAVRE ANTWERP

Condensed Statement, September 30, 1926

### RESOURCES

Cash on Hand, in Federal Reserve Bank and Due from Banks and Bankers	\$156,306,448.38
U. S. Government Bonds and Certificates	35,430,733.51
Public Securities	18,636,070.91
Other Securities	20,950,906.20
Loans and Bills Purchased	383,438,589.17
Real Estate Bonds and Mortgages	1,664,000.00
Items in Transit with Foreign Branches	7,117,029.58
Credits Granted on Acceptances	40,770,961.83
Real Estate	8,044,029.26
Accrued Interest and Accounts Receivable	5,704,185.94
	<u>\$678,062,954.78</u>

### LIABILITIES

Capital	\$25,000,000.00
Surplus Fund	20,000,000.00
Undivided Profits	4,606,786.44
	<u>\$49,606,786.44</u>
Accrued Interest, Reserve for Taxes, etc.	7,020,211.93
Acceptances	40,770,961.83
Outstanding Treasurer's Checks	23,971,613.49
Deposits	556,693,381.09
	<u>\$678,062,954.78</u>

Shedd was a director of many big corporations, including banks and railroad companies. During his lifetime he was an ardent golfer and frequently told his friends, "I regard golf as one of the greatest blessings of modern times. It draws men from their business as nothing else can do, and refreshes them for new endeavors with a spirit which only golf develops." This is sound advice and will be cheerful news to all of the present banking golfers, and should also be good advice to all those who have not as yet taken up the game.

—\$—

The Bank of England and many of the European national banks, excepting those of France and Italy, have agreed to underwrite a Belgian reconstruction loan of

\$75,000,000. This is the first big European loan which has been floated without the assistance of Uncle Sam. Perhaps they would rather patronize their home institutions, and if so there certainly is no one in this country who will object.

—\$—

Nicholas Murray Butler, president of Columbia University, speaking at a banquet in New York recently, said, "Hell, figuratively or otherwise, is necessary for man as a 'cuss' word, if for no other reason." Dr. Butler further emphasized his point by saying, "I wonder if there be no hell what is to happen to the vocabulary of the man of high temper and careless speech, who wishes to express himself with vigorous completeness and no uncertain emphasis? For myself I should par-

ticularly deplore the loss of hell." At the particular moment we can think of no educator in America who has attempted to raise more hell over more different subjects, including prohibition and politics, than has the well-known overseer of Columbia University.

—\$—

Trust companies have shown remarkable growth during the last thirty years in the United States, according to Francis H. Sisson, who was president last year of the Trust Company Division of the American Bankers Association. Thirty years ago there were but 242 trust companies in the United States, with resources of \$807,000,000. Today there are 2,701 companies, with resources of \$18,000,000,000.

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Bankers, especially, know the value and necessity of directness, promptness and economy in transacting the ordinary affairs of the day's business—and particularly out-of-town business. These advantages are gained by routing all your Chicago items through one institution which possesses the facilities and experience to render you the efficient service due correspondent banks. The State Bank of Chicago places at your disposal its forty-seven years of banking experience and its complete financial services.

*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.*

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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 \$7,500,000

### Community Work for Indians

A newspaper dispatch under a Lincoln, Nebraska, date line, states that a group of Indians on the Winnebago reservation has asked the county agent to assist them in organizing a Community Club.

The purpose of the club, it is stated, will be to carry out a program of extension work and to study better farming in an organized way. Demonstrations, lectures and moving pictures will be included in the program.

It is said that this is the first organization of the kind in the state of Nebraska. It may be considered unique, but it certainly speaks well for the Indian. There are some white folks who might profit by emulating his example, in that respect.

Cornelius Vanderbilt, Jr., a voluntary exile from wise parental advice, "wants to be a newspaper power." Well, riches intelligently used will go a long way toward that goal—but not all the way, as the young man is likely to learn.

### The High Price of Health

Early to bed,  
Early to rise,  
And your girl goes out  
With other guys.

—Yellow Jacket.

### One Untroubled State

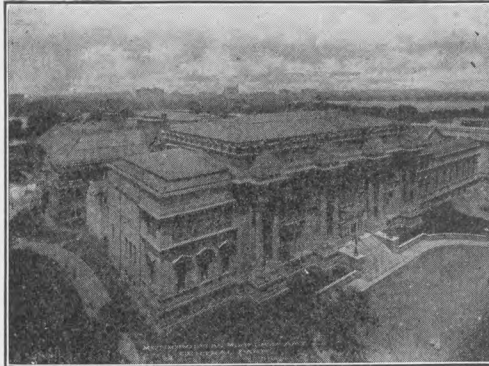
There is one country in Europe not involved in the political tangle and financial troubles and unrest so prevalent among its neighbors. It kept out of the war although surrounded by the fighting nations—France, Italy, Germany and Austria. It is Switzerland, whose area is less than one-third that of Illinois. Its government is a confederation of twenty-five cantons, and its president Henri Haerberlin. It has a state council and a national council, and universal suffrage, under a federal constitution adopted fifty years ago, and its unity has been maintained since 1291. It has compulsory education and seven universities, and its population is about 875,000 more than that of Chicago.

Switzerland means scenery to most Americans, along with wines, watches, cheese and splendid forests. The high peaks of the Swiss Alps are numerous, and tourists find first class accommodations everywhere.

National defense is compulsory, service in the national militia being required; and it has been extraordinarily efficient. No doubt this fact has helped keep it out of war, together with the government's settled policy of tending strictly to its own business.

No picture can be good which deceives by its imitation, for the very reason that nothing can be beautiful which is not true.—Ruskin.

*Points of Interest  
in New York City*



*METROPOLITAN MUSEUM OF ART*

Situated in Central Park facing Fifth Avenue at 82nd Street, the Museum was opened March 30, 1880. The collections, owned and administered by a Board of Trustees, are the largest in the United States, embracing Egyptian, Greek, Roman, European, Oriental, New Eastern and American Art. Over a million people visit this wonderful old Museum each year.

*—At the New York End*

THE BANK OF AMERICA brings its services right home to all customers through its offices in eight business communities in Manhattan and Brooklyn. Each office is a unit in its own district. All of them are welded into one institution for the service of business men.

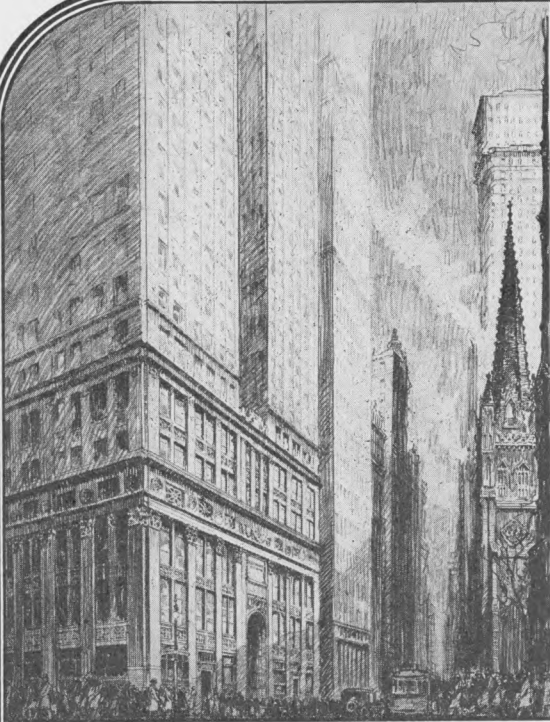


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ESTABLISHED 1812

NEW YORK CITY

*Capital, Surplus and Undivided Profits over \$11,000,000*



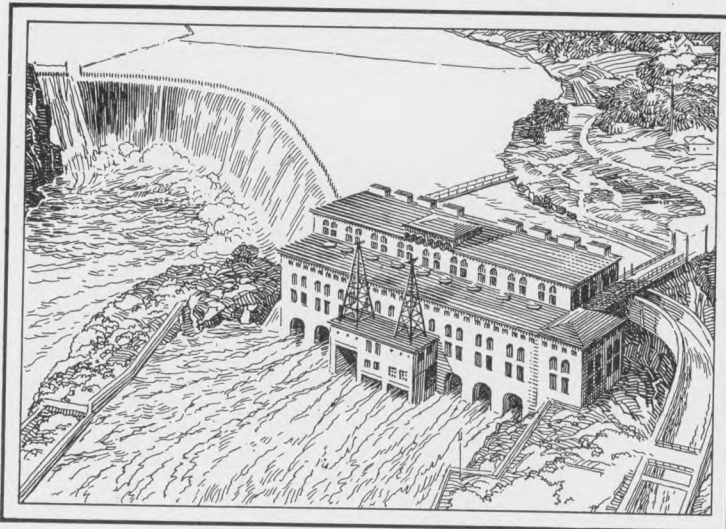
*Bread Cast Upon Waters*

In the rapid growth of the Fidelity Trust Company, its officers have never lost sight of the fact that friendly helpfulness toward customers has put their bank where it is—and that friendly helpfulness will carry it further.

In furthering the welfare of our customers, we have fared well ourselves.

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*Investment Securities*

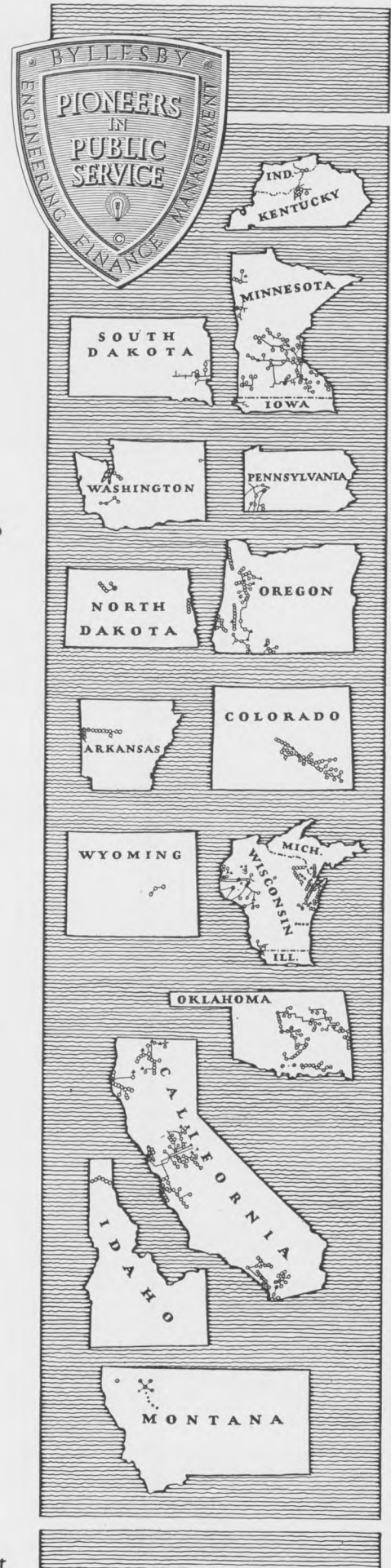
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Investments Backed by Successful Engineering-Management



## SPECIAL SECTION, INVESTMENT BANKERS ASSOCIATION CONVENTION

# What the Investment Bankers Association Is Doing

**I** THINK the first instinct of every retiring president of the I. B. A. is to express his deep gratitude at the privilege the members have given him. The contact that a president gets with the personnel of security houses all over the country is a thing that the fortunate holder of the office never forgets. I feel personally indebted to the hospitality of many hundred investment bankers who entertained me at the group meetings, and in attending those meetings, and the two conventions, I have traversed this year thirty-four states. I mention that merely to emphasize the extraordinarily complete geographical distribution of our organization.

### Mr. Fenton's Death

The work of the year was greatly saddened for all of us by the untimely death of Fred Fenton, in the midst of his labors for the Association. Fred was a true friend of every member, and the constructive growth of the Association and its groups, over the years, was undoubtedly due more to him than to any other single member. He had the capacity of thinking out our problems, both in the large and in complete detail, and he combined with this a political sense, using the word in its best meaning, which enabled him to get things done with the minimum of lost motion. I want to add, at this time, a word of deep appreciation for the loving care which the Los Angeles group gave him during his illness.

I started the year, and I finished it, with the definite thought that the work of our national committee is exceedingly well done, and that the combination of this organization with the very valuable field work of the groups is undoubtedly the right set-up with the many different kinds of problems that come up. The national committees go back to the foundation of the association; the group organization is only about five years old, but it has become a most indispensable part of our work. In a year so full of constructive effort, it may seem unfair to single out any special instances, but I want, nevertheless, to call attention to the very effective work-out of our contact with the blue-sky situation in the various states. Starting with the years of heroic work, nearly single-handed, by

**By Ray Morris**

*Retiring President*

*(From Quebec address)*

B. Wendell, we have now constituted a blue-sky bureau, as you know, under the efficient guidance of Mr. Davis, whose work is the double-headed proposition of selling to the various blue-sky commissioners the idea that the association and its membership are loyal friends of proper, workmanlike supervision, and, in turn, of interpreting to the membership the constantly changing status of the regulation. This bureau rests on the principle long since adopted by the public utility companies; of working with regulation, instead of against it. Both parties, the regulators and the distributors, may be presumed to be quite honest in their purposes; the thing is to get them around the table as friends and allies, against the common enemy; the crook. It was our pleasure a short time ago to entertain in New York the convention of blue-sky commissioners from the various states. Something like fifty of these gentlemen were present, and I think I am correct in stating that after a session of four days there they were shown with entire freedom all that was of interest to them in the workings of the issuing houses and of the stock exchange. They went home with the feeling that they were dealing with friends and equals, instead of with the extraordinarily inhuman type portrayed in newspaper headlines and movie captions under the general name of Wall street.

### Coordinated Effort

I have mentioned our work on the blue-sky situation in some detail because it is a very good example of the kind of thing that an association can do, but that no single house can very well do by itself. There are many other instances of the value of coordinated effort in dealing with certain problems too big or too complicated or too wide-spread to be the natural responsibility of any single house.

I have before me the September 7th Bulletin, listing all bond issues of Texas road districts for which validating bills were introduced at the special session of the Texas legislature which convened at

Austin, September 13th. Most of you have seen this bulletin and, although you may or may not have been interested in road district bonds, you may have noticed that this bulletin covers some 820 separately listed issues, together with the date of the order creating; particulars of record of the amount and the date of the election order and the date of the election. I think you are all of you more or less familiar with the special difficulties presented by the Texas road district cases and by the improvement district cases in the northwest. At each state in this situation your municipal securities committee, with the important aid of the groups, furnished legal and administrative guidance, and demonstrated conclusively how a general association can undertake work which otherwise is nobody's business because it is everybody's business. We have cheerfully made appropriations for this work which would have been a heavy burden on any individual house, but were borne, unnoticed, by the membership as a whole.

Another kind of thing that we can do is well exemplified by Howard Beebe's excellent work this year as chairman of the committee on foreign bonds. We devoted a good deal of time at the group meetings last spring to discussing some of the very baffling problems with which our membership is faced in this matter of foreign bonds. At a time when high-grade American bonds are becoming very scarce, with extremely narrow commissions to cover the cost of merchandising, foreign bonds have been in relatively plentiful supply and with relatively wide commissions. The growing popularity of this class of security during the past two or three years has removed most of the early dread with which the general subject of foreign bonds was approached, but, nevertheless, many houses have felt greatly puzzled for guidance as to whether they ought to sell certain of these bonds to their customers or not. There was a great scarcity of reliable and important statistical information reflecting on the goodness or badness of the bonds offered and no way of getting information quickly or easily to supplement the information, perhaps prejudiced or colored, which was set forth in the offering

circulars. This is a question which we have debated long and earnestly at governors' meetings, and the way Howard Beebe has worked it out this year is quite in line with the best traditions of the I. B. A. You are familiar with his reports so I will merely say that he and his committee have taken what seems the neutral and sound steps towards creating a centralized and impartial bureau of service and information for the benefit of I. B. A. members who want to know about foreign bonds—again a job which no house could very well have performed alone.

#### Questions of Ethics

The Committee on Ethics and Business Practice, headed by your incoming president, has also started a train of inquiry

this year, looking toward cleaning up some of the hitherto unsolved questions of fair procedure, that have perplexed the association from the earliest days. The results of its work, I think, are going to be far-reaching, and I want to digress a moment at this point to consider what may be called the internal problems of our work, as distinct from the external. Every time Arthur Gilbert has nothing to sell, or, every time the fish aren't biting, he writes me a letter, six, eight or ten pages long, on this subject.

Gilbert points out that the association has always specialized in committee work dealing with the goods sold rather than with the problems of selling them. We have, and have had, able committees passing on railroad and industrial securities,

municipal and foreign bonds, but we have paid comparatively little attention to the relations between house and house; to salesmen's commissions; to our policy, if any, in relation to bonds where the margin of profit is less than a living wage; to syndicate terms and practices by the large issuing houses which make it difficult for the outlying districts to do their work properly and efficiently.

Part of this deficiency is being met, this year, by the able work which Pliny Jewell is doing. Reforms in business practice, and helpful modifications of it, do not happen overnight; they are usually the result of long effort, and anybody optimistic enough to think that every practice with the seeds of injustice in it will be changed as soon as a committee reports on it, ought, for punishment, to be made chairman of the committee! But my own feeling has been that we, as an association, can be immensely effective in correcting practices that we do not like it, and only if, we proceed on a basis of absolute unanimity, starting with a few great fundamentals that are quite above dispute; adopting those as standard practice with all due formality, and then proceeding quite gradually from the known to the unknown and the debatable; a little at a time, and with our feet always firmly on the ground. I have always imagined that the rather extraordinary durability of the Ten Commandments was due to the fact that Moses recorded the best standard practice of the time, rather than attempting to create new standards by legislation. Probably the journalistic comment of the time thought the Ten Commandments were rather dull; everybody knew about them anyway! And I suspect that when we get around to the formulation of ten commandments, or fourteen points, of good practice, that they will seem rather dull, too; most of us will always have done that way!

#### Association Can Decide

But, nevertheless, we as an association are definitely able to formulate what is fair and what is not, and to get our code adopted by the pressure of public opinion, if we limit ourselves to essentials, and adhere rigidly to a few fine, solid principles that are at the base of all good business.

The other half of our work between houses, inside the membership, is undoubtedly complicated by the fact that we, as an association, comprise both buyers and sellers, originators and distributors, and there sometimes seems to be lack of mutuality between the two functions. For that reason I have always felt that it was a cardinal point of our policy to be represented fully on the board by both types of houses, and by the best men in the business. If you work any association with the best men in the business, you somehow get the best re-



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AT the ready call of our Investigating and Buying Departments are over 200,000 separate statistical files containing essential information on foreign and domestic industrial corporations, public utilities, railways, municipalities, governments and other borrowers.

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sults; if you let yourself be represented by juniors, you get junior results! That is why I have wanted to reduce the number of governors' meetings, and, in general, the pressure on governors; so that the best and busiest men would be able to serve. We have always been fortunate in the quality of our governors, and I hope we always will be, because if the undoubted leaders in any business stand together for mutual help, instruction, and the promotion of friendly relations, then you have got the ideal of association work. And that, gentlemen, is what we stand for.

At the risk of saying over again some of the things which we discussed pretty fully in the group meetings, I should like to reiterate in closing that there are the best of reasons why this association and its work should be taken most seriously by originating and distributing houses alike. Apart from all the bread-and-butter questions of the services which we render to our members, and apart from the immense advantage which comes out of the personal contacts at conventions, governors' meetings and group meetings, there stands out the fact that America has rather suddenly become by an enormous margin the greatest investing country in the world. The old standards of investment banking, the old size of the task and the machinery for doing it have changed completely under this present day set of conditions where there are seven or eight thousand million dollars' worth of securities to be sold every year; where there is a selling organization developed on the models of the Liberty Bond campaigns and reaching into every hamlet across the country, and where there are the natural tendencies to do things hastily and not quite perfectly, growing out of the extraordinary rapidity with which this distribution has been developed.

To an extraordinary extent we are the custodians of this industry. If we do our work in a big way and with complete thoroughness, we are apt to remain the custodians, otherwise we are apt in an increasing degree to be made subject to rules and regulations coming from outside our ranks and formulated by people who know less about the business than we do. It sounds like flattery, but it is the simplest common sense to point out that never in the history of the world were there as many men qualified to manufacture and sell securities gathered together at one time and place as we gather together at these meetings. We have the talent and we have the high moral standards that go with an honest attempt to do a good job for our customers and for our corporation clients. I see no reason why with this very complete set of qualifications the Investment Bankers Association cannot exercise, and continue to exercise, a clean, forceful and helpful leadership.

## *An Enlarged Investment Service*

The Continental and Commercial Company unites in one organization both the former Bond Department of the Continental and Commercial Trust and Savings Bank and the Continental and Commercial Securities Company. All of the stock of this Company is owned by the stockholders of the Continental and Commercial National Bank and its directorate is composed of officers and directors of the Continental and Commercial Banks. The Company is engaged in underwriting, wholesaling and retailing investment securities

### CONTINENTAL *and* COMMERCIAL COMPANY

CHICAGO  
208 S. LaSalle Street

NEW YORK  
5 Nassau Street

# Pledge Aid to Blue Sky Laws

**D**ECLARING that "this committee is steadily working toward the establishment of certain sound principles based on fair practices which all can stand upon in all sections," Howard J. Beebe, of Harris-Forbes & Co., New York, chairman of the committee on business ethics, told the annual convention of the Investment Bankers Association at Quebec that the rapid distribution of securities these days must not react unfavorably on the ethics of the business.

He said, in part:

"America has become by an enormous margin the greatest investing country in the world. The old standards of investment banking, the old size of the task and the old machinery for doing it have changed completely. Between \$7,000,000,000 and \$8,000,000,000 worth of securities are sold and distributed each year and there are tendencies to act hastily and not quite perfectly, growing out of the extraordinary rapidity with which the distribution has developed."

## Tribute Paid to Fenton

Silent tribute was paid to the memory of Frederick R. Fenton, executive secretary of the association, who died last spring.

Discussing the possibility of increased commissions on commercial paper in the report on commercial credits, submitted by Chairman W. W. Sachs, Goldman Sachs & Co., New York, it was stated that it has been decided temporarily to abandon this object. The report touched upon the keen competition which existed between houses, leading to indiscriminate bidding at rates under the proper market level and the practice of granting options to banks, but stated that these practices had been greatly diminished.

Touching upon the purchase of commercial paper by banks, the report says:

"At one time banks would not lend to the best of their customers at rates as low as the open market for commercial paper, because commercial paper could be bought without obligation to renew, but in recent years the banks are competing vigorously for commercial business and consequently with commercial houses. The commercial loans show an increase, but it is relatively small compared to the growth of the country's business. This is due to improved transportation, quicker turnovers, and many corporations now turn to the investment field for working capital.

"The new school of bankers," continues the report, "disregards the lessons of 1907, 1914 and 1920. They close their eyes to the advantages of investing part of the funds in outside commercial paper, where there is no obligation to renew, and prefer to lend to customers at low rates."

Referring to the recommendations for financial statements from public service holding companies, Pliny Jewell, Coffin, Burr & Co., Boston, chairman of the committee, stated that it was recommended that a committee be appointed to confer and work with houses handling such issues.

## Fees to Be Investigated

It was resolved that a committee be appointed by the President to invite co-operation among houses specializing in Public Service Holding Company issues and of the economists in order to obtain up-to-date information. Mr. Jewell stated that houses dealing in issues of this character had manifested the utmost willingness to work with the association in this regard.

In the report of the legislation committee, Chairman Hugh W. G. Grove, first Wisconsin County, Milwaukee, stated that the committee is now investigating the reasonableness of charges by surety

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*Special Bond Service to Banks*

IOWA REPRESENTATIVES:  
Edward J. Kelly and Maurice F. Leahy



companies for statutory bonds required by the blue sky laws in several states.

Arthur H. Gilbert, of Spencer, Trask & Company, Chicago, reported that with each year there is a better understanding and greater uniformity of blue sky laws in the country and that the committee is of the opinion that the investigation of high grade and seasoned securities offered by the Investment Bankers Association can be accomplished by the blue sky law commissioners with the expenditure of less time and effort than at present, and further that the expenses of selling issues in some states, such as fees, investigations, extra accounting, etc., prohibit in many states the offering of high-grade issues.

The committee called attention to the need of some measures by which selling of securities can be accomplished throughout the country simultaneously.

Arthur G. Davis, recently appointed field secretary to aid in the Blue Sky Law work, stated that it was his constant effort to promote the idea that there should be no sectionalism in laws regulating the sale and distribution of securities.

#### New Form of Investment

An interesting and significant development in the investment field in Chicago is marked by the consummation of a trust agreement between the Illinois Merchants Trust Company and the Chicago Title & Trust Company, as trustee, by which the Illinois Trust Company was enabled to offer recently for the first time a new type of security known as First Real Estate Mortgage Collateral Gold Bonds.

These bonds, yielding 5½ per cent, are a direct obligation of the Trust, and are secured specifically by deposit with the trustee of first mortgages upon improved real estate located in the "Greater Chicago" district.

The significance of the announcement is twofold. It gives investors the first opportunity to benefit by the Chicago Title & Trust Company's long experience and conservatism in the selection of real estate mortgages. Previously, this company has purchased mortgages only for its own account and for trust funds under its control. Secondly, it is the occasion of the Illinois Merchants Trust Company's first entrance into the real estate mortgage field.

Commenting on the new development, Roger K. Ballard, vice president of the Illinois Merchants Trust Company, in charge of the bond department of that institution, states that the decision to enter into the trust agreement was strongly influenced by a growing demand on the part of investors and financial houses for a real estate security which would have broader safeguards than those com-

monly offered. When the opportunity came to make an agreement with a house of such high standing as the Chicago Title & Trust Company, and it became possible to back the bonds with such unquestionable security as this plan offers, the bank welcomed the opportunity to go ahead.

The selection of the mortgages which provide the security is made by the Chicago Title & Trust Company, every mortgage being legal for the investment of trust funds under the Illinois law. No mortgage exceeds 60 per cent of the trustee's appraised value of the property.

In excess of the par value of the new bonds issued, there is a 10 per cent mar-

gin of additional real estate mortgages supplied out of the trustee's own holdings and held in a special protective fund. The soundness of the selection of mortgages by the trustee is indicated by the trustee's forty years of experience as a purchaser of real estate mortgages in large amount for its own investment as well as for trust funds under its control. During these forty years purchases by the trustee have been in excess of \$200,000,000, of which more than \$50,000,000 is now being carried for the trustee's own account and in trust funds. In the few instances in which foreclosures have been necessary, the net result to date has been a substantial profit.

## FLAMINGO HOTEL—CHICAGO

*\$375,000 Unsold Portion Now Offered  
of Total Issue of \$1,000,000*

**6½% First Mortgage Real Estate Serial Gold Bonds**

Dated April 1, 1926

Due Serially 1929-1939



#### OVERLOOKING LAKE MICHIGAN AND JACKSON PARK

- |                         |                         |                                 |
|-------------------------|-------------------------|---------------------------------|
| 1. Flamingo Hotel       | 3. Jackson Park         | 5. Windermere Hotels            |
| 2. Parkshore Apartments | 4. Jackson Towers Apts. | 6. Electrified Ill. Cent. R. R. |

**C**LOSED first mortgage on land and 17-story fire-proof apartment hotel building, directly facing Lake Michigan, one-half block from Jackson Park, with its furniture, furnishings and equipment, and a first lien on the income from the hotel.

Valuation of land, completed building, furniture and equipment is appraised at \$1,800,000—a 56% loan.

Net annual income is estimated in excess of \$200,000—more than three times the greatest annual interest charges on this bond issue.

PRICE: 100 and accrued interest, to yield 6½%.

Write for Circular 805

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Investment Bankers  
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CHICAGO

41 YEARS OF INVESTMENT BANKING

## Deploras Small Profit on Bond Sales

THAT the big city bond houses are not abusing the small dealer by depriving him of his just profits, was the statement made by J. J. Hanauer, of Kuhn, Loeb and Company, New York, speaking last month at the Investment Bankers convention in Canada. Mr. Hanauer spoke in part as follows:

"I firmly believe that the majority of the members of the Investment Bankers Association have not made a cent this year," he said. "This is not true of the larger originating houses, which are few in number, but it is true of the retailer

who makes up the majority of our membership.

### Interest All the Same

"I want to correct an impression, in the first place, that there is any different interest between the large issuing house in New York and the thousand or twelve hundred members of the Investment Bankers Association, be they large or small," Mr. Hanauer said. "They are all on the same side of the table.

"The great difficulty is with the manufacturer, that is the corporations. The

borrower has been under the impression that it is very easy to sell securities and that the margin should get smaller and smaller. It is not only true of the corporations. It is true of all sorts of authorities. Municipal and state securities, sold by competition have gotten down to such a little margin that I dare say of the 1,200 members of the Investment Bankers Association probably not more than a handful would ever bother with municipals, except possibly local municipals, because they cannot make any money out of them.

### No Fault of Issuing Houses

"The large issuing houses in New York are always keeping in mind the intensive selling of the securities and the necessary commission that should be paid to the distributors. If it is cut down, it is not because the issuing house is anxious to squeeze any of the distributors; it is simply because they have not been able to purchase the securities at a price to permit the paying of an adequate compensation and the issuing houses themselves are the first ones to suffer from that. It is not their fault. They find that securities are not as well placed, if you do not pay an adequate compensation.

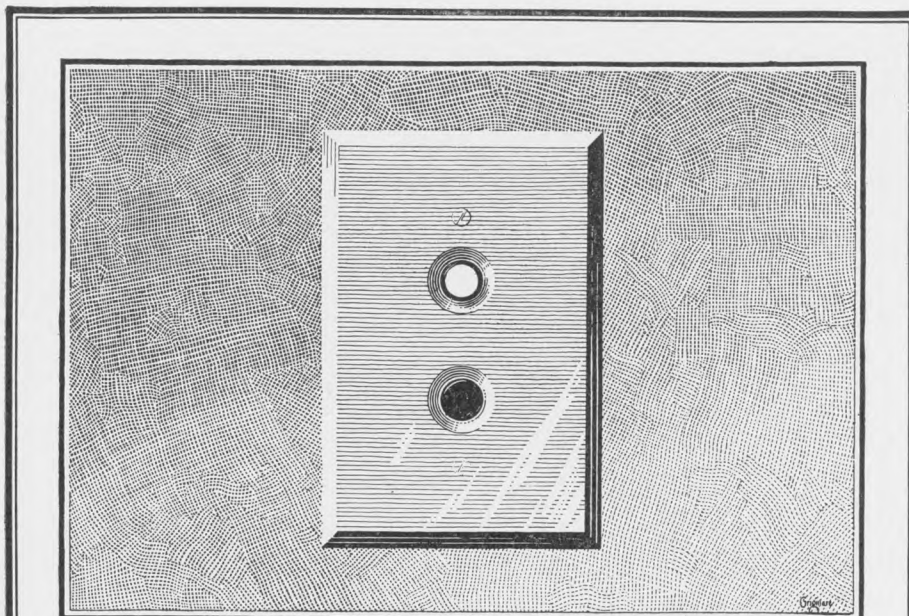
"The securities come back and we find during the next sixty or ninety days that we are buying back securities simply because they did not place them right. So in considering this matter, don't think that it is a question between the issuing houses on the one hand and the distributor—large or small—on the other.

### Education Needed

"It is the point of view of the investment bank and the one point of view of the make of the securities. And if there is one thing to help the situation it is to educate the officials of corporations and the officials of government that it is in their best interest to make their bonds popular, to sell them at right price and permit the public to make a little money and not to sell them at the very highest price that, in competition, they can get.

"That is just as true of American securities, as it is of any other kind of securities. It is just as true of Canadian securities, I might say, while I am here in Canada. The Canadian provinces have gotten such high prices for their bonds in the last few years, that they are all spoiled.

"All of the 1,200 members of the Investment Bankers Association must make it their business whenever they meet men who have securities to sell, to preach to them the cost of distributing and the benefit of them having their securities widely and well and permanently distributed. Much more good can be done in that way than by thinking of it in the spirit of the Investment Bankers or distributors against the issuing houses."



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Clean . . . . simple . . . . economical . . . . safe . . . .  
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Whenever you press an electric button or close a switch, that instant more bond interest is being earned to add to the income of those who have had the wisdom and foresight to invest in Electric Power and Light Bonds.

An Example:  
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Northern Illinois  
First and Ref. 5½'s  
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Due June 1, 1962.  
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Over 5½%  
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# Advantages of Commercial Paper

THAT many banks have neglected commercial papers in favor of private credits, and have thereby exposed themselves to embarrassments, was the theme of the report of the commercial credits committee of the Investment Bankers Association at their Quebec convention. The report in part said:

"Time was, and not so many years ago, when few banks, even in the principal money centers of the country, would consider lending even to the best and biggest of their clients at a rate of discount as low as the open market rate for prime commercial paper. There was good and logical reason for this policy. The bank's own client had at all times a right to demand his line, if adequate balances were kept, and if his financial condition was sound. The bank had to take care of its customers at all times, and such consideration on the part of the bank warranted a somewhat higher rate.

Commercial paper, on the other hand, could be purchased without obligation to renew, and in such quantities and at such times as suited the buyer. It was and should be considered a secondary reserve. In times of money stringency, the funds received from maturing market paper were extremely useful in meeting the extraordinary demands made on a bank from its own customer.

### Competing for Personal Loans

"In recent years, however, a new tendency has apparently developed. Banks are competing for commercial business with each other, and consequently with commercial paper houses, more vigorously than ever.

"A new school of younger bank men is growing up, among whom there are some who, unaware of the lessons of 1907, 1914 and 1920, close their eyes to the advantage of investing part of their funds in outside commercial paper, where no obligation to renew is involved, and prefer tending to their own customers at low rates, failing to admit the proper function of market paper in the banking system. So long as this tendency continues—that is the urge to lend at all costs to the bank's own customers, and the failure to recognize the real function of market paper, commercial paper houses will find it difficult to increase, as they would be justified in doing, their commission charges.

### Situation Aggravated

"The situation has been aggravated in the past year or two for the reasons already referred to. Improved transportation facilities, resulting in quick turnover and low inventories—working capital supplied through debenture note or bond issues rather than through bank borrow-

ing, have reduced commercial demand to a relatively low situation. This committee feels certain, however, that the present situation will gradually adjust itself once more. With the growth of the country's business will come new enterprises and new requirements.

"When the country again faces an era of rising commodity prices, merchants will again buy ahead of requirements and heavier inventories will be carried, and gradually commercial demand will again make itself insistently felt. Then

banks in the great money centers will be plagued, as they have been before, by large lines granted in times of money ease. Then again the commercial paper houses will bring the free funds of the thousands of country banks to the money centers, through the sale of commercial paper, as was the case in 1920. Then will come the time when the commercial paper houses can again properly take up the discussion of more adequate remuneration for the service rendered by them."

## Well Diversified Securities

Yielding 4.85 to 7.05%

Name of Security	Rate	Maturity	Price	To Yield About
North American Cement Corporation, S. F. Gold Debentures, Series A	6 1/2	1940	Market	6.73%
Associated Simmons Hardware Companies, Secured Gold Notes	6 1/2	1933	Market	7.05%
Illinois Central Railroad Company Forty Year Gold Bonds	4 3/4	1966	96.50	4.95%
Gulf States Utilities Company First Mortgage and Refunding Gold Bonds	5	1956	96	5.25%
Kentucky Utilities Company First Mortgage Gold Bonds	5	1961	97	5.20%
Province of Alberta, Canada	4 1/2	1956	94.50	4.85%
Pennsylvania-Dixie Cement Corporation, Series "A," Convertible, Cumulative Preferred Stock	7	....	99	7.05%
Tidewater Associated Oil Company, Convertible, Cumulative Preferred Stock	6	....	97.50	6.15%

Subject to prior sale and change in price.

Mitchell Hutchins will be glad to give you more detailed information regarding these securities either by correspondence or in personal interview.

# Mitchell Hutchins & Co.

ILLINOIS MERCHANTS BANK BUILDING

Chicago

[CORRESPONDENTS OF KIDDER, PEABODY & CO.]  
 . . BOSTON . NEW YORK . .

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 WILLIAM H. MITCHELL, SECRETARY  
 ROBERT A. GARDNER, TREASURER

## Report of Government and Farm Loan Bonds Committee

THERE have been no developments in regard to government issues which have required any action on the part of your committee. The treasury's refunding operations have been carried out, in our opinion, with consummate skill and it is understood that comprehensive plans have been perfected for taking care of the Third Liberty Loan on or before maturity in 1928.

Both the Federal and Joint Stock Land

Banks have continued during the past year their steady growth and have, as heretofore, provided the farmer with needed funds under the highly desirable long-time repayment plan at low interest rates.

The Federal Land Banks loaned to the farmers during the eight months to September 1, 1926, \$87,087,120, making 24,526 loans an average of about \$3600. The various Joint Stock Land Banks dur-

ing the same period made 14,126 loans, aggregating \$88,362,823, an average of about \$6,300.

### Net Mortgage Loans

The net mortgage loans outstanding on December 31, 1925, were:

Federal Land Banks.....\$1,005,684,816  
Joint Stock Land Banks.. 545,559,200

During 1926, for the first time since the banks were organized, the Federal Land Banks were able to sell 4¼ per cent bonds, replacing with a part of the issue approximately \$40,000,000 4½ per cent bonds held by the Treasury Department. Through this operation the banks made a saving of about \$100,000 per annum.

It is interesting to note that of the approximately \$9,000,000 capital stock of the Federal Land Banks originally owned by the government, all but \$1,058,885 has been retired, and of the present capital stock of the Federal Land Banks outstanding, amounting to over \$56,200,000, over \$55,000,000 is owned by the borrowers.

Your committee have kept in touch with the Federal Farm Loan Bureau and have urged the issuance of Federal bonds in consolidated form but plans have not yet been perfected for such issue.

The market for Federal Land Bank bonds has for the past year experienced an upward movement following closely general conditions and being affected also by the increasing demand for this class security.

The market for the Joint Stock Land Bank obligations did not enjoy during that period the same proportionate improvement as did that of the Federal Land Banks or other tax-exempt securities, the reason for this being indirectly attributable at least in part to the position taken by the Farm Loan Board last November in its ruling in regard to the payment of dividends by Joint Stock Banks.

The ruling provided in part:

"The Board will not approve the payment of any dividend by any bank unless:

(a) The Undivided Profit Account, exclusive of premiums on sales of bonds and stocks, and legal reserve requirements, shall show a balance sufficient to pay the dividend;

(b) The payment of dividends shall not reduce the account available for dividends below the amount at which real estate acquired through foreclosure or by deeds from borrowers is carried on the books of the bank as an asset, provided, however, that in case the bank has reserves sufficiently in excess of legal requirements to absorb this real estate, this provision may be waived."

Because of the above requirement the dividend position of several of the Joint Stock Banks became questioned, resulting in a materially reduced market value for the stock of these particular banks which condition was reflected to a lesser

## A New Booklet—

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THIS is the first comprehensive booklet describing this class of securities. It was originally prepared for banks and investment bankers for the information of their sales organization.

The enthusiastic reception of this booklet on the part of bankers and dealers has led us to prepare a new edition for individual investors. In this booklet investors will find information not readily obtainable from any other source—information which offers a dependable guide in the selection of sound building bonds.

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degree in the market value of the stock of other banks as well.

#### Strong Reaction

This condition reacted somewhat on the market for the bonds of the various banks to the extent, at least, that the market for them did not experience the same upward movement as that for other tax-exempt obligations.

Later on the Board decided that the restriction it had laid down in this ruling was unduly stringent. Clearly there is real value in the property taken over by the various banks and it is reasonable to allow it to be carried as an asset. The Board accordingly modified the ruling, issuing last June new regulations which in referring to "real estate acquired" provides in part:

"If land is acquired by a land bank in satisfaction of mortgage debts either by deed or by purchase at sales under judgments, decrees of mortgages, all mortgage accumulations such as delinquent amortization payments, interest, taxes, foreclosure and other expenses incident to such acquirement may be included in the book value at which the acquired land is taken into account. If land thus acquired is not disposed of within six months, there shall be charged to earnings of the current semiannual period and credited to "Reserve for Depreciation on Real Estate" the amount this book value exceeds the unpaid principal of the loan, and the land so acquired shall then be appraised at the bank's expense by an appraiser, or appraisers designated by the Farm Loan Board, or by a reviewing appraiser, or appraisers designated by the Farm Loan Board, or by a reviewing appraiser, and may be carried thereafter as an asset at the new appraised value but in no event to exceed the principal of the original loan. Subsequent appraisals and adjustment of the book value may be ordered by the Farm Loan Board."

#### Charged-Off Property

From the above it will be observed that it is not now necessary to charge off the value of property taken over through foreclosure or other procedure or to set up an equivalent cash position before paying dividends. It will be noted that the new regulation does require reappraisals of such property and the charging off of any resultant reduction in value.

Federal and Joint Stock Land Banks were formerly required to replace as collateral security behind the bonds any loans with installment payments delinquent over ninety days.

The Board in its ruling of last June provides with respect to delinquent installments as follows:

"Before any instalment on any mortgage pledged with any farm loan registrar as security for an issue of Farm Loan Bonds shall become ninety days

past due, it shall be the duty of the depositing bank to carry such instalment to its suspense account and certify such action to the registrar, and if such certificate is not received within such period, the registrar will declare such mortgage ineligible and call upon the bank for additional security."

While the former requirement was from the bondholders' standpoint the more desirable of the two, the Board considered the change desirable and so ruled. It is our understanding that many of the banks will in addition to placing the amount of such delinquent instalments in a suspense account, continue to follow

the former practice of replacing such delinquent loans with fresh collateral to secure its bonds.

In the past, the banks were at liberty to consider premiums received on the sale of their bonds as virtually free earnings. The present regulation provides in this respect:

"If bonds are sold at a premium, the net amount received in excess of the par value of each issue shall be carried to an account styled 'Premium on bonds—deferred income,' and shall be distributed monthly as an earning over the callable period of each bond issue."

## Universal Gypsum & Lime Co.

### First Mortgage, Sinking Fund (Closed Mortgage)

Gold **6%** Bonds

Due September 1, 1946

The Universal Gypsum & Lime Co., the second largest company in its line, manufactures and distributes a complete line of gypsum and lime products. With properties located in Iowa, New York, Texas, Pennsylvania, and Virginia, the company is in a strategic position to serve well the entire country east of the Rocky Mountains.

These bonds represent the company's only funded debt and are secured by a direct first (closed) mortgage on all of the fixed assets of the corporation, excepting certain minor equipment located at the plant in Pennsylvania. Total net assets less reserves and exclusive of good will and other intangibles as of June 30, 1926, were equivalent to over \$4100 on each \$1000 bond.

The company has operated at a profit since its organization in 1922 and for the year ending December 31, 1925, the combined properties reported earnings of over 4½ times the maximum annual bond interest charges. A strong sinking fund provision is designed to retire all of these bonds at or before maturity.

Price: 96 and Interest  
To Yield about 6.35%

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CEDAR RAPIDS

# Why the Farmers Favor the Federal Land Banks

By Robert J. Koeppe

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

WE HAVE all heard during the past few years the discouraging situation confronting agriculture. We have also had reports that thousands of farmers have left their farms in the last five years. We have listened also to the pleas of farm leaders for various forms of so-called relief leg-

islation. All of these things we have interpreted as outward indications of a critical condition existing today in the farming industry. But let it be remembered that from the beginning of history, agriculture has been the foundation of the world's business.

Agriculture cannot go into bankruptcy.

Editor's Note: This is the second of a series of three articles giving details of the history, organization, and methods of operation of the Joint Stock Land Banks. Another article will follow in our December issue.

The world must have food and clothes and must of necessity pay the farmer a living wage. Better results will follow the application of modern science to the practice of agriculture, and the building up in rural communities of a domestic and social life will enable the farmer and his family to withstand the growing attractions of the modern city.

### Farming Must Be Profitable

We need farmers in America; farmers of the right type; farmers who know that it is not just merely a matter of raising crops, but who appreciate the fact that farming is a business with a great many economic factors.

The farmer today has had his problems partially solved as to carrying crops after the harvest. Instead of dumping all his products on the low fall market in order to pay off his obligations, he has been able to sell throughout the year, thus availing himself of better prices. This has become possible through cooperative associations, many of which have formed credit corporations to furnish their members with marketing credit, as well as growing credit. This has tended to rectify the situation whereby the country banker loaned money to the farmer to carry him through the growing period, but neglected to provide credit for the marketing period, which has cost the American farmer millions of dollars in the past.

Farmers likewise are realizing the benefit of the loans made through the land banks. These loans are made to run thirty-three years, at an interest rate not to exceed six per cent, and payable in small yearly amounts as to principal and interest, and have relieved countless farmers of the old type short term first mortgage loans.

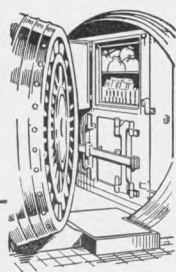
According to the last census the value of all farm property in the United States was placed at \$78,000,000,000. The total farm indebtedness is estimated at only \$8,000,000,000, or about twelve per cent of the physical valuation. Farming is by far the mightiest industry in America.

The railroads with a total valuation of \$19,000,000,000 are a very obvious second.

### Diversification Aid to Farmer

May we point out as an example the state of Colorado, which, because of diversity of products assures its farmers satisfactory remuneration.

The sugar beet industry of Colorado, which is its principal farm product, is



## Customer Value

THE relative importance of customers to an investment house governs to some extent the degree of service the house is able to render. ☞ The high regard in which this house holds its customers is reflected in the intimate service we perform for them. ☞ The interests of our customers govern our purchase of securities, and our recommendations are influenced by our desire to conserve their financial welfare. ☞ Perhaps this policy accounts for the increase in the number of our customers and the increase of 600 per cent in our business during the last five years.



## BARTLETT & GORDON

INCORPORATED

First National Bank Building, Chicago

First Wisconsin National Bank Building, Milwaukee

one of the few crops contracted for at a definite price before the planting, and the farmer knows in advance what price he will actually receive per ton.

Colorado is nationally known for its potatoes, and is also equally well known for its melons, lettuce, celery and fruits.

Last year this state produced more beans than any other.

Alfalfa is also one of the leading crops, and is second in importance, being next to the sugar beet industry. The average crop of alfalfa per season per acre is not less than three tons, and the average value in the stack is ten dollars per ton, making a yield of at least \$30 per acre. The amount of labor required is much less than in any other crop, and in addition to this alfalfa stores nitrogen in the soil, thereby saving the expense of buying fertilizer, while at the same time providing a very lucrative return.

All kinds of small grains are produced and sufficient corn is raised, together with the alfalfa, for hog pasture. Hogs are becoming one of the leading livestock industries and hog cholera is practically unknown there.

This state is also known as the leading sheep center of the United States.

**Enjoys Envious Record**

The officers and directors of the Denver Joint Stock Land Bank have had wide experience in the banking and farm mortgage business, and are thoroughly conversant with farm management and land values in the bank's territory.

The management's conservatism and capability is reflected by the fact that their latest statement shows them to be one of the few banks in the system with no real estate acquired through foreclosure.

The bank has enjoyed substantial and steady growth and has increased its capi-

tal and surplus by \$633,563 during the past fourteen months. Shareholders have received 8 per cent per annum since December 31, 1923.

The Denver Bank is the only Joint Stock Land Bank operating in Colorado and Wyoming.

Mr. C. L. Beatty, president of this institution, submitted the following figures, which are an analysis of their loans as of August 31, 1926:

Total Loans 1945.....	\$13,426,300.00
Appraised Value of Farm Mortgages .....	41,260,170.00
Average Amount Loaned per Farm.....	6,902.97
Average Number of Acres per Farm.....	751
Total Acres Mortgaged...	1,462,218

Average Appraised Value per Acre.....	28.21
Average Amount Loaned per Acre.....	9.18
Ratio of Total Amount Loaned to Appraised Value .....	32%

The Denver Bank has always employed able and successful appraisers and the foregoing statement reflects this fact.

Its officers and directors are: Mr. C. L. Beatty, president; P. J. Quealy, vice president; Osmer Smith, secretary; H. R. Weston, treasurer; Oliver H. Shoup, the former governor of Colorado, James Q. Newton and W. E. Barkley, who is president of the Lincoln Joint Stock Land Bank of Lincoln, Nebraska, one of the finest institutions in the northwest.

## A Noteworthy Achievement

From a small beginning to a national organization and with an international clientele is a notable achievement. But more noteworthy still is the continuous patronage which this Company enjoys from its old customers—indicative of the confidence and satisfaction in the securities they have purchased, and the service rendered them by this old responsible house. Write for current circular.

### AMERICAN BOND & MORTGAGE CO.

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This company conducts a general securities business, originating and participating in high-grade investment issues and devoting special attention to first mortgage real estate bonds



### Emery, Peck & Rockwood Investment Securities

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## Bank Investments

Cities Service Company Securities and the Henry L. Doherty & Company General Securities offerings show a varied list of sound bank investments.

If you do not receive our Bond and Note Listings regularly, we will be pleased to place your name on our weekly mailing list.

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Sioux City  
507 Francis Building

Cedar Rapids  
1129 Merchants National Bank

Davenport  
721 First National Bank Building

### Hold Annual Picnic

The sixth annual picnic of the White-Phillips Company, Investment Bankers, Davenport, Iowa, was held recently at the Davenport Country Club.

The picnic was the most enjoyable of any held during the nine years this company has been in business. A beautiful day, and the attendance of all employes and firm members aided greatly in making the affair a complete success. Golf, in the form of a Blind Bogey Tournament, brought forth numerous contestants, and even though a number of the cards turned in contained figures resembling the national war debt, all of the players enjoyed themselves to the fullest extent. Fortune seemed to have overlooked the fact that the tournament was for the poorest as well as the best golfer, as she saw fit to award the silver loving cup to S. A. Beck, who also had the lowest medal score as well as the lowest number of putts.

Games and contests of various kinds made things interesting prior to the dinner hour. Dinner was served to forty-six persons, and during the dinner hour "Daddy" White and Blair A. Phillips spoke a few words of commendation. A few words were also spoken by Carl Mulch, manager of the Chicago branch, an office just recently opened.

The after-dinner hours were spent in dancing and bridge playing. During a short intermission, Mrs. Walter Lohmiller of Davenport, accompanied by Mrs. Carl Mulch, rendered several beautiful vocal selections.

During the nine years of its existence, the White-Phillips Company has grown from an organization of three individ-

uals to one of forty persons, having offices in Davenport, Des Moines, and Dubuque, Iowa; Omaha, Nebraska, and Chicago, Illinois.

### New Bond Issue

Taylor, Ewart & Company, Inc., and Spencer Trask & Company, are heading a syndicate which will shortly offer \$2,700,000 Manchester Terminal Corporation (Houston, Texas) first mortgage 6½ per cent sinking fund gold bonds, series "A." The bonds mature October 1, 1941, and will be offered at 100 and interest to yield 6.50 per cent. The Manchester Terminal Corporation will own and operate the largest cotton warehouse and compress in the Houston district and will not own, buy or sell any cotton but will handle, store and compress it for shippers and growers, charging for these essential service fees, which are paid before the cotton is delivered from the terminal. The corporation owns in fee 70 acres of land, excellently situated on the south bank of the Houston Ship Channel, at its junction with Sims Bayou. Here the corporation is erecting a modern cotton warehouse of 200,000 bales capacity and possessing excellent shipping facilities. These bonds will be secured, in the opinion of counsel, by a direct first mortgage on the entire property of the corporation, having a land appraisal of \$840,000, with a replacement value on buildings and equipment of \$4,077,600.

### Privileged Bonds

Investors frequently find convertible bonds and bonds with warrants, entitling the holder to purchase stock at some specified price, difficult to analyze. Con-

## For Your Secondary Reserve

Are you looking for some good investments to carry for a secondary reserve? You can make no better selection than

### Illinois Special Improvement Bonds

Bonds of this type are tax-exempt, and are proper investments for National, State and Savings banks.

Write for Particulars

**H. I. Foskett**

BONDS

SHENANDOAH

IOWA

clusions from a recent study of issues of this type may be of interest.

During 1925 there were brought out 35 convertible or warrant issues. At the time the study was made, only ten of them, or 28.5 per cent, were selling above their original offering prices. Of the 35 issues, 16 were each of more than \$5,000,000, principal amount. Six of these, or 37.5 per cent, were selling above the offering price. Eight of the issues were each of more than \$10,000,000 and of these four issues, or 50 per cent, showed a profit to the original purchasers. It is admitted that this comparison may not offer a true picture due to the recency of some of the issues. However, during the period since these bonds were sold, there has been a generally rising market.

A conversion privilege is a speculative feature that must be paid for. In analyzing bonds of this type, it is wise to assure oneself in the first place that the bond itself is well secured and, secondly, that too much is not asked for the conversion privilege or warrants. The latter implies an appraisal of the stock obtainable and its possibilities. The cost of the conversion feature may be arrived at by comparing the price of the bond carrying the conversion privilege, with a like security without such feature.—From *Bond Briefs*, Northern Trust Co., Chicago.

Life is short and the art is long.

## *Earning and Holding* The Confidence of Investors *for forty-one years*

The House of Forman has *earned and held* the confidence of investors for forty-one years because of steadfast adherence to a strong and conservative policy. And in those forty-one years no investor—not one—has ever failed to receive every dollar of his principal and interest.

*Correspondence is invited from bankers who might be interested in a profitable affiliation for the distribution of these time-tested securities.*

### GEORGE M. FORMAN & COMPANY

*Investment Bonds since 1885*

EQUITABLE BLDG., DES MOINES, IOWA

Chicago New York Pittsburgh St. Louis Minneapolis  
San Francisco Indianapolis Springfield, Ill.  
Peoria Lexington, Ky.

ONE YEAR MATURITY YIELDING 5.50%  
TWO YEAR MATURITY YIELDING 6.00%

Central States Power & Light Corporation  
5½% GOLD NOTES

\$250,000 due September 1, 1927

\$250,000 due September 1, 1928

Yearly earnings after deducting all prior charges amount to \$341,843 against interest charges on these Notes of only \$27,500. 95% of the Company's business is derived from the sale of electricity.

We recommend the Notes as a short term investment modeled to suit the needs of Bank funds.

*Send for circular giving full description*

PRIESTER·QUAIL & CUNDY·INC.



BONDS FOR INVESTMENT

First National Bank Bldg.  
DAVENPORT, IOWA

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CHICAGO

## A Complete Investment Service

### Commercial Paper and Bonds

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

## LANE, ROLOSON & CO., Inc.

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### We offer the following Joint Stock Land Bank Stocks

200 shares ✓✓✓ Kansas City  
200 shares ✓✓✓ Chicago  
100 shares ✓✓✓ Dallas  
100 shares ✓✓✓ Lincoln  
200 shares ✓✓✓ Denver

## Koeppe, Langston, Loper & Co.

39 South La Salle Street  
CHICAGO

SPECIALISTS IN JOINT STOCK LAND BANK SECURITIES

### Stolen Bond Recovered

To recover a \$1,000 Funding Bond of Scott county, Iowa, was the recent experience of the White-Phillips Company, Investment Bankers, of Davenport.

The bond was stolen in November of 1921 from the United States mail, in the big Union station robbery at Chicago, together with a bond of Iowa county, in a robbery involving \$1,000,000.

The bond of Iowa county was recovered shortly after the robbery, having been thrown in a rubbish heap with some other papers which the thieves evidently considered nonnegotiable.

The Scott county bond was given up for lost some time ago as none of the interest coupons attached thereto had been presented for payment at the office of the treasurer, and the holders had made no apparent effort to dispose of the bond.

A duplicate bond was prepared and executed by the county, under the supervision of the White-Phillips Company, and the county was protected against loss by a surety bond in order that the legitimate purchaser might not suffer a loss of his money.

One of the thieves, named Hyman, was apprehended and pending his trial, committed suicide. Among his personal effects, there was discovered the Scott county bond, with all of the interest coupons intact.

Although the bond had a value of over \$1,000 in the financial market, fear of apprehension prevented the holder from attempting to dispose of it, or even making any attempt to cash the semiannual coupons—almost all of which had become due.

In a legitimate transaction a bond, if not registered, is negotiable by sale or transfer. Investors as a rule deal with legitimate investment bankers and have a confidence in what they purchase. The close relation between the financial houses makes it almost impossible for a stolen bond to get into circulation, as the interest and principal are payable at a specific place and at a definite time. When the bond or the interest coupons are presented at any bank or investment banking house for payment, they are, as a rule, entered for collection, and the holder receives the funds after the bonds and coupons have been sent to the place of payment specified therein and have been remitted for. Whenever bonds are lost or stolen, a notice is immediately sent to the point where the interest and principal are payable and should the holder of the bond ever attempt to obtain cash on his security, payment would be refused.

The nations seem more inclined to plant than to bury hatchets.—Norfolk *Virginian-Pilot*.

**A Correction**

On page 83, of the October issue of THE NORTHWESTERN BANKER, in the article describing the new offices of the W. D. Hanna Company, of Burlington, Iowa, it was stated that one of the several branch offices of the company is at Waterloo, Iowa, with Leo Mak and Leslie H. Schrubbe as managers. This should have read, "with Leo Mak as manager and Leslie H. Schrubbe salesman." THE NORTHWESTERN BANKER is happy to make this correction.

**Appointed Trustee**

The Foreman Trust & Savings Bank, Chicago, has been appointed trustee in Chicago's river-straightening plan, a project involving the expenditure of close to \$14,000,000. The scheme calls for the digging of a new channel between Polk and Sixteenth streets to eliminate the present wide bend which swings toward the east.

It becomes necessary for property owners in the path of the new channel, chiefly railroads, to sell their interests to the Foreman Trust & Savings Bank, trustee, at a total of \$8,915,480, and they will in turn buy holdings for a total of \$13,983,666.

It is also thought that this plan marks the first step in an ultimate outlay of between \$300,000,000 and \$400,000,000 which will consolidate the Dearborn, La Salle and Grand Central stations into a monster railroad terminal and the opening up of the south end of the loop.

**Offers Second Issue**

The Illinois Merchants Trust Company offered last month a second \$2,000,000 issue of first real estate mortgage collateral trust bonds, due in 1936. The reception of the first issue of like amount was such, however, that the present offering is at a price to yield 5.25 per cent while the initial block was brought out on a 5.50 basis. The first issue was sold within twenty-four hours, according to officials of the company, and the new type of security is practically assured of a permanent place among the Illinois Merchants' investment offerings. These collateral trust bonds are secured by par amount of mortgages purchased by the Illinois Merchants from the Chicago Title and Trust Company and held in trust by the latter, and also by an additional 10 per cent of the par amount in mortgages pledged by Chicago Title from its own holdings. It is provided in the trust agreement that the mortgages must not be for more than 60 per cent of the Chicago Title and Trust's appraisal and that they must be legal for the investment of trust funds under the Illinois statutes.

Three removes are as bad as a fire.—Franklin.

# The Bankers Bond House

Specializing in bonds for bank investment.  
Current recommendations sent  
upon request.

## W. D. HANNA & COMPANY

(Successors to Hanna-Shreves Co.)

**Burlington, Iowa**

**Waterloo**

**Muscatine**

**Lincoln**

## THE PERFECT BOND

If such a thing existed, would meet all the investment needs of all types of investors. But these needs vary so widely that many different kinds of bonds are required to fill them. Each bond has its dominant quality which may be extreme security, marketability, high yield, stability of price, chance of appreciation in value, or some other special feature such as tax exemption, convertibility into stock or redemption before due date. In short, the business of giving investment service to a large clientele requires an amply diversified list of offerings all of which measure up to sound basic standards. We invite inspection of our facilities, offerings and service.

## DE WOLF & COMPANY, INC.

*Investment Bonds - Established 1889*

**CHICAGO**

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## High Grade Utilities

We recommend for sound investment  
the following high grade utility bonds:

	Rate	Due	Yield
Kentucky Utilities Co. 1st Mtg. 5s	1961	5.20%	
Florida Pwr. & Lt. Co. 1st Mtg. 5s	1954	5.55%	
Iowa Southern Util. Co. 1st & Ref. 5½s	1950	5.70%	
Indiana Power Co. 1st & Gen. 6½s	1941	6.10%	

*Circulars on Request*

### HOAGLAND, ALLUM & CO.

*Established 1909 — Incorporated*

14 S. La Salle St.  
CHICAGO

34 Pine St.  
NEW YORK

## Carefully Selected Investments

	Price	To Yield About
Dewey Portland Cement Co. First Mtg. 6s, due serially 1928 to 1942-----	100	6.00%
Illinois Central Railroad Debentures 4¾s, 1966-----	96½	4.95%
Sierra Pacific Electric Company 5% Notes, 1929-----	99.73	5.10%
Monmouth Consolidated Water Co. First Mortgage 5s, 1956-----	95	5.33%
Iowa Southern Utilities Company First and Refunding 5½s, 1950-----	97½	5.70%
Minnesota & Ontario Paper Company First Mortgage 6s, 1945-----	99½	6.10%

### Chicago Trust Company

LUCIUS TETER  
President

JOHN W. O'LEARY  
Vice President

#### Bond Department

J. W. MARSHALL  
Vice President

J. P. BURLINGHAM  
Manager

CHICAGO

#### Business Increases

Four and a quarter million dollars increase in total loans of the Lincoln Joint Land Bank during the last fiscal year, which now aggregate \$36,150,000, and a further increase in prospect during the next six months that will push the volume up beyond \$40,000,000, was reported by President W. E. Barkley of that institution to its stockholders at their annual meeting and luncheon held recently in the Grand Hotel, Lincoln, Nebraska.

The bank, in fact, made new loans of 6½ million dollars with the year, but its borrowers paid off 2¼ millions of their obligation, leaving the net growth 4¼ millions. Nebraska and Iowa are the territory included in its field of operations.

Several hundred thousand dollars additional capital stock was issued and sold, bringing the total up to \$2,711,400. This stock brought a considerable premium above its face value, some of it being sold to eastern investors and some subscribed locally.

The federal law permits a joint stock land bank to issue bonds to the amount of 15 times its capital stock. In the last fiscal year the Lincoln institution issued \$4,500,000 of new bonds at 4½ per cent. The proceeds were used in part to retire \$3,000,000 of other bonds bearing 5 per cent interest. Most of the bonds were marketed in the east.

At the present time the Lincoln Joint Land Bank holds fourth place in the volume of its loans, among 70 such institutions doing business in the United States. Its securities are well known in all the large investment centers.

#### To Revise Nation's Bank Laws

A plan of the Japanese Ministry of Finance for the revision of the banking system of that country will be introduced in the form of a bill at the next session of the Diet, according to a cabled dispatch received at the Department of Commerce from Tokio.

The plan included regulations for a minimum capitalization of 1,000,000 yen for commercial banks, the restriction of loans to one individual or firm of 10 per cent of the paid up capital of the seeker of the loan; and the compulsory addition of 10 per cent of profits to the reserve fund, as compared with the 5 per cent required under the present banking law.

The plan also included regulations for a limited amount of banking supervision by the Japanese Finance Department, the cable states.

#### We've Used It

"What kind of golf ball have you been using?" asked the salesman.

"I've forgotten the name," admitted Mr. Dub, "but it's the one you lose easily."



## CHARTING BUSINESS CONDITIONS IN BOHUNCUS

(Continued from page 19)

the same level as a year ago. None was produced in October, none in September, and none last year, but nobody seems to care, as they are all wearing silk ones, anyway.

### Tonsorial Conditions

Seasonal fluctuations are indicated in our reports from the barber shop. With the approach of cold weather, shavings showed a normal decline of 17 per cent, but the opening of the furnace season is reflected by a considerable increase in number and volume of shampoos. During the month, fifty cents' worth of baths were sold to a couple of traveling men, but local trade remains dull.

### Catering Occupations

The Johnson Cafe reports that it is still serving meals at thirty-five cents, unchanged from last month. The menu of ham and eggs is also unchanged, although we are reliably informed that the eggs, since the unseasonably warm weather in October, have changed quite a bit, and that the ham is a mere shadow of its former self.

### Fisheries

On account of the heavy fall rains, this industry shows a considerable decline from last month. Charlie Axtell took a quarter's worth of bait down to the river the other day, and returned, by way of the meat market, with a three-pound mackerel. This is the first mackerel ever reported caught in local waters, although a magazine salesman is reputed to have caught a few suckers last week.

### Metal Industries

Considerable hardening is reported in the metals; with the possible exception of quicksilver, they are now firm, but inactive.

*Iron and Steel.*—Increased activity in Iron and Steel was noted in October, one of our field men reporting that his ironing last week was short 17 handkerchiefs, 8 collars, and 1½ pajamas.

*Automobiles.*—There is some discrepancy in our reports of the month's turnover in the automobile field. Sam Barry says he can't get his Ford to turn over at all these cold mornings, while Lawrence Aborn's oldest boy was able last Tuesday to make Lawrence's new sedan turn over three times on the river hill.

### Unfilled Orders

Unfilled orders in October stood at three, all reported by the Wiggins Cash Grocery. In explanation of this item, the manager states that he will "be darned if he doesn't quit running a cash business if some of these guys don't come in and pay something on their bills."

### Summary

There has never been a time like the present for investing in Bohuncus industries, and we hope there never will be again. Subscribers are advised to pick up

## For Your Convenience

For the convenience of its many customers, and for the benefit of those who might be interested in the purchase of Foreign Bonds for the investment of bank funds; Baker, Kellogg & Company, Inc., carefully analyze the financial situation existing in foreign countries and prepare each month a "Review of Foreign Affairs."

This review brings to your desk a very comprehensive and up-to-date report on agricultural, industrial and trade conditions with their bearing on foreign issues being offered in the American market.

*The "Monthly Review of Foreign Affairs" is mailed without charge to anyone interested, and does not obligate you in any way. We would be glad to add your name to our mailing list.*

## BAKER, KELLOGG & CO., Inc.

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Available to any banking institution in Iowa. Based on 18 years of specialized experience.

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*Investment Securities*

Equitable Bldg.

Des Moines

## Our Current List of Securities

—of municipalities in various central, western and southern states will prove of unusual interest to every investor. It offers geographical diversity as well as a wide selection as to purpose of issue.

SHORT AND LONG  
MATURITIES. TAX  
EXEMPTIONS

**THE BROWN-CRUMMER COMPANY**  
WICHITA KANSAS



*L. H. Davis, Resident Manager*

526 Liberty Building  
DES MOINES - IOWA

all the local properties they can afford to carry, unless somebody is watching. A decided boom is on the way, and will arrive not later than July Fourth. Do not be afraid of over-extension, if your property is in your wife's name. Do not hesitate, either, to borrow freely for local investment; sign someone else's name to the notes, if that will make you feel any safer. Mortgage your home; you can find somebody who will lend you more than it is worth. Then, having done all this, file your petition in bankruptcy, buy a new car and a few tax-free bonds, and make a new start in life.

Note: The information in this circular, while we guarantee every word of it to be true, is obtained from sources which we consider absolutely unreliable, and we wouldn't risk a dime on it. You can't collect a cent on us, anyway; we haven't any property, and if we had any, it wouldn't be in our name.

### SIMPLICITY A FEATURE OF WAREHOUSE RECEIPT

(Continued from page 20)

hibition of the refinements of the type founder. Its provisions are usually intelligible only to the skilled lawyer, and sometimes they are the equivalent of an oriental conundrum to him. The security, so-called, consists usually in the most heterogeneous agglomeration of personal property. It is no unusual thing to find the kitchen stove and the prize bull included in the same category. It covers not only that which exists, but that which may never exist. The confidence which lending agencies, using this form of security, repose in it is exemplified in the fact that, not being satisfied with specific property described, they frequently attempt to cover everything the mortgagor has or may have hereafter. Identification, which is a prerequisite of enforcement is more often than not impossible. This heterogeneity is in itself the strongest inducement to fraudulent disposition. The picture, if it could be conjured, of a banker requesting a mortgage upon the bedroom furniture of a terminal elevator man as security for a loan, should illustrate the archaic absurdity of the system in its application to any owner of grain.

#### A Negotiable Instrument

Long ago bankers and grain operators have learned to distinguish and earmark stored grain as a basis of credit. The only mixture of grain with live stock is in the natural process of feeding. Consequently the grain receipt has become one of the most readily negotiable instruments in existence. In this connection the objection that grain stored in a public terminal elevator is a security superior to the same commodity stored on the farm may as well be met at once with the categorical statement that such is not the fact. And I doubt that this will be challenged by any well informed member of the board of trade.

Another frequently voiced objection is that it induces holding of grain—a form of speculation—and consequent loss to the farmer. While the solicitude expressed in this criticism is touching, its fundamental fallacy exists in the fact that it contemplates the farmer as a composite—a palpable absurdity. The banker does not deal with an apocryphal conglomerate in the case of the farmer, any more than he does in that of the hat manufacturer. But there is still another false assumption inherent in this objection—that the only farmer who will avail himself of this form of credit is the one who will ultimately sell on the general market. It should be manifest that the grain receipt is even more adaptable to the relations of feeder and banker. A feeder with more than one crib or a double crib may avail himself of the system while feeding a part of his crop. And it is a matter of experience that during the last fifteen years an average of at least 75 per cent of the carryover has been ultimately fed upon the farms where produced. An illustration of the careless thinking that characterizes these utterances is found in the fact that a guess is usually made at the cost of fire insurance and charged against the interest rate, when ordinary business sagacity would suggest its necessity in any event.

In respect of the homogeneity of grain when stored in bins or cribs it is merely necessary to intimate that identity is no longer a difficulty. The question as to whether or not the cow that was struck by lightning was the one mentioned in the mortgage is irrelevant.

#### Grain Is Sealed

Hardly more difficult is the consideration of integrity. The grain is sealed and preserved under state authority and supervision. It is not necessary in order to convict to show that disposition of the property assigned was with fraudulent intent. Any tampering is a crime of itself, and the seal with its inscription is a constant reminder of that fact.

Let it be clearly understood that the writer makes no charge or suggestion that any individuals or class are dishonest, or that the grain receipt is merely a safeguard against fraud. Its purpose is to place in the hands of the individual farmer a form of security, which the bank may accept and against which he may lend the money entrusted to him with the assurance that, if needed, the obligation can be met, not in the misty future or at the cost of irreparable loss to the customer, but at maturity without serious inconvenience. It is not a complete solution of the agricultural problem. It is an intelligent effort to enable the farmer to adapt himself measurably to the exigencies of the commercial bank. In doing so he becomes entitled to the same consideration as others who predicate their loans upon liquid assets.

## A. J. Boldt & Company

PUTNAM BUILDING  
DAVENPORT

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## GENERAL MOTORS ACCEPTANCE CORPORATION

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# TEAMWORK

—A Decided Advantage—

There is one thing that is always vital to success—and that one thing is cooperation. Without teamwork little of lasting worth can be accomplished. Whether you are playing baseball, fighting upon the battlefield or selling life insurance, the one common necessary factor for ultimate and lasting success is teamwork.

In the International Life organization you will find men working together in most complete harmony. Between Home Office and bankers there exists a feeling of mutual understanding and friendliness that is of unestimatable worth in making the work of selling International Life insurance pleasant and enjoyable as well as profitable.

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Manager Agents

A Company Willing To Pay The  
Price Required To Give Service

**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 Program Insurance

**W**RITING in a recent issue of the *Register News*, house organ of the Register Life, Davenport, S. W. Sanford, Davenport general agent, gives the following interesting views on "Program Insurance."

"In the small space given me, I have just one idea in my mind, namely to awaken in some of you, your responsibility to your clients of arranging their insurance on some program. Personally I feel that the insurance man who does not do this regularly whether his client carries ten thousand or one hundred thousand of insurance is only a peddler who hopes to sell a thousand here and a thousand there."

### Fit Your Prospect's Needs

We have fads and fancies in our life insurance work just as doctors and dentists have periods when they are pushing this plan or that. Just now you read much about putting insurance in "Trust." Many newer and some older insurance men think and talk that all insurance should be placed this way. This does not fit all plans and all men. You must know when and where this plan fits. In other words you have to know how to fit a man's needs. Programing insurance is not a fad or a fancy. It is the only intelligent way for a man to carry his own insurance. It is therefore the only intelligent way to sell it.

### Address Real Estate Men

W. R. C. Kendrick, former Iowa insurance commissioner, in a talk before the Des Moines real estate board recently declared the city's status as one of the three leading cities in the country in number of home life insurance companies. Mr. Kendrick is now vice president of the Royal Union Life of Des Moines, Iowa.

### Selected as Chairman

Charles A. Peabody, president of the Mutual Life of New York, has been made chairman of the twentieth anniversary convention of the Association of Life Insurance Presidents, which will be held in New York December 9th and 10th. Mr. Peabody is one of the founders of the association.

Charles E. Hughes will address the opening session of the convention. Invitations have been extended to executives of all life insurance companies of the

The next step, and the greatest one, is to get the necessary information concerning the man and his affairs. This is your real job, and you must be a man of some standing in your community to obtain complete information. The best place I know of to get the right information is in the *Diamond Life Bulletins* under Life Insurance, General Section "D." By the way, every real life insurance man should have use of this service.

No man should start to program until he knows various kind of policies and how options can be used. He should know much miscellaneous information; (1) how much it costs a boy or girl to go to college; (2) what the usual cost is of settling an estate of different sizes; (3) what are the chief advantages of monthly income over putting all his estate in trust and what are the disadvantages; (4) what is the minimum size estate that should be put in trust; (5) how can he be sure that certain bills and creditors will be taken care of. These are just a few things that the professional underwriters should know.

### A Story

When I was at the National Association Convention at Cleveland in 1921, I heard Franklin L. Ganse of Boston, tell this story:

"I have a space in my garden at Farmingham, Massachusetts, about six feet wide

by twelve feet long with a high old-fashioned stone wall back of it, which I decided to use as a flower bed."

"A salesman of flower seeds advises me to buy two packages of petunia seeds which will give me beautiful, fragrant flowers, very hardy, not apparently troubled by any of the pests which lay hold on so many other plants and which will bloom for weeks and months with practically no attention whatever.

"Another seed salesman questions me in detail about what flowers and shrubs I already have in my garden, as to the general buildings, and so takes a block of surroundings of trees, fences, buildings, and so takes a block of paper and draws a design of the plot in question.

"All this while he has sketched out what he is recommending and I can very readily see that he has tried to sell me a little flower garden while the other man only offered me some packages of seeds."

"Which of these men is the high grade salesman and is giving the best service and making the largest sales?"

Space would not permit my telling the details of how to program. Each agent must work out his own plan. Anyone who is interested can write me and I will send him the details of the plan.

We must always remember "He is paid most who serves best."

United States and Canada to take part in the celebration, and the insurance commissioners of the country are also asked to attend.

### Central Life Agency Meeting

Agents of the Central Life Assurance Society of Iowa from the northwestern part of the state held their annual meeting and school of instruction recently in Dubuque, where E. L. Gifford, a star producer, is general agent. Roy Heartman, field supervisor, from the home office, was the principal speaker. He told the agents of the company's plans for the big annual agency meeting next year in Memphis. Iowa agency supervisor G. M. Buck was also present from the home office. D. J. Keffeler, D. D. Duckett, Charles C. Brantman, B. F. Anderson and Fred Kingfield were announced as the winners of the production contest which had been held for ten days in honor of Mr. Heartman.

### Mutual Trust in Florida

Mutual Trust Life Insurance Company of Chicago, Ill., is looking forward to the development of a very active Florida State Agency at the head of which is A. E. Pickard as general agent. Mr. Pickard has secured the services of Jackson Ingham, formerly connected with the Northwestern Mutual, where he was a very active producer.

Mr. Ingham will have complete charge of the organization and development of the agency under the supervision of Mr. Pickard. Preparations have already been made for the opening of an office at Orlando, and it is expected that within a very short time Mutual Trust will be represented in all points of any consequence in the state of Florida.

Incidentally, Mutual Trust has reported a 41% gain in new business for September.



## Back of NORTHWESTERN NATIONAL A Strong Board of Directors

ELBERT L. CARPENTER  
Director Since 1911

**E.** L. CARPENTER is president of the Shevlin-Carpenter-Clarke Company, which, with its some forty subsidiaries, does a wholesale lumber business in all parts of the United States.

Mr. Carpenter, born in Illinois, spent his youth in Clinton, Iowa, where he became connected with the Curtis Lumber Company. He came to Minneapolis as a branch manager for that concern in 1887. In 1892 he purchased an interest in the Stephen C. Hall Lumber Company, thereby becoming identified with the Shevlin-Carpenter-Clarke interests. He is a director of the First National Bank of Minneapolis, and the Minneapolis Trust Company. He is president of the Orchestral Association of Minneapolis, which maintains and operates the famous Minneapolis Symphony Orchestra.

*This is Number 5 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**

## Buy Stock in Southern Surety

Announcement was made last month that a large block of treasury stock of the Southern Surety Company of Des Moines has been purchased by Caldwell and Co., investment bankers of Nashville, Tenn. It is understood that 7,700 shares of additional stock was issued by the company and purchased by the Nashville bankers for a price in excess of \$1,500,000.

This announcement is of great interest to middle western insurance men, since the Southern Surety is the largest casualty company west of the Mississippi and has been forging ahead at a rapid pace. It is licensed in forty-two states, has been paying cash dividends of 16 per cent, and this year will probably do about ten million dollars in premium volume.

Under the new financing plan, the paid-up capital of the company will be \$2,000,000. Capital stock of the company was only recently increased from \$1,250,000 to \$1,500,000. The company will also have a cash surplus of \$11,500,000.

Officers of the Southern Surety, who express themselves as highly pleased over the new arrangement, say there will be no change in the policy of the company or the executive staff except that J. Turner Price, assistant vice president of the Fourth and First National Bank of

Nashville, will become treasurer and chairman of the finance committee of the company. He succeeds Roy C. Armstrong, who has been acting both as vice president and treasurer, but who retains his position as vice president.

Purchase of stock in the Southern Surety Company makes the fifth insurance company that Caldwell & Co. have acquired large holdings within the last few years. Among others are the Missouri State Life Insurance Company, the Cotton States Life Insurance Co., the Inter-Southern Life, and the North American National Life Insurance Company. Mr. Caldwell, although a young man, is one of the leading financiers in the south.

Mr. Price, before becoming associated with the Fourth and First National Bank of Nashville, was cashier of a bank at McMinnville, Tenn., for more than sixteen years. He was president of the Nashville Civic Club for one year and a member of the board of directors of the Chamber of Commerce of Nashville for a year. He has for some time been a leading civic worker and prominent in the social world of this city.

C. S. Cobb of Des Moines will remain president of the company, which was incorporated in 1907, under the laws of the state of Oklahoma, and was merged in 1918 with the Southern Surety Company of Iowa.

## Should Bankers Write Life Insurance?

**B**ANKERS for years have disagreed on the question, but you will agree that many have answered in the affirmative and thus materially increased their earnings.

Life Insurance has become a necessity and is in greater demand today than ever before. The field is young, and particularly bright is the future of the business. Insurance Trusts alone are attracting many bankers who had felt that life insurance was entirely apart from the business of banking.

You are the financial adviser in your community. Can you justly advise your client on his life insurance affairs, or must you call in a life insurance man?

Mutual Trust is now in a position to cooperate with bankers. Your inquiries will be given careful attention and held strictly confidential.

It costs nothing to look into our proposition—it may mean thousands of dollars to you later.

Get all the facts

**MUTUAL TRUST  
LIFE INSURANCE COMPANY**

CARL A. PETERSON, Vice President,  
A. E. WILDER, Director of Agencies

THE CHICAGO TEMPLE ~ CHICAGO

## Decide Important Bonding Case

One of the most important surety cases of recent years was decided recently in Washington, Iowa, in the case of the defunct Farmers and Merchants Bank of that city, in which the judge denied the claim of the city of Washington upon former Iowa banking superintendent Robert Leach for \$65,000 of city funds deposited in the closed bank.

The case is very important in Iowa jurisprudence for had it been decided the other way, no public official in the state could obtain a corporate official bond because he and the sureties would be held liable for errors of judgment.

The city sued Mr. Leach, who was state superintendent when the bank was closed, under his official bond, and the National Surety Company, his bondsman, contending that the deposit was accepted after Leach knew the bank was insolvent. Attorneys for Mr. Leach and the National Surety Company filed and argued a demurrer to the city's petition, on nine grounds, eight of which were upheld in the judge's decision, holding for Leach and the National Surety Company. The attorney for Leach and his bonding company claimed that no action can be maintained against a state official under official bonds except in the name of the state and that the state banking superintendent is not under obligation to close any bank at once when he learns it is insolvent.

Both state and surety company officials view the decision as highly important. For state officials and bonding company officers the decision establishes that only the state can sue a bonded public official on his bond. The theory of this construction is that the bond protects everyone rather than a single claimant.

The state banking department was vitally interested for the decision upheld the right of the superintendent to use discretion in closing insolvent banks. They pointed out that if they could not use this judgment, no reorganization or sales of closed banks could take place until the banks were closed and placed in receivership.

The Farmers and Merchants Bank of Washington was the one in which Smith W. Brookhart, republican candidate for the United States Senate, was a stockholder.

Whosoever loves not picture is injurious to truth, and all the wisdom of poetry. Picture is the invention of Heaven, the most ancient and most akin to nature. It is itself a silent work, and always one and the same habit.—Johnson.

## First Trust Occupies New Quarters

The Trust Department of the First Trust and Savings Bank of Chicago has moved into new and permanent quarters occupying 32,000 square feet of space on the fourth floor of the First National Bank building at Dearborn, Monroe and Clark streets. The offices, which have forced ventilation and indirect lighting, are finished in white marble, bronze and mahogany and are served by both private elevators and those of the building.

This is the first completed unit of an extensive program of building and alterations upon which the First National Bank of Chicago and First Trust and Savings Bank entered January 1, 1925. The banks acquired the Fort Dearborn Bank building and the 50-foot frontage on Clark street immediately north upon which has been erected an 18-story building. The principal entrances of the building are on Dearborn and Clark streets,

while the banks will have entrances from Monroe street as well.

New safe deposit vaults, with 35,000 boxes and a capacity of 50,000 have been installed in the basement. The vault is 55x120 feet with an inside height of 8½ feet, principal doors of which are 30 inches thick, weighing, with vestibules, 83 tons. The vaults of the banks have also been installed in the basement and the offices of both banks on the ground, banking and mezzanine floors will be unified and extended through from Dearborn to Clark street.

The project has necessitated the removal of several departments to temporary quarters, but business has been continued without interruption during the alterations, with little inconvenience. It is expected that the development, which involves an expenditure of several million dollars, will be completed about January 1, 1928.

# ROYAL UNION LIFE INSURANCE COMPANY

DES MOINES, IOWA



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

Offers an unexcelled line of policy contracts.

Our Juvenile policies, written on children as young as one day old, go in full benefit automatically at age five without re-examination.

Our special low rate policies to business and professional men are fast sellers.

We write women on equal basis with men.

Special agency openings are now available. Write William Koch, Vice President and Field Manager.

## Royal Union Life Insurance Company

Des Moines, Iowa

A. C. TUCKER, President

## Selling Auto Insurance by Mail

**N**OW an Iowa local agency put on a successful mail and telephone campaign for automobile business, is told in *Travelers Protection* and should be of value to other agents. J. Q. Jeffries & Co., of Clinton, Iowa, secured first a list of all the automobile owners and addressed a letter to each one. Five hundred of these letters were sent out on Friday. It may be of interest to add that to save the trouble of addressing envelopes he bought government envelopes with "windows." These envelopes, of course, were stamped, eliminating work.

Before mailing the letters he sorted the 500 according to streets. Then a list was run off. Then Mr. Jeffries took the telephone book and placed the correct telephone number after each name on the list.

### Used Telephone Follow-up

Early Monday morning he started calling on the telephone, making appointments and discussing the insurance. At 3:00 o'clock Monday afternoon, Field Assistant Bowers arrived, and Mr. Jeffries and Mr. Bowers started to call on prospects. From that time until 3:00 o'clock Thursday afternoon the following results were accomplished:

Thirty-four cars were insured. Included also were two plate glass applications on automobiles and two \$50 deductible collision applications.

Four teams were covered for limits of \$25,000 and \$50,000 and \$5000 P. D.

One follow-up finally resulted in a fleet of ten trucks and one pleasure car being covered.

These were actually closed. There are many others which will come in. Some prospects postponed action until later. Of course, Mr. Jeffries is maintaining a complete follow-up system on these lines over the telephone in making appointments and inquiries concerning liability and property damage insurance. In those three days twenty-two expirations were secured.

### Wives Gave Information

"I dropped into Mr. Jeffries' office," writes Manager McLaughlin, "as Mr. Bowers and he were working. In order to obtain first-hand information, I telephoned probably thirty or forty people. Most of the numbers were home telephones of the automobile owners. In nearly every case the head of the house was away. However, we secured considerable information from those who answered the telephones. Most of them, of course, were the wives of our prospects. Several of the women I talked to said that their husbands had received the letter and had told them to lay it aside until they had time to read it. Those cases, of course, were good prospects from our point of view even on such information.

### Results Were Surprising

"The results of a campaign of this kind always surprise one. Mr. Jeffries wrote some people he had no idea of writing. There were some, a painter and a janitor, for instance, who were the easiest to secure when it was anticipated they would be the hardest to sell on public liability and property damage.

"A campaign of this kind for us at least upset preconceived ideas of who would buy insurance and who would be good prospects and who would not.

"In those three days more than \$1000 in premiums in all were written, including an order for higher limits on Mr. Jeffries' largest fleet policy."

### Year Book of Advertising

The Year Book of the Financial Advertisers' Association, scheduled to be off the press shortly, will contain a complete symposium of financial advertising.

A number of its 380 pages will be devoted to a financial advertising clinic, held at the Association's last convention, for which prizes were awarded.

In addition the book will contain a report of the Eleventh Annual Convention, and a complete list of the Financial Advertisers' Association.



## Community Service

Bankers are beginning to realize the importance of Life Insurance in their communities. Life insurance today is one of the greatest constructive agencies for the advancement of town and country. It not only serves your community, but it can also be made a direct source of profit to your bank.

Our Company gives real cooperation—the kind that has helped many bankers build their insurance department to a strong, profitable source of income.

**NORTH AMERICAN NATIONAL LIFE  
INSURANCE COMPANY**

OMAHA ~ NEBRASKA

F. J. UEHLING  
PRESIDENT

STRONG AS THE STRONGEST



**Is Named Secretary**

Of great interest to their many friends both in and out of the insurance fraternity was the recent announcement that Emory English, formerly president of the Iowa Bonding and Casualty Company, and at one time insurance commissioner of the state of Iowa, has resigned as secretary of the Des Moines Chamber of Commerce, to be succeeded by Joel



JOEL TUTTLE

Tuttle, formerly secretary of the Iowa Bonding and Casualty and more recently executive secretary of the Southern Surety Company.

Mr. Tuttle is a veteran in the insurance business, representing the Travelers here prior to his connection with the Iowa Bonding and Casualty. During recent years he has become deeply interested in the work of the Chamber of Commerce, and for the past year has been vice president of the local chamber. His selection as secretary succeeding Mr. English has met with wide approval among the business and professional men of Des Moines.

Mr. English, who last winter accepted the secretaryship of the local chamber with the understanding that it would be for only a short term of office, has not as yet announced his plans for the future but it is understood that he will enter private business.

Clifford DePuy, publisher of THE NORTHWESTERN BANKER, is president of the Des Moines Chamber of Commerce.

Everyone is the son of his own works.—Cervantes.

Patience, and shuffle the cards.—Cervantes.



**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**

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	

**Wanted  
Banker Agents**

We have some splendid openings in various parts of the state of Iowa for good Banker Agents.

If the Missouri State Life is not represented in your community write for our proposition.

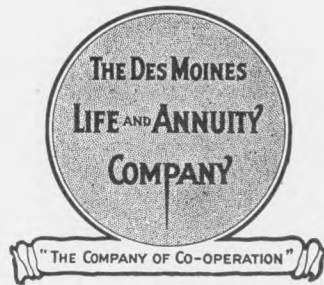
**A great Company daily growing greater**

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*



## Planning Ahead

The man with initiative, the man who plans ahead and does things while others are thinking of them, is the man who makes the biggest success in the Life Insurance world. That is just what Des Moines Life and Annuity Cooperation is doing for its banker agents, and will gladly do for you. It would help you analyze your field and determine its possibilities and then assist in the plans for producing business.

Such is the kind of service we render willingly and gladly to all of our banker agents.

J. J. Shambaugh, Pres.

**Des Moines Life and Annuity Company**

Des Moines, Iowa

## You Value Integrity

Just as you frequently loan money to men on the strength of personal integrity, so also do the people of Iowa have confidence in this Company because they know from experience that they can depend upon the Iowa National Fire Insurance Company.

*Promptness, here, is habitual.*

*Fire, Lightning, Tornado and Automobile Insurance*

**IOWA NATIONAL  
FIRE INSURANCE COMPANY  
DES MOINES, IOWA**

### LEGAL DEPARTMENT

(Continued from page 22)

check under the above section of the statute? and, secondly, as applied to this case, Was this check presented within a reasonable time after its issuance? If not so presented, then the drawer is released from liability, and he would be entitled to charge the same against the Lumber Company, or, in other words, to have it credited to his account, regardless of whether the Lumber Company received the proceeds of the check. Forwarding a check by a circuitous route may, as a general rule, be said to constitute negligence, except where the check reaches its destination as soon as if sent direct to the bank.

It may be said in passing that we are not dealing with the question of the indorser of a check in the instant case.

It is a well-settled proposition of law that, where a person receives a check in the town where the drawee bank is located, it must be presented before the close of the next business day. Ordinarily, the question of whether presentation of a check has been made within a reasonable time is a fact question. This case being in equity and by application of the above rules governing such matter, the court found that said check was not presented within a reasonable time, as provided for by the above quoted section of the Negotiable Instruments Law. This being true, the loss which occurred must fall upon the Lumber Company. Having fallen on the Lumber Company, the \$600 balance due on account, represented by said check is paid; therefore, there would be no right on the part of the Lumber Company to take the \$600 out of the \$1,000 to offset the \$600 check.

It was determined in this matter that a check not presented to drawee bank until four days after check was drawn, was not within "reasonable time."

All the makers of dictionaries, all compilers who do nothing else than repeat backwards and forwards the opinions, the errors, the impostures, and the truths already printed, we may term plagiarists; but honest plagiarists, who arrogate not the merit of invention.—Voltaire.

Without philosophy we should be little above the animals that dig or erect their habitations, prepare their food in them, take care of their little ones in their dwellings, and have besides the good fortune, which we have not, of being born ready clothed.—Voltaire.

Philosophy triumphs easily over past evils and future evils, but present evils triumph over it.—La Rochefoucauld.

Millions for defense, but not one cent for tribute.—Pinckney.

### Frederick Vierling Dead

Members of the banking fraternity were shocked to learn of the recent sudden death of Frederick Vierling, vice president and trust officer of the Mississippi Valley Trust Company.

Mr. Vierling, who was widely known as an author and authority on trusts and estates, died at St. Luke's Hospital in St. Louis. At his desk the previous day, he had complained of indigestion and his



FREDERICK VIERLING

physician took him to St. Luke's Hospital for an examination.

Beginning with none of the advantages enjoyed by the average boy, Mr. Vierling, by constant application, rose to a position of national eminence as an authority on trust law and accounting. He contributed widely to financial magazines, and published several booklets, including a well-known treatise on the amortization of premiums and the accumulation of discounts on bonds.

Mr. Vierling's connection with the Mississippi Valley Trust Company began in 1891, a year after its organization. For six years he was a clerk, but in 1897 he became trust officer for the institution. In 1911 he was elected vice president. He was active in the trust company division of the American Bankers Association, and delivered numerous addresses before meetings of that body. At the regional trust conference held in St. Louis this spring, Mr. Vierling was the moving spirit in making arrangements for conducting the convention and outlining the program.

### American Bank in Poland

An American bank, the first in Poland, has been opened under the name of the American Bank of Poland, with a capital of \$5,000,000. The bank is financed by the International Match Corporation, with the primary object to finance exportations of raw materials from Poland.

# 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

# 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.



**Iowa Cashiership** wanted by married man with 13 years' experience as cashier. Familiar with farm loans, general insurance, legal documents and all phases of banking. Speak English and German. Best of references gladly furnished. Address No. 2930, the Northwestern Banker—11.

**Position wanted** in Iowa bank. Two years' experience in shorthand and type-writing—also Burroughs posting machine and counter work. Age twenty-one, high school graduate and commercial college training. Best of references. Address No. 2931, the Northwestern Banker—11.

**For Sale:** Ten adding and posting machines, 1,500 modern type safe deposit boxes and sundry bank equipment. Considering selling whole lot at a very low figure. Arthur Sanford, Sioux City, Iowa.

**Position wanted** as assistant cashier in country bank. Single man, 25 years of age. Speaks Scandinavian language. Now employed but seeking place for advancement. Can furnish the best of references, with six years' banking experience. Address No. 2932, the Northwestern Banker—11.

**Position wanted** by widow 27 years old. Six years' banking experience. Available immediately. Can furnish best of references. Address No. 2933, the Northwestern Banker—11.

**For Sale**—The controlling interest in a small Iowa bank carrying position of cashier. Only insurance agency. All side lines go to cashier. All paper guaranteed. No real estate to buy. This is a rare opportunity for a young man to get a business without a large investment. Address No. 2934, the Northwestern Banker—11.

**Wanted:** Good second-hand Staats Money Changer. Must be cheap. L. J. Bitterley, Baring, Mo.

**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.

### Banker Elected

G. W. Phillips, president of the Central National Bank of Columbus, Nebraska, was elected president of the Platte County Pioneers association at the annual reunion held recently and attended by 175 members. Other officers elected were Mrs. C. N. McElfresh, vice president; A. J. Galley, secretary-treasurer, and Mrs. R. M. Campbell, historian.

Organization of a county association composed of the leading banks of Hall county, Nebraska, was perfected at a meeting held at Hotel Yancey, Grand Island, recently, at which Elmer Williams, president of the Commercial State Bank, was elected president; and O. A. Vieregg, second vice president of the Nebraska State Bank, was elected secretary-treasurer. The meeting, called primarily for securing an expression of Hall county bankers on the resolutions passed at Omaha on August 18th, by representatives of seventy-three out of ninety state banks of the state, resulted in a vote unanimously approving those resolutions, with the exception of resolution No. 2. All of the banks of Hall county were represented at the meeting.

### Oldest Banker in U. S.

The entire staff of the United States Trust Company joined August 24th in sending a message of congratulation to John A. Stewart, chairman of the board of trustees of the company, who celebrated his 104th birthday at his summer home at Morristown, New Jersey. Five generations of the Stewart family attended the celebration.

There was little variation from the manner in which he spent his birthdays for several years. Besides his relatives, he was greeted by a few old friends. Telegrams of congratulations from all parts of the country and large quantities of flowers from old associates in Wall Street were received.

Mr. Stewart has not been at the trust company's offices for four years, having retired from business on his 100th birthday. His friends declared, however, that he was still exceedingly keen and alert of mind and took an active interest in general affairs. Mr. Stewart is America's oldest banker and the patriarch of the trust company fraternity. He was one of President Lincoln's advisers in the Civil War, and was a figure of importance in Wall Street for almost 70 years.

The Pillsbury State bank of Pillsbury, Nebraska, opened recently. The bank has been completely reorganized.

Religion is the eldest sister of philosophy; on whatever subjects they may differ, it is unbecoming in either to quarrel, and most so about their inheritance. —Landor.

**WHERE TO BUY**  
*A Buying Guide for Bankers*

**Steel and Cooper Engraved**  
STATIONERY, BUSINESS  
ANNOUNCEMENTS AND CARDS  
For quality work address  
**The Homestead Company, Des Moines**

**FLOWERS AND SERVICE**  
ALPHA FLORAL COMPANY  
Phone Walnut 362  
**J. S. WILSON FLORAL CO.**  
Drake 584  
**DES MOINES**

**KALAMAZOO**  
LOOSE-LEAF-DEVICES-AND  
ACCOUNTING-SYSTEMS  
Sold in Iowa by  
**J. H. WELCH PRINTING CO.**  
1166-68-70 Sixth Ave., Des Moines.  
Printers, Binders, Mfg. Stationers.



## 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

**Move Headquarters**

State headquarters of the South Dakota State Bankers Association, in Huron, has been moved from the second floor of the city hall to room 8 in the Knights of Pythias building.

George A. Starring, secretary of the state association, expressed to Mayor D. G. Medbery and the members of the board of city commissioners the association's appreciation to the city for being permitted to occupy the former quarters in the city hall.

Need for the room by the city compelled the state association to find other quarters.

**Active at Eighty**

M. P. Ohlman, president of the American State Bank of Yankton, South Dakota, celebrated his 80th birthday. Mr. Ohlman was active in the organization of the bank in 1890 and still is an active officer of the institution, being at his desk every day.

**South Dakota Meetings**

The Grant County Bankers Association met recently and agreed upon a 50-cent-per-\$100 charge on out-of-town creamery and produce checks. Nearly every banker in the county expressed his intentions of starting the service charge on small checking accounts. A committee was appointed to confer with County Commissioners in the hope of lowering the interest rate on county deposits.

Kingsbury County Bankers Association in its meeting agreed upon a charge of 3 cents per item or 50 cents per \$100 on out-of-town creamery checks. The banks of this county have agreed to notify the public in local newspaper announcements of the necessity of carrying better balances in their small checking accounts.

**Changes at Colome**

Walter E. Wichner has been promoted to assistant cashier of the Tripp County State Bank at Colome, South Dakota, succeeding George F. Hecht, who resigned to become cashier of the State Bank of Scenic. Ray E. Limley, former cashier of the latter institution has resigned to continue his education in Minneapolis.

**New Bank at Conde**

At a stockholders' meeting The Peoples Bank of Conde, South Dakota, was recently organized. \$20,000 capital and \$2,000 undivided profits were paid in, in cash, a charter was applied for, and as soon as the charter is received, the bank will open for business. This institution is entirely locally owned, was built with the idea in mind of giving to Conde a bank that the people can be proud of. No one stockholder owns more than 10 of the 200 shares of stock. The stock is owned by E. H. Robertson, H. H. Haydlauff, John Owens, L. C. VanOrnum, E. R. Place, Anton Lenz, M. P. Hynes, Ed. Lenz, Neil G. Herman, Joe Lenz, Bert Lenz, Anton Klapperich, L. D. Miles, D. Robertson, Jasper Klapperich, Wm. Simmons, H. J. Place, W. A. Geary, N. L. Haight, Bert Miles, Paul Brown, James Cutshaw, Earl Beartsch.

Messrs. Robertson, Owens, Herman, Lenz, Geary, Cutshaw and Beartsch will be directors.

**Clearings Increase**

According to a compilation at the Sioux Falls Clearing House Association recently, bank clearings in Sioux Falls, South Dakota, during the month of September were \$6,264,663.28. This amount is \$776,361.39 higher than for the corresponding month in 1925, the records showed. In September of last year the clearings were \$5,488,301.89.

**Reopened**

The Citizens State Bank of Colman, South Dakota, is again open for business after a short suspension of a week. In the reorganization, the institution will be in much better condition than it was before. Much credit is due the depositors of the bank in the prompt manner in which they helped to rectify the situation.

**Install Gas Bombs**

The Security State Bank of Willow Lake, South Dakota, has recently installed a system of gas bombs as a burglar preventative. The device is extremely sensitive, and any excess of heat or a heavy jar will release the torturous fumes.

**Twenty-five Years Old**

The First National Bank of Flaudreau, South Dakota, recently celebrated its twenty-fifth anniversary. James T. Bigelow was the cashier of the institution until 1919, at which time J. R. Coonrod was elected to that position, and Mr. Bigelow became president.

The First National has enjoyed a healthy growth since its organization, and holds a substantial place in the community.

**Plan Consolidation**

The Farmers and Merchants State Bank of Spencer, South Dakota, and the Spencer State Bank held a joint meeting recently and decided to consolidate. The new bank will be called the Farmers and Merchants State Bank. The Farmers and Merchants Bank closed its doors August 30th, and was to have opened again on October 18th. The new institution will have a capital stock of \$25,000.

**School Savings System**

A saving system for Mitchell, South Dakota, public school children was inaugurated recently, the plan adopted being that of the Thrift Incorporated, a school banking system of Chicago. Mrs. L. C. Horton and Miss Esther Haven, representatives of the Chicago company, were there to install the system in the schools and banks.

The plan is a simple one, whereby the teacher holds a bank class once a week, and with the help of a student cashier accepts the deposits from each child and enters the amount in the students' pass books. The child may make a deposit of any amount from a penny up, and receives the same rate of interest as an adult account does. School children, in this way, learn the fundamentals of banking and cultivate the habit of saving.

**A Billion Dollars Yearly**

American movie fans spend approximately \$1,000,000,000 a year in admission fees at the 20,233 picture theaters in the country.

Statistics on the extent of the industry, which goes back to April 27, 1896, when the first film was shown in Koster and Biel's music hall, New York City, have been made available by Will H. Hays.

The average weekly attendance in 1925 was 90,000,000 persons.

News reels depicting current events are seen by 51,000,000 people every week.

Production costs of American films are \$150,000,000 annually, while the studio salaries amount to \$60,000,000 a year.

The number of permanent employes of the industry is 235,000.

Listed shares of motion companies total 11,331,394, held by 59,157 persons.

The export business in films increased from 32,000,000 linear feet in 1913 to 235,000,000 in 1925.

## Solving the Cream-Check Problem

THE South Dakota Bankers Association has completed its committee work in connection with charges on out-of-town creamery checks, under the direction of a special committee consisting of L. M. Larsen, Cashier of the Jerauld County Bank, at Wessington Springs; E. W. Radeke, vice president of the First National Bank of Alexandria, and Louis Jacobs, president of the Exchange Bank of Lennox.

The committee sent its recommendations to all the bankers of the state, asking them to advise the state office whether or not they would support same. The returns from 54 counties were very gratifying. All but 12 of the banks which replied stated that they were putting the service charge into effect, only one of these 12 not approving of the committee

recommendations. The association estimates that at least 300 banks in the state are now making a service charge for cashing out-of-town creamery and produce checks.

### The Situation by Counties

The following shows the distribution of the 170 replies in 54 counties by banks expressing their attitude on the cream check committee recommendations. With the exceptions noted, all banks endorsed the committee's schedule.

10 replies: Minnehaha County.

8 replies: Brown County.

7 replies each: Roberts and Yankton counties.

6 replies each: Clark, Lake, Pennington and Walworth counties.

5 replies each: Charles Mix, Clay, Codington and Lincoln counties.

4 replies each: Corson, Faulk, Grant, Miner, McPherson and Perkins counties.

3 replies each: Beadle, Campbell, Dewey, Douglas, Haakon, Hanson, Hutchinson, Marshall, Potter and Spink counties.

2 replies each: Bon Homme, Butte, Brookings, Day, Edmunds, Gregory, Hamlin, Hand, Kingsbury, Lyman, McCook, Tripp, Turner and Ziebach.

One reply each: Brule, Davison, Hughes, Jerauld, Jones, Lawrence, Meade, Moody, Mellette, Sanborn and Sully counties.

### Exceptions and Comments

Beadle County—One bank debating.

Brown County—One bank gets checks through oil stations and hesitates to charge. One bank waiting for county association to take action.

Charles Mix County—One bank wants 10 cents minimum charge per item. One charges 2½ cents each which nets average 48½ cents per \$100.

Clay County—One bank "probably" will adopt plan and favors it. Another is satisfied with 25 cents but may change.

Codington County—One bank favors but cashes practically no creamery checks, therefore made no promise.

Corson County—One bank charging 25 cents but will change provided its agreement can be cancelled.

Edmunds County—One bank charges 25 cents though approving committee schedule. Wants county association to take action.

Grant County—County agreed for committee schedule.

Hand County—One bank has agreement at 25 cents which it prefers not to break, though charging another company 50 cents.

Hughes County—Has varying schedule and will try to make it uniform.

Hutchinson County—One at \$1 per \$100.

Lawrence County—No endorsement since bank seldom cashes cream checks.

Minnehaha County—One bank did not state whether their rate of 25 cents would be increased.

McPherson County—Has agreement with Campbell County at 2½ cents per item. Will go with majority of Association to 3 cents. One bank quotes 25 cents charge but wants to go to 50 cents.

Pennington County—One bank charges 10 to 20 cents but believes in committee schedule.

Roberts County—One bank indicates that it will stick to 15 cent charge, though approving committee schedule.

Yankton County—Includes Yankton Clearing House Association.

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Sioux City, Iowa

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Money sent away from home never  
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Make a connection with a HOME LIFE INSURANCE COMPANY—that deposits the Premiums in your bank or invests in mortgages in your territory.

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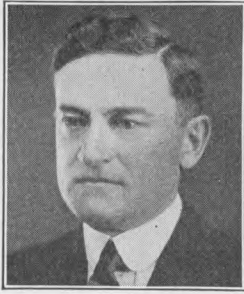
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## Nebraska Bank News

**Officers Nebraska Bankers  
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Secretary.....W. B. Hughes  
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General Counsel.....J. P. Palmer  
Omaha



**I. R. ALTER**  
President

**WM. B. HUGHES**  
Secretary

## Says Guaranty Law Has Been Great Boon

**D**EFENSE of the Nebraska bank guaranty law was made by Kirk Griggs, secretary of the state department of trade and commerce, in an address to the Cass County Bankers Association at Plattsmouth recently. Among the principal points in Mr. Griggs' insistence that the law had been a blessing to the state, were the following:

"This agricultural portion of our middle west has recently been under a cloud of over-extension of credit, so overpowering that the circle about us comprising Iowa, South Dakota, Wyoming, Colorado, Kansas and Missouri, has been swept by a financial storm which has destroyed, in great numbers, their banks, their business and their credit. Even the faith of their citizens in their financial institutions has been ruined and hundreds of good, solvent banks have been wrecked by the withdrawal of deposits. But in Nebraska, though the sky has been overcast and we have felt the effects of the mighty blow, we have by comparison, enjoyed a wonderfully beneficent financial peace—a peace brought about primarily by the faith of our citizens in the ability of the guaranty law to protect them. The guaranty law alone did not, nor could have done it, had it not received the infusions of life blood from the bankers who contributed so liberally to it of their money and time; and received substantial benefits through the efforts of the guarantee fund commission and the department."

In twenty-two months since he became head of the department, Mr. Griggs said, better banking was advised in twenty-two hundred conferences in his office, 25,000 letters were written, sixty-two banks were eliminated which could not operate at a profit and were daily increasing the menace to the guaranty fund; assessments were secured of over \$1,500,000 to put other banks on a paying basis, thereby benefiting the guaranty fund; and twenty-four mergers were brought about.

A special assessment of one-fourth of 1 per cent of deposits was levied against all state banks of Nebraska, to be credited to the bank depositors' guaranty fund. In announcing the levy, Secretary Kirk Griggs of the state department of trade and commerce, said that the guaranty fund had on deposit in state banks, \$957,267.27, and the levy would bring an additional credit of \$690,000. Sale of assets of defunct banks has yielded, to the guaranty fund, an additional \$150,000, so that the present total credit to the fund is more than \$1,797,250, according to Mr. Griggs.

Five million dollars is the anticipated loss in insolvent state banks, in Mr. Griggs' estimation, including in the total the certificates remaining unpaid in excess of the cash on hand. At present, he said, there are outstanding receivers certificates amounting to \$2,559,000. After the new assessment is credited, \$1,200,000 in receivers' certificates were to be paid, covering all which will mature by April 15, 1927.

### Promoted to Cashier

At a meeting of the directors of The Nehawka Bank, Nehawka, Nebraska, held recently, Walter J. Wunderlich, who has been assistant cashier for several years, was promoted to cashier of the institution. Mr. Wunderlich has had considerable experience in this line of work and is in a position to handle his new work in a capable manner.

D. C. West, the former cashier who is now vice president will be connected with the bank as in the past but will not have quite as many duties to attend to as before.

Piety is the right performance of a common duty, as well as the experience of a special moral emotion.—Beecher.

Poetry is the language of feeling.—Winter.

### With First National

Leo Schaff has accepted a position in the First National Bank of Crofton, Nebraska, and commenced his duties recently. Leo was a clerk in the Hartington National Bank for some years and, for the past few months, has been working in the Lubeley hardware store.

### Appointed Private Secretary

John P. Robertson cashier of the Custer State Bank of Broken Bow, Nebraska, has been appointed private secretary to George W. Norris, state senator of Nebraska. Mr. Robertson served in government work at Washington for several years, and was also connected with the land office at Broken Bow.

### Says America Is Generous

After attending the American Bankers Association convention at Los Angeles, **Walter W. Head**, former president of the association and president of the Omaha National Bank, went east to New York, Boston and Washington, D. C., and while in New York, on October 13th, addressed the Kiwanis Club on America's policy toward the debts of European nations. Mr. Head said: "America has been more than generous in her debt settlements, despite beliefs to the contrary."

Under present settlements, ratified and unratified, the United States has cancelled 75 per cent of Italy's debt, 53 per cent of Belgium's debt, and 52 per cent of France's debt, while America's only concession to Great Britain has been a low rate of interest through which she will pay about \$11,000,000,000 before the \$4,600,000,000 principal is extinguished, Mr. Head said in New York.

He believes France is well able to pay the amount asked by the United States. He attributed the present financial difficulties of France to the fact that the peasants, who own one-half the wealth of the country, are made to pay only 10 per cent of the taxes.

Mr. Head advocated full support of European efforts toward economic rehabilitation, by America, but he favored the debt terms reached on the basis of capacity to pay. He predicted that this country would go farther, if need be, to help Europe's economic recovery.

On the subject of America's own debt, Mr. Head said that it had been reduced from \$26,000,000,000 to \$19,000,000,000 in the last three years. He is in accord with Secretary Mellon's policy of paying off the debt as quickly as possible while the country is enjoying prosperity. This can be done without imposing and undue burden upon the country, he said, but not if demands for still greater reductions in taxes are granted.

Neither rhyme nor reason.—Shakespeare.



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### NEBRASKA NEWS

The Banking House of **A. W. Clarke**, Papillion, Nebraska, will remain in the control of the Clarke family, as the majority stock was secured by Mrs. I. D. Clarke, daughter-in-law of A. W. Clarke, when she purchased 215 shares at private sale, for a consideration that was not announced.

The stock was sold in Sarpy county probate court by the Omaha Trust Company, executor, as part of the process of liquidation of the estate of A. W. Clarke, who died March, 1926, in California. His son, the late I. D. Clarke, vice president and for many years active head of the bank, died July 19, 1926.

Mrs. I. D. Clarke has become president of the bank; Karl C. Brown was elected vice president, and Robert F. Clarke, son of the new president, remains as cashier. The name of the bank is to be retained.

The Banking House of A. W. Clarke is a state bank with a capitalization of \$30,000, a surplus of \$6,000, and deposits amounting to \$550,000. It was founded in 1880. Mr. Clarke in his will had expressed the wish that possession remain in his family, and preference was given Mrs. I. D. Clarke in the bidding.

**Edward F. Daugherty**, attorney for the federal land bank and the federal intermediate credit bank of Omaha, has been elected president of the Nebraska Title Association.

Refinishing and new interior equipment of the **Murray State Bank** has been completed, the institution, with its new marble, mahogany and grill interior, becoming one of the handsomest in Cass county. Actively in charge of the bank are W. G. Boedecker, cashier, and Ludwig Hallas, assistant cashier.

Officers of the **Lincoln Joint Stock Land Bank**, headed by W. E. Markley, president, were reelected at the annual meeting recently, and three new members were added to the board of directors. They are Olive Wallace, Ben Simon, B. R. Hearson and Paul Good. Capital stock of the bank was increased from \$2,033,700 on June 30, 1925, to \$2,711,400, the present total. Loans increased from \$30,709,500, June 30, 1925, to \$36,148,240 on September 30, 1926. Prof. W. W. Burr was added to the executive committee of the bank, and John L. Teeters was elected a vice president.

**Walter J. Wunderlich**, for several years assistant cashier of the Nehawka Bank, has been elected cashier. He succeeds D. C. West, who has been elected a vice president of the bank.

**Carl G. Stoll**, assistant secretary of the Nebraska Guaranty Fund Commission,

At this bank, the complete mechanism of a world-wide banking service is kept a living, human thing by the personal relationships existing between our officers and our customers.

*Every Banking Service*

**CENTRAL TRUST**  
COMPANY OF ILLINOIS  
125 CHURCH STREET at La Salle  
CHICAGO



and C. M. Skiles, general counsel for the commission, visited Sidney, Nebraska, recently.

**John Hall**, president of the State Bank of Verdon, has completed his fortieth year of continuous service behind the counter at the bank. Mr. Hall is chairman of the Verdon Red Cross, which has raised more per capita from the population of the town of a few hundred, than any other Nebraska city for such purposes as the recent Florida hurricane relief fund.

**The Edison Bank** of Edison, Nebraska, and the Farmers & Merchants Bank of Edison, have merged, retaining the name of the latter institution, and reporting combined deposits of \$350,000. Capital stock of the new bank is \$20,000, with a surplus of \$2,400. The officers of the Farmers & Merchants stay as officers of the enlarged bank: Ben Osborne, president; Andrew Larson, vice president; W. H. Williams, cashier. The retiring officers of the Edison Bank are T. F. MacPrang, president; W. T. Pettigrove, vice president; J. M. Mohney, cashier.

**Optimism** over business conditions, with forecasts of steadily improving general prosperity in the states of Iowa, South Dakota, Wyoming and Nebraska, featured the annual convention in Omaha

of the secretary-treasurers of the national farm loan associations. A. F. Beck, Ottumwa, Iowa, was elected president of the association; F. S. McCaffree, Scottsbluff, Nebraska, vice president, and T. Ralph Miner, Mt. Pleasant, Iowa, secretary. Among the convention speakers were Senator Howell of Nebraska; T. F. Davis, Marion, Iowa; Dean E. A. Burnett, Nebraska University College of Agriculture; J. C. Underwood, New Underwood, Wyoming; P. F. Luchsinger, Columbus, Nebraska; J. M. Tapager, Lake Mills, Iowa; Andrew Kopperud, Omaha; Tom Costellor, Sioux Falls, South Dakota; William Assman, Winner, South Dakota; T. Ralph Miner, Mt. Pleasant, Iowa.

#### Comes to Coleridge

T. E. Bohler has recently entered the employ of the First National Bank of Coleridge, Nebraska. He was formerly connected with the Farmers State Bank of Belden, and has had considerable banking experience.

#### Becomes Cashier

Carl J. Schneider has recently been elected to the cashiership of the State Bank of Minatare, Nebraska, coming there from Plattsmouth. Mr. Schneider has been in the banking business with his father at Plattsmouth, and is well experienced in his chosen work.

#### Elected President

Mrs. I. D. Clarke, daughter-in-law of the late A. W. Clarke, president and founder of the Banking House of A. W. Clarke at Papillion, Nebraska, has bought the controlling interest in the institution, and has been elected president. K. C. Brown was elected vice president and R. F. Clarke, grandson of the founder, cashier.

#### Group Bankers Meet

A. J. Jorgenson, president of the American Bank of McCool Junction, Nebraska, went to Omaha recently, where he attended meetings of the representatives of various bankers' groups of the state in session there. Mr. Jorgenson represents the three county groups of banks, comprising membership of banks of Kimball, Deuel and Cheyenne counties. One of the purposes of the meeting was for approval by the general committee of the state banking organization of resolutions adopted at recent group meetings.

#### New Cashier

David A. Swayer is the new cashier at the Commercial Bank of Grant, Nebraska, taking the place of W. J. Chase, who has resigned and will leave for a trip to the coast before locating elsewhere.

But yet the pity of it, Iago. O Iago, the pity of it, Iago.—Shakespeare.

## *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*

**A. I. B. Entertain**

The board of governors of the Omaha chapter of the American Institute of Banking gave a dinner at the Hotel Fontenelle recently honoring their national president, Paul B. Detwiler, assistant cashier of the Philadelphia-Girard Bank,

Philadelphia, Pa., in Omaha on his return from the American Bankers Association convention at Los Angeles.

**New Bank Officer**

J. P. Spearman, formerly of Papillion, who has been elected vice president of the

Nebraska State Bank of Bridgeport, Nebraska, is moving his family to Bridgeport to make their home, and will soon build a modern house. He retains interest in the bank at Papillion.

**Bankers Meet**

The Grant, Hooker and Thomas County Bankers Association, an organization having for its purpose a closer business relationship and better understanding of the needs of their patrons, met recently at the Citizens State Bank of Mullen, Nebraska. This was the second meeting of the organization. W. D. King of Whitman is chairman and Charles Finnegan of Hyannis is secretary.

**Elected President**

J. C. Meese is president of the new State Bank of Ord, Ord, Nebraska; Frank Stara vice president; John J. Allen cashier, and J. M. Kokes assistant cashier. In addition to these officials, A. J. Auble, A. H. Jaskman, G. H. Lange and B. R. Hackel are also members of the board of directors.

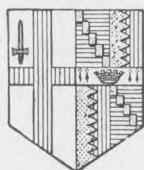
The Ord State Bank which the State Bank of Ord succeeds, was the oldest bank in Ord and Valley.

**Cashier Resigns**

Robert Linn, who for the past nine years has been connected with the Magnet State Bank of Magnet, Nebraska, first as cashier and later as vice president, has resigned from his position. Mr. and Mrs. Lynn leave for Sioux City. Mr. Lynn has an opening in view with a nephew in Oregon.

**Remodeling**

The Citizens State Bank of Wahoo, Nebraska, is enlarging the lobby of their bank building. The stairway on the east side is being removed, which will give them over four feet of additional space.

**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.

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	<b>Minnesota Bank News</b>	
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### Stop in Minneapolis

The northwest is sound, agriculturally and economically, and is making consistent progress, in the opinion of eastern, southern and midwestern bankers and financial writers who visited Minneapolis on their return from the American Bankers Association convention in Los Angeles.

The bankers gave their views from personal observation over several northwest states. There were 140 in the party, traveling in a special train. They had observed conditions in Portland, Ore., Longview, Tacoma, Seattle, Yakima, Grandview and Spokane, Wash.; Butte, Bozeman, Missoula and Glendive, Mont., and Dickinson, Mandan, Bismarek and Jamestown, N. D.

The bankers agreed that the west's commercial dependence upon the east has passed and that the section is out of the experimental stage, with a course of safe and sane economic and agricultural development charted for the future.

C. B. Hazelwood, vice president of the American Bankers Association and vice president of the Union Trust Co., Chicago, asserted that the natural resources of the east and middle west now are very largely in use, while the northwest has "thousands of acres of land, millions of feet of lumber and untold resources in mineral and oil still untouched."

Others voiced their conviction that diversification has put agriculture on a sound footing, and that the banks also learned the value of diversified farming in the depression of 1919 and 1920.

The visiting financiers were met by a delegation of Minneapolis bankers and taken to the Nicollet hotel for breakfast. After a tour of the city they went to St. Paul for a luncheon at the Saint Paul hotel.

### Bank Changes Name

The name of the Bankers Trust and Savings Bank, Minneapolis, has been changed to the Peoples Trust and Savings Bank when amended articles of incorporation were filed with the secretary of state.

### Heads Washington Bankers

Henry A. Johnson, cashier of the Scandia State Bank, Lewiston, Minnesota, was named president of the Washington County Bankers Association at the annual meeting recently. Other officers elected for the coming year were: Ray G. Kern of Lake Elmo, vice president; Eugene Letourneau of Hugo State Bank, secretary-treasurer.

### Raises Interest Rate

The Austin National Bank of Austin, Minnesota, announces it will pay 4.4 per cent on deposits made in a Special Savings Department.

There is a certain line of business, such as that of the building and loan concerns and certain lines of investments, that have been able to pay a higher rate of interest than the banks doing purely commercial banking in the same community. The Austin National has established this department, to be known as Special Savings to handle such lines of business that it will make possible the payment of a higher rate of interest.

### Speaks at Winona

J. C. Thomson of the Northwestern National Bank, Minneapolis, was the principal speaker at a meeting of the American Institute of Banking at Winona, recently. The institute is the educational section of the American Bankers Association.

### Changes at Duluth

At a recent meeting of the board of directors of the American Exchange National Bank of Duluth, Minnesota, Isaac S. Moore was elected to the presidency of the institution. Mr. Moore was formerly vice president of the bank. Edward C. Congdon was elected chairman of the board.

A. C. Weiss was elected chairman of the executive committee; J. Daniel Mahoney was promoted from cashier to vice president; E. L. Palmer from assistant cashier to vice president and trust officer, and W. Gordon Hegardt from assistant cashier to cashier and assistant trust

officer. Other officers of the bank are Colin Thomson, assistant cashier; Sylvester T. Strain, assistant cashier, and R. W. Hotchkiss manager of the bond department.

### Goes to Mankato

William Duncan, president of the State Bank of Milroy, Minnesota, has resigned his position with that institution, and will sometime between now and the first of the year, become associated with the First National Bank of Mankato, as vice president, and with the Mankato Loan and Trust Company in an executive capacity.

Mr. Duncan has had more than twenty-five years of experience in rural banking in Minnesota, and is thoroughly acquainted with conditions in his locality.

### H. M. Peyton Resigns

H. M. Peyton, for almost half a century the head of the American Exchange National Bank of Duluth, Minnesota, has tendered his resignation as chairman of the board, due to his advancing age.

Mr. Peyton is 91 years of age, and is one of the most prominent business men in Duluth. He was born in New York state, and came to Minnesota in the 50's. He became president of the American Exchange National when it was first organized, and held that position until a few years ago, when he became chairman of the board of directors.

C. B. Mills, president of the Midland National of Minneapolis, was the only banker from the twin cities to accompany the Crown Prince and Princess of Sweden from Chicago to the twin cities. We always knew Charlie could hobnob with royalty—in fact he's a prince of a fellow himself.

### Enterprising

An enterprising undertaker recently advertised that he had in his employ a young lady embalmer and 'tis said that the young fellows were just dying to meet her.—*Book of Smiles.*

<p><b>MIDLAND NATIONAL BANK</b> and <b>TRUST COMPANY</b></p> <p>Resources \$22,000,000.00</p> <p><b>MINNEAPOLIS</b></p>
---

### A Business Hindrance

Although exchange charges on checks are disappearing, they are nevertheless considered a nuisance and hindrance to business and to consumers, the Banking and Currency Committee of the National Association of Credit Men maintains in a resolution just made public. The par-presentation of checks is advocated by the committee which points out that nearly 95 per cent of all business transactions are carried out through the medium of checks.

The committee estimates that about 90 per cent of the banks pay checks at their par value. The Federal Reserve System,

of course, pays all checks in this manner and recently won a suit, in the Supreme Court of the United States, which decided that nonmember banks could not make a collection charge on a check cleared through a Federal Reserve bank for a bank which is a member of the Federal Reserve System.

"When the bank on which checks are drawn pay them at par, that is, 100 cents on the dollar," the committee states, "wider acceptability is attained, because these par checks are quickly and without cost converted into money.

"There are still quite a number of smaller banks which adhere to the 'ex-

change charge' plan in paying checks. They are numerous enough to make collections slower and more difficult in many out-of-town transactions."

### Practice Better Than Theory

"I had rather talk of saving pennies and save them than theorize in millions and save nothing."—President Coolidge.

### Why He Was Fired

On Thursday he took a display sign off a lady's blouse and put it on a bath tub.

The sign read: "How would you like to see your best girl in this for \$2.75?"

They fired him on Friday.—*Hammermill Bond.*



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The Pearson is a block east of the intersection of Pearson Street and North Michigan Boulevard. Rates for one person are from \$3.50 to \$5.00 a day; for two \$5.00 to \$7.00; two-room suites \$10.00 to \$14.00. Every room and suite with private bath.

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Capital, Surplus and Undivided Profits, \$34,000,000

## Pledge Allegiance to Guaranty Law

Fifty-four Nebraska state bankers, meeting in Omaha recently, as representatives of fifty-five counties of the state, expressed their adherence to the state bank guaranty law and desire to cooperate with the guaranty fund commission in administering it, by adopting the following resolutions and committee reports:

"Various committees should be appointed from active state bankers to assist in the general management of state banks now in receivership or under the management of the guaranty fund commission. It is respectfully asked that the guaranty fund commission coordinate and cooperate with the Nebraska Bankers Association in this movement.

"It is suggested that in connection with state banks now or in the future, in the hands of receivers or being operated by the guaranty fund commission, the state bankers in business within a radius of 40 miles of each such bank be asked to appoint a committee of five state bankers to thoroughly examine the assets of the bank in question and that a complete record be made of all such assets, and such committee shall rate them and give their general opinion of such assets to the guaranty fund commission. It is understood that these committees shall not hinder nor impair the work of the guaranty fund commission but shall only be a means of assisting in collecting the true value of the assets. The secretary of the Nebraska Bankers Association shall arrange the above mentioned meetings of state bankers.

"We reaffirm our faith in the guaranty fund law under which no depositor in any Nebraska state bank has suffered loss.

"Whereas experience has shown that there has been a multiplicity of banks in various sections of the state which has brought on unusual unrestricted competition and which has in the past been productive of a serious banking situation, it is hereby resolved that our laws should be amended to provide that state bank charters for commercial banks be granted under the following conditions:

"In cities or villages of less than 1,500 inhabitants, not more than one state bank.

"In cities or villages of 1,500 or more and less than 3,500 inhabitants, not more than two state banks.

"In cities of 3,500 or more and less than 6,000 inhabitants, not more than three state banks.

"In cities of 6,000 or more and less than 25,000 inhabitants, not more than four state banks.

"In cities of 25,000 or more inhabitants, not more than six state banks.

"But nothing herein shall be construed to limit the number of cooperative banks which may be chartered.

"We favor such changes in our law as will remove as far as possible the department of banking from political influence.

"Examiners should be chosen and vacancies filled by the secretary of the department of trade and commerce or the governor from a list of applicants first approved by the guaranty fund commission after such examination, investigation or inquiry as may be deemed essential. A chief bank examiner should be chosen in like manner who shall perform all the duties prescribed by law relating to the examination of banks, he to be delegated sufficient authority to make his work effective, under the direction and supervision however of the secretary of the department of trade and commerce.

"We favor for bank examiners and the chief bank examiner an indefinite tenure of office with a minimum salary for examiners of \$2,400 per year increasing 10 per cent each year of service until a maximum of \$4,800 per year at the end of ten years. The salary of the chief examiner should be on a slightly higher scale.

"Any bank examiner, including the chief, may be removed by the secretary of trade and commerce for cause, just causes of removal to include among other possibilities, violation of oath of office, failure to perform duties or incapacitation.

"The chief bank examiner shall promptly refer to the guaranty fund commission all examiners' reports and authentic information wherein is shown an impairment of capital or continued violation of law, but no member of the commission residing within 40 miles of a



## PROGRESS

Old-fashioned, stereotyped banking methods do not characterize this bank's service to its banker customers. Complete facilities—the quick adoption of new ideas of merit—flexibility, tolerance and consideration instead of hard-as-granite conservatism—these are features of this institution. We are in line with the new spirit of business, and the satisfaction of our customers is always of primary consideration.

**THE STOCK YARDS NATIONAL BANK**  
AND  
**THE STOCK YARDS TRUST & SAVINGS BANK**  
of CHICAGO

# 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**

ALBERT H. WIGGIN  
*Chairman of the Board*

GATES W. MCGARRAH  
*Chairman of the Executive Committee*

JOHN McHUGH  
*President*

ROBERT L. CLARKSON  
*Vice Chairman of the Board*

*Vice Presidents*

SAMUEL H. MILLER	GEORGE E. WARREN
CARL J. SCHMIDLAPP	GEORGE D. GRAVES
REEVE SCHLEY	FRANK O. ROE
SHERRILL SMITH	HARRY H. POND
HENRY OLLESHEIMER	SAMUEL S. CAMPBELL
ALFRED C. ANDREWS	WILLIAM E. LAKE
ROBERT I. BARR	M. G. B. WHELPLEY

*Vice President and Cashier*  
WILLIAM P. HOLLY

*Second Vice Presidents*

ALEXANDER S. WEBB	ALFRED W. HUDSON
FREDERICK W. GEHLE	JAMES L. MILLER
GEORGE W. SIMMONS	JOSEPH C. ROVENSKY
EDWIN A. LEE	BENJAMIN E. SMYTHE
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*

bank so reported shall have access to this report.

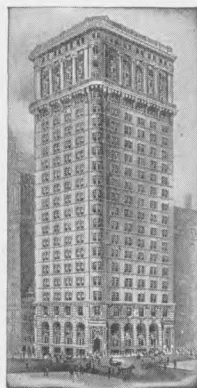
"We recommend to the guaranty fund commission the policy of furnishing to state banks, full, complete and detailed information as to all operations as soon as the interests of the guaranty fund will not be jeopardized by such publicity. In any event full information as to all details should be furnished at the conclusion of each individual transaction.

"We ask the legislature to appropriate for the bureau of banking a sum not less than the amount of the fees collected from the banks, trust companies and building and loan associations during the biennium ending June 30, 1929, or so much thereof as may be needed together with any unexpended balance on hand June 30, 1927, using as an estimate the sum collected in fees during the biennium ending June 30, 1926, thereby creating a revolving fund for the use of the department.

"We favor amending Section 6788 to make the rate 2 cents per thousand in computing examination fees on resources above five million, instead of reducing the schedule to 1 cent as it now stands."

A fine quotation is a diamond on the finger of a man of wit, and a pebble in the hand of a fool.—Roux.

## THE HANOVER NATIONAL BANK OF THE CITY OF NEW YORK Established 1851



Capital . . . \$5,000,000  
Surplus and Profits . . . \$26,000,000

### IN CEDAR RAPIDS

300 Rooms—250 with Bath

## HOTEL MONTROSE

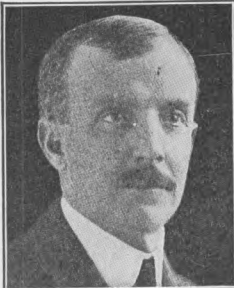
Fireproof

Rates  
\$2.00 to \$4.00

DINING ROOMS  
and  
COFFEE SHOP



## EPPLEY HOTELS COMPANY

<b>North Dakota Bank News</b>	
<b>Officers North Dakota Bankers Association</b>	
	
President.....H. T. Graves	Secretary.....W. C. Macfadden
Vice President and Chairman Execu- tive Council.....George H. Leick Hebron	Treasurer.....J. E. Davis Goodrich
H. T. GRAVES President	W. C. MACFADDEN Secretary

### Bank Nearly Done

The First National Bank's new building in Fargo, N. D., is nearing completion. The Chevrolet Motor Co. has opened distribution offices in the building. Thompson Yards, Inc., and the Western Adjustment Inspection Co. have also moved in. All tenants were in by October 15th. The bank itself will move in between November 1st and 15th. Lane, Piper & Jaffray are to occupy No. 404. Attorneys who will have offices there include: Young & Burnett, 502-504; Murphy & Niles, 601-602.

### Fargo Banker Dies

Alexander Barclay Taylor, 74, of Fargo, North Dakota, prominent for many years in Masonic work and former cashier of the Fargo National Bank, died at his home there recently.

### Meet at Mayville

The Traill County Bankers Association met in annual session at Mayville, North Dakota, recently. The meeting was presided over by George Stommer, of Mayville, president. Earle R. Sarles of Hillsboro was secretary. Matters pertaining to the banking business were discussed and a schedule of service charges was agreed upon, which will be published shortly.

E. O. Moe of Galesburg was elected president for the ensuing year and Leonard Hanson of Buxton, secretary-treasurer.

Those present at the meetng were: Oscar Olson, P. B. Peterson, O. E. Rudrud and E. R. Sarles of Hillsboro; E. O. Moe, Galesburg; Joseph Lucken and K. N. Brunsdale, Portland; P. L. Solberg, A. M. Soliah and Leonard Hanson, Buxton; George Stommer, Mayville.

### Reelected

O. E. Loftus was reelected president of the Clay County, North Dakota, Bankers Association at the annual business meeting held recently in the New Columbia Hotel, Moorhead. Memfred Nelson, Moorhead, was reelected secretary; George M. Comstock, Moorhead, was

elected vice president, and O. B. Rusiness, Moorhead, was named treasurer. The business meeting followed a banquet held at 6:30 p. m.

There were thirty bankers present.

A resolution adopted at the meeting, copies of which will be sent to congressmen and United States senators, urges passage of the Hall amendment to the McFadden bill. If passed, the amendment and bill would prohibit branch banking by national banks.

### County Bankers Meet

The Cass County Bankers Association convened in annual meeting recently at the K. of P. hall in Casselton, North Dakota. W. C. McFadden, secretary of the North Dakota Bankers Association, addressed the gathering and presented an outline of their work for the coming year.

Officers of the county association for next year were elected as follows: A. H. Parkhurst, Hunter, president; F. R. Scott, Fargo, vice president; B. A. Heland, Arthur, secretary-treasurer; John W. Goodman of Leonard and A. L. Bayley of Alice were named on the advisory board.

### Celebrates Anniversary

Robert E. Barron, president of the First National Bank of Minot, North Dakota, recently celebrated his twenty-fifth anniversary in connection with that institution.

Mr. Barron came from St. Paul as a young man in 1901, entered the employ of the bank, and was soon made cashier. He worked up to the presidency of the Second National, which name has been lately changed to the First National.

### Reorganized

Reorganization of the Tuttle State Bank of Tuttle has been announced. John T. Buck has elected president of the board of directors and E. T. Wurm was named vice president.

They replace P. C. Remington and J. A. Graham of Bismarek, who had been president and vice president respectively. Stock in the institution, which had been

held by Mr. Remington and Mr. Graham was hold to residents of Tuttle and vicinity. W. F. Hartman and C. S. Pieschel will continue as cashier and assistant cashier respectively.

### Will Not Move

Reports to the effect that the Maza State Bank of Maza, North Dakota, would move to Perth are incorrect, according to officials of the institution. The bank will remain at Maza and continue business as usual.

### NORTH DAKOTA NOTES

**John H. Bradish** has been appointed cashier of the Northern State Bank of Grand Fords, succeeding S. C. Hendrickson.

**H. L. Buck** has been elected cashier of the Nortonville State Bank, succeeding Geo. Steele.

**George T. Webb, L. P. McAneney** and **May E. Hendricks** are the newly elected directors of the First State Bank of Merricourt, succeeding E. Magoffin, Lee Northrop and E. R. Northrop. George T. Webb succeeds E. Magoffin as president; May E. Hendricks succeeds E. R. Northrop as vice president; and Fred Hanneman succeeds L. P. McAneney as cashier.

**J. H. Wishek, Jr.**, has been elected vice president and director of the First State Bank of Wishek, succeeding F. N. Gillis, deceased.

**H. M. Anderson** has been elected cashier of the Reservation State Bank of Makoti, succeeding R. A. Johnson.

**Axel E. Bonstrom** has been appointed assistant cashier of the State Bank of Zahl.

**F. B. Taylor** has been elected cashier of the Mountrail County State Bank of Lostwood, succeeding Evender Elefson, who resigned.

**Leonard D. Watson** has been appointed bookkeeper and stenographer of the Pioneer State Bank of Bottineau.

**A. O. Aune** has been elected cashier of the Farmers State Bank of New Rockford, succeeding Thos. Kjos, who has been elected vice president.

**John G. Albers** has been appointed bookkeeper of the First State Bank of Stanton, succeeding Otto W. Mueller.

**A. L. Peterson** has been elected president and director of the State Bank of Alice, succeeding S. G. More.

### Banks Merge at Selfridge

The Selfridge State Bank of Selfridge, North Dakota, has taken over the resources and liabilities of the Citizens State Bank, of the same city. This leaves but one banking institution in Selfridge, but insures a strong, healthy operating organization.

Officers of the bank now are W. H. Ordway, president; Segur Robertson, vice president; A. C. Rausch, cashier, and C. F. Gilbertson, assistant cashier.

### Unwise Words in Italy

Fascist Italy is speaking boldly, but not too well.

It can be understood easily how supporters of Benito Mussolini, the dictator-premier, are wrought up because of an attempt to assassinate Il Duce.

It is quite another thing for responsible spokesmen, including the dictator himself, to imply that France has, in effect, aided and abetted the effort to kill him.

Democratic France has a right to protest against such an indictment.

It is true that a good many political refugees from Italy have found a home on her soil. It is equally true that many of these persons were forced to leave their own country by the Mussolini re-

gime because they would not subscribe to all its methods and policies.

What is to be emphasized is that it is a tradition of free governments that the countries over which they rule shall not bar the politically persecuted.

There is not the least evidence forthcoming that France has done anything other than that.

To attempt to create a suspicion that she has encouraged plotting against Fascist Italy and Mussolini is, in itself, a reflection on the Italian spokesmen.

It merely suggests the absence of a balance in Italy's foreign relations.—*Indianapolis News.*

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## What happened when a prospector gained a toe hold

"HOW in the world did you ever build this town on such a steep hill?" exclaimed a tourist.

"Well, it is steep," admitted Pete, the guide, "but you see this town was started by Prospector Bill. He liked the natural protection afforded by this cliff in the days when the country was wild, so he just climbed up here until he got a toe hold and dug himself in."

"Prospector Bill was so good natured, and was such good company that people just naturally settled around him until the town grew to its present size. And ever since Prospector Bill got his first toe hold, this town has been known for its hospitality. Seems like Bill's spirit pervades the whole atmosphere."

Twenty-seven years ago the Inter-

national Live Stock Exposition gained its first toe hold in the minds of those who deal with Live Stock. It has prospered and grown until today it is the outstanding exposition of its kind in the world.

Since the start, hospitality has reigned supreme at the "International." The men and institutions supporting this gigantic Live Stock "Spectacular" have opened their doors wide and it is a genuine pleasure for visitors to attend. Hospitality is not a little responsible for its success.

This year as always, the Drovers Banks, located almost at the entrance of the International Amphitheater, bid you welcome. Meet your friends here. Make the Drovers Banks your headquarters.


Exposition Dates: November 27th — December 4th

**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

## Merchants National in New Home

**C**ONVENIENCE for the bank patron, the bank employe, and the tenant is the keynote of Cedar Rapids' newest and finest bank and office building, that of the Merchants National Bank, which formally opened its doors to the public on October 20th.

The building covers a ground space of 75 by 140 feet, and is twelve stories in height. The material used is gray Indiana limestone and Minnesota granite, designed in the Italian Renaissance period of architecture. The lofty arches of the first or ground floor are carried out in general appearance in the upper part of the structure, with a cornice of strong and individual design crowning the whole.

The framework of the building is of heavy structural steel, supported on reinforced concrete caissons, extending to bed rock. The corridors have marble wainscoting and tile floors. In practically every detail fireproof construction has predominated.

Nine entire floors are given over to offices, the sixth, seventh, eighth and ninth being especially adapted to meet the requirements of physicians and den-

tists. Another feature of the construction is the third floor, which is laid out for high-class shops. Beautiful plate glass display windows open on the corridor, and the shop interiors are fitted with every modern convenience.

Every office has an outside room, having a large window sash of rolled steel glazed with plate glass, and equipped with Venetian blinds. The woodwork throughout is of American walnut with wall decoration in harmonizing tones. The tile floors and the marble wainscoting of the corridors make them exceptionally light and airy.

The Merchants National occupies two of the floors. Beside the main banking rooms on the first floor, it also uses the basement below.

The bank lobby is in the central portion of the room, with the tellers' windows, officers' spaces, and other quarters fringing the sides, as is the modern scheme. This method is recognized as the most convenient and economical arrangement yet devised for bringing customers into intimate contact with the officers and employes of the bank, and for aiding in the prompt handling of

business between the bank and its customers. The officers' spaces are to the right of the main entrance. The desks are grouped along a low marble railing, making it convenient and easy for the bank customer to chat with the officers. Directly behind this space is the president's private office and conference room, paneled in walnut and artistically decorated and finished. Next to the officers' spaces are the various windows for discounts, collections and the like. On the opposite side of the room are the bond department, the savings and commercial tellers and the statements window.

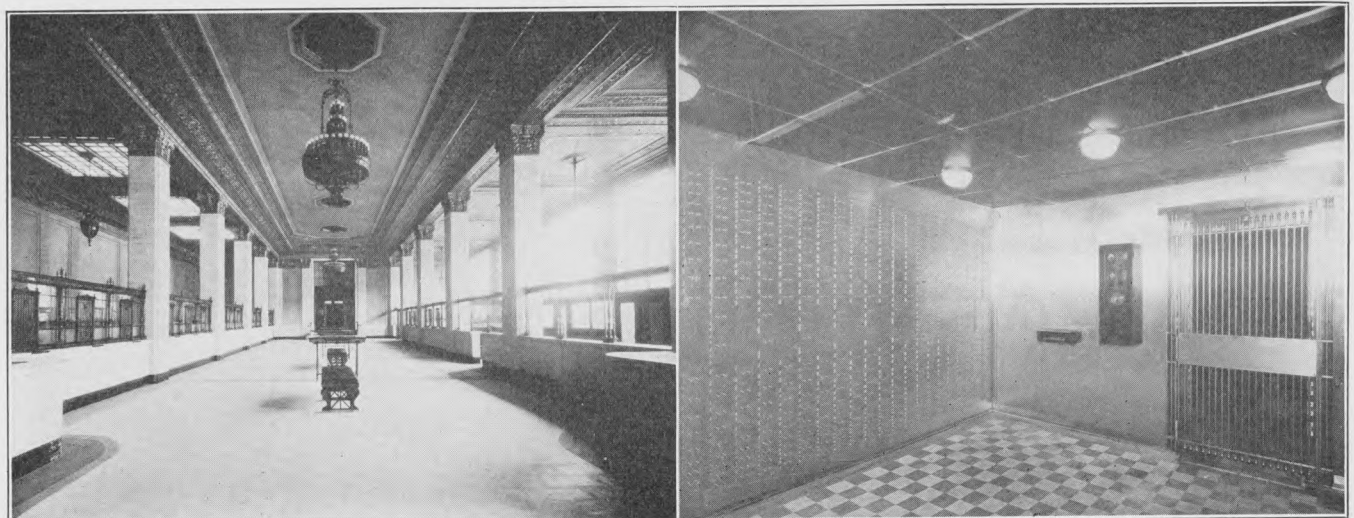
The counters are of Roman travertine stone, furnishing the basic color scheme of the room. The floors, wall treatment, draperies and decoration of the ceiling repeat the soft ivory tones of the travertine stone, presenting an ensemble that is unusually harmonious and pleasing. Above the counters, the metal work is of wrought iron, modeled with infinite care and finished by hand. The woodwork is of native American walnut, in a hand rubbed finish. All furniture is of the same material.

The desks, counters and equipment are all of special design and built of steel in enameled finish.

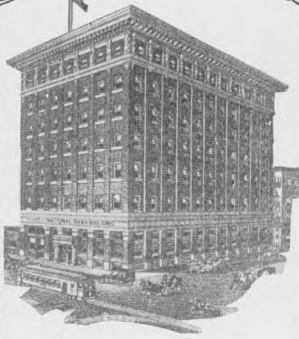
The vaults, the safety deposit department, and the directors' room, and a daintily furnished room for women customers, are situated in the basement.

The Merchants National Bank has served Cedar Rapids and community since 1881. It was organized at that time by R. D. Stephens, who became the first president of the institution. From an employes' pay roll of three individuals in 1881, the bank now has in its employ fifty-seven persons.

The present officers of the Merchants National Bank are James E. Hamilton, president; P. C. Frick, E. E. Pinney, Edwin H. Furrow, H. N. Boyson, Roy C. Folsom, S. E. Coquillette, and E. B. Zbanek, vice presidents; Mark J. Myers,



Interior views of new banking home of the Merchants National Bank at Cedar Rapids



*“Superior  
Service  
Spells  
Success”*

**FNB**

Chas. H. McNider,  
President  
Willis G. C. Bagley,  
Vice President  
Carl A. Parker,  
Vice President  
Fred E. Keeler,  
Vice President  
Hanford MacNider,  
Vice President  
Robert P. Smith,  
Cashier  
Harold V. Bull,  
Assistant Cashier  
Harry C. Fisher,  
Assistant Cashier  
William W. Boyd,  
Assistant Cashier  
Roy B. Johnson,  
Assistant Cashier

Resources \$10,000,000.00

**FIRST  
NATIONAL  
BANK**  
MASON CITY, IA.

vice president and cashier; L. W. Broulik, assistant cashier, and Fred W. Smith, assistant cashier.

The board of directors consists of H. N. Boyson, Herbert T. Cherry, Wm. H. Dunshee, P. C. Frick, Edwin H. Furrow, A. B. Garretson, Howard Hall, James E. Hamilton, W. G. Haskell, Horace G. Hedges, D. E. Howell, E. D. McCartney, A. N. Palmer, E. E. Pinney, A. J. Ramsey, E. A. Runkle, W. H. Stark, John B. Terry and Lucian T. Wilcox.

#### Bank Cashier Dies

Lars Christoffersen, cashier of the Farmers Savings Bank at Hamlin, Iowa, and former county recorder of Audubon county, died at his home in that town after a two weeks' illness with yellow jaundice. Deceased, who was 65 years old, was born in Denmark in 1861, and came to America in 1883. He located in Audubon county in 1890 and in 1908 was elected county recorder, serving two terms in that office. In 1913, when the Hamlin bank was organized, he became its cashier.

#### Banker Killed

Martin Mee, of the First National Bank of Gladbrook, Iowa, received a message recently telling of the tragic death of Mr. and Mrs. Charles A. Blossom and Mrs. Blossom's niece, Miss Adeline Ayres, when they were hit by a train

eight miles east of Pierre, South Dakota. Mr. Blossom had both legs cut off and was badly cut and bruised. All died almost instantly.

The remains of Mr. and Mrs. Blossom were brought to Belle Plaine, Iowa, where the funeral services were held. The remains were laid by the side of Mr. Blossom's first wife and two sons in the Belle Plaine cemetery.

Mr. Blossom was engaged in the banking business in Gladbrook about thirty-five years ago but sold part of his interests and went to Belle Plaine. All these years he has held stock in the First National Bank of Gladbrook and was one of its directors for many years.

#### Into New Quarters

The Farmers Savings Bank of Massena, Iowa, has recently bought the building formerly occupied by the Massena State Bank. It will be remodeled and furnished new and occupied soon by the Farmers Savings Bank.

#### Bankers Picnic

Vigilantes of Scott county, a group of village blacksmiths, grocerykeepers, butchers, bakers and farmers, were recently the guests of the Scott County Bankers Association at the annual picnic of that organization, held at the Country Club, Davenport, Iowa.

The vigilantes are the volunteers who

## The Greatest Known Defense Against Bank Burglary

### A McClintock Bank Burglar Alarm System

*Provides Positive Protection  
Against Burglary*

Safeguards the financial interests of the Stockholders and Customers.

Is the best and safest defense against daylight holdup attacks.

*Complete information gladly furnished*

## O. B. McCLINTOCK COMPANY

*The largest and most complete organization of its kind in the world*

HOME OFFICE AND FACTORIES

647 Santa Fe Ave.  
LOS ANGELES

MINNEAPOLIS, MINN.

475 Fifth Ave.  
NEW YORK

guard the small town banks from robberies and holdups. So successfully have they performed their duties in Scott county that there have been no successful holdups of a country bank since they were organized.

The vigilantes taught the bank robbers a lesson never to be forgotten in the attempted holdup of the Stockmen's Savings Bank of Long Grove a few years ago. The bandits on that occasion, Harry Hamilton and Roy Purple, met their death in the attempt and since then no other holdups have been staged.

Organized under the sponsorship of the Scott County Bankers Association, the vigilantes indulge in regular target practice and the winners in these shoots were presented with prizes at the picnic.

#### Silver Anniversary

Twenty-five years ago the Oxford Junction Savings Bank began business in Oxford Junction, Iowa, succeeding the Oxford Junction Bank, operated by J. E. Carter. The paid-in capital at that time was \$15,000. The assets of \$25,000 have grown to over \$600,000, a remarkable growth for a community this size.

The bank was established in its present location with F. H. Shimanek as cashier; S. E. Rorick, of Oxford Mills, president; and the directors chosen were A. Stratilek, Frank Burda, Henry Klahn, A. Shimerda, G. A. Wosoba, of Oxford Junction, S. E. Rorick, of Oxford Mills, and H. H. Petersen, of Lowden. Today only four of the original officers and directors are living. They are S. E. Rorick, of Oxford Mills; Frank Burda, now president; H. H. Petersen, vice president, and F. H. Shimanek, cashier, who during the twenty-five years has retained the office and has watched the growth of this banking institution with considerable pride. Henry Shimerda is now vice president. The growth of the bank is credited to the confidence of the community in its officers and directors.

The success attained during the twenty-five years of banking is indeed worthy of being celebrated at the silver milestone, and this big institution is a real asset to Oxford Junction and community.

#### Melcher Banker Ill

W. L. Brasher, assistant cashier at the First Trust and Savings Bank, Melcher, Iowa, is confined to his bed with an infection from bad teeth, that has created a goiter effect of the throat glands. It is thought that quiet and proper treatment will soon overcome the trouble.

#### Elected Assisted Cashier

Announcement was made recently by the board of directors of the Vinton State Bank, Vinton, Iowa, that Cecil Fry was elected assistant cashier of that institution. Mr. Fry takes the place made

vacant by the resignation of P. O. Christianson, who has been identified with the bank a number of years as assistant cashier and a board member. W. G. Alcorn was elected a member of the board of directors.

#### Into New Quarters

Architects and officers of the American Commercial & Savings Bank, Davenport, Iowa, have worked out plans for the remodeling of the former Peoples Light Company building on the south side of Third Street, between Brady and Main and these plans will be ready for the letting of a contract in about two weeks,

President Ed Kaufmann of the bank announced recently.

These remodeling operations will be completed about the middle of December and the big bank will then transfer its business to the temporary headquarters. As soon as this is done the wrecking of the present bank structure on the southwest corner of Third and Main Streets will immediately commence and the architects estimate that wrecking operations will be completed within 60 days, which will allow for actual construction on the new \$2,000,000 skyscraper and bank building on Third and Main Streets, to begin then, about the middle of February.

"TURN this whole matter over to the Bankers Trust."

Iowa bankers who work with us know that such instructions insure the prompt, intelligent handling of every item of Des Moines business.



## BANKERS TRUST CO. BANK

Cor. 6th and Locust Sts., Des Moines  
Capital \$1,000,000.00 Surplus \$200,000.00



# 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

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 guar-  
anty of safe and satisfac-  
tory 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

#### Will Represent Foreman Banks

S. G. Holt has recently become connected with the Foreman Trust & Savings Bank of Chicago in the capacity of resident manager of the bond department for the State of Iowa.

Mr. Holt was formerly connected with W. A. Harriman & Company, then with



S. G. HOLT

Halsey-Stuart & Company and now with Foreman Trust.

He is a graduate of Finance Course at the Washington Lee University, Lexington, Va. He has made an extensive study of bank investment programs and is doing a great service in helping the analysis department of the Foreman National and Foreman Trust & Savings.

#### Cherokee Banker Weds

Miss Mabel Cowden, instructor in Latin in the Cherokee high school, and Mr. Lorne F. Parker, President of the First National Bank, Cherokee, Iowa, were united in marriage recently at the First Presbyterian church in Sioux City.

Mr. Parker is one of Cherokee's most prominent and successful business men, president of the First National Bank and an active worker in all community enterprises.

#### Elected Director

W. H. Daubendiek has recently been elected to the board of directors of the Iowa State Bank, West Bend, Iowa. Mr. Daubendiek is one of the pioneer business men of the middle west and has been engaged for over 25 years in the building and operation of telephone plants and systems.



## OFFICERS

James E. Hamilton, President	
P. C. Frick Vice President	Mark J. Myers Vice Pres. & Cash.
E. E. Pinney Vice President	S. E. Coquillette Vice President
Edwin H. Furrow Vice President	E. B. Zbanek Vice President
H. N. Boyson Vice President	L. W. Broulik Assistant Cashier
Roy C. Folsom Vice President	Fred W. Smith Assistant Cashier

## The Monument to One-half a Century of Service

Cedar Rapids' largest bank and one of Iowa's leading financial institutions has just formally opened its beautiful new banking home.

Towering skyward story on story, the Merchants National new home occupies an important part in the affairs of Cedar Rapids. A fitting monument to past accomplishments; a promise of continued resourcefulness; a symbol of permanent stability. That is what the Merchants National Bank means to Iowa banks and bankers.

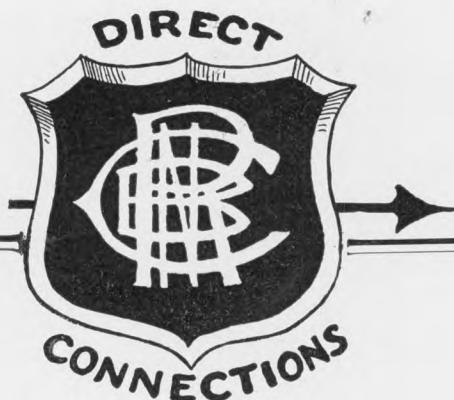
While the Merchants National Bank has grown tremendously it still has not outgrown personal contact with its clients—nor will it.

The surroundings and banking room conveniences alone will change—this bank now as in the past offers complete financial facilities, and an interested service to all Iowa banks and bankers.

**Resources**  
**\$15,000,000**

# THE MERCHANTS NATIONAL BANK

CEDAR RAPIDS, IOWA



## An Added Value

An organization of forty-nine years' standing, with each of those years bringing a closer contact with Iowa banks and bankers, has ingrained into the fibre of its personnel a keen appreciation of banking ways and methods.

It is this contact, this ability to adjust itself to the viewpoint of others—still maintaining fresh ideas within its own organization—that gives the Cedar Rapids National Bank an added value as your correspondent connection.

# 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

### Buys New Home

The Fidelity Savings Bank of Marshalltown, Iowa, has recently purchased the bank building formerly occupied by the Marshalltown State Bank, at a price of \$70,000. The Fidelity Bank expects to move into their new quarters in the near future.

### McKee Heads Home Savings

At a recent meeting of the board of directors of the Home Savings Bank, Des Moines, Bert McKee was elected president of that institution. He succeeds Walter B. Lutz, deceased. Mr. McKee



BERT McKEE

first came to the Home Savings as a clerk, in 1892, and has steadily risen through the ranks to his present position.

C. M. Way was elected vice president to succeed Mr. McKee.

### Serves on Committee

Frank B. Yetter, vice president of the Iowa National Bank of Davenport, has been selected as one of the three Iowa financiers to serve on the committee of one hundred of the American Bankers Association. The purpose of this committee is to work out a program regarding the elimination of branch banking.

### V. O. Cooper Resigns

Vernon O. Cooper, who for the past few years has been cashier of the Redfield Savings Bank, Redfield, Iowa, has resigned his position with that institution on account of his health. Mr. Cooper feels that he should get into outside work. C. E. Long, who has been assistant cashier of the bank for the past six months, has been elected to take Mr. Cooper's place as cashier. John R. Hanes was given the position of assistant cashier.

### Takes Up Insurance

C. E. Leach, who for the past fourteen years has been connected with the First National Bank of Fredericksburg, Iowa, and more recently cashier of the institution, has tendered his resignation to the

board of directors. Mr. Leach has been giving considerable attention to the insurance business during the past few months and now expects to devote his entire time to that work.

**With Wessling Services**

A. E. Dickeson of Cedar Rapids, Iowa, has become associated with Wessling Services of Lytton, Iowa, and will spend some time cultivating New England territory for that organization, which is now doing business in a majority of the states. He has already gone east to assume the duties of his new position.

Mr. Dickeson is a graduate of the University of Iowa, and a member of the



A. E. DICKESON

Delta Chi and Delta Sigma Pi fraternities. Since graduation, he has been



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

# STRENGTH

The strength of the **CENTRAL STATE BANK** is founded on the bedrock of character, experience and great financial resources.

Its constructive service is being used by a steadily increasing number of leading business enterprises and banks in Des Moines and Iowa.



THE OLD RELIABLE

## CENTRAL STATE BANK OF DES MOINES

Banking, Trusts and Investments  
Safe Deposit Vaults

*Member Federal Reserve System*

### Long and Close Association

with the development of Davenport and the territory tributary to it enables the American Commercial and Savings Bank to serve financial institutions and bankers with unusual advantage.

Extensive affiliations assure prompt collections.

### AMERICAN COMMERCIAL & SAVINGS BANK *of* DAVENPORT, IOWA



connected with the insurance agency of Mason & Dickeson at Cedar Rapids, of which his father is a member.

### Changes in Des Moines National Officiary

John H. Hogan resigned last month as president of the Des Moines National Bank, to accept a position as vice president of the Continental and Commercial National Bank of Chicago, dating November 1. He is succeeded at the Des Moines National by Louis C. Kurtz, chairman of the board of directors who will take active charge of the bank's management as the new president. The position of chairman of the board will remain temporarily unfilled.



LOUIS C. KURTZ

No other changes in the official personnel of the bank are contemplated.

Mr. Kurtz has been connected with banking circles in Des Moines for the last twenty-five years, having become a member of the board of directors of the Des Moines National Bank in 1915, and chairman of the board in 1922.

Prior to that time he was vice president of the German Savings Bank of Des Moines, which was consolidated with the Des Moines National Bank in 1915.

Mr. Kurtz is also president of the Louis H. Kurtz company, a wholesale hardware and plumbing firm, and is president also of the Kurtz Realty company.

Mr. Hogan, who goes to Chicago, as vice president of the Continental and Commercial National, is one of Iowa's most popular bankers, and takes with him the best wishes of hundreds of Iowa friends.



He was born in Dallas county, and first started his banking career in 1904 in a clerical position with the Marquardt Savings Bank of Des Moines. In 1909 he was made cashier of the German Sav-



JOHN HOGAN

ings Bank, going with the Des Moines National when that institution absorbed the German Savings. In 1915 he was made cashier of the Des Moines National, and in 1919 was elected vice president. His election to the presidency of that institution came in 1922, which position he has since held.

Both George Reynolds, chairman of the board, and Arthur Reynolds, president, of the Continental and Commercial National are former Iowans, and both were formerly presidents of the Des Moines National Bank.

**Banker Honored**

The employes of the Home Savings Bank, Des Moines, honored Bert McKee and Clifford M. Way at an informal dinner party at the East Des Moines Club.

Mr. McKee was elected president of the Home Savings Bank at a meeting of the board of directors recently, and Mr. Way succeeded him as vice president.

Among those who attended the party were Mr. and Mrs. T. L. Sutton, Mr. and Mrs. H. C. Stieglitz, Mr. and Mrs. J. N. Coffey, Mr. and Mrs. C. Allen Evans, Raymond Ellison, Reinhold Carlson, Lewis Lacy, Craig McKee and Irene Finn.

**New Bank at Ventura**

C. H. McNider announces the bank at Ventura, capitalized at \$25,000, with \$10,000 surplus.

The officers of the institution are: C. C. Palmeter, president; J. Stork, vice president; L. Brees, cashier, and Mr. Me-

Sound initiative, guided by a thorough study of each client's requirements, has achieved for the First National a notable record for length of service to each of its many correspondent accounts.

*We Will Consider It a Genuine Pleasure to Serve You*

**OFFICERS**  
A.F. DAWSON, President  
JOE R. LANE, V. President  
IRVIN J. GREEN, Cashier  
C.F. SCHMIDT, Asst. Cashier  
P.A. TORNIQUIST, Asst. Cashier

# FIRST NATIONAL BANK

## DAVENPORT, IOWA

**BANK CHECKS ~ LETTERHEADS  
STOCK CERTIFICATES AND BONDS  
OF QUALITY AND DISTINCTION**

*Ability Without  
Dependability Is of Little  
Value.  
We Have Both*

**NORTHERN BANK NOTE COMPANY**  
Founded in 1871 by S. W. Fiske  
**CHICAGO**

*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

Established  
1870



*The*  
**City National Bank**  
CLINTON IOWA

**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

Nider, C. C. Palmeter, Mr. Stork, H. E. Palmeter and W. F. Fish, directors.

The bank, which will open its doors in two or three weeks, will be located in the brick structure, formerly occupied by the State Bank of Ventura.

**Returns from Convention**

"The northwest is making wonderful strides," states A. C. Smith, president of the City National Bank of Clinton, Iowa, and president of the Iowa Bankers Association, who returned recently from the American Bankers Association convention by way of the northern route. He expresses himself surprised at the rapid development already made by the cities of the northwest and also by the large natural resources of that section still undeveloped.

He states "the diversification of its activities and its vast resources still untouched makes sure the future of the northwest. It seems to have passed through its experimental stage and to be sound industrially and agriculturally. The bankers generally expressed a high regard for the stability of investments in the great northwest. Most of the cities are now taking care of their own requirements financially and seem independent of eastern capital."

The return trip from Los Angeles was made by special train, leaving Los Angeles, Friday, October 8th, and making stops at San Francisco, Portland, Long View, Tacoma, Seattle, Spokane, Butte, Bozeman and Minneapolis. The bankers also detrained for a 40-mile automobile trip through the orchards of the Yakima valley. Eleven special trains carried the eastern and midwest bankers to the Los Angeles convention.

**Consolidate**

The Citizens National Bank of Royal, Iowa, and the Farmers Savings Bank of Royal have consolidated their business under the name of the Citizens National Bank of Royal. The new institution will occupy the Citizens National building, which will make very fine quarters and the business of the new institution can be conducted there very successfully with ample room and at minimum expense.

The officers of the new bank are: J. H. McCord, president; Henry Johnson and J. O. Jones, vice presidents; E. N. McMullen, cashier; Wm. Flindt, D. S. Jones, T. W. Bailey and J. J. Schoelerman, directors.

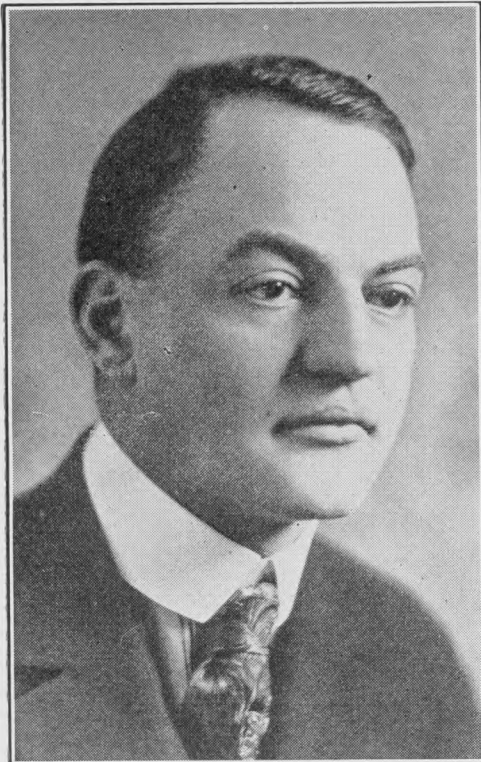
**Directors Resign**

D. D. Reynolds, vice president of the Union Savings Bank at Union, Iowa, has tendered his resignation to the board of directors and W. H. Reynolds of Sheffield is also retiring from the board of directors. W. S. Mason has been elected cashier and A. J. Tisdale chosen assistant cashier.

**Nominated for Director of Federal Reserve**

E. H. Maytag, president of the Jasper County Savings Bank of Newton, Iowa, and president of the Maytag Company of the same city, has been nominated for a seat on the board of directors of the Federal Reserve Bank in the seventh district, located in Chicago, and including the states of Michigan, Indiana, Illinois, Wisconsin and Iowa.

The election of directors for the Federal Reserve Bank of Chicago falls the



E. H. MAYTAG

latter part of November and is held by mail. Any member bank has the right to make nominations and said nominations must be held on or before November 9th. The ballots will then be mailed to the various members and the same must be voted on or before the last day of November. The new director will take his seat the first of the new year.

Mr. Maytag would bring to the federal reserve board a wealth of successful experience in the field of business as well as in banking circles. The Jasper County Bankers association and all those who know him in Newton and throughout the state of Iowa are now presenting his merits as regards ability and successful business experience to the banking fraternity.

**Recovering Nicely**

C. F. Caldwell, cashier of the First National Bank of Elliott, Iowa, has consulted a specialist in Omaha regarding his failing health. The specialist advised

**Our Record Proves  
We Possess  
The Special Training  
Experience  
and Judgment  
Necessary to Provide  
Safe Investments**

*"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**

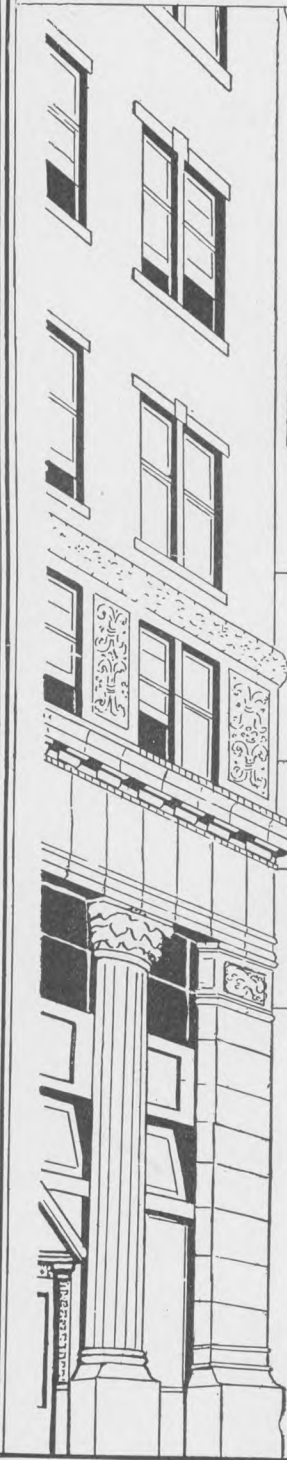
**PEOPLES  
TRUST &  
SAVINGS  
BANK**

**Peoples Trust & Savings Bank  
CLINTON, IOWA.**

**Remember it this way—"PEOPLES TRUST"**

<b>THE STATE CENTRAL SAVINGS BANK</b>	
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 ::	

CAPITAL AND SURPLUS OVER \$1,000,000.00



Established 1874

“Work well done is what determines results, and this is Service”

**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 RITTEY, Retired
- J. J. SEERLEY, Attorney
- RALPH E. SCHRAMM, J. S. Schramm Co.
- E. WEBBLES, President

**FIRST IOWA STATE TRUST & SAVINGS BANK**

MEMBER FEDERAL RESERVE SYSTEM BURLINGTON IA.

him he was suffering from an inward goitre and advised him to go to Rochester for its removal, which he did. He was operated on October 5th and latest reports say he is doing nicely, and was expected home in about three weeks from the date of his operation.

**Dwelle Resigns**

C. H. Dwelle, cashier of the Worth County State Bank of Northwood, Iowa, has recently resigned his position. Mr. Dwelle first came to the bank as bookkeeper in 1902. He expects to remain in Northwood.

**Returns from Vacation**

D. J. Lewis, cashier of the Williamsburg Savings Bank, Williamsburg, Iowa, recently returned from a vacation spent at Lake Geneva, Wisconsin. Mr. Lewis reports that he had a wonderful time.

**The Other Side of the Picture**

By T. D. LONG, Manson, Iowa

The people of the middle west and especially the people of Iowa, have been looking on the dark side of the picture so long that it seems to us it is time to take a look at the other side.

The facts which we shall offer are absolutely reliable and gathered by unprejudiced workers.

What Iowa needs today is a change of viewpoint and the way to bring this about is to look at the other side of the picture for a time.

There has been so much depressing talk of late about Iowa's ills that many persons outside the state who are not informed on actual conditions in Iowa have been led to believe that something is fundamentally wrong. Such a belief hurts Iowa's credit and retards Iowa's progress. Moreover, many Iowans themselves, in the face of actual conditions of promise, are inclined toward pessimism. An optimistic view is needed. We believe it is time to talk about Iowa's economic health.

Iowa, recently an acute sufferer from the general economic depression, is staging a "come-back." Current expressions of confidence in the upward trend of commercial activity in Iowa are supported by banking statistics. With prospects of good harvests and favorable markets, with increasing demand for farm lands and for the products of our manufacturing plants, there is every reason to look for the continued improvement of agriculture and industry throughout the state.

Striking evidence of returning prosperity is the fact that Iowa has paid back its government loans more rapidly than any other agricultural state. Federal reserve loans to Iowa banks, aggregating \$98,000,000 at their peak, have been reduced to less than \$7,000,000, and War Finance Corporation loans to Iowa banks,

amounting to \$24,000,000 at their peak, have been completely wiped out. In addition, private loans by outside banks, amounting to approximately \$50,000,000 at their peak, have been reduced to less than \$7,000,000. And at the same time deposits in Iowa banks have been increasing. Banks and trust companies under state supervision reported increased deposits of \$9,378,000 between December 30, 1925, and April 12, 1926, and in the same period they reduced their bills payable by \$3,256,000, making a gross improvement of \$12,634,000. Other forms of indebtedness, including farm loans, have also been reduced.

Agriculturally Iowa stands supreme among the states of the Union. It embraces some of the richest soil on earth. Ninety-eight per cent of Iowa's land is suitable for agriculture. Acre for acre, Iowa's farm land is worth more than that of any other like agricultural area in the world. Although twenty-third in area and fifteenth in population, Iowa ranks first among the states of the Union in production and value of corn, oats, hogs, poultry and eggs, in the value of all farm products, in the number of farms having pure-bred live stock, in the number of pure-bred horses, in the number and value of all live stock, in the value of farm improvements, in the percentage of farm land improved and in the total value of all farm property.

Although primarily an agricultural state, Iowa is ahead of thirty-one states of the Union in industry. Iowa has 5,206 manufacturing establishments, with a total invested capital of \$409,000,000 and an annual production valued at \$745,000,000. These industries employ 106,000 persons, and their annual payrolls amount to \$90,000,000. Many of these are immense plants—some are among the largest of their kind in the world. Our neighbor cities of Fort Dodge and Webster City have the largest plants in the world for the manufacture of clay products; another neighbor, Sioux City, has the largest creamery and butter factory and the largest pure-bred live stock market in the world; Cedar Rapids has the largest cereal factory in the world; Charles City has the largest motor tractor factory in the world; Dubuque has the largest sash and door factory in the world; Bettendorf has the greatest steel car factory in the world. Newton has the largest washing machine factory in the world. We could name many other industries in which Iowa excels.

Iowa is forging rapidly ahead as an industrial state. Every year brings new factories to Iowa; every year existing factories are enlarged to take care of their ever-increasing business. Iowa is favored in industrial development by its abundance of raw materials, its superior transportation facilities, its tremendous

# Individual Service Is the Policy Upon Which This Bank Was Founded

J. Schouten, President.  
E. E. Coombs, Vice President. M. E. Tate, Vice President and Cashier.  
John W. Leisy, Vice President. R. J. McCleary, Assistant Cashier.

## SECURITY STATE BANK

KEOKUK, IOWA



Correspondent banks are benefited  
by our connections, long experience  
and familiarity with conditions in  
the Chicago area.

## THE NORTHERN TRUST COMPANY

*Capital, Surplus and Undivided  
Profits, over \$7,500,000*

Corner LaSalle and Monroe Streets  
CHICAGO

## Stabilizing Agriculture

(Little Talks on Tiling, No. 22)

ONE of the great causes of the present very real discrepancy between the purchasing power of the farmer and those engaged in other industries is the marked increase in the farmer's cost of producing each bushel or each ton of his crops. In order to overcome this handicap the farmer must get larger yields from each hour of labor and each acre of land devoted to crop production. Tile Drainage is a very real and efficient help in accomplishing this end. It gives larger yields per acre and reduces the labor required to prepare the seed bed and cultivate the crop.

Tile Drainage Stabilizes Agriculture by  
Reducing Costs and Increasing Incomes

**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

Rigidly adhering to  
ideals established  
thirty-seven years ago,  
the officers of the  
Iowa National Bank  
offer to Iowa bankers  
a sound, intelligent,  
and practical service  
for their correspond-  
ent accounts

**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

buying power and its rich and populous territory.

Good transportation is one of Iowa's great blessings. Few other states in the Union can compare with Iowa in that respect. There are today 9,837 miles of railroad in Iowa—enough to reach thirty-four times across the state east and west. No point in Iowa is more than twelve miles from a railroad. There is one mile of railroad in Iowa for every 246 persons and for every 5.7 square miles of land area, as compared with one mile for every 442 persons and for every 11.9 square miles of land area in the United States as a whole. This extensive network of railroads, embracing some of the most efficient of America's great transportation systems, has been one of the greatest factors in the development of Iowa, and its capability of further development helps to insure for Iowa a prosperous future.

The prosperity of Iowa is further emphasized by automobile statistics. With only 2.2 per cent of the population of the United States, Iowa has 3.3 per cent of its motor vehicles. With only 3 per cent of the rural population of the United States, Iowa has 5.3 per cent of its farm-owned motor vehicles. Furthermore, the fact that Iowa ranks ninth in the number of automobiles owned and eighth in the value of automobiles owned proves that Iowans ride in higher priced cars than the average American. Only one state in the Union—California—has more cars per capita than Iowa, and if all retired Iowans now pitching horseshoes and sunning themselves on the Pacific coast should drive back home Iowa would easily outstrip California. Iowa has twenty-five automobiles for every 100 persons compared with fifteen automobiles for every 100 persons in the country as a whole.

Iowa has the largest number of telephones per capita of any state in the Union. There are 22 telephones in Iowa for every 100 persons, while the average for the United States as a whole is 13 telephones for every 100 persons.

Iowa's wealth is placed by the United States Census Bureau at \$10,512,000,000, exceeding that of Alabama, Mississippi and Tennessee combined. Iowa has \$4,274, of wealth for every man, woman and child in the state, compared with \$3,048 for Ohio, \$3,436 for New York, \$3,187 for Pennsylvania and \$2,918 for the United States as a whole. On the other hand, according to the latest government statistics, the state debt of Iowa amounts to only \$4.76 per capita, compared with \$4.80 in Ohio, \$16.87 in New York, \$5.35 in Pennsylvania, and \$8.72 in the United States as a whole. In other words, our per capita wealth is about 46 per cent higher and our per capita state debt is about 46 per cent lower than those of the country as a whole.



Public confidence  
over fifty years  
—and still “holding  
the course.”

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. E. 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 Evers

**IOWA NATIONAL BANK**  
DES MOINES SAVINGS BANK AND TRUST COMPANY  
Iowa's Largest Bank - Des Moines - Sixth and Walnut

Above all else, Iowa is fundamentally sound because of the substantial character of its citizenry. Iowa leads the nation in education. We have the smallest percentage of illiteracy of any state in the Union. Approximately one out of every eight citizens of Iowa has a high school education and one out of every sixteen has attended college. Iowas' two state institutions of higher learning combined have a registration of 11,969 students, compared with 8,033 at Harvard and 4,445 at Yale.

Iowa possesses assets of which the rest of the nation may well be envious. Like all other states, it has its problems, but it is finding and will continue to find solutions to them. Iowa is on the upgrade, forging steadily ahead, and its future justifies the fullest optimism.

A conservative estimate of Iowa's income for the year 1926, based upon actual figures of the past two years is as follows: Income from grain, hay, vegetables and miscellaneous farm products \$575,000,000. Income from live stock alone is over \$450,000,000. Income from poultry and dairy products, \$100,000,000.

This gives an income for the farms of Iowa for the current year of approximately \$1,075,000,000. Our factories, a large part of whose products are sold outside of the state, have an income of nearly \$750,000,000.

With this vast income, there is but one road open for the people of Iowa, and that leads to prosperity.

"Count Your Blessings,  
Name them one by one."

**Dies at Sioux City**

T. A. Black, 73, pioneer banker and business man of Sioux City, Iowa, northwestern Iowa and South Dakota, died recently after a brief illness from heart disease. Mr. Black was president of the grain exchange and the Terminal Elevator Company, a director of the Sioux City Stock Yards Company, a former vice president and director of the Surety National Bank and an officer of the Woodbury County Bank.

**Disgustingly Slow**

"Yes," said the sweet old lady on the train, "this trip is a second honeymoon."

"Good gracious!" exclaimed the movie queen who was her chance companion. "Only your second!"

**"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



*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**  
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**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.**

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**J. T. SULLIVAN**  
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**J. O. TRUMBAUER**  
Vice President Farmers Loan and Trust Co.  
**H. A. MAINE**  
President H. A. Maine & Co.  
**WILL A. LANE**  
Cashier

*Chartered 1865*



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**"A CASHIER'S CHECK"** for \$3.00 is all that is required to secure the monthly visits of the Northwestern Banker for an entire year. Each issue contains from 108 to 200 pages of mighty interesting matter pertaining to banks and banking interests in the territory covered by the magazine.

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

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

**"A CLEARING HOUSE."** Our columns are a clearing house for all our readers. Express your view on any topic of interest to

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

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

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



# IN THE DIRECTORS ROOM



## His Heart Was All Right

Thrifty Sandy McHoot of Peebles was standing at the bar tossing off a glass of whisky when Angus McTavish came along.

"Have another drink, Sandy," said Angus.

"Na, Na," returned Sandy, "I winna hae another, but you can pay for this one, if ye like."—*Exchange.*

## Mistaken Identity

"How come yo' all in jail again, Rastus?"

"A case ob mistaken identity."

"Who dey mistake yo foh?"

"Didn't mistake me foh nobody. Ah mistook a prohibition agen' for a good customer."—*Trumbull Cheer.*

## The Natural Odor

Doctor (noticing squalling pickaninny on the floor)—"Mrs. Johnston, that baby is spoiled, isn't he?"

Mrs. Johnson—"No, sah, doctah, all niggah babies smells dat way."—*Eagle Quills.*

## What Will the Little Lady Have Next?

The cashier was busy with a lady depositor, who asked the cashier to certify five checks for her, none of which had been made out in full. Taking up the first the cashier asked what amount it was for, and after some hesitation the lady replied:

"Seventy-five dollars."

The check was filled in and certified, then the cashier took up the next one, repeating his question. The lady hesitated again and finally said:

"What I want is for you just to certify the blank checks. Then I can fill in the amounts as I need to use them."—*Wall Street Journal.*

## Excommunication

It was a wordy fight, and the little man with what looked like two pounds of sausages under his arm gave his parting shot.

"The sooner," he said emphatically, "that I never see your face again the better it will be for both of us when we meet."—*Smith's Weekly* (Sidney).

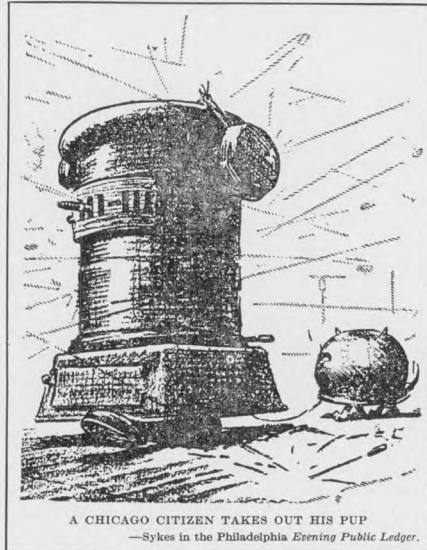
## Too Much for the Cop

Policeman (producing notebook)—"Name, please."

Motorist—"Aloysius Alastair Cholmondeley Cyprian—"

Policeman (putting book away)—"Well, don't let me catch you again."—*Eagle Quills.*

## Chicago Crime



## If He'd Only Had a White Flag

"You were at a terrible disadvantage when you met that bear without your gun," suggested the sweet young thing.

"Yes," conceded the famous hunter. "I was a stranger in the country and didn't have any road maps."

## Wild, Wild Grandma

"Were the girls of your time as wild as the girls of today, grandpa?" asked an inquisitive grandson.

"Not then, they weren't," replied the old gentleman as he looked after grandma, who was just stepping out on a gay roadhouse party.

## Last Chance

"Did that young man of yours propose yet, Alice?" asked a fond mother.

"No, mother," replied her equally fond daughter, "but I'm sure he will tonight."

"What makes you think so?"

"Well—we're going to be married tomorrow."

## His Honor's Round

A certain ultracandid judge was a guest at dinner in the new household when the young wife asked:

"Did you ever try any of my biscuits, Judge?"

"No," replied Hizzonor, "I never did, but I dare say they deserve it."

## The Retort Courteous

A new jailer was astounded, on making his tour of the prison, to find one of the convicts busily at work at his barred window with a file.

"Hey!" roared the jailer. "What are you doing with that?"

"Oh," replied the prisoner airily, "just cutting' me initials on one of the bars to kill time."

## Variant No. 671,723

"Poor Sandy had to give up smoking. It was ruining his nerves."

"Indeed?"

"Yes—he worried so much over the possibility of someone asking him for a match."

Farmer—What are you doing in the orchard?

Boy—Nothing, sir.

Farmer—Arent you trying to steal some apples?

Boy—No, sir; I'm trying not to steal 'em.—*Boy's Life.*

"What are you doing?"

"Reading the want ads."

"But you are looking in the female column."

"Well, ain't my wife a female?"—*Cracker.*

Squire—"Did you send for me, my lord?"

Launcelot—"Yes. Make haste. Bring me the can opener: I've got a flea in my knight clothes."—*College Humor.*

"What are you buying?"

"A thermometer."

"Why? You won't need a thermometer until summer."

"They're always lower in winter."—*Phoenix.*

A stranger was being shown through the rooms of the Boston Chapter of G. O. O. F.'s.

"And is this the lodge room?" he asked.

"Well, it is rather lodge, of course, but the one next to it is much lodgah."—*Royal Gaboon.*

Mr. Courtly (during lull in conversation): "Awful pause."

Mrs. Newrich (indignantly): "Well, young man, if you'd washed as many pans as I have in my time your hands might be a little rough, too."—*Lampoon.*

## Early in the Eighties—

the Des Moines National Bank was established, and from the very beginning it made friends among the bankers of Iowa.

This friendly spirit prevails now, just as it did forty-five years ago, and through these many years there has been developed, by earnest and constant effort, facilities for handling correspondent bank business which we believe to be unsurpassed.



# Des Moines National Bank

6th & Walnut Sts.

Capital \$1,000,000

*"The White Bank"*

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## A Comprehensive Underwriting and Distributing Service

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stantly serving the financial interests of eight central states. Through our officers we are in personal touch, at all times, with investment affairs in all parts of the country, as well as abroad. And back of all is the banking institution itself with its great resources, its complete organization and long financial experience.

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