

Northwestern Banker



Des Moines

DIVIDENDS HAVE BEEN PAID WITHOUT INTERRUPTION SINCE 1872

The Northwestern National Bank

Minneapolis, Minnesota

March 23, 1927

RESOURCES

Loans and Discounts	\$50,143,493.95
Stock in Federal Reserve Bank in Minneapolis	180,000.00
Banking House	531,897.69
New Banking House Site	600,000.00
Other Real Estate	100,000.00
Customers' Liability on Letters of Credit and Acceptances	680,376.92
Interest Earned but not Collected	347,469.88
Overdrafts	11,807.62
Redemption Fund	14,500.00
Railroad and Corporation Bonds	6,988,874.44
State and Municipal Bonds	2,957,300.15
United States Government Securities	8,990,328.34
Cash and Due from Banks	15,571,566.83
	<hr/>
	\$87,117,615.82

LIABILITIES

Capital	\$4,000,000.00
Surplus	2,000,000.00
Undivided Profits	673,275.30
Reserved for Interest, Taxes and Contingencies	799,282.81
Circulation	290,000.00
Letters of Credit and Acceptances	680,376.92
Deposits	78,674,680.79
	<hr/>
	\$87,117,615.82

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Affiliated With

The Minnesota Loan and Trust Company
Combined Resources \$107,399,022

Northwestern Banker

Des Moines

IN THE MAY ISSUE

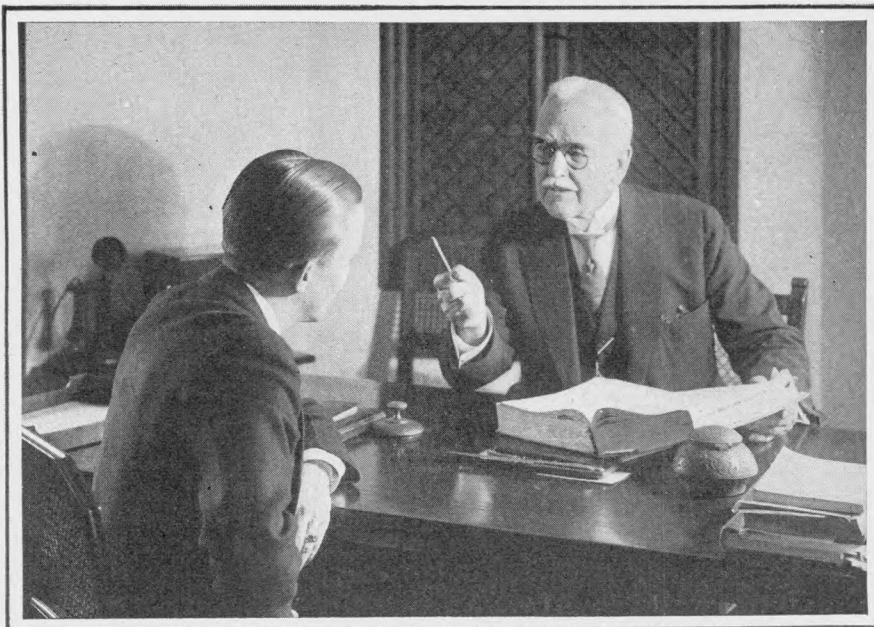
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*Largest Publishers of Banking Publications in the World
Official Numbering Agent, American Bankers Association*

ESTABLISHED 1856

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Rand McNally & Company, Dept. Q-5
536 S. Clark Street, Chicago

Please send me complete information about the following checked (x) for your attention:

() INVESTMENT HOUSE ADVERTISING
() Bankers Directory () Key to A. B. A. Numerical System
() Bankers Monthly () How Banks Increase Their Business
() Bankers Service Bulletin () Maps for Bankers

Name

Firm

City State

Going Forward



Iowa is making progress. As usual, we are in step with the trend, taking care of our customers and assisting in the development of sound prosperity. We appreciate calls from Iowa bankers visiting Des Moines.



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 Iowa's Largest Bank - Des Moines - Sixth and Walnut

First Federal Foreign Investment Trust

*Chartered under Authority of the Federal Reserve Act
Section 25a*

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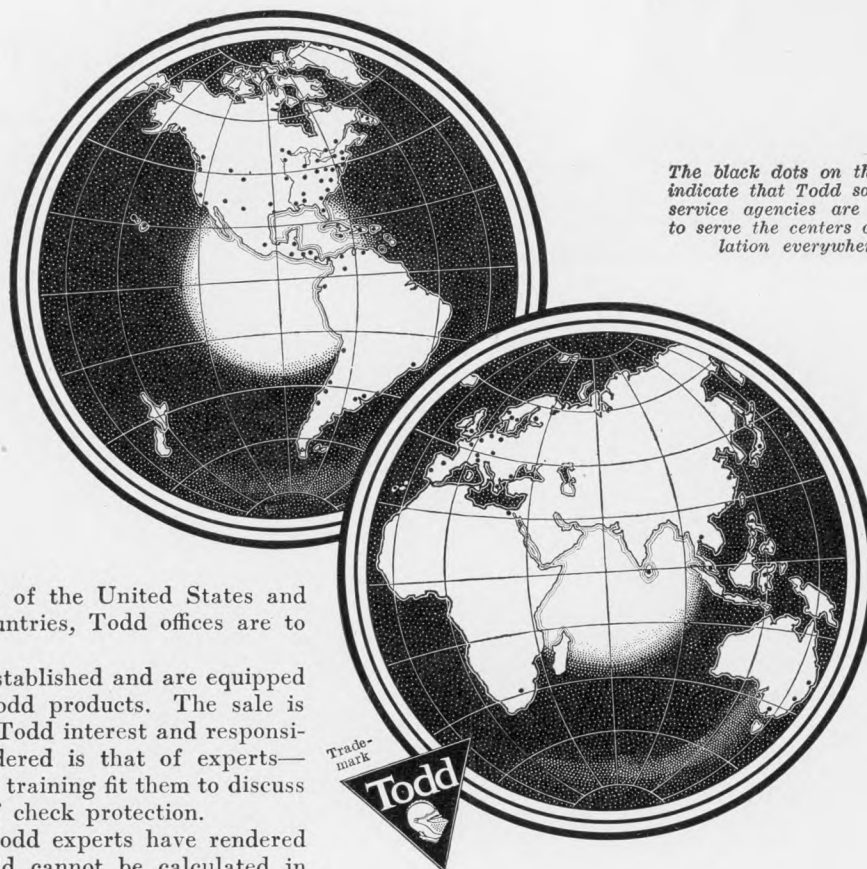
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Subject to the provisions of the Federal Reserve Act and such rules and regu-
lations as may be promulgated by the Federal Reserve Board, this Trust is em-
powered to aid and supplement the facilities now afforded American exporters.

NEW YORK OFFICE
20 Exchange Place

Protecting business funds in every land



The black dots on the maps indicate that Todd sales and service agencies are located to serve the centers of population everywhere.

IN EVERY principal city of the United States and in sixty-four foreign countries, Todd offices are to be found.

These agencies were established and are equipped to do *more* than sell Todd products. The sale is merely the beginning of Todd interest and responsibility. The service rendered is that of experts—men whose character and training fit them to discuss helpfully every phase of check protection.

The assistance that Todd experts have rendered banks all over the world cannot be calculated in dollars and cents. By preaching the dangers of check fraud, they have been a tremendous factor in curbing the slipshod methods so often employed by careless depositors. By introducing in banks Todd Protectographs and Greenbac Checks, they have provided real protection against check-raising, forgery and counterfeiting, for which banks themselves are often held responsible.

If your bank has not had the services of a Todd expert, you are overlooking information and business assistance that you could not secure from any other source. A Todd expert can show you how to speed up the work in the tellers' cages; how to make your depositors co-operate with your employees in this work; how to protect every check that is made out by your bank.

Write or wire for a Todd expert to call and explain the Todd System of Check Protection. When he calls, remember that the company he represents has been a leader in the check-protection field for twenty-eight years; that over a million Protectographs are now in use (in banks and business houses) in the United States alone; that Protectographs are writing the currency characters of 89 different countries; that every Protectograph is kept in perfect working order by service men always available. The Todd Company, Protectograph Division. (Est. 1899.) 1149 University Avenue, Rochester, N. Y. *Sole makers of the Protectograph, Super-Safety Checks and Todd Greenbac Checks.*

1

The *Protectograph* eliminates a large percentage of all check frauds by preventing *raised amounts*. It is made in a variety of models, one for every type of business—\$37.50 up. For private use the Personal Protectograph at \$20 has a nation-wide popularity.

2

Todd Greenbac Checks, with their patented self-canceling features, eliminate another major source of possible check losses by preventing *change of payee's name, date and number* and "*counterfeiting*." Countless imprints of the word "*VOID*" appear the instant the forger's acid is applied.

3

Standard Forgery Bonds cover the remaining check-fraud possibilities, namely, forgery of signature and forgery of endorsement. Qualified Todd users receive policies at the most advantageous discounts from the Metropolitan Casualty Insurance Company, New York City.

TODD SYSTEM OF CHECK PROTECTION

for MAY, 1927

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Across the Desk from the Publisher

By Clifford DePuy

Investment Trusts

Are Investment Trusts a menace to the banking business?

This question is being asked by bankers in the United States as a result of the recent increase in the organization of Investment Trust Companies. Resources of these institutions three years ago were \$5,000,000, whereas today they are close to \$500,000,000. Investment Trust Companies are modeled after the British trusts which have been operating for more than fifty years. The success of the British Trusts has been based on their half century of experience, whereas the American companies are still new in this class of investment service.

The arguments against Investment Trusts in the United States are:

1. The lack of experienced management necessary to handle them.
2. So far most of the Investment Trust Companies have not given adequate and complete financial statements to their stockholders.
3. Many Investment Trust Companies have not been able to have their stock listed on the New York Stock Exchange.

The arguments in favor of Investment Trust Companies are:

1. The diversification of the investments of the trust funds.
2. Increased wealth of the U. S. makes investment trust companies desirable.
3. Under good management they have proven a real success in England and should in America.

There is no reason to believe, however, that the financial genius of America cannot do as well if not better than English capitalists have done in the management of investment trusts in their country.

The Investment Trust is either operated as a common law trust or is incorporated under the Edge Act permitting trusts to operate under national charters of incorporation; or under the general laws of business incorporation of the several states in some cases under the state banking laws.

The feeling among many bankers is that the Investment Trust as a type of investment organization is here to stay but that many of the abuses they are now practicing must be eliminated before these trusts become popular.

Improving Your Magazine

Commencing with this issue of the NORTHWESTERN

BANKER we have adopted a new editorial policy, which will consist of securing more and more material by interviewing bankers throughout our territory.

Our editorial department has already planned a traveling schedule for this year, which will include many thousands of miles by motor and by train throughout Iowa, Minnesota, North and South Dakota and adjacent states, for the purpose of securing material on how bankers are successfully managing their banks, how they are increasing deposits, how they are building good will and how they are meeting the every day banking problems which are of vital concern to every one of our subscribers.

If you know of any banker who has made an especial success of his institution, or has made some outstanding contribution to the upbuilding of his community, write and tell us about it, and a member of our editorial staff will visit his town and get the story in detail.

In this issue you will notice some changes as to

typographical arrangement and editorial make-up. Additional features and improvements will be added each month. We are confident that you will like them. If this issue pleases you we shall be glad to have you let us know, and if you have any suggestions for further bettering "The Improved NORTHWESTERN BANKER," we trust you will write to us.

The Business Outlook Good

Of twenty-six important statistical factors, Babson finds that fifteen of these show business greater than a year ago; seven are less favorable and four show no change.

The general position of the money market remains favorable, and is reflected in the fact that the total loans and investments of the Federal Reserve Banks are about \$200,000,000 less than a year ago.

Most of the business indices at this time point to the fact that fall business will compare very favorably with a year ago.

No Guarantee of Bank Deposit Laws

At the recent sessions of many of the northwestern state legislatures, bills providing for the guaranteeing of bank deposits, were introduced. In every single case these bills were defeated.

In the Iowa legislature seven guarantee bills were proposed and the last one was killed in the House by a vote of 56 to 45. The Montana legislature killed the guarantee bill by a vote of 26 to 16. The Wyoming legislature recently defeated the guarantee of bank deposits bill by a vote of 26 to 6. The Idaho legislature turned down the Nebraska form of the guarantee bank deposits law in the House by a vote of 43 to 21. The Minnesota legislature refused to pass a guarantee of bank deposits law for that state. South Dakota has repealed her guaranty law, it being \$52,000,000 behind, and drawing 5 per cent interest, or about \$2,600,000 a year interest alone, providing no more banks fail. The Texas legislature repealed their law at this session, there being only 28 banks left in the system at that time.

No more adequate testimony is necessary to indicate the trend of thought concerning the guarantee of bank deposits legislation. It is unsound and has always proven so wherever it has been tried, and state legislatures are realizing this fact and are not imposing this unsound and uneconomic class legislation upon the banks in their respective states.

The Greatest Bond Buyers

The American public is the greatest buyer of bonds in the world. At the present time it is purchasing bonds at the rate of \$20,000,000 per day, or approximately \$7,000,000,000 per year. If we compare this figure with the amount of bonds purchased by the American public five or six years ago, it represents an increase of almost \$3,000,000,000 per annum.

No nation in the world's history has been able to absorb so many bonds and securities as the American public is now doing.

The only problem confronting bankers and investment houses is to see that these bond-buyers are given proper advice and are sold high-grade, marketable bonds so that they will continue to be permanent bond-buyers.

Useless Advertising

In a letter received from a banker he says, "Fifteen or twenty years ago the banks of our town, finding themselves spending a large part of their earnings in *useless* advertising, entered into an agreement prohibiting any advertising by any bank, with the exception of newspaper advertising. Consequently the growth we have had is the result of the confidence the people place in us, and the courtesy and service we have to offer."

No bank should spend money for "useless advertising" any more than they should spend money for "useless furniture," "useless bank fixtures" or "useless anything else."

If bankers must admit to themselves that they haven't enough brains to buy advertising intelligently then let them employ the services of some good advertising expert or use some good advertising service and then watch results.

For any group of bankers to simply band themselves together and agree to do no advertising because they have done some "useless" advertising, is indeed a very foolish and absurd policy.

The best and biggest banks in America today use advertising regularly and persistently. The biggest and best manufacturing and mercantile concerns use advertising regularly and intelligently, and there is no reason why banks should not do likewise.

The growth of the business of the banks in the town referred to above, would have been greater and the dividends larger if advertising had been used intelligently to inform the public as to the functions of their various institutions and the service they could render.



A DAY AND NIGHT DEPOSITORY

The Western State Bank of Cicero, Ill., has a chute built into the masonry foundations, in which customers may make deposits at any hour of the day or night. During banking hours, guards sit behind bullet-proof shields in galleries to receive holdup men. In addition to this there is a thirty-five ton vault door that has a double alarm system, the usual electric one and a radio sound wave device whereby pounding on the vaults is broadcast through microphones.

Photo shows Henry F. Tykal, cashier of the bank, demonstrating how the radio sound wave device works with even the clapping of the hands.

Photo by Underwood & Underwood

WHEN business men go into farming, the venture is always of paramount interest. What methods will they pursue? What innovations will they inaugurate? How will they conduct their various operations in order to keep down production costs and maintain highest possible efficiency?

An unusual farm project of this kind is that conducted by the Central Investment Company, which was formed four years ago by a group of business men of Bluffton, Indiana. This company owns nineteen farms varying from 80 acres to 627 acres, and totaling 2,900 acres in size. Eight of these farms are operated by salaried employees, while the others are rented on a share basis though under the close supervision of the general manager of the company.

Ralph S. Todd, president of the Central Investment Company, who is a prominent Bluffton banker and has substantial outside interests, said the main reason for forming the company was to take over farms in the vicinity of Bluffton that usually need building up, improve the buildings and fences and also the soil by correct farming practices, and eventually sell them when the market for farm property becomes better or trade them for other farms when it is advantageous for them to make such trades.

As mentioned above, the Central Investment Company was formed four years ago, and none of the farms it has gradually been taking over since then would have been rated as first class. In fact, some of them at time of acquisition were pretty badly run down and much of the company's effort, besides endeavoring to make them produce money-paying crops, has been to build them up. This building up process not only includes suitable crop rotation with a definite plan for the continual growing of sizeable acreages of legumes to make the soil more fertile, but also the improvement of buildings and fences, provision for proper drainage, etc. The permanent improvements are made when the demands of straight farming are not so great and it is by the careful distribution of this so-called spare time work in providing the permanent improvements that it is possible to employ most of the men the year around.

The plan of operation on the nine farms that are not rented on a share basis is to have a salaried married man on each



How BANKERS ARE OPERATING 19 FARMS OF 2900 ACRES SUCCESSFULLY

By H. H. HAYNES

farm, who acts as manager. No attempt is ever made to hire high-priced men; rather it is the policy of the company to take ordinary farm laborers and develop

DO BUSINESS MEN KNOW MORE ABOUT FARMING THAN FARMERS?

them. A feature of the Central Investment Company's system is specialization. For instance, on one or two farms the plan is to farrow pigs, which are raised in considerable numbers, and after they reach

a certain growth they are transferred to other farms as feeders. This year some 2,000 hogs are being fed on the nineteen farms. About 600 breeding ewes are also maintained on the company's farms and over 2,000 lambs are being fed this year.

One of the men is a mechanic and he puts in most of his time in a shop which the company maintains in Bluffton. This shop is located in town because of the electricity that is available there for operating certain necessary machines and because it is easy to obtain replacement parts from the dealer. Naturally since this mechanic is in town a good part of the time he cannot devote much attention to the farm on which he lives; so on this farm crops such as cow peas, clover, and hay are grown, on which there is a minimum of labor and on which no cows are kept, as is the case on the other farms. A helper is employed to work with this mechanic.

On all of the other farms, there are from twelve to forty dairy cows, totaling 250 head. The cows are good grade cows and the herds are being built up by use of pure-blood Guernsey bulls which the company owns. Flocks of pure-bred chickens, of type selected by the farm managers themselves, are placed on all farms and each manager is allowed a certain percentage of the eggs laid. He also gets a percentage of the cream or whole milk sold. Then too, he gets the garden truck he raises and any of the fruit that may be grown on the farm. By sharing the eggs, milk, and cream the manager's wife and children are interested and assist in the care of the chickens and in milking. Naturally in the conduct of a big farming enterprise such as this the cost of labor must always receive major consideration. How the Central Investment Company distributes its work and saves man effort by frequent and intensive use of machines is especially interesting at this time, since farm labor is frequently expensive and none too efficient at best, and every thinking farmer accordingly is carefully considering ways and means of cutting that forty to sixty per cent figure, which agricultural economists say is chargeable to man and horse labor in the operation of the average farm.

Much of the heavy work on the company's farm is performed by tractors. Three tractors are owned by the Central Investment Company; two of these are

(Continued on page 32)

NOW That National Branch Out—

THERE has been an amazing amount of misinformation accumulated in reference to the McFadden Act which became law on February 25th of this year. One is tempted to paraphrase the well-known remark of Josh Billings and say that the trouble with the opponents of the McFadden Act has been that they have known so much which aint so. The Act has always been represented as being an attempt to establish branch banking in this country, and the controversy carried on has caused the law, while pending in Congress, to be known as a branch bank bill. Personally, I could never see that it was either a branch or an antibranch bank bill, and I have never understood why there was so much fuss made. In fact most of the statements made were so much beside the point that I have sometimes wondered where the nigger in the wood pile was hidden. I suppose this very statement shows my obtuseness.

In so far as the McFadden Act permits national banks to open branches subject to certain limitations in those states which permit state banks to have branches, it may be termed a branch bank measure. In so far as the McFadden Act forbids national banks from opening branches in states where state banks do not have branches, until such time as state banks are permitted to do so, it may be termed an antibranch bank act. The controversy turned entirely upon the Hull Amendment, which would have prevented national banks from opening branches in those states which at the time of the passage of the Act did not permit state banks to have branches even though subsequently such states passed laws permitting their state banks to open branches. This would seem so obviously unfair to the national banks that it is surprising that any large body of men could be found to defend such action.

However, I am not going into the history of the Hull Amendment, interesting though this might be. Happily this is a dead issue, and attention can now be centered upon the really important features of the McFadden Act.

Since I have mentioned the matter of branch banks, it may be pertinent briefly to sketch the provision of the McFadden Act in regard to branches of national banks. So far as branch banking is concerned, as applied for instance to the state of Illinois, the law merely provides that if the legislature of the state of Illi-

By WALTER LICHTENSTEIN

*Executive Secretary
First National Bank
First Trust and Savings Bank
Chicago*

nois and the people by majority vote should ever decide that state banks in Illinois might exercise branch banking privileges, then under the McFadden Act, national banks could likewise have branches, but even then subject to certain limitations. If the state were to decide



WALTER LICHTENSTEIN

that state banks might have branches then under the McFadden Act branches of national banks would still be restricted to cities of 25,000 inhabitants or more, and no national bank could have branches except in the city in which its main office is located. In cities of 25,000 inhabitants and under 50,000 inhabitants, a national bank might have one branch; and in cities of 50,000 inhabitants and under 100,000, a national bank might have two branches. The number of branches which a national bank might have in a city over 100,000 would be left to the discretion of the Comptroller of the Currency.

Thus it will be seen that from the branch banking standpoint, the law at the present time and until such time as the prohibition against branch banking in Illi-

nois is removed by the legislature and the people of Illinois, is of no effect whatsoever. The same is true of the other twenty-five states which do not permit state banks to have branches at this time. As a matter of fact, even if these twenty-six states not now permitting branches, were hereafter to pass laws permitting their state banks to have branches, only about 110 cities out of the 9,142 incorporated places in those twenty-six states would be affected, since over nine thousand of the 9,142 incorporated places, according to the 1920 census, had a population of under 25,000. In the states of Idaho, Nevada, New Mexico, North Dakota and Vermont, national banks could not have branches under the McFadden Act in any event, since these states have no cities of 25,000 inhabitants or over.

As indicated several times, in my opinion, the branch banking features of the new Act are not the most important ones. In general, if I were asked what does the new Act do, I should reply that it modernizes the National Banking System. Aside from other reasons, this is of importance because without such modernization more and more banks would tend to leave the National Banking System and thus deprive the Federal Reserve System of its compulsory members. As you probably are aware, state banks may become members but are not compelled to do so, while national banks must be members of the Federal Reserve System, so we find that of approximately 9,300 banks in the Federal Reserve System, nearly 8,000 are national banks. The Federal Reserve System would certainly be very much weakened if national banks were to become so few in number as no longer to furnish an adequate membership for the whole system.

In discussing any federal banking legislation it must be borne in mind that what is true of our Federal constitution as contrasted with our state constitutions is also true of our federal banking legislation compared with state banking legislation. In the case of all federal banking laws, the rule holds that banks operating under such laws can only perform those functions which are specifically permitted, while in the case of state banks the reverse is true, namely that they can do everything that is not specifically forbidden by law. This alone is a serious handicap for national banks and has resulted in the desire to extend, in so far as this can be done by law, the functions of na-

NORTHWESTERN BANKER

BANKS Can What Will Happen?

tional banks so that they may perform those duties usually supposed to be part of a regular banking business. You will have to bear these facts in mind in construing any of the legislation which we are discussing. If, before the passage of the Federal Reserve Act, the laws governing national banks had been strictly interpreted and enforced, no national bank would have been able to do the business usually conducted by foreign departments in banks, and in fact there have been times when we, for example, have been tempted to transfer our foreign department from our national bank to our state bank.

Some of the more important provisions extending the powers of the national banks are:

(1) The Act renews for an indeterminate period the charters of the Federal Reserve banks. By doing so, it takes the question of the renewal of the Federal Reserve System out of the realm of political dickering and prevents the Federal Reserve System from meeting the fate of the first and second banks of the United States. If amendments to the Federal Reserve Act are proposed, they will have to be considered on their own merits and the question of the renewal of the charters of the Federal Reserve banks cannot be used as an object of political barter.

(2) National banks are granted indeterminate charters in place of the present ninety-nine year charters which makes it simpler for them to conduct trust company business.

(3) National banks are permitted to invest a part of their funds in five-year real estate mortgages.

(4) National banks, under certain conditions, will be allowed to deal in securities. This merely legalizes an existing practice.

(5) National banks will be allowed to declare stock dividends and issue shares of less than one hundred dollars par value.

The feature in which you are especially interested is, of course, the one relating to the granting to national banks the right to engage hereafter in the mortgage business. It ought to be noted at the outset that even prior to the passage of the McFadden Act, national banks were allowed to lend money on farm land and other

real estate, under Section 24 of the Federal Reserve Act. This section provides that:

"Any national banking association not situated in a central reserve city may make loans secured by improved and unencumbered farm land situated within its Federal reserve district or within a radius of one hundred miles of the place in which the bank is located, irrespective of district lines, and may also make loans secured by improved and unencumbered real estate located within one hundred miles of the place in which such

gate sum equal to twenty-five per centum of its capital and surplus or to one-third of its time deposits, and such banks may continue hereafter as heretofore to receive time deposits and to pay interest on the same."

You will notice immediately that in the first place, national banks located in the central reserve cities of New York, Chicago, or St. Louis cannot make real estate loans under this Section 24 of the Federal Reserve Act. Furthermore, such

loans, if made upon the security of real estate which is not farm land, cannot run for a longer time than one year. Finally, the national banks could not make loans upon farm land or other real estate for more than an aggregate sum equal to twenty-five per cent of the capital and surplus of the lending bank or if it preferred, more than one-third of the time deposits of the bank. Generally speaking, national banks have not taken advantage of the provision of the Federal Reserve Act which I have just cited. They found that the regulations of the Comptroller of the Currency were too onerous and the liquidity of the mortgages too uncertain.

The new law provides in Section 15 that hereafter "any national banking association may make loans secured by first lien upon improved real estate, including improved farm land, situated within its Federal reserve district or within a radius of one hundred miles of the place in which such bank is located, irrespective of district lines." The aggregate amount which a bank may lend whether directly or indirectly must not exceed twenty-five per cent of the capital and surplus of the

bank or if it prefers, one-half of its savings deposits. There has been considerable misunderstanding as to what this enactment actually does provide. Let me cite an analysis of this provision which appeared in a pamphlet published by Messrs. Kiplinger, Babson & Jacobs of Washington, D. C.:

"It does not permit national banks to tie up their commercial deposits in long term real estate loans. It does not change the

What the McFadden Act Does

1. Permits national banks to open branches in states which permit state banks to have branches.
2. Forbids national banks to open branches in states where state banks do not have branches, until such time as state banks are permitted to do so.
3. In states where state banks are allowed to have branches national banks are still restricted to cities of 25,000 population or more, and no national bank could have branches except in the city in which main office is located.
4. In cities of 25,000 inhabitants, and under 50,000, national banks can have one branch.
5. In cities of 50,000 and under 100,000 national banks can have two branches.
6. The number of branches a national bank might have in cities of over 100,000 is left to the discretion of the comptroller of the currency.
7. If all of the 26 states not now permitting branches should pass laws permitting banks to have branches, only about 110 of the 9,142 cities would be affected, as over 9,000 of the 9,142 cities had a population of under 25,000, according to the 1920 census.
8. In the states of Idaho, Nevada, New Mexico, North Dakota and Vermont national banks could not have branches as there are no cities in these states of 25,000 inhabitants or over.
9. Renews for an indeterminate period the charters of the federal reserve banks.
10. Grants to national banks indeterminate charters in place of the present 99 year charters, thus making it simpler for them to conduct trust company business.
11. National banks are permitted to invest a part of their funds in 5 year real estate mortgages.
12. National banks under certain conditions will be allowed to deal in securities, thus legalizing an existing practice.
13. National banks will be allowed to declare stock dividends, and issue shares of less than \$100 par value.
14. Real estate loans of national banks must not exceed 25% of the capital and surplus of the bank, or if it prefers, one-half of its savings deposits.
15. National banks are empowered for the first time to receive savings deposits and to pay interest on the same.

bank is located, irrespective of district lines; but no loan made upon the security of such farm land shall be made for a longer time than five years and no loan made upon the security of such real estate as distinguished from farm land shall be made for a longer time than one year nor shall the amount of any such loan, whether upon such farm land or upon such real estate, exceed fifty per centum of the actual value of the property offered as security. Any such bank may make such loans, whether secured by such farm land or such real estate, in an aggregate

old law as to loans by national banks upon farm property. For the past fourteen years national banks have been permitted to make five year loans on improved farm property.

"This section, however, does for the first time specifically empower national banks to receive *savings deposits* and to pay interest on the same. Heretofore national banks could legally receive time deposits but this was construed by many to mean commercial time deposits since national banks were primarily commercial banks. National banks may now freely go into the savings bank business and set up savings departments. Many national banks are now doing a savings business under the guise of issuing certificates of deposit while others issue the usual savings pass book. The Comptroller of the Currency will no doubt now class all such deposits as savings and may require certificates of deposits to be used solely for commercial time deposits.

"Having thus recognized the right of national banks to do a savings business, Congress in this Act logically followed it by granting to national banks the right to make loans upon first mortgages upon improved city property to an aggregate amount equal to one-half of the total savings on deposit. Such loans may run for five years but the total amount of each loan must not exceed fifty per cent of the value of the property.

"The savings deposit business of national banks will receive a great impetus from this law. Upon the present status of savings in national banks this Act will release for first mortgage city property loans more than \$3,000,000,000. It has the great advantage of enabling national banks to invest their customers' savings in local real estate for home building and business structures instead of being compelled to go far afield to seek investments in unknown securities."

Undoubtedly, the limitations to which

national banks will be subject even under the McFadden Act will not be such as to compel a national bank to surrender its national charter and in place thereof accept a state charter, nor is it likely that a national bank will feel compelled any longer to found a state bank as a subsidiary, as was done in former years by some of the national banks in Chicago. But whether the McFadden Act offers sufficient inducements for a state bank to convert into a national bank or a national bank to surrender the charter of its subsidiary state institution, these are questions which can only be answered by actual experience and into the discussion of which I need not enter at this time.

Why 3400 Customers Call This Their Bank

HIRE the best people in the world to work for your bank, and they'll build up your deposits!"

This is the simple rule given by Jabe B. Gibson, president of the Nebraska State Bank of Norfolk and it appears to have done well in that bank, admittedly one of the strongest state banks in Nebraska.

The Nebraska State opened in 1913. In 1919 it had \$593,000 in deposits, in 1924, \$1,232,000 and the first of April, this year, its deposits amounted to the princely sum of \$2,197,466. Quite a growth, for a fact, and still rapidly increasing.

As the Nebraska State says in the advertisement reproduced on this page, "Thirty-four hundred satisfied customers made this wonderful growth possible." The next question is, "Who made it possible to have 3,400 satisfied customers?" President Gibson answers, "Our Employees."

To analyze a bit more closely, the Nebraska State has every indication of being a young bank with very young ideas. To quote President Gibson: "Ideas are the one commodity in the world that are free, yet priceless." He confesses that the excellent advertisement reproduced on this page contains ideas which he didn't originate, but merely applied to his bank's own publicity.

Mr. Gibson says the advertisement depicting the growth of deposits of the Nebraska State Bank is without doubt the best attention-getter ever sent out by his institution. Friends and customers of the bank had little difficulty in visualizing the

fine growth of the twelve-year-old institution when they gazed at the sturdy mountains representing the deposits. The picture feature got across in good shape, too, where the bank used the sacks to depict their deposits.

Not only the bank's customers, but scores of other Nebraska banks were interested in the advertising shown on this page. Mr. Gibson says he received letters from a hundred bankers asking for copies. The bank feels that it has made a splendid growth and that the public is entitled

to know about it. The bank sends out about three thousand of these circulars four times a year, and has followed this practice for eight years.

Mr. Gibson believes that the employees of a bank should represent every interest in the city, as far as possible. "Our employees, for example, represent every church in Norfolk," he says. "In addition, we have a very wealthy board of directors, and I oftentimes feel that they comprise our hardest competition.

"We try to clerk every farm sale we possibly can. We get out among our farm customers and analyze their problems. We attempt no special campaigns among them to secure new business, but we do try to get as close to their problems as possible.

"Business in and near Norfolk is excellent. At the present time people are borrowing little money. Most of the transactions at farm sales are in cash, with very few notes.

The service charge is not known in Norfolk, principally, says President Gibson, because no banker there has taken the lead in installing that practice.

Banking, however, is not the only joy in the life of Jabe B. Gibson, president of the Nebraska State Bank of Norfolk. On his desk is the photograph of a lusty young man, now about 16 months old, who bears the title, "Jabe, Jr." Below is an inscription, "When do we eat?"

Seemingly the young man need not worry over the answer to that question, if deposits of the Nebraska State Bank of Norfolk continue to increase as fast the next ten years as they have the past decade!

ONE OF
NEBRASKA'S
LARGEST AND
STRONGEST BANKS

THE NEBRASKA STATE BANK NORFOLK
NEBRASKA

At the Close of Business, March 28, 1927

RESOURCES:		LIABILITIES:	
Loans	\$1,000,000.00	Capital Stock	\$100,000.00
Overdrafts	1,000.00	Reserves	20,000.00
Payable and Real Estate	40,000.00	Individual Profits	1,000.00
Deposits	1,197,466.00	Unclaimed Dividends	1,000.00
U. S. Treasury Certificates, Bonds and	114,000.00	Unclaimed Dividends	1,000.00
County Warrants	114,000.00	Unclaimed Dividends	1,000.00
Commercial Paper	114,000.00	Unclaimed Dividends	1,000.00
U. S. Govt. Bonds or Cash	114,000.00	Unclaimed Dividends	1,000.00
	\$2,197,466.00		\$2,197,466.00

U. S. GOVERNMENT DEPOSITORY FOR THE ROSEBUD, SOUTH DAKOTA, INDIAN AGENCY

Note the Following:
1st—Call of \$100,000.00 over One Million Dollars
2nd—Deposits over Two Million One Hundred Thousand Dollars
3rd—No Interest Money: Overdrafts almost nothing
4th—Money money to have on good security

Thirty-four Hundred
Satisfied Customers
Have Made This
Wonderful
Growth
Possible

THE NEBRASKA STATE BANK A Friendly, Conservative and Obliging Bank

THE BEST INVESTMENT: One of our Time Certificates due in six or twelve months drawing interest at the rate of 7%
*There are no fees or charges for deposits that compare with it

We Want Your Friendship We Want Your Business

Cashier Walker Helps Farmer Beason Make Out a Financial Statement

In which it is shown that public accounting and farming are hard to join in holy wedlock

By ROSCOE MACY

MR. HARVE WALKER, cashier of the Farmers State Bank, glanced over the list of new rulings from the office of the State Commissioner of Banking. A paragraph well up toward the head of the list caught his eye:

"It is now a requirement of the department that a signed financial statement shall be obtained on any credit line of \$500 or over, and shall be kept on file and available for inspection by our examiners."

"Ah-ha!" he gloated to himself, "Wonder what Sam'll have to say to that?" For this matter of farmers' financial statements was a point at issue between himself and Sam Hawley, the vice president. Sam pretended to take no stock whatever in them, while the cashier regarded them as an indispensable part of the bank's agricultural credit system. He drew a pencil mark around the paragraph, and took the circular over and laid it on Hawley's desk.

"Humph!" growled Sam, as he read the paragraph. "Well, that settles our little controversy—for a while. But I tell you, the statement of the average farmer doesn't amount to a darn unless it is made out by someone who knows the right questions to ask and insists on the right answers to 'em. And anybody who knows enough about the borrower for that doesn't need any financial statement. No sir; it's too bad, but farming and public accounting don't mix right well in the average brain."

"Take Dave Mason, now; hasn't been a year in the last twenty when Dave didn't make some kind of a profit, but d'y'e think he could take a pencil and paper and show you how he made it? Why, he'd be scared to death if you asked him for a financial statement."

"No, sir; this statement business is all right for the bank examiners, maybe. Saves 'em a lot of questions, but they don't want to be placing too much dependence on 'em unless they know the right man was asking the right questions when the statement was made out."

The Farmer Forgets

"Why, do you mean to say that you can't trust the average farmer to give in all his debts?" asked Walker.

"Now, I didn't say any such thing, Harve, and you know it. He is a lot

more likely to leave out half his assets, because that side seems to be more complicated for him, somehow. He owns so many different kinds of property, in the ordinary case, and he isn't used to the idea of listing it in a statement. Oh, well, it looks as though we'll have to waste a lot of time making the dog-goned things out, anyway—until they change this ruling, at least." And, with a sigh, he turned back to his desk.

Cashier Walker saw that Sam was not



in a mood for prolonged argument, just then, so he returned to his work.

"Hello," said a voice at his elbow, as he was starting in the first of a stack of letters. "You the cashier? I wanta see the feller what looks after the loans."

The cashier glanced up pleasantly at the weather-beaten face beyond the counter. "Yes, I'm the cashier—and I have something to do with the loans. Let's see, you must be a stranger to these parts, aren't you? Thought I knew everybody within ten miles. My name's Walker."

"Mine's Beason. Pleased to meetcha. I've just moved on to the Miller place southwest of town, and I come in to see about a loan."

"How much of a loan did you have in mind, Mr. Beason?"

"Oh, maybe a couple thousand or so. Won't know for sure till after the first of March, but it'll be two or three thousand, anyway; maybe more."

Walker reached for a statement blank. "Just come around here and sit down, Mr. Beason, and we'll fill out a statement for our files. Then when you find out the size of the loan you're going to want, we'll have all the preliminaries out of the way."

"Now, the first item here is Cash," he continued. "About how much cash do you have on hand just now?"

"Well, I ain't so very flush right now; probably about twenty-five dollars would cover it." Walker started to enter the figure—then paused with his pen in the air, as the stranger went on: "You see, most o' my money's in the bank down to Harrisburg, where I moved from, but I'll get around to change it over to you

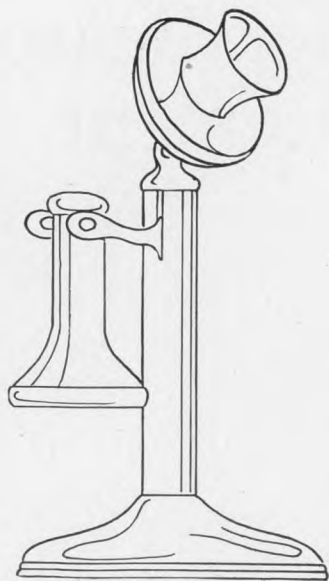


fellers in a few days, so as to be ready for the first of March."

"I see. Well, this includes money in the bank, same as any other cash. About what is your bank balance now?"

"Well, I don't rightly know, but it's around fourteen thousand. Maybe fifteen or sixteen, but in thereabouts somewhere."

(Continued on page 41)



Using a telephone to keep in touch with it, James F. Toy opened a bank at Sioux Rapids 50 years ago.

Once— The TELEPHONE

"Know what your banks are doing, and profit will come"
says management of the nineteen Toy banks

As told to the editor of The Northwestern Banker

A history of the growth of the Toy interests is incomplete without the early history of their founder, James F. Toy. His parents lived in Delaware, and, meeting financial disaster, young Toy was compelled to leave school early and support his family. He came to Iowa as a youth, settled in Waterloo and became a clerk in a grocery store. Incidentally he was a close friend of the late Emmons Johnson, pioneer Waterloo banker.

Mr. Toy finally began to sell farm implements near Sioux City and Storm Lake, later opening a lumberyard in the latter city. He tells how people would

banking business in Storm Lake as far as he could go, then decided to go to Sioux City.

Soon after settling in Sioux City, the panic of '92 hit this section. His interests came through in good shape and he built the Toy block in Sioux City. Since then, the Toy interests have marched steadily onward, with new banks opened or acquired from year to year, all of them solidly intrenched behind the bulwark of profitable banking. The next question is: How are these banks profitably operated and what are their methods of getting and maintaining business?

"We know absolutely at all times the condition and problems of our nineteen institutions," say the Toy officials at Sioux City. This is how it is done:

The executive committee at Sioux City receives daily from each bank in the three states where Toy banks are operated, Iowa, South Dakota and Nebraska, a complete report on the assets and liabilities of that institution. This report, made out "To James F. Toy, President," is reproduced in this article. Thus the main office at Sioux City knows each day the assets and liabilities or changes therein, of all banks in the string. This is a small report sheet, about four by eight inches in size.

Each bank must also submit a comprehensive weekly report listing all assets and liabilities, invoice of bills receivable more than thirty days past due, and, what is probably most important, a complete record of new notes and extensions or renewals of the week. Each member of the Toy system requires financial statements of borrowers in excess of \$500 and a copy of each borrower's statement must be sent to Sioux City along with the weekly report of loans. (Exceptions are of course made on chattel loans, etc., which require no financial statement.)

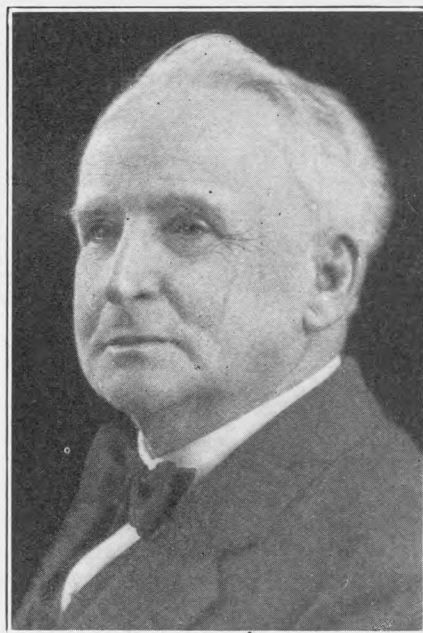
The Toy chain has a chief auditor at Sioux City, E. A. Hoffman, whose duty it is to check each of these reports minutely, keeping the reserves down as low as commensurate with good banking and making the banks pay. No investments are made by the executive committee except in liquid stuff. The Sioux City office purchases all investments for excess reserves, commercial paper, bonds, etc.

MIGHTY oaks from little acorns grow. In this story the "oaks" are banks—nineteen of them—and the acorn was a telephone.

Fifty years ago at Storm Lake, Iowa, a young banker, James F. Toy, by name, put in a telephone, if the instruments of those days could be so termed. It was an object of great curiosity among the residents of that village, and people drove in for miles to see and hear it. Mr. Toy was anxious to open a bank at Sioux Rapids, a near-by town, but had hesitated on account of the difficulty of communication between the two villages. Then the idea came to him "Why not establish a bank at Sioux Rapids, and keep in touch with it by telephone?"

The idea was good, he carried it out, and today in northwestern Iowa the powerful Toy interests own and operate nineteen financial institutions, bound together by telephone, the mail, and, what is proving to be an even more effective method of efficient management, a traveling auditor, who is examining one of the nineteen institutions each day of the year, and makes his reports to the head office at Sioux City.

That is briefly the history of the Toy idea, the dream of a young man who lined up with progress and made invention work for him. Today there are nineteen financial houses in the Toy chain, with combined resources of almost 25 million dollars, and aggregate deposits of about twenty millions! It will be the purpose of this article to describe some of the methods used by the Toy interests to conserve and build up this remarkably sound and substantial banking system, particularly at a time when many other banks of northwest Iowa have found the pathway of business too rough to travel.



JAMES F. TOY

drive to him from great distances, purchase lumber, sleep on the floor of his office and return home the next day.

He was confident of the future of Iowa as a great state, and decided to enter the banking business in 1872. At that time Davenport was the financial center of the state. He was already making farm loans, went east and made friends with eastern capitalists and agreed to pay their expenses both ways if they didn't like Iowa investments, after they had once seen the state. He developed the

Now— The FIELD AUDITOR

The board of directors of each Toy bank is required to submit to the Sioux City office a complete report of every board meeting. A definite schedule is arranged for all board meetings, and if there is some matter scheduled that is not taken up at the meeting, an explanation must be sent in with the report of the meeting.

But even these reports are not deemed sufficient by the Toy executive committee. They want to know still more about the affairs of their member banks. The next step is the Traveling Auditor, or Field Auditor, as he is called. The present field auditor is R. C. Brogmus, formerly of Alta, Iowa.

The field auditor travels continually, from bank to bank, carrying his blanks. When he audits a bank he examines it "from stem to stern," as Vice President Carleton B. Toy expresses it. He adjusts doubtful claims, then renders a complete report on the bank to the chief auditor at Sioux City, who condenses it for use of the directors of the Toy Associated Banks.

The field auditor has a distinct advantage over both state and national bank examiners. He can take more time in examining. He can call on the bank's customers, and consult with them about their obligations. He can cooperate with the local bank's officers, and if ever any friction develops between those officers and the auditor, it is easily smoothed away through the Sioux City directors.

No bank in the system ever knows when the field auditor may drop in to examine it. He also examines the Sioux City institutions, one department at a time, so that they cannot be prepared for the examination. Incidentally, all legal blanks for members of the chain are prepared for the three states at the Sioux City office.

So much for the examination and inspection of member banks. The next question is: How do the Toy banks secure and maintain business?

Entitled, "All Our Banks," the executive office at Sioux City sends out almost

daily, a special letter on some special subject pertaining to better banking and securing business. These are signed either by President Toy or the executive committee. Each letter takes up some timely banking topic, such as "Vaccinated Hogs," asking members if they have checked up to be sure that chattel loans cover hogs that are immune from cholera. "Hail Insurance" on crops may be the title of another letter; "Crop Mortgages in Iowa" still another. Scores of these letters pertain to legal matters, "The Wife Signing a Chattel Mortgage," being illustrative of this. Whenever one member of the chain learns a legal lesson by experience, it is incorporated in one of the letters to "All Our Banks," and all profit by it.

"The officers in our member banks are very enthusiastic about these helpful suggestions," says Vice President Carleton Toy. He calls attention to the fact that they are indexed, and are kept on file by each bank for quick reference. Some of



Member banks never know when the Field Auditor may come.

mediate territory where the loan can be safely watched. Officers and employees of each bank are forbidden to smoke during banking hours, and it is up to the field auditor to report on infractions of such rules.

The obtaining of new accounts and general business building is largely in the hands of the local executive officer in each bank. He also handles the local advertising. C. C. Childs is head of the new business

department at the Sioux City office, and passes out business-building suggestions that are often incorporated in the daily letters "To All Our Banks."

A direct-mail misadventure of particular interest is the four-page circular entitled, "The Business Builder," which is reproduced in this article. This is gotten up and printed at Sioux City under Mr. Child's supervision. The name of the individual bank is imprinted on the first page and each member of the system sends in one page of local items for his own particular locality. The folders

are then printed, so many for each bank, they are shipped to each bank and mailed from its town. At the present time 23,600 of these are printed monthly, of which 15,300 are mailed in Sioux City, alone. The member banks believe this is good publicity and report excellent results from it.

The nineteen members of the Toy Associated banks are, in alphabetical arrangement: First National, Akron; First Trust and Savings, Alta; First National, Aurelia; First National, Charter Oak;

The Business Builder
OF THE
TOY ASSOCIATED BANKS
COMBINED RESOURCES MORE THAN \$24,000,000.00
APRIL
One of the Largest and One of the Strongest Companies of Banking Capital in Iowa, South Dakota and Nebraska. — 1927 —

THE SHOE FITS
The following appeared in a recent issue of the Toy Business Builder, probably meaning from the Banking Department. However, it shows what others (who have) think of The Toy Associated Banks.

MAKES GOOD REPORT
"The Toy Associated Banks..."

THE SHOE FITS
"There is in Iowa under a chain of 10 banks, the greatest credit in a line of practical banking judgment. He has had no credit for the 10 banks who have done more in another during the last 10 years or more than any other bank in the state. That one of these banks has passed its dividend, had an extraordinary loan, saved a deposit, or been involved in any difficulty of any kind, and yet they are in the part of the state where there has been a lot of banking trouble."

FORWARDED BY
THE TOY NATIONAL BANK
SIOUX CITY, IOWA

them deal with such practical subjects as house cleaning, repainting the bank, removing awnings, screens, new curtains, etc., constantly reminding members of the little problems of everyday banking. These accumulated bulletins are read at every directors' meeting, of every member bank, thus keeping the board of directors in close touch with new ideas.

Efficiency and courtesy are stressed in every Toy bank. Members are discouraged from making loans outside their im-

Pulling a Whole County Out of the "Red"



Jacob Brogger, president of the State Bank of Butterfield, Minnesota, who dreamed of Watonwan county as a great dairy county and is living to see his dream come true. It was not, however, without hard work on his part, and he took the lead in fostering the dairy industry there in 1922. He owns two herds, himself, and is the leading spirit in a dozen enterprises to make farming more profitable in his community.

BACK in 1922, Watonwan county, Minnesota, developed an epidemic of the financial "mumps." Farmers, business men and bankers there, discovered that things weren't so well financially as they might be. The county produced a generous amount of small grain, boasted some hogs, a creditable amount of cattle feeding, but after its people had spent approximately a half million dollars on gasoline alone, there wasn't much left over for the necessities of life.

Watonwan county, in 1922, produced a little less than \$300,000 worth of butter products—but that money, and two hundred thousand more, went for gasoline. . . . About that time, Jacob Brogger, Butterfield banker, had a dream.

"Why not," said he, "tackle some project in this county, whereby we can increase our farm income? Supposing Watonwan county should go into the dairy business in earnest?"

He laid out a definite dairy program, organized a creamery in Butterfield, helped the farmers get dairy stock, did a thousand things to carry out his program with this result:

Last year, Watonwan county, Minnesota, produced more than a million dol-

lars of butter products, as compared with the \$300,000 of 1922, and it was a banker who showed them how!

An Interesting Story

The story of Mr. Brogger's work to improve the financial position of his community, is an interesting one. When he began his dairy promotion work in 1922, he called a meeting of his farmer customers, to organize a new creamery. An old creamery had been organized at Butterfield some years previous but failed because the farmers preferred grain raising to dairying. Mr. Brogger headed the list of stock subscriptions in the new creamery, selling \$2,500 worth of stock. Two years later, he sold another \$2,500 worth of stock, and helped supervise the erection of a new building.

The new creamery cost in all, \$13,000 and today it is entirely paid for except for \$3,000 which will be paid off soon.

Since 1922, Mr. Brogger has shipped in from Wisconsin herds, more than 400 dairy cows, mostly pure-bred stock. He sold these to Butterfield farmers at cost, and the State Bank of Butterfield, of which he is president, loaned them the

money to buy them. Each year he takes a group of farmers with him to Wisconsin to purchase more dairy animals, taking fifty farmers last year.

Mr. Brogger believes so strongly in the Watonwan dairy business, that he has purchased two herds for himself, one Jersey, the other Guernsey. His Jersey herd of eighteen cows was the high herd in the county last year, also winning first at the county fair. He believes that his herd will this year average 400 pounds of butter fat, an unusual record. He has one cow that made 81 pounds of butter fat last month, netting \$46.17 at the local creamery.

To further promote the dairy idea, Mr. Brogger organized a cow testing association in his county, and helped his customers determine how many "boarders" they had in their herds. He then helped replace them with the animals he ships in from Wisconsin. He also shipped in a number of Wisconsin bulls, to augment the herds.

Mr. Brogger's efforts have not entirely been confined to dairy work. This winter he has shipped twelve carloads of
(Continued on page 29)

To Our Farmer Friends

The McNary Haugen bill did not pass! So we will have to solve our own problems. Spring is here, let us, this year sow more alfalfa and sweet clover. Build silos. Milk more and better cows. Join the Watonwan Cow Testing Ass'n., and thereby get rid of the boarders.

Let us put our farms on paying basis and we will soon establish land values.

If you are a customer of ours we shall be glad to help you.

See Us About Your Needs.



STATE BANK OF BUTTERFIELD

One of the advertisements used by the State Bank of Butterfield to promote better dairying in Watonwan county

The Average Deposit Grows Smaller WHY?

1. Should Up-to-Date Selling Methods be Used?
2. Are Bankers Poor "Merchandisers" of their own "Goods"?
3. What General or Specific Things Can Your Bank Do to Increase Both the Size of Your Average Savings Account, and the Number of Accounts?

THE average savings account in the banks of this country is steadily declining, despite the fact that America is in the midst of the most prosperous period in its history and the national income has never before been equalled.

"Blame for this discouraging situation is largely that of our bankers, who have not kept pace with the trend of the times," Gaylord S. Morse of the State Bank of Chicago declared in an address before the Mid-West Savings Conference.

The meeting was held under the auspices of the Savings Bank Division of the American Bankers Association.

"Our bankers," Mr. Morse declared, "must come to the realization they are duty bound to go out and sell their services just as the merchant merchandises his goods.

"We bankers," he said, "must adopt more aggressive sales policies, more up-to-date and scientific advertising methods and tune in on the current trend of things. Our selling methods have not kept in step, much less anticipated, the kaleidoscopic changes in our business world. Our banks are sorely in need of merchandising minds."

Mr. Morse listed seven influences which he held largely responsible for the shrinking size of our average saving bank deposit. They are:

1. The growth in some states of Building and Loan Associations.
2. The remarkable annual increase in the volume of life insurance.
3. The steady employment of customer and employee stock ownership.
4. The growing practice of bond investment by investors, large and small.
5. The absorption of funds by local and distant real estate developments.
6. The spread among all industries of what may be termed "the intensive selling method," (so well exemplified by "installment selling"), etc.
7. The higher standard of living, which calls for greater expenditures on the part of wage-earners, thus materially decreasing the surplus available for savings or investment.

"A new element has been injected into business," Mr. Morse added, "furnishing a new hazard for executives. This is the abrupt suddenness with which the buying public changes its mind and its habits when it comes to spending money. They buy whatever takes their fancy, discard quickly anything they dislike, and refuse to be pushed or pulled into any line of action. As a result, the 'buying market' has become unstable, excitable and fickle, and subject to whims and moods. Merchandisers know this strange condition but bankers do not take the cognizance of it they should."

By George J. Schaller

I.

IT IS true that the amount of the average savings account is decreasing. The reasons are several, among which are the

7 Reasons Why Savings Deposits Are Decreasing

According to Gaylord Morse

- 1—The growth in some states of Building and Loan Associations.
- 2—The remarkable annual increase in the volume of life insurance.
- 3—The steady development of customer and employee stock ownership.
- 4—The growing practice of bond investment by investors, large and small.
- 5—The absorption of funds by local and distant real estate developments.
- 6—The spread among all industries of what may be termed "the intensive selling method," (so well exemplified by "installment selling") etc.
- 7—The higher standard of living, which calls for greater expenditures on the part of wage earners, thus materially decreasing the surplus available for savings or investment.

desire of a large part of our citizens to buy what they may consider today as necessities but which are really and in fact, yesterday's luxuries, on the installment or at least on deferred payment thereby having no funds to accumulate in a savings account.

"That owing to the unsettled condition in some parts of our state, many people have quit building up their savings account and are seeking investments for their funds in securities of some kind, chiefly local loans secured by farm or city property. Every bank therefore, regardless of how strong it may be, is today contributing in loss of business or reduced volume to this general condition.

"There has been no time when there was more money among the people of the state of Iowa than at present but until confidence in Iowa banks is fully restored, we must expect people to find a way to use or employ their funds without building up savings accounts in our banks.

"There may be other reasons in other parts of our country for these declining balances, but believe the foregoing to be the principal reasons in Iowa, though as bankers, we may be reluctant to admit it.

II.

"On account of an excess of loanable funds, there is no unusual effort being made to increase our interest bearing deposits just at this time further than to carry on our general newspaper publicity and a monthly folder mailed to a selected list in our trade territory.

"It is squarely up to each bank to build for itself a reputation of conservative banking and with the public fully convinced that this bank's first obligation is to the man who deposits money in it and while the borrower is a necessary customer of all banks, he is to be considered second as between the borrower and the depositor.

"The depositor is scrutinizing more

closely than ever before the character of loans that are being made by the bank in which he deposits his money. For this reason present day loans should be made with more care and discrimination than ever before.

"This then, would be my suggestion for building a larger number and larger amounts of our savings accounts.

III.

"Were I today opening a new bank, I would make every effort to get business of all kinds but with the controlling thought that each account and all business must be on a profitable basis for the bank. That is, I would install a service charge both as to minimum balances carried and on accounts that showed by careful analysis that by reason of the large number of checks issued or float involved in items deposited,

that their actual balances did not show a profit to the bank.

"I would select more carefully my customers, choosing only those who have at least a fair prospect of 'making good' for it is no credit to any bank when one of its customers fails. In fact, it is a reflection on the bank.

"We all like to back a 'winning horse' and likewise each locality takes pride in its good banks so that by raising the standard of the banking profession in each community, we gradually draw new accounts and create confidence in the management which, plus the kind of service we ourselves like to receive, will see the account grow. The worthwhile customer is not held to a bank on account of the high interest on deposits that it may pay or the service rendered without charge."

By R. R. Brubacher

BELOW you will find a comparison of our savings accounts as of December 31, 1921, and December 31, 1926, showing in the five years period, a decrease of \$4.42 per account, which we regard as negligible.

Date	No. of Accts.	Total Deposits	Av. Size of Accts.
Dec. 31, 1921.....	1,641	\$386,557.91	\$235.56
Dec. 31, 1926.....	3,113	719,546.91	231.14

Decrease in five years in average size of accounts \$4.42

"The above applies strictly to savings accounts and does not take into consideration time certificates or any of the school savings accounts, which, of course, are very small.

"There is another angle here with us, which may have some bearing on the situation.

(Continued on page 30)

How Bremer County Bankers Boost Junior Club Work

By D. D. OFFRINGA

IT HAS been the policy of the Bremer County Bankers Association for the past several years to award medals to calf club winners at the Bremer County Fair. This was particularly pleasing to the dairy calf club members. The Bremer County Dairy Calf Club members have exhibited their calves at the Dairy Cattle Congress, Waterloo, as a club rather than as individuals. All the expenses are paid by the club and all the premiums are put into the treasury of the club. By doing this, none of the members suffer any financial loss as the result of showing their calves, while the money thus made is used for the promotion of dairy calf club work.

During the fall of 1924 the members conceived the idea of having their parents and the members of the Bremer County Bankers Association, together with Bremer County Farm Bureau and Bremer County Fair officials and newspaper men, as their guests at a banquet. Part of the program consisted of members of the demonstration team giving a demonstration on type, using one of the champion calves as the subject.

In 1925 the Bankers Association decided that in order to further promote Junior club work they would send a delegation of fifty junior club members to the Junior Short Course at Ames. While their interest was chiefly centered on dairy calf club work, they thought this oppor-



Bremer County Junior Delegates

tunity should be extended to members of other clubs as well.

The banquet has now become an annual affair. Junior club members and the members of the Bremer County Bankers Association, and their wives, make a crowd of 350 present at the banquet.

A free trip to the Junior Short Course at Ames is a prize that every junior club member in Bremer county strives for. Girls' clubs work hard throughout the entire year to make it possible to pay the expenses of additional members of their clubs at the Short Course. In addition to

the fifty that made the trip this winter, there were thirty-six who had their expenses paid by the clubs of which they were members. One of the features of the trip was a visit to the State House at Des Moines. The juniors visited Governor Hammill in his private office.

During 1927 the boys' club activities in Bremer county will include dairy calf, pig, colt and beef club work, while the girls' main subject will be canning.

Bremer county juniors appreciate the attitude of the Bremer County Bankers Association.

NORTHWESTERN BANKER



Thirty-one Years on the Same Corner

5 REASONS WHY OUR BANK HAS BEEN A SUCCESS

By E. H. KLOCK

BANKS may come and banks may go; but the Bank of Hot Springs, South Dakota, goes on forever. Failures and times of financial stress may appear, but this bank has weathered them all.

Undoubtedly the secret of the bank's success lies in its strict conservatism. It has never encouraged speculation. During the war period when speculation was countenanced, if not actually fostered by some banks, this one kept its loans at par. It never loaned above its level.

Standing firmly on this platform, the bank has given thirty-one years of splendid service. Being "time tried," and having breasted all gales, the bank has gained the confidence of the people, and accordingly has increased its deposits.

G. C. Smith, who has been with the bank for years as cashier, says that the bank has gained its popularity and achieved its success by simply keeping its head. It has always played safe.

"A bank should not try to get rich quick," he says, "no matter how alluring the chances may be. This is especially true during periods of inflation. Keep

your loans on your level because securities are bound to drop in value. After the World War, we knew a drop was coming, for it had been so in all our wars. There was always an inflation—then a drop.

Thrift Pays!

"Then there are the men behind the bank. If you have men in whom the people have confidence, deposits are

were 'good fellows.' This law was a detriment to the old banks; yet it was the old banks that weathered through. Every bank in the Black Hills that was running in 1893 is running today. The new ones have come, and some are gone. People learned a great lesson by this bank-closing period—they have become more conservative, more saving.

"We believe in taking care of the natural resources of this section of the country, and believe that if they are properly handled, a loan on them is safe.

"People of America are moved too much by mass thought. During the spending orgy just at the close of the war, when nearly everyone was drunk with spending at inflated prices, we stuck to our policy of playing safe.

"Then came the reversing of things; the drop in prices; the hard times. During those periods we made no new loans and only let out money to our old customers who really needed it and whose security was gilt edge.

"There has come a period now when people are pleasure and luxury seeking. (Continued on page 35)

OUR SUCCESS PLATFORM

1. Be Conservative
2. Avoid Speculation
3. Loan at Home
4. Encourage Saving
5. Always Play Safe

bound to increase. The State Guarantee law fooled lots of depositors. They got to banking with the newer banks because it was more convenient in some cases and because some of these bankers

FIVE TIMES MORE *than an* HONOR ROLL BANK

The story of a stalwart Nebraska bank whose surplus and undivided profits are more than six times its capital stock

TO BE first in anything whether business or pleasure, has always been the source of great joy to Americans. G. Washington started the ball rolling when he won for himself three first places, all in a bunch, "First in War, first in Peace, and first in the hearts of his Countrymen." The same ambition

persists to this day, although it may seem to have centered on swimming the English Channel, coffee drinking contests, and the like, judging from daily press dispatches.

Bankers, too, like to be "First," hence it is with real admiration and respect that the banking fraternity of Nebraska points with pride to one of its members which has attained the leading position among all the honor roll banks of the state, and is said to be 29th among all the national banks of the United States. That bank is the First National Bank of Stanton, and its total surplus and undivided profits are not merely equal to its capital stock (the qualification of an honor roll bank), but are equivalent to more than SIX TIMES its capital stock! Where is there a banker who won't doff his chapeau in deference to that kind of a statement?

It is reasonable to suppose that there is some reason why the First National Bank of Stanton, Nebraska, with capital stock of \$50,000, has total surplus and undivided profits of \$307,000, with deposits of slightly over \$800,000. So this article will deal with a few facts about Nebraska's leading honor roll bank, and the reasons for its commanding position in the financial life of Stanton county.

Like most of the earlier Nebraska banks, it was first organized as a private bank, by F. McGivern, now inactive vice president, at present living in Omaha. The bank was organized in 1879 and was nationalized in 1898. Harry D. Miller, now president of the bank, has occupied that position since the death of his father several years ago. He was born, however, in Iowa county, Iowa, and still realizes that the tallest corn in the world is usually to be found somewhere between the banks

Roll Of Honor Bank		STATEMENT OF THE CONDITION OF THE FIRST NATIONAL BANK STANTON, NEBRASKA At the Close of Business March 23, 1927	
FIRST IN STATE 29TH IN NATIONAL SYSTEM No. 3364		ASSETS	LIABILITIES
OFFICERS AND DIRECTORS H. D. MILLER, PRESIDENT F. MCGIVERN, VICE PRES. A. P. PILGER, CASHIER LEO NIXON, ASST. CASH. LEO PILGER, ASST. CASH. ADAM PILGER		Loans and Discounts \$ 603,307.74	Capital Stock \$ 50,000.00
		Overdrafts 933.17	Surplus 100,000.00
		Stocks in Federal Res. Bk. 4,500.00	Undivided Profits 257,836.59
		U. S. Bonds to secure Clr. 50,000.00	Circulation 49,200.00
		Banking House Furniture and Fixtures 10,500.00	Contingent Fund 20,000.00
		Cash and Bonds 568,009.59	Deposits 820,903.91
		TOTAL \$1,237,940.50	TOTAL \$1,237,940.50

YOUR BUSINESS IS SOLICITED

of the Mississippi and Missouri rivers, with Nebraska stalks a very close second. Mr. Miller has been in the bank since 1885, when as a youth he learned the merry art of sweeping floors and polishing counters. The fertile Platte river valley was, of course, then undeveloped.

Today the country around Stanton is one of the richest valleys in the west, with prosperous, well diversified farms as far as the eye can see. The town is served by three banks, all of which are prosperous and sound.

Granted that the First National bank of Stanton has served its community well and with profit to itself, why should it not maintain three hundred thousand dollars surplus and undivided profits? President Miller answers that point quickly: "It was my father's idea that a well managed bank should pay reasonable dividends, fair salaries to officers and yet be kept strong as the rock of ages. I inherit the same conviction from him and feel that we owe it to the community we serve to keep this institution even stronger than the law requires." It is also his opinion that all banks in the state would strive to maintain a higher surplus if taxes were readjusted so that banks need not bear an unfair proportion as they are now doing.

"There is no magic formula to build up and maintain a bank's deposits," according to President Miller. Nor has the First National of Stanton tried to seek such a formula. Year after year the officers of this bank have worked along the straight line of service, personal and conscientious service to its community. Unfailing courtesy and friendliness over the counter, cheerful attention to the needs of the borrower—these are the rules for

steady, conservative growth in deposits, says Mr. Miller.

With very few exceptions, the First National requires financial statements of borrowers over \$500. Exceptions are also made on chattel loans. Stanton is in a good cattle feeding region and while this type of loan has been uncertain at times in the past ten

years, it is now a good risk and the cattle feeders are making money. Financial statements have been required by the First National for three years, and Mr. Miller says he finds few people reluctant to render them when the matter is properly explained to them.

According to President Miller, newspaper advertising in Stanton, a town of 1,500, is of no great importance so far as new business is concerned. With his wide acquaintance in the county, he relies on personal service and familiarity with the problems of every farmer, to gain new accounts. The bank does use a limited amount of seasonal direct-mail letters, at Christmas time, New Year's, etc.

"I do not believe that the bank, as a bank, should write insurance," declares its president. He feels that would be unfair to the several prosperous insurance men of Stanton, to compete with them, hence, the First National writes no insurance. One or two of the junior officers, however, write a little insurance in their spare time.

The First National is a firm believer in sound bonds for its secondary reserve. At present it has around four hundred thousand dollars, mostly government and other high grade securities. It does not sell bonds to customers. The investment business in Nebraska, in Mr. Miller's opinion, is in its infancy and will continue to grow. Local banks are flooded with time money and having no outlet for it, must place it in high grade bonds. Farmers in Stanton county are not seeking further credit, and on the contrary have much ready money. Farm sales there are almost totally cash, with only an occasional note given.

"Our work among farm customers is
(Continued on page 36)

NORTHWESTERN BANKER

Prize Essays on:-

"Proper Diversification of a Bank's Secondary Reserve"

\$50 First Prize

By Harry M. Harris

NEXT in importance to the proper selection of the investment house through which the banker chooses to buy his securities, ranks the importance of a proper diversification of the securities which he plans to use as a secondary reserve, and in this field the banker himself must use great, good judgment, for while representative bond houses may select sound securities for him, it is rather his own problem, with the help of his investment house, to decide what class of securities he needs at a particular time. A certain level of his funds he should invest to take care of normal fluctuations in his bank's primary reserve. For this purpose he will choose a certain amount of commercial paper maturing within sixty to ninety days, or bonds of fairly short maturity enjoying broad marketability, and under certain circumstances he may well include an investment in New York "call" loans, or Chicago "brokers demand collateral" loans. Another attractive channel of investment to serve this purpose is found in certain United States Government Bonds, Treasury Notes, or Certificates of Indebtedness. The income from these Government securities is free from the corporation income tax, and this factor with the present tax around 13 per cent adds approximately one-half of one per cent to the yield afforded when compared with an investment whose income is subject to tax. The

The articles on this and following pages are the four prize-winning essays in the contest recently staged by the NORTHWESTERN BANKER, Des Moines, and the MID-CONTINENT BANKER of St. Louis, both DePuy banking publications, on the subject "Proper diversification of the bank's Secondary Reserve." A total of \$100 is given the winners, fifty for first, thirty for second, and twenty for third place, which was a tie between two contestants as shown below. The contest judges were Alden H. Little, secretary, Investment Bankers Association of America; A. C. Smith, president, the Iowa Bankers Association, and W. B. Crawford, president, the Illinois Bankers Association. Contestants are bond and investment dealers of the middle west. Essays of contestants who received honorable mention will appear in later issues of the NORTHWESTERN BANKER.

THE WINNERS

First prize (\$50)—Harry M. Harris, Des Moines.

Second prize (\$30)—R. W. Morrison, Des Moines.

Third prize (\$20)—Edward J. Bradley, Omaha.
and J. L. Mann, Lexington, Mo.
(Tied)

HONORABLE MENTION

Frank E. Smith, Kansas City; Guy Redman, St. Louis; E. L. Zoernig, St. Louis; Winston Jones, St. Louis; H. L. Jones, Indianapolis; Charles E. Howard, Evansville, Ind.; John Thomas, St. Louis, and Arthur Idler, St. Louis.

broad marketability enjoyed by this type of security makes a very narrow spread between the "bid" and the "asked" price, and dealing through a dependable correspondent, a bank can go in and out of this class of investment at a minimum of expense. These investments command a comparatively low average rate of yield but the income return will exceed considerably the rate received upon balances with correspondent banks, which, of course, are part of a bank's primary reserve.

Each Bank Different

When a banker has set up his position so as to properly protect any fluctuation in his primary reserve over the foreseeable future, he is then ready to place a certain level of his funds in highly marketable, longer term bonds, which will enable him to meet any change in his bank's position which might occur after two or three years. Every bank's problem is an individual one as regards the amount of investment to be placed in each of the fields named, but after determining his position to this point, his investment problem becomes less complicated, for his chief interest from then on is a matter of seeking sound investment affording a satisfactory yield.

He will necessarily average the maturities of the bonds he purchases, because that will tend to protect him against changing interest levels.

Bonds as a class are the most readily salable of all the forms of pure investment in which the loan takes the form

(Con'd on page 53)



Proper diversification of the secondary reserve is a big problem for every banker

for MAY, 1927

HELPING FARMERS

Along Prosperity Road

by way of the

COW
SOW
and
HEN

How the bankers of Clay county, South Dakota, are financing their farmer customers to purchase livestock and improve business conditions.

HOW can banker and farmer best cooperate through the county agent to help the agriculture of tomorrow—and indirectly, banking? That question is being well answered at Vermilion, South Dakota, where a live county agent and some helpful bankers are putting their shoulders to the wheel of rural progress, with splendid results. This is how they are doing it:

"First of all," says J. B. Hill, Clay county agent, "bankers here are cooperating with me during the annual Clay county fair. The three banks, including the First National, Vermilion National and the Citizens Trust and Savings Bank, put up annually a hundred dollars in premiums for cups in the cow race, the largest amount of butter fat production during the 72 hours of the county fair. The idea back of offering such prizes is to get Clay county farmers to see how cows will vary in daily testing and to stimulate testing their dairy animals throughout the year. It links in with the general program to make the farmer a better business man. Clay county is not yet a strong dairy county, but prospects are good for future dairying. Our cow-testing association was last year reorganized and is doing fine work. We produce mainly corn, with some small grain, and diversification is well under way."

Shipped in Cows

Last year, Mr. Hill arranged to have shipped in from Wisconsin herds, three ear loads of good "record production" cows, for Clay county farmers. The Clay county bankers got back of the enterprise and farmers arranged to finance them through their individual banks. Mr. Hill

THE COW THE SOW THE HEN

The best authorities recommend "The Cow, The Sow, The Hen" as surest and best means of putting the farm on a profitable basis. Hundreds of counties in the country are making a big success with Dairying, Hogs, and Poultry, which give an even all-the-year-round income.

We believe in fostering these branches of the farming industry because we want to help every farmer to prosper.



VERMILION NATIONAL BANK

The Vermilion National Bank believes in the "Cow, Sow and Hen," and features this mortgage-lifting trio in all bank advertising.

paid for the cows by simply drawing drafts on each farmer, for his particular cow. He reports that one herd in the county is now completely made up of cows acquired in that manner. The bankers are enthusiastic over this method of raising the standard of Clay county dairy animals.

Junior club work, among the boys and girls is backed strongly by Clay county bankers. Mr. Hill reports there are now 128 farm boys and girls who are members of the 4-H Clubs. Club members have competed at the state fair in Huron, winning some prizes. They sent ten baby beeves, and a number of pigs and sheep to the state fair last year, winning fifth and seventh places in the baby beef class and taking third place in the county group. The live stock judging team placed 3rd one year and 4th for three years in succession.

Here again, Clay county bankers, particularly in Vermilion, aid financially, in such Club work, by financing the boys and girls in purchasing their animals and donating money to aid the Vermilion Chamber of Commerce in sending the team's members to the state fair.

Officers at the First National, Vermilion, say that both directly and indirectly the aid they are giving such clubs is of benefit to the community and to the bank. "It stimulates the interest of the youngsters in better farming and better live stock," they state.

"We are deeply interested in more and better cows for Clay county," declares George K. Brosius, cashier of the Ver-

milion National. "The cow, the sow and the hen are the three greatest assets of this county, and our farmers don't yet appreciate this fact. So anything we can do to impress it on them, is bound to react favorably on general business. As yet we do not have enough cows in Clay county. We are making money on hogs, and our feeders are profiting on their cattle. But the farmer must realize that the cow and the chicken also, are the means of returning him a good living and always pay their own way."

Increase Capital

Stockholders of Greenebaum Sons Bank & Trust Company, Chicago, on April 1st authorized an increase in the capitalization from \$1,500,000 to \$2,500,000. They also voted to change the name of the institution to the Bank of America, effective May 1st. The name of Greenebaum Sons Investment Company will remain unchanged.

Heads Advertising Production

Taylor, Ewart & Company, Inc., Chicago, Investment Bankers, have announced the appointment of Mr. Charles J. Eastman as advertising manager.

Mr. Eastman has been engaged in advertising agency work for the past twelve years, being with Williams & Cunningham, Chicago, until 1923, and since then an officer of the Brennan-Phelps Company of the same city. He will be located at the Chicago office of Taylor, Ewart & Company, Inc., but will be in charge of advertising and publicity.

NORTHWESTERN BANKER

Is the **DEPOSITOR** *of a Draft* **A PREFERRED BANK CREDITOR?**

By the Legal Department

IN DAILY business transactions it is customary for a business firm to often-times draw a draft on a customer payable to the bank in which the firm deposits its funds. An arrangement may be had with the bank, whereby the draft is upon the receipt thereof immediately credited to its account.

In a transaction of this nature, the courts are many times required to determine the exact legal status of the parties involved. If a bank fails and has on hand the amount received from the proceeds of a draft left by a depositor, the question comes up as to the right of the depositor to this money. Is the depositor of the draft entitled to payment in full of his claim against the bank? In other words, is the depositor of the draft a preferred creditor when the bank fails?

Many times the depositor will make such a claim on the party who is liquidating the affairs of a closed bank. The court is then required to determine as to the right of preference.

An action of this kind was brought in court by Smith Brothers to have allowed as a preferred claim a demand against the bank which was in the hands of a party for liquidation. The facts involved in the case were agreed upon by all the parties therein.

On May second, the bank, now closed for liquidation, received from Smith Brothers a certain draft described as follows, omitting the indorsements:

THE BANK

"Customer's Draft, Rayon, Oklahoma, May Second, 1926.

"At sight pay to the order of the bank \$1000.00, One Thousand and no/100 Dollars, value received, and charge the same to the account of Smith Brothers.

"S. L. Turnip.

"To N. G. Cheatham, Herrin, Illinois."

This draft was forwarded by the bank to the National Bank of Chicago, its correspondent, for collection and returns.

for MAY, 1927

The Chicago bank in turn forwarded same through ordinary channels to Herrin, Illinois, where said draft for One Thousand and no/100 Dollars was accepted and paid by the drawee, N. G. Cheatham, of Herrin, Illinois, on May 6, 1926, to the Chicago branch of the Federal Reserve Bank of Chicago. The proceeds of said draft were forwarded by the Chicago Branch of the Federal Reserve Bank of Chicago in Chicago, Illinois, on May 7, 1926, which then credited the

mediately been given to said Smith Brothers for \$1000.00. This credit was placed with demand deposits of said claimant. The Smith Brothers, the claimant, was a regular customer and depositor in the bank. The bank closed its doors after the draft of \$1000.00 was received by it for collection.

The facts in this matter show that the bank was the payee named in the draft. Smith Brothers at the time the draft was presented were given credit for the amount

thereof on its demand deposit account. The evidence presented to the court shows that Smith Brothers had the right to check on this demand deposit account wherein this amount was credited, if it desired to do so. It was also shown that the bank had the right to charge back to Smith Brothers the amount of the draft if it were not paid. There was this understanding and practice between Smith Brothers, as customer and depositor, on the one hand, and the bank, on the other. Smith Brothers' balance during the interim from the time the draft was presented until the bank closed was not below \$1,000. However, this

Debtor and creditor relation is held to exist rather than the principal and agent, where the bank credited depositor's account with amount of draft drawn by latter payable to bank, and allowed him to check against it, but reserved right to charge back amount of draft if it was not collected, so that such amount did not constitute preferred claim against bank, when it became insolvent after receiving draft.

Where bank accepts draft for deposit, knowing itself to be hopelessly insolvent, depositor has right to rescind and follow money deposited, even into hands of the parties handling the liquidation of the affairs of the bank."

account of the bank in that sum on May 7, 1926.

This bank closed its doors on May 6, 1926, at 10 o'clock a. m., and has not since that date reopened its doors for business and has been in the hands of the state for the purpose of liquidating its affairs. On the 6th day of May, 1926, the date the bank closed its doors, there was on hand in cash or cash items in the bank the sum of \$608.69. The bank also had on hand in the National Bank of Chicago or in other banking institutions, subject to immediate check, the sum of \$698.62. The cashier of the bank committed suicide the night of May 5, 1926. The bank immediately, thereafter, closed its doors.

The books of the bank show that the draft of Smith Brothers had been forwarded to its correspondent, the Chicago bank, for collection, and credit had im-

mediately been given to said Smith Brothers for \$1000.00. This credit was placed with demand deposits of said claimant. The Smith Brothers, the claimant, was a regular customer and depositor in the bank. The bank closed its doors after the draft of \$1000.00 was received by it for collection.

The bank's contention in court was this: Where a bank credits the account of a depositor with the amount of a draft, and allows the depositor to check against the same, if there is an agreement that the bank may charge back the amount of the draft, if not collected, the bank, in such case, would not become the owner of the draft, and the relation of debtor and creditor would not be created, but the relation created would be that of principal and agent.

In a similar case in which an action was brought to recover the amount of a draft which had been credited in the demand deposit account of a customer, there was an agreement between the bank and a company, whereby the company would

deposit with the bank for collection drafts payable to bank and the bank would immediately give the company credit for the amount of the draft and allow the company at once to check against such credit or deposit. It was further agreed that the bank should receive a collection fee of so much on the \$100, and in addition thereto interest on the draft during the time that should elapse between the deposit of the draft and the time the bank received the money thereon. If a draft was dishonored, it was to be protected, and the company notified, and upon the return of the draft to the company that the company should reimburse the bank. The bank handled on an average of ten such drafts per day for the company. There was subsequent modification of this agreement, but the modification does not affect the principle involved.

While the agreement and course of dealing stated above existed, the company sold a car of corn to one Johns at Eagle Point, Iowa, and Johns resold to Apel at the same place. The company shipped the corn to Eagle Point and a draft was drawn on Apel, payable to the bank, and bill of lading attached. This draft was not honored. Then the company sold to Hanes at Exeter. The company followed the usual custom, and drew its draft on Hanes in favor of the bank, in the sum of \$1,290.90, to cover the purchase price of the corn. Attached to this draft was a shipper's order bill of lading, indorsed in blank by the company. The bank gave the company credit for the amount of the draft, indorsed the same, and forwarded it and the bill of lading in the usual way. The draft was not paid, and the bank at first made various endeavors to collect from sources other than the company, and did not, according to the company's president, demand repayment from the company, or charge its account with the amount of the draft, until after the lapse of about a year and six months.

On these facts the court held that the draft was received for collection only, and that the relation created between the bank and the company was that of principal and agent, and not that of debtor and creditor.

Under the facts just given, the Bank would not at any time become the owner of the draft and bill of lading, it was merely taken for collection, even though the bank credited the account of the company with the amount of the draft and permitted it to draw checks immediately against it and before collection was made, would not create the relation of debtor and creditor between the company and the bank. It was agreed, if collection was not made, the amount of the draft should be charged back. Under such circumstances, the bank treats the deposit as merely provisional, and in case collection is not made, the bank reserves

(Continued on page 89)

When a "Co-Ed" Turned Bandit



The First National of Vermilion, which was entered by a lady bandit recently. Right—The door which Miss Myers pried open, after much effort.



THE male biped in most every line of human activity is recognizing the value of women in business. The weaker sex has plunged into the professions, into commerce, and only a few weeks ago a lady bandit, enrolled at the University of South Dakota as a freshman, decided that this business of robbing banks should not be monopolized by the masculine sex and tried her hand at it in Vermilion, South Dakota, where the state university is located.

As a result, the First National Bank of Vermilion received columns of publicity, thrust, as it were, into the limelight—and Marian Myers, nineteen year old student, received a thirty day sentence in the penitentiary, which was later reduced to twenty-five on good behavior.

Cashier Tom Hayter of the First National, says the affair was interesting, but it was perplexing to officers of the bank to understand why a young woman of Miss Myers' intellect, would attempt the impossible feat of robbing a bank, at night, with a pair of pliers, a screw driver and a small drill. They admit it would require a complete set of tools and an experienced man to get anywhere with modern safes such as are in use at the First National. As it turned out she got no money nor could she have secured any if she had a week's time to commit a similar crime.

Miss Myers, who was at first believed demented, described her attempt at banditry as follows, in her signed confession:

"I went to the ladies' rest room and remained there for a short time and then went to the post office once or twice, returning to the rest room each time and remained there until about 1 a. m., when a man came in and asked me what I was

doing. I told him that I was drying my rubbers. He said that he wanted to turn out the lights, so I left. From there I went to the First National Bank building, raised a window in the hallway at the rear and entered the building. I attempted to gain admittance to the main room, where the money is kept, because I wanted to get \$24 with which to pay my tuition at the university. I was unable to climb into the room over the transom, so went over to the Ford Motor Company garage, where I pushed a piece of cardboard out of a broken place in the window and entered the building. I took a pair of tin snips, a pair of pliers, six drill bits and a screw driver. I previously had taken an electric drill and two bits which were too large to fit, from an old car near the bank building and opened a drawer, which I thought might contain money, but found nothing.

"As I was up in the front part of the building a man opened the front door and looked in. I became scared and when a clock made a noise I ran back to the window through which I had entered, then went to the back part of the building and hid behind a large box. I could hear someone prowling around and was afraid they would shoot me so I went back into the hallway and sat on the steps where the officers found me at 6 a. m."

Marian's story that she needed money to pay her tuition, melted the hearts of many, one man, a representative of lumbermen's association in Virginia wiring to Vermilion as follows, during her trial: "Free Marian, let the churches educate her, making her a citizen instead of a criminal. If the churches won't the lumbermen will."

NORTHWESTERN BANKER

NEWS AND VIEWS OF THE BANKING WORLD By Clifford De Puy

Charles C. Kuning, vice president of the Cedar Rapids National Bank, Cedar Rapids, Iowa, is now serving his second year as potentate of his Shrine. Only one other man has been thus honored in the history of the Cedar Rapids Shrine, and that was the late Kent Furman, also formerly vice president of the Cedar Rapids National Bank.

The Cedar Rapids Shrine is just completing their fine new building, which will be ready for occupancy in October of this year.

Harry T. Blackburn, formerly vice president of the Iowa National Bank of Des Moines, who has been spending the winter in California for his health, in a recent letter, says, "The winter in California has done me no good so far as I can tell, so I am coming home soon to take my medicine, whatever it may be. Can't write any better but my walking may show just a little improvement." All of Mr. Blackburn's many friends are sincerely hoping that the summer climate of Iowa may be able to accomplish for him what the winter climate of California may have failed to do.

William H. Maas, of Chicago, vice president of the DePuy Publications, enjoyed a week's rest recently at the famous resort town at Martinsville, Indiana, and reported his stay as follows: "Ten hours sleep; tonic baths; fine food; solid comfort; absolute quiet; nice people; little bridge; long walks; no distractions—nothing but rest."

W. B. Weisenburger, vice president of the National Bank of Commerce, St. Louis, gave a very excellent address recently before the Advertising Club of Des Moines on the subject, "Yes, we have Nothing to Advertise." Mr. Weisenburger brought out the point that many banks in their savings department advertising had emphasized for so long the point that people should "save for a rainy day," that many of them are unable to enjoy the sunshine. Mr. Weisenburger said an analysis of their own savings accounts showed that in almost every case their customers were saving to spend. As result of this attitude on the part of their customers, Mr. Weisenburger says that they are offering booklets and literature to their depositors on how to succeed in various lines of business endeavor, the thought being that if the bank can get their depositors to spend

or invest their money in something worth while rather than save to spend their money foolishly, the bank will have rendered them a real service.

Charles B. Mills, president of the Midland National Bank and Trust Co., of Minneapolis, received an item from a Chamberlain, S. D., banker, who said: "A fellow was in the other day and said he wished it would rain, that he had a boy eleven years old who had never seen any mud. It has rained ever since. Over seven inches in thirty days. If the Lord thinks he can make me holler 'enough' he has taken on a big contract because I can swim. Over seven inches of rainfall and still at it. This means a hay crop—hay crop means cattle—and cattle mean money."

Preston E. Reed, executive secretary of the Financial Advertisers Association, announces that the next convention of the association will be held at West Baden, Ind., Sept. 12-15 inclusive.

Over 200 new members have been added to the membership of the association recently, which is ample testimony of the fine work this excellent organization is doing.

Charles F. Brinkman, assistant vice president U. S. National Bank, Omaha, who knows most all of the bankers in Nebraska by their first names, was on a hunting party recently with a group of his banker friends, and when entering a farmer's field saw this sign: "Notis! Tresspassers will B persecuted to the full extent of 2 mungrel dogs which neve was over sochible to strangers & 1 dubble brl shot gun which aint loded with sofa pillors. Dam if I aint gitten tired of this hell raisin on my place. (Signed) B. Griscom."

During the first quarter of 1927 the volume of new first mortgage bonds issued in the United States for this period was the largest in history, totaling approximately \$229,153,000. Interest rates on this type of investment in the east, central west and west, range from 5 to 6½ per cent. In the south and southwest they range from 6½ to 7 per cent, and in some cases the yield goes as high as 7½ and 8 per cent.

Thirty-eight per cent of the average man's total income goes to the purchase of food, according to nutrition special-

ists. The percentage of the average income used for the purchase of food has increased 18 per cent in twenty years. In 1907 the bill for the entire nation at retail food stores was only \$4,000,000,000. This sum was doubled in 1921 and has mounted steadily since.

The average American eats more than his weight in meat each year. The per capita consumption of meat last year was 165 lbs.

John W. O'Leary, vice president of the Chicago Trust Co., was one of the five delegates appointed by President Coolidge to represent the United States at the International Economic conference at Geneva this month. In his selection of delegates the President chose men from the fields of science, finance, commerce and industry, which indicates the diversity of topics to be discussed at the conference.

In 1850 the per capita income of the United States was \$52. In 1926 it was \$770. This is based on an estimate made by the National Bureau of Economic Research that the national income of 1926 will amount to almost \$90,000,000.

Over \$35,000,000 belonging to others who have not asked for it, is lying in Uncle Sam's vaults, being interest due on liberty bonds.

Evidently we are a nation of very careless coupon clippers.

Dale Chamberlain, vice president of the Drovers National Bank of Chicago, sent me two paragraphs from an advertisement on "Magnetic Personality." I trust there was nothing personal in the suggestion, but then again, there may have been. Anyway, here's the way the advertisement reads, "I can give you poise that banishes self-consciousness; charm that makes you irresistibly popular; personal power that will indelibly influence the minds of others and amaze your friends. I'll make you a fascinating force in social life; a powerful, dynamic, commanding figure in your profession. You will become more popular, more prosperous, more gloriously successful than you ever dreamed possible."

Just paste those two paragraphs over your desk and read them each morning as you open your bank for business, and in about three weeks you will no doubt be so successful that you can buy out the Drovers National Bank—that is, of course if it is for sale—which it will not be.

B. Louis Kaufman, a young man from Baltimore, told the truth in Miami and got arrested for it. He placed a sign in the front of his store which said: "Selling out—going back North where Men

(Continued on next page)



W. M. Rosen, Ogden, Iowa, banker (on the right) has deep respect for the "steer man," and expresses his feelings in the poem below.

Saluting the "STEER MAN"

IT'S a far cry from banking to poetry, but one Iowa banker, at least, can bridge the gap. W. M. Rosen, president of the City State Bank of Ogden, Iowa, is the banker and here, in his own words, are the circumstances that prompted his little poem printed below. Mr. Rosen says:

"Recently one of our cattle feeders shipped a car of steers to Chicago and while they were being loaded some of his friends jokingly asked him if he expected to get twelve cents a pound for them. He answered that if he was lucky enough to get that figure he would put on a banquet for them when he returned. He got twelve cents for them and when he returned he kept his word and invited a number of the other feeders from here and adjoining towns together with the commission man from Chicago and the president and cashier of his bank to a fine banquet.

"We felt so elated over the fact that we were invited into such 'select' society that we felt that we should express our feelings in some way so during the repast I read these verses to the men showing the feeling between their bankers and the cattle feeders. This is just a sample of how farmers and bankers should cooperate and when that is properly done we will have much better conditions in Iowa."

Entitled "The Steer Man," here are Mr. Rosen's lines:

"The city banker loans his cash
On buildings in the air,
His borrowers with cane and spats,
Have perfume in their hair.
And diamonds sparkle on their rings,
Their shirts fronts sparkle too,
That helps their credit, don't you know
And really shows 'Who's who'.

"The city banker then will 'float'
Some bonds that look real good,
And try to 'float' them on to us,
But no—we've understood
Through years of living with the 'rubes'
That they are staunch and true,
And when we have some cash to loan,
They always get it too.

"The country banker loans his cash,
On cattle, hogs and corn,
His borrowers wear overshoes,
Their overalls are torn.
The perfume that he bears with him,
I just want you to know,
Is of that kind that makes grass green,
And makes the tall corn grow.

"He has his perfume on his boots,
Instead of in his hair,
A little drop upon his shirt,
Serves as his diamond there,
But when he wants to feed some steers
And wants to borrow too,
This helps his credit, don't you know,
And really shows 'Who's who'.

"The man who fattens 'white face' steers,
Is not the sort of 'guy'
The country banker mostly fears—
You know the reason why.
Those flashy clothes don't make a man,
Nor make his credit good,
A man's a man for what he does—
For what he's always stood.

"The man who from a 'scrawny' calf
Can make a nice fat steer,
Is just as big a man to us,
As they who buildings rear,
And when he 'tops the market' and
The check comes rolling back,
We're just as happy as he is,
And slap him on the back.

"So here's to all our steer men,
We wish them best of health,
With lots of gain and little shrink,
They're on their way to wealth,
The man who makes those juicy steaks,
To feed those city 'guys'
Will always find his credit good,
From now until he dies."

"NEWS AND VIEWS"

(Continued from page 27)

are Men and Rents are Reasonable." Mr. Kaufman was arrested on a charge of disorderly conduct and sentenced to ten days in jail.

The trouble with Florida is that there were not enough Kaufmans earlier in the game.

B. Frank Kauffman, president of the Bankers Trust Co., has been appointed chairman of the entertainment committee of the Iowa Bankers convention to be held in Des Moines, June 20th-22d. Serving with Mr. Kauffman on this committee are Louis C. Kurtz, president of the Des Moines National Bank; Clyde Brenton, vice president of the Iowa National Bank; Grant McPherrin, president of the Central State Bank; Rolfe O. Wagner, president of the Capital City State Bank; Frank Warner, secretary of the Iowa Bankers Association, and Clifford DePuy publisher of THE NORTHWESTERN BANKER.

The Iowa Bankers convention has not been in Des Moines for six years and the bankers of the capital city are making arrangements to have this convention one of the best and most interesting in the history of the association.

Walter W. Head, president of the Omaha National Bank, made a trip through Florida recently, but he decided not to move his permanent residence to that state. He says he still believes in the common things of earth, as expressed by the following stanza:

"The things I prize of greatest worth
Are just the common things of earth.
The rain, the sun, the grass, the trees;
The flowers, the birds, the glorious breeze;
Clouds that pass, and stars that shine,
Mountains, valleys, all are mine;
Rivers broad, and open sea
Are riches none can take from me,
Oh God is here on ev'ry hand,
Upon the sea, upon the land!
And day by day my thanks I give
That with these common things I live."

A. G. Smith, chairman of the board of the City National Bank of Clinton, Iowa, recently celebrated its 86th birthday and his 57th anniversary with the institution. The day was as much a "red-letter" day with the bank as with Mr. Smith, and many congratulations were received from near and far.

Mr. Smith has built the City National on the firm foundation of sound banking practice and today the bank has a capital of \$300,000; surplus and undivided profits of \$495,968, and assets of over \$7,000,000.

Mr. Smith's son, A. C. Smith, is president of the City National Bank, and also president of the Iowa Bankers Association.

NORTHWESTERN BANKER

First National Bank Pig Contest.

Clay County Fair, August 23, 24, 25

Name

Address

*Guess Number of Kernels of Corn Pig Will
Eat in Ten Minutes.*

GUESS.....

**TURN THIS CARD IN AT THE FIRST NATIONAL
BANK BOOTH BEFORE 3:30 P. M. TODAY.**

How One Pig Brought Us Many New Accounts

*By putting "one pig in a pen" and having the
county fair crowds guess how many grains of corn
he could eat in 10 minutes, the First National Bank
of Vermilion, South Dakota, secured valuable pub-
licity, a good prospect list and many new accounts.*

HOW many grains of corn can a pig eat in ten minutes? No one knows, probably not even the pig.

It's an interesting question, however, and not so far removed from the banking business of Vermilion, South Dakota, where bankers refer to the great triumvirate, the Pig, the Cow and the Hen, as the saviours of the commonwealth.

The idea of ascertaining once and for all time, exactly how many grains of corn a husky, hungry porcine could consume in ten minutes intrigued Tom N. Hayster, cashier of the First National at Vermilion, to the point where he decided to find out. Along with this idea, Tom had the feeling that possibly other Vermilion folk, customers of the bank and prospective customers, might want to help make the discovery.

So Cashier Hayter decided to cash in on human curiosity and put on a little guessing contest. "Frankly," he says, "I believe I secured the guessing contest idea from a certain issue of the NORTH-WESTERN BANKER, in which an Iowa banker told of his success with a similar idea."

So the First National came forth with an announcement of a great guessing contest, to be put on during the Clay county fair, at Vermilion. "Guess how many grains of corn a pig can eat in ten minutes at the Clay county fair—we'll furnish the pig, and the winner gets the pig for keeps," was the text of the preliminary advertisements used by the bank to create interest. To make it even better,

the bank announced it would give away three pigs, one for each day of the fair.

To further create interest in the affair Mr. Hayter says he tried the experiment of parking the prize pigs in a pen directly in front of the bank, out on the street, a day or two before the fair opened. This resulted in even more publicity than anticipated for "the pig got loose" and while it "killed no goose," as in the fairy books, it required the assistance of the entire bank force, and civilian volunteers, to bring the fleeing porcines back to their rendezvous.

Each day at the state fair, the First National had a booth, with an attendant to manage the guessing contest. Every one was invited to write his name on a card, as shown on this page, with his guess as to the pig's eating ability.

The guesses, says Mr. Hayter, ranged all the way from a hundred to a million, some of the more imaginative youngsters feeling that the appetite of a pig is almost boundless. Of course, on the second and third days, after the previous day's winner and total had been announced, the guesses were closer, ranging from two hundred to a thousand grains. (It seems that the pig's appetite did enable him to devour about 300 grains in ten minutes daily.)

"Through this piece of publicity we secured the cards of more than five thousand people last year," says Cashier Hayter. This provides an excellent mailing list for the bank, if it wishes to use it

for that purpose. Mr. Hayter says he plans to use a similar contest this next year at fair time, and may give away a blooded calf as a prize. He has not as yet worked out the details of it. The bank officials say that indirectly it results in new business, and they are glad in any event to thus encourage interest in good pigs and live stock among the farm people.

PULLING A WHOLE COUNTY OUT OF THE "RED"

(Continued from page 18)

alfalfa hay into Butterfield, due to the shortage of hay there following last year's drouth. He sold this at cost, at \$23½ per ton, including freight from Lexington, Nebraska.

Last year he shipped in 7,000 pounds of alfalfa and 3,000 pounds of sweet clover, at cost. He is now doing the same this year and is able to sell it at a price even cheaper than the farmers can obtain it through their Farm Bureau Exchange at St. James.

In 1923 Mr. Brogger was chairman of the Watonwan county delegation that attended the Northwest Dairy show at St. Paul. More than seven hundred people attended from his county, and he was commander-in-chief of the two special trains that carried them.

Other bankers will want to know: "Did all this work pay?" Mr. Brogger answers emphatically in the affirmative. He says: "The cooperation our bank has given the farmers of this county has paid substantial dividends. In fact, were it not for the dairy work we have done, I can't see how either of the two banks in Butterfield would be open at the present time, particularly after last year's failure of small grain crops. We raise considerable corn, hogs, chickens, and this diversification, together with our increased dairy production is the only thing that has prevented the county from going on the rocks."

Times Growing Better

"Money here is still pretty tight, but the farmers are in much better condition than they have been for years. All we need to insure moderate prosperity is a good crop this year. This county has had but one bank failure, despite the poor crop conditions."

Along with his job as "angel of prosperity," for Watonwan county, president of the Butterfield State Bank, creamery organizer, etc., Banker Brogger has a host of other community interests. He helped organize the Tri-county Crop Improvement Association for Brown, Cottonwood and Watonwan counties, and is now secretary-treasurer of that body. They held their first crop show at Comfrey, in 1925, and last year held the show at Windom. Both shows were pronounced successes.



The Stability of a Bond House

THE stability of any business organization rests fundamentally in the product or service sold—and more particularly in the degree and composite of various qualities possessed by such product or service.

A sound foundation is no assurance of the strength and the efficiency of operation of the structures supported thereby, but no structure can be any stronger than its foundation.

A bond house sells bonds, and the foundation supporting the operating and financial structures built by the management of the house is the degree and composite of such loan qualities as safety, marketability and income possessed by the bonds the house sells and it is well to remember that all loan qualities disappear if there be not safety of principal.

First Illinois Company BONDS FOR INVESTMENT

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

The Average Deposit Grows Smaller—Why?

(Continued from page 20)

ation. In April, 1921, we organized in our Farmers Loan and Trust Company a Work and Save Bond Department, issuing bonds in denominations of \$5.00, \$10.00, \$25.00, \$50.00, \$100.00, \$500.00 and \$1,000.00 and our rate at that time was 6 per cent and there have been various fluctuations downward, the rate now being $4\frac{1}{2}$ per cent for a five year bond. Bonds issued for a term of less than five years are issued at the same rate as our clearing house banks pay upon time deposits. That is to say, 3 per cent for any time under six months, $3\frac{1}{2}$ per cent for from six months up to two years and 4 per cent upon two year certificates.

"Our Work and Save Bond Department started, as stated, in April, 1921, and we now have approximately \$400,000 of bonds outstanding and there is, of course, a considerable tendency for people after accumulating small amounts in their savings accounts to transfer to Work and Save Bonds on account of the larger rate, which fact might account for the small decrease in the average size of accounts as shown above."

By W. H. Babcock

FIRST: There has been no change in the average of our Savings Accounts.

"Second: We have never adopted any of the many offered schemes to increase savings deposits, believing that most of such accounts would be only temporary and that the expense of putting the schemes over would not be warranted by the results. We consider the schemes used by many banks for increasing savings deposits like a revival is to a church. You get in lots of new members, but they backslide more easily than they are converted. We try to bring people who want to save to our bank by actually operating a good bank. We want them to come to us because they think we are a safe place to leave their money. When they come we try to encourage them in their saving.

"We believe the best, most lasting, sound and profitable way to develop new business to be through your patrons. Try and make the business relations with customers you have so agreeable that they will want to influence new business to your bank. This seems to me the natural way, and while most bankers will say "We do all this," but do they?"

"When we have depositors who feel they should have some of their money invested so it will earn more than we pay on savings, we sell them a good bond, and we do so before the other fellow does. We preserve the account and tie them more securely to our institution.

"Third: If we were opening a new bank, I would simply pursue the lines herein mentioned, operate a good clean bank,

make the service you give your customers of such a character that they will become real boosters for you. I would keep out of the real estate business; have nothing to do with any stock promotions. Would not loan a dollar to an officer or director of the bank. When profits were enough to pay a dividend, I would not pay any. When I did begin to pay dividends I would keep them down and let profits accumulate into a good surplus. I would not loan our legal limit to any one. I would keep on good terms with other bankers in my town, talk matters over with them, because I know from experience, that it pays. The foregoing would be my program to obtain new accounts."

By R. G. Eilers

IN CHECKING back over a period of two years I find that our savings accounts have decreased some, and believe that on account of living conditions that people have been forced to use up a part of their savings, and on account of other conditions generally, the savings habit has not stayed with them to the extent of laying aside a portion of their earnings for the rainy day, the latter condition however I believe is being changed, and that people are again regaining confidence in one another and the future prosperity and welfare of our country.

"In a general way through our advertising we are constantly keeping before our community, the necessity for savings, and are impressing the fact that most savings accounts are built up from the idea that most savings accounts are not started with large amounts, but with a firm resolution to save a portion of whatever income we may have, whether it be a large or small amount.

"In the solicitation of accounts for a newly organized bank it would seem, that a very thorough and general survey should be made of all prospects, then if possible a personal solicitation should be made and a close record should be kept of all new accounts, as well as a close record of prospects. Prospective customers should be seen at friendly intervals, to show your personal interest in them. The spirit of friendliness should be shown for the sake of friendliness and good will, which spells success for any venture."

"Just Before the Battle, Mother"

"Always and everlastingly late," snapped wifey as hubby came home late for his supper. "Why, you were late at church the day we were married."

"Yes, my dear," he replied bitterly, "but not late enough."

NORTHWESTERN BANKER



Our Facilities

We have made our facilities for serving correspondent accounts the best we know how. The men who have charge of your correspondent items are specialists in that type of work.

But we don't stop there.

The officers of this institution have a **PERSONAL INTEREST** in your every transaction, and a friendly handclasp for you whenever it is our good fortune to have you visit Davenport.

During our fifty-eight years of constantly broadening activity in Davenport and Iowa, we have established many important contacts and have accumulated a vast amount of vital information relative to the territory which we serve.

Our knowledge and experience is a part of our service to correspondent banks. Please feel free to call upon us at any time.

OFFICERS

ED KAUFMANN, President	
RAY NYEMASTER, Vice President	F. A. JOHNSON, Assistant Cashier
H. P. OETZMANN, Cashier	JNO. D. BROCKMANN, Asst. Cashier
F. C. KROEGER, Assistant Cashier	A. H. HIEGEL, Assistant Cashier

AMERICAN COMMERCIAL *and* SAVINGS BANK DAVENPORT IOWA



To the Young Banker



Mr. D. R. Wessling, President of Wessling Services, was 28 years old when he founded the Lytton Savings Bank at Lytton, Iowa, with capital earned by himself. At 34 he was president of two banks.

Wessling Services are proud of the hundreds of loyal friendships formed with the younger members of the office force of their client banks, as well as with the senior officers.

The "Wessling way" helps the younger men in a bank to see a vision of what sincere, carefully planned publicity can do.

Many young men who were bookkeepers and clerks when we first introduced our service to their banks now have active charge. Needless to say, they are among the most enthusiastic of all the users of Wessling Services.



PLANNERS AND CREATORS OF ORIGINAL BANK SERVICES
WESSLING SERVICES
LYTTON, IOWA

HOW BANKERS ARE OPERATING 19 FARMS SUCCESSFULLY

(Continued from page 11)

15-30's and the other a general utility. In the spring, from the latter part of March to the first week in May, is plowing time and then the tractors are worked in fleet formation, going from one farm to another until the job is finished. All plowing on the nine farms not rented on a share basis is done by the tractors. During this peak period, naturally the place of the mechanic and his helper is out in the field, and so during this time the shop is closed.

The tractors are rushed through the tillage jobs. They proved their importance in splendid fashion in the rainy season of year before last when the company worked them day and night when the weather permitted. To do this night work, automobile headlights were provided. That there is an important place for a tractor on the farm is being proved to many a farmer in the neighborhood of Bluffton by the way the Central Investment Company is using them.

Besides performing all the plowing, the tractors are utilized to do numerous important belt jobs, such as feed grinding, threshing, sawing wood, etc., and also to pull tractor binder and mechanical corn picker, the mechanism of these two latter-named being operated by power directly from the tractor engines by power take-off shafts.

Besides the tractors, the company's modern-day equipment includes a 10-foot tractor binder, a mechanical corn picker, a 22-inch thresher, two hay balers, six manure spreaders, a feed grinder, three culti-packers, eighteen small engines, two two-row cultivators, rotary hoe, beet plows, two beet lifters, twelve cream separators, and a full assortment of tillage tools designed for tractor operation.

Farm Machine Preparedness

In the winter, then, a thorough check is made of every important tool and machine, and these are put in prime condition for the following season. Special effort is made to prepare the tractors for the heavy work they will have to perform in the spring. Accordingly, each tractor is taken apart by the mechanic and given a complete overhauling. Obviously, then, breakdowns of any of the machines during the peak seasons are a rarity on the Central Investment farms. In the slack periods, also, the men work together repairing fences and buildings, building sheds and barns, painting, installing drainage systems, laying concrete, for the mixing of which a concrete mixer is provided, removing stumps, and doing the numerous cleaning up and repairing jobs that are continually arising.

Among the crops this year on the nineteen farms are 1,000 acres in corn, 500

NORTHWESTERN BANKER

Four Generations



1864

*Your Great Grandfather's
Bank*



1884

*Your Grandfather's
Bank*



1894

*Today Your Father's
Bank*

Your Bank

FIRST NATIONAL BANK
MINNEAPOLIS

YOU are cordially invited to use
the complete commercial, sav-
ings, trust, investment and other faci-
lities of any of our conveniently
located institutions.

First National Bank

Marquette at Fifth

St. Anthony Falls Office

East Hennepin at Fourth

West Broadway Office

West Broadway at Emerson

North Side Office

Washington and Plymouth St.

Hennepin County Savings Bank

511 Marquette

Minneapolis Trust Company

115 South Fifth

Bloomington-Lake National Bank

Bloomington Avenue at Lake

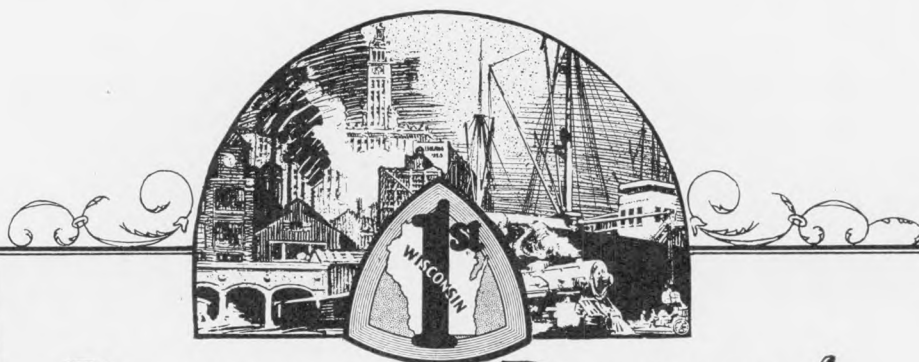
Minnehaha State Bank

27th Ave. S. and 23th St.

Combined Capital, Surplus, Profits \$14,382,000.00



Fifth at Marquette

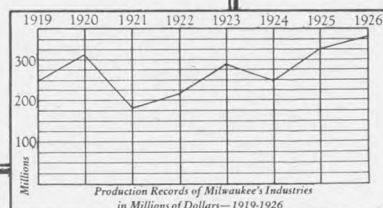


Partners in Progress!

THE shriek of the 7 o'clock sirens each morning sends over 130,000 Milwaukeeans scurrying to their posts in the city's 1700 industrial plants. Countless wheels are set a-whirring and in a moment the brains and brawn of this good-sized army are at work full swing, turning out products that are shipped to all parts of the world.

Outstanding as the thirteenth industrial city in the United States, in 1926 Milwaukee produced one billion dollars worth of goods. A billion dollar industrial city—with a greater diversity of industries than any other city in the United States.

For nearly three-quarters of a century this bank has helped to turn the wheels of business in Milwaukee. The First Wisconsin and Milwaukee industries are partners in progress.



FIRST WISCONSIN NATIONAL BANK—MILWAUKEE

CAPITAL AND SURPLUS TEN MILLION DOLLARS

COMMERCIAL BANKING SINCE 1812

(Authorized depository for federal, state and municipal funds)

DIRECT FOREIGN BANKING SINCE 1814

(Correspondents in all principal cities of the world)

TRUST DEPARTMENT ORGANIZED 1888

(As a department of the Franklin Trust Company, acquired through consolidation in 1920)



Quick—
Direct—
Personalized—

Our correspondent service
for banks and bankers has
these qualities.

The BANK of AMERICA
NEW YORK

Capital, Surplus and Undivided Profits Over \$11,000,000

acres in oats, 100 acres in alfalfa, 100 acres in soybeans, 100 acres in rye, 50 acres in beets, and 100 acres in sweet clover.

Careful rotation, thorough tillage, and the wide use of legumes and fertilizers are helping wonderfully in improving the soil conditions on these farms. On one of the first farms acquired the corn production has been brought up from 40 or 50 bushels to 90 bushels to the acre. Noticeable increases in other crops have also been realized on those farms, worked according to the Central Investment plan, for the past several years.

Of course, close check is made of all cost items, which are carefully recorded by a bookkeeper at the Bluffton office of the company. This is a natural procedure in a business organization such as the Central Investment Company. All expenditures are made by checks filled out in duplicate. On the duplicate, which goes to the bookkeeper, is designated the purpose for which the expenditure is made. Careful records are also kept of receipts and various crop and maintenance items.

Finally, no matter how one looks at the Central Investment Company's extensive and unusual farming project, the way it is conducted strikes one at once as businesslike and comparable in efficiency with that of any other productive enterprise operated by a group of business men such as those working with Mr. Todd, the president of the Central Investment company. The thorough method of planning the work, the use of machines to take the place of man labor wherever possible, and the careful maintenance of these machines, the continual effort to keep the men satisfied and thus reduce labor turnover to a minimum, and close supervision of costs are typical, in fact, of any ordinary well operated business organization.

FIVE REASONS OUR BANK HAS BEEN A SUCCESS

(Continued from page 21)

Yet, despite it all, people right here in Hot Springs are increasing their savings. It shows a good determination on the part of 'Mr. Average Citizen,' considering the temptations for spending money.

Save for Special Purpose

"We try especially to induce young people to put away money for some special purpose. The saving for some definite end will get them into the habit; so we counsel, advise and encourage our boys and girls to save. Incidentally, it opens lots of new accounts."

When asked how his bank induced children and young people to start saving accounts, Mr. Smith said it was largely through the parents. Parents who are interested in their children getting ahead

are encouraged to induce their children to make deposits, and, in fact, to learn how to do banking. The bank gets parents and children to set some definite goal towards which to climb, and to save enough money to buy some desired object.

"If you get the young people started, it is a great advantage; they will be the business men of tomorrow. Thus we find it best to work with the families who want their children to save. We get them interested in saving to buy a pony, or for school purposes, etc. If you give away something for nothing in order to get these accounts, it costs more than the scheme is worth. We have to get the young folks educated to it. The school ought to teach something of a practical nature along banking lines. There are even high school graduates who do not know the denominations of our currency."

Chicago Votes \$21,390,000 Bonds

Bond issues, aggregating \$21,390,000, were approved by the electors of Chicago at a recent election. Several were for public improvements, desirable and needed, but whether desirable or not, the voters approved them all. The proposition to issue \$5,900,000 in bonds to finance the city's share of the river straightening project was passed by a vote of four to one. This contemplated improvement will go far toward further beautifying the city of Chicago by unkinking the Chicago river from Polk to 18th street. The work, it is estimated, will require approximately three years to complete. Another issue of \$3,700,000 bonds to provide for the building of a bridge at Wabash avenue, opposed by the Bureau of Public Efficiency, also carried.

ROYAL UNION LIFE INSURANCE COMPANY

DES MOINES, IOWA



*Royal Union Life Building,
Cor. Seventh and Grand Ave.,
Des Moines, Iowa*

Selling Insurance on Lives of Children

Our new Juvenile Policies offer a great opportunity and a distinctive field of service.

Endowment policies at ages 16, 17, 18, 19, 20 and 21. Also straight 20-year Endowment and 20 Pay Life contracts.

Written from age one day old and up.

Without reexamination, automatically placed in full benefit for face of the policy at age five.

Special Waiver of Premium Benefit waives premiums in event of death or total permanent disability of the beneficiary.

A great many of our agents are devoting their time exclusively to the money-making sale of these wonder contracts.

Royal Union Life Insurance Company

Des Moines Iowa

A. C. TUCKER, President

ESTABLISHED
1879

Personal Interest In Out-of-Town Items

All business entrusted to us by out-of-town banks receives the prompt attention of an officer, who is interested in effecting a speedy execution of the transaction. Knowledge of the requirements of the bank concerned enables him to handle all items with quick understanding.

*The new State Bank of Chicago building
—now being erected at La Salle and
Monroe Streets—will provide increased
facilities for out-of-town customers.*

HENRY A. HAUGAN
Chairman Board of Directors

RALPH VAN VECHTEN
President

LEROY A. GODDARD
Chairman Executive Committee

OSCAR H. HAUGAN
Vice Chairman of the Board

State Bank of Chicago

A Trust Company

La Salle and Washington Streets

Member Federal Reserve System

CAPITAL, SURPLUS & UNDIVIDED PROFITS OVER \$10,000,000

FIVE TIMES MORE THAN AN HONOR ROLL BANK

(Continued from page 22)

not in the least spectacular, on the contrary it is quiet but consistent. We foster no campaigns, or contests," says President Miller. "However, we are always ready to loan the farmer on buying seed, a needed team, brood sows, cows, and all the investments that serve to promote diversified farming which has so greatly aided this part of Nebraska." He hinted, however, of a trend away from the farm, saying there are fewer borrowers in the above category now than formerly.

Banks of Stanton do not make a service charge. First National officers, nevertheless are of the opinion that such charges are practical and predict that they will eventually adopt them. "At least a service charge eliminates a lot of unprofitable accounts that are continually overdrawn. It is our own fault that such is the case, for most of us advertised in the recent years that 'One Dollar Starts an Account,' invited them in and we're paying the penalty," says Mr. Miller.

Trim and affable, the direct opposite of the stage banker with the whiskers and wing collar, the president of Nebraska's "First" honor roll bank radiates calm optimism. He concludes: "My advice to bankers of the middle west is to hang on, for our real estate is bound to come back strong. Remember, we feed the world. I believe with all my heart in the future of the middle west and the state of Nebraska!"

Head New Bank

Charles Benesh was elected president and P. C. Welle cashier of the National Bank of Toledo, Iowa, at the first meeting of directors held recently in the banking rooms following the initial stockholders' meetings. The seven directors elected were Charles Benesh, Dr. A. A. Pace, John Petra, W. B. Schultz, Rube Shaw, G. H. Struble and P. C. Welle.

Nearly 400 of the 500 shares of stock was represented at the meeting and the stockholders more than filled the two rooms in the rear of the bank. The stockholders selected George E. Gary as chairman of the meeting and E. A. Benson as secretary.

Mr. Welle, the new cashier, comes to Toledo with the highest recommendations of the state banking department. He was cashier of the Sully State Bank from the time of its organization in May, 1914, until May 1, 1926. From February, 1911, until the time of the organization of the Sully bank, Mr. Welle was connected with the First National Bank of New Sharon, one year as assistant cashier and the remainder of the time as cashier.

The power of punishment is to silence, not to confute.—Johnson.

NORTHWESTERN BANKER

Over Fifty Years

For over a half century the Consolidated National Bank has been rendering a satisfactory service to correspondent banks throughout this territory. The officers and directors of the Consolidated National Bank have the experience, the ability and the knowledge which eminently fits them to handle your account to your entire satisfaction.

"An unbroken record of fifty years is a guarantee of safe and satisfactory service."

Total Assets Over \$7,383,000

Consolidated National Bank

Dubuque

Consolidation of

SECOND NATIONAL BANK

DUBUQUE NATIONAL BANK

CITIZENS STATE BANK

DUBUQUE SAVINGS BANK

PIONEER TRUST & SAVINGS BANK

Officers and Directors

J. K. Deming, Pres.

Jas. M. Burch, Vice Pres.
Geo. W. Myers, Vice Pres.
Herm. Eschen, Secretary
Jos. W. Meyer, Cashier
Albert Wharton, A. C.

Arthur P. Melchior, A. C.
J. J. Sullivan, A. C.
John E. Wagner, A. C.
J. A. Behnke, A. C.
M. J. Grace, A. C.

F. W. Coates, Insurance
John H. Maclay, Bradley & Maclay Real Estate
Geo. McLean, Pres., Key City Gas Co.

J. J. Roshek, Roshek Bros. Co.
Chas. J. Schrup, Pres., Dubuque Fire & Marine Ins. Co.

John W. Schwind, Dubuque Realty Co.
Carl W. Ziepprecht, Bonds



A Specialized Service

for Banks and Bankers
which is the result of more
than sixty years of experi-
ence is offered by

THE FIRST NATIONAL BANK OF CHICAGO

and

THE FIRST TRUST and SAVINGS BANK

Complete facilities are pro-
vided for active and inac-
tive accounts, collections,
bills of lading, investments
and foreign exchange
transactions

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

*Combined Resources
Exceed \$450,000,000*

Personal Paragraphs

A. J. Lord has resigned as vice president of S. W. Straus & Company to become vice president of Shields & Company, in charge of the sales department.

John J. Mitchell, Jr., was promoted recently from assistant cashier to assistant vice president of the Illinois Merchants Trust Company, Chicago. Mr. Mitchell was not long ago made a director of the Commonwealth Edison Company.

Robert S. Hotz, formerly with the Illinois Merchants Trust Company, is now connected with the corporation buying department of the Federal Securities Corporation.

Vice President Charles G. Dawes is again in his office in the Central Trust Company of Illinois, Chicago. Mr. Dawes returned to his home in Evanston recently, and expects to spend the summer in the West.

Frank O. Wetmore, chairman of the board of the First National Bank, Chicago, has returned recently from a six-months' tour of the world. Mr. Wetmore enjoyed a complete rest from business cares while on his trip.

Leroy A. Goddard, chairman of the executive committee of the State Bank of Chicago, has been spending the winter in

California. He returned to his desk recently, expressing optimism regarding the future business outlook.

John W. O'Leary, vice president of the Chicago Trust Company, is one of five delegates appointed by President Coolidge to represent the United States at the International Economic Conference to be held next month at Geneva.

Four promotions to assistant to vice president were made by the directors of the Illinois Merchants Trust Company at their regular monthly meeting, April 8th. Those who were promoted are John J. Mitchell, Jr., T. Philip Swift, W. A. Sumner and Mark Collor. Mr. Mitchell and Mr. Swift were formerly assistant cashiers.

Walter L. Schnaring of New York City was elected a vice president of the National Bank of the Republic, Chicago, at a recent meeting of the board of directors. He was for many years an officer of the National City Bank of New York, and in close touch with the commercial and banking activities of that city.

John C. Heines has recently become associated with the Minneapolis office of P. W. Chapman & Company. Mr. Heines' previous connection was with the Julius F. Lowe Company and with Wells-Dickey Company.

Repeating History

(Little Talks on Tiling, No. 26)

WEATHER history prophesied that 1927 would begin a cycle of increasingly wet seasons. April has verified that prophecy. There has been more delay and trouble in seeding and preparing for planting. Farmers have realized again that the untiled highlands are wetter, colder

and slower than the tiled lowlands. The same contrast will be found when the yields are measured this summer and fall. So again we repeat our statement that tile drainage is good insurance of large yields in spite of weather conditions, and that means insurance of farm profits.

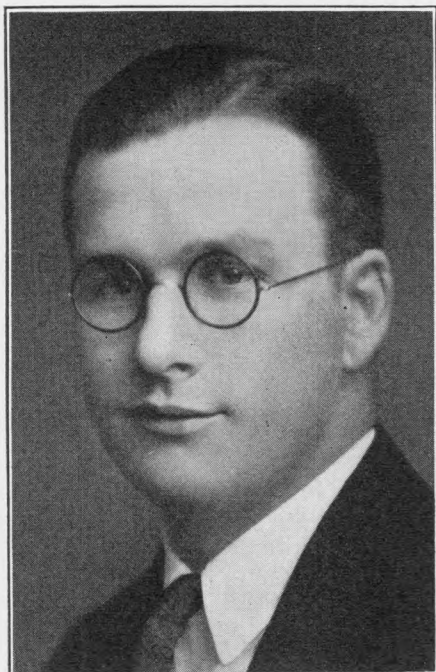
Returning Wet Seasons Prove Tile Drainage
Necessary for Dependable Yields and Profits

Mason City Brick and Tile Co.

312 Denison Bldg. Mason City, Iowa

Heads Bond Department

Don J. McMurray, for the last four years a salesman in the bond department of the Des Moines National Bank, has been



DONALD J. McMURRAY

appointed manager of that department, according to a recent announcement by Louis C. Kurtz, president.

Mr. McMurray succeeds the late Tamlin S. Holland, who was, before his death, a vice president of the bank, as manager of the bond department.

Mr. McMurray has been a resident of Des Moines for the last seven years and during that time has been engaged in the bond business. He is a graduate of Grinnell college.

Harry M. Hanson, assistant secretary of the Illinois Merchants Trust Company of Chicago, died recently at his home in Evanston, Illinois, at the age of 55. Mr. Hanson joined the Merchants Trust staff in 1917, and became assistant secretary in 1926.

The Bank of America, New York, is to have a Chicago namesake. The Greenebaum Sons & Trust Company has decided to change its name to The Bank of America. In addition to changing the name, the bank added a half million to its capital, making a total of two millions.

Colonel John G. Lonsdale, in his several capacities as president of the St. Louis Clearing House Association and of the Bankers Club, will be the official greeter when the Springtonic Special stops in St. Louis on its way to Hot Springs, Arkansas. The tourists will stop over in St. Louis on Saturday, and

for MAY, 1927

great plans are being made for their entertainment.

E. L. Johnson and Mrs. Johnson, of Waterloo, have made reservations on the Springtonic. Mr. Johnson is a director of the Federal Reserve Bank of Chicago.

Colonel W. G. Edens, who has returned recently from a tour of the northwest, reports business conditions as improving, and the future outlook bright.

Milwaukee Banker Dead

News has been received of the death of Fred R. Sidler, assistant vice president of the First Wisconsin National Bank of Milwaukee, at Pass Christian, Mississippi. Mr. Sidler's illness had

kept him from his desk at the bank for the last year.

Mr. Sidler was born fifty years ago, a native of Milwaukee, where he lived all of his life. He entered the employ of the Wisconsin National Bank in 1898, as a messenger. In 1903 he left the bank to engage in business but returned in 1911. At the time of the merger in 1919 he came to the reorganized bank as an assistant cashier and was appointed an assistant vice president in December, 1921, discharging the duties of his position ably and with credit to himself. About a year ago he left on a furlough with the hope of regaining his failing health.

The refusal of praise is only the wish to be praised twice.—LaRoche foucauld.

THE FOREMAN BANKS

FOUNDED 1862

We invite your business
on a 65-year record of continuous growth. We are
fully equipped to serve you
in every banking function.

The Foreman National Bank
The Foreman Trust and Savings Bank

La Salle and Washington Sts.

Chicago

Resources Exceed 100 Million Dollars



Valley Bank Building

Established 1872
Combined Capital and Surplus
\$1,100,000.00

THE *Des Moines* business of Iowa banks is *invited*. These banks are thoroughly equipped in every department.

Valley National Bank AND Valley Savings Bank DES MOINES, IOWA

R. A. CRAWFORD, President
D. S. CHAMBERLAIN, Vice President
C. T. COLE, JR., Vice President
W. E. BARRETT, Cashier
JOHN H. GINSBERG, Asst. Cashier
C. M. CORNWELL, Asst. Cashier

Organize County Association

The Emmet county bankers met at the Gardston hotel at Estherville, Iowa, recently, for the purpose of organizing a County Bankers Association.

This organization was strongly urged by the State Bankers Association and this is done for the purpose of strengthening banks and for the furtherance of cooperation among the community bankers.

The following officers were elected for the ensuing year:

J. A. Nelson, president, Wallingford; O. N. Refsell, vice president, Estherville; W. B. Mangold, secretary, Ringsted; S. S. Holen, treasurer, Ringsted.

A constitution was adopted, the same being the uniform constitution as now already is in effect by eighty-eight county bankers associations of the state. The declaration of the association says that, "The object of this association shall be to promote social fellowship, better business relations and sympathetic cooperation between the banks of Emmet county; to foster and support any measure deemed for the general welfare of the county at large, or the members, and particularly such measures as will tend toward safer and better banking methods; to serve as a medium through which questions of mutual interest and problems which concern the banks of this county generally may be discussed and acted upon with uniformity.

"And further, to create through the Emmet County Bankers Association a protective organization for the purpose of cooperating with the Iowa Bankers Association, the authorities of the state and of Emmet county in their efforts to eradicate from this county and state such persons who would rob or attempt to rob banking institutions; and by such organization give greater protection to the lives of the depositors, officers and employees of the bank and to the money, securities and other property which they own or hold as custodians."

Discontinues Business

Deciding that the Farmers Savings Bank of North Liberty, Iowa, could not be operated profitably, stockholders of the institution at a meeting recently voted authority to the board of directors to dispose of the assets and discontinue business as a banking institution.

In consequence of this action, the directors have sold the assets to the First National Bank of Iowa City, which will handle the affairs of the North Liberty bank. In the meantime, the Farmers Savings Bank at North Liberty will remain open to pay depositors and transact such other necessary business, but not to receive deposits nor accounts, which business will be transferred to the First National Bank in Iowa City.

Business is never good
business until it
makes a friend. The
First National has
many, many friends
among the bankers of
Iowa.

*We Will Consider It a
Genuine Pleasure to
Serve You*

**FIRST
NATIONAL
BANK
IN THE UNITED STATES**

OFFICERS
A. F. DAWSON, President
JOE R. LANE, V. President
IRVIN J. GREEN, Cashier
C. F. SCHMIDT, Asst. Cashier
P. A. TORNQUIST, Asst. Cashier



FIRST NATIONAL BANK DAVENPORT, IOWA

Attend A. B. A. Meeting

The annual spring meeting of the members of the executive council of the American Bankers Association will be held this year at Hot Springs, Arkansas, from May 2, 1927, to May 5, 1927. A special train will carry eastern councilmen from New York and the New England states. Another special train will start at Chicago. On the Chicago special train will be the following Iowans:

Charles City—Mr. and Mrs. M. W. Ellis, vice president First National Bank. (Mr. and Mrs. Ellis have just returned from a four months trip to Australia.)

Des Moines—Mr. and Mrs. L. A. Andrew, state superintendent of banks; Mr. and Mrs. Grant McPherrin, president Central State Bank.

Davenport—Mr. and Mrs. Ray Nye-master, vice president American Commercial and Savings Bank.

Grand Junction—Mr. T. R. Watts, president Citizens Bank.

Mason City—Mr. and Mrs. W. G. C. Bagley, vice president First National Bank.

Story City—Mr. A. M. Henderson, cashier First National Bank.

The special train left Chicago over the Wabash railroad at midnight Friday, April 29, 1927, and arrived in St. Louis the next day when all were guests of the St. Louis Clearing House Association and Bankers Club of St. Louis. The special train left St. Louis Saturday night and arrived in Hot Springs Sunday morning.

CASHIER WALKER HELPS FARMER BEASON MAKE OUT A FINAN- CIAL STATEMENT

(Continued from page 15)

Walker glanced up sharply to see if his new customer was spoofing him, but as there was nothing in his face to indicate that the statement was not made in perfect good faith, he entered the figure, "\$14,000.00."

"You see, I'm paying twelve thousand for the Miller place next week."

"Oh! Well, in that case, we'd better just enter the difference here, since we may consider that much of your account as already appropriated. Then, we'll include the farm among your assets." And he reached for a fresh statement blank and began anew.

"That leaves two thousand, at least, as cash on hand. And now, your live stock. How many cows?"

"Does that take in young stuff? No? Well, there's Fred—he's the youngest boy—he milks two." Walker made a tentative dab at the paper with his pen, but arrested the movement barely in time, as Beason continued: "—and then Jim, the other boy, he milks three. And me, I milk four," he finished.

"How many does that make?"

for MAY, 1927

PARAPHRASED PROVERBS

*Nothing Succeeds Like
Efficient Service: No
Service Excels that of a
Successful Bank*

■

It is not always easy to distinguish between cause and effect in accounting for the fact that the largest and strongest banks usually offer the best collection facilities.

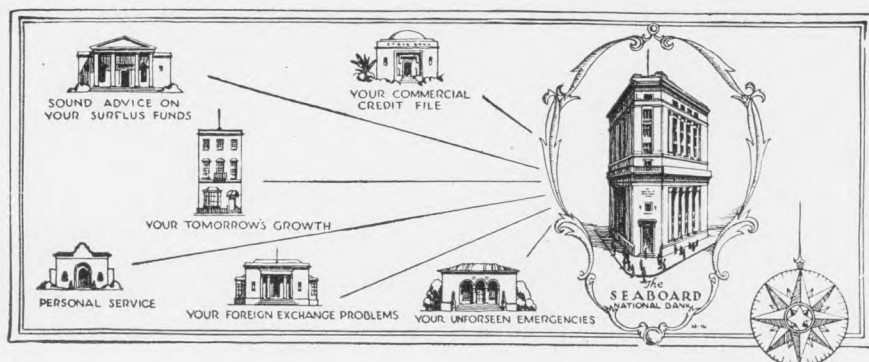
This institution enjoys the confidence and patronage of a steadily increasing list of clients as the result of the complete and efficient collection services we provide.

■

THE PHILADELPHIA-GIRARD NATIONAL BANK

PHILADELPHIA, PA.

Capital, Surplus and Profits . . . \$28,500,000



Your unforeseen emergencies

UNCOMMON situations arising at distant points very often can be cleared up in New York. Through our direct contacts here with all the commercial centers of America, as well as abroad, we are able to promptly handle the problems of our correspondents wherever situated.

The Seaboard National Bank

of the City of New York

MAIN OFFICES: BROAD AND BEAVER STREETS

"That's nine," said Walker, entering the figure.

"And then, there's the two Jerseys and the muley cow that 're dry now. How many you got now?"

"That's twelve," said Walker, as he busied himself with the eraser, casting a rather malevolent glance at Sam Hawley, who seemed to be taking a great deal of interest in the conversation. "Now, are you sure that's all the cows you own?"

"Why, yes; ain't that enough?"

A Polite Snicker

"Oh, certainly." Walker's ears reddened as he heard something suspiciously like a snicker from Hawley's desk. "I just wanted to be sure we had all of them before I entered the figure again. And now, how many head of young cattle?"

After twenty minutes of questioning, with many erasures of items entered prematurely, the heading "machinery" was reached on the list of assets.

"Machinery? Well, I got a binder, and a corn binder, and a disc, and four cultivators, and a spreader, and a stirrin' plow, and a sulky plow, and a gang, and —"

"About how many dollars worth of machinery altogether, would you guess, Mr. Beason?"

"Oh, 'bout eight hundred, I reckon." Then, as Walker wrote down the figure he added, "But how about a tractor, now? I bought a new tractor last month for eleven hundred."

Walker sighed, as he reached for the eraser. "Yes, that goes in. And now, any notes or securities?" he went on.

"Who? Me? I should say not!"

"What about 'Real Estate?' Do you own any other land besides the Miller place?"

"Why, I don't own the Miller place yet. Don't you know, I told you I got to get my money down here from Harrisburg before I can pay for it."

"Yes, I know," said Walker wearily. "But we are assuming here that it's all paid for, and we deducted twelve thousand from your cash on hand for that purpose. And now, do you own any other land?"

"Well, I got fifty acres yet, down by Harrisburg."

"And about what is that worth?"

"Oh, I don't rightly know. I was offered three-fifty for it in 1919."

"Yes, but we can't bank on those boom prices nowadays, can we, Mr. Beason? What would be a reasonably conservative valuation for the land today?"

"Why, I don't know much about that. Ain't been much land sold down our way. What would you say it was worth, now?"

"That's a pretty hard question for me to answer, since I haven't even seen it. I assume that it is somewhat rolling. Most of the land around Harrisburg runs

NORTHWESTERN BANKER

that way. Would it be worth, say, a hundred dollars an acre?"

"Well, it oughta be worth that much, anyway." Walker, in desperation, was on the point of lumping it off at "\$6,000," when his customer went on: "'Course, they're buyin' it for a fair grounds, so they can afford to pay more 'n it'd be worth to farm."

"What! You say this farm is sold, Mr. Beason?"

"Oh, no; we made a deal for it at three hundred dollars an acre, but I don't get the money till next month."

Walker ran his hand feverishly through his hair. Then, with a mumbled apology, he rose and walked over to the window. "I'll find out what this fellow's worth if it takes me all night," he muttered to himself, and with his composure at least partially regained, he returned to his desk, and taking a new statement blank from the drawer, he entered "Cash on Hand, \$17,000," and copied off the rest of Farmer Beason's assets from the original list.

"Well, that gives us thirty-six thousand five hundred dollars on the assets side. That sounds about right?"

"Yeah, I reckon so," responded Mr. Beason. "Oughta be that much, anyway."

"Now for the Liabilities. How much money do you owe, unsecured?"

"Not none," responded Beason, promptly.

"Any chattel mortgages?"

"No. Never took no stock in chattels."

Walker began to take courage. "This isn't going to be so bad, after all," he speculated mentally. "And now, your mortgages on real estate?" he inquired.

"Oh, about twenty-three thousand, I guess," was the answer.

With a sigh of disappointment, Walker studied the figures he had listed on the Assets side. "Well, no help for it," he muttered, and entered the figure.

"And now, how about contingent liabilities?"

"What in hell's them?" asked the farmer, in a puzzled tone.

"Well, have you signed any bonds, for instance, or stood as security for anyone on a note?"

"Why, you asked me about that already," said Beason. "Up there where them assets are, you asked me about notes and securities, and I told you no. I ain't never went security for nobody yet, and don't think I ever will."

Walker glared wildly and unseeingly at the paper before him. Finally regain-

Clearing 29% Of Chicago's Checks

Almost 35 billion dollars
went through the Chicago
Clearing House in 1926.
Well over a fourth—or
\$10,122,686,000—was
cleared by this institution

**The CONTINENTAL and
COMMERCIAL
BANKS
CHICAGO**

RESOURCES HALF A BILLION—AND MORE

Accountants

Oldest firm in Des Moines
Call us for certified work

MUEHLE, REAM & McCLAIN
1106 Commonwealth Building

Serving Your Customers

In a recent survey of the bond outlook in the middle west among 4,000 bankers—

82% answered "yes," to the question: "Do your customers ask your advice on bonds and investments?"

67% answered "yes," to the question: "Do your customers often consult with you concerning the stability of investment houses?"

This means that bankers must keep informed on the bond and investment market and must know about the stability of investment houses.

The White-Phillips Co. will be very glad to assist you in giving you additional advice about any bonds or investments in which you may be interested, and are always glad to have you remember that the stability of this company is based upon its long record of satisfactorily taking care of the investment requirements of hundreds of bankers throughout the middle west.



*Let us help you to better
serve your customers.*

THE WHITE-PHILLIPS Co.
INVESTMENT
BANKERS

DUBUQUE, IOWA
B. & I. Building

DAVENPORT, IOWA
First Nat'l Bank Bldg.

OMAHA, NEBRASKA
Bankers Reserve Life Bldg.

DES MOINES, IOWA
219 Securities Bldg.

CHICAGO, ILLINOIS
137 S. La Salle St.

ing control of his voice, he explained, "When I asked you about notes and securities a while ago, I meant paper owned by you. Now, I'm asking you about paper you have signed for others. You say you haven't signed as surety on a note, and that your name isn't on any bond?"

"Well, no; I wouldn't go so far as to say that. My name is on some of the bonds, and some of 'em is just plain, with little doo-dinkuses what you cut off when the interest comes due."

"See here," said Walker, wildly. "What kind of bonds are you talking about, anyway?"

"Why, 'Liberty Bonds,' I think they called 'em. I took 'em out when the war was on. Four times, now, they made me dough up two thousand dollars at a clip. and ole Hen Davis, my neighbor, got off with only fifteen hundred each time. But I guess they turned out all right, at that."

"But what about this twenty-three thousand in mortgages?" stammered Walker. "Of course, it's none of my business, but I should think you'd sell the bonds and pay off that much on the mortgages."

"Huh! Whynell should I do that? What d'ye reckon I'd do with the money, unless I bought more mortgages?"

"Let me get this straight, Mr. Beason," said the cashier in a choked voice. "Are these mortgages—twenty-three thousand dollars worth, I believe you said—are they mortgages that you own?"

"Why, sure. Don't nobody else own 'em, or I wouldn't be claiming 'em."

Harvey Walker died hard.

"Look here, Mr. Beason," he said. "Why don't you just put up some of these bonds with us—or maybe one of the mortgages—as security for this loan of yours. We might be able to make you a little better rate of interest if you did that—and then, too, we wouldn't have to monkey with any financial statements."

"Well, I might do that way," admitted Beason, somewhat dubiously. "But then, that seems like a lot of red tape, too. Down to Harrisburg, now, whenever I wanted to make a loan, the bank down there seemed to be glad to use my money. Paid me good interest, too, they did. Looky here, now, young man; why can't you just give me one of them there—'certificates'—ain't that what they call 'em?—and just let the money lay here till I need it?"

Cashier Walker dazedly put a hand to his forehead. The situation was almost too much for him. At last, though, he recovered sufficiently to stammer his acceptance of the visitor's terms, and the latter departed with a promise to return in time to "tie up the Miller deal."

Sam Hawley, after a fleeting glance at Walker's blank face, magnanimously refrained from reopening the discussion of "Farmers' Financial Statements."

NORTHWESTERN BANKER



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CURRENT QUOTATIONS

On a representative list of HIGH GRADE RAILROAD, PUBLIC UTILITY,
INDUSTRIAL, CANADIAN and FOREIGN BONDS

Security	Bid	Asked	Security	Bid	Asked	Security	Bid	Asked
Abitibi Pr. & Pap. Co., Ltd., 6s, 1928.	100 1/4	100 3/4	Corn Prod. Ref. Co., 5s, 1934.	101 7/8	102	Miss. Riv. Pr. Co., 5s, 1951.	101 3/4	102 1/4
Adirondack Elec. Pr. Co., 5s, 1956.	100	100 1/4	Costa Rica, 7s, 1957.	96 1/4	96 3/4	Mo. Kas. & Te. R. R., 4s, 1990.	88	88 1/4
Alabama Pr. Co., 5s, 1951.	100	100 3/8	Cuba Railroad, 5s, 1952.	97	97 1/2	Mo. Pac. R. R. Eq., 5s, 1936-40.	4.75	4.65
Alberta, (Canada), 4 1/2s, 1956.	97 1/4	98	Cudahy Pack. Co., 5s, 1946.	99 3/4	99 1/2	Mo. Pac. R. R., 5s, 1977.	100	100 1/2
Amer. Agr. Chem. Co., 5s, 1928.	100 1/4	100 1/2	Czechoslovak, 7 1/2s, 1945.	105 1/2	105 3/4	Mobile Elec. Co., 5s, 1946.	100	100 1/2
Amer. Chain Co., 6s, 1933.	102 1/2	102 3/4	Dallas Pr. & Lt. Co., 5s, 1952.	100	100 3/4	Montana Pr. Co., 5s, 1943.	102 1/4	102 3/4
Amer. Roll. Mills Co., 6s, 1938.	104	104 1/4	Danish Con. Mun. Loan, 5 1/2s, 1955.	99 1/4	99 3/4	Montgomery Ward, 5s, 1946.	98 1/2	98 3/4
Amer. Smelt. & Ref. Co., 5s, 1947.	101 1/2	101 5/8	Dayton Gas Co., 5s, 1930.	101	101 1/2	Montevideo (Uruguay), 7s, 1952.	102	102 1/4
Amer. Sugar Ref. Co., 6s, 1937.	104 1/2	105	Dayton Ltg. Co., 5s, 1937.	103 3/4	104	Montreal (Canada), 4 1/2s, 1946.	97 1/4	98 1/2
Amer. Tel. & Tel. Co., 5s, 1960.	103	103 1/4	Delaware & Hudson Co., 4s, 1943.	95	95 1/4	Morris & Co., 4 1/2s, 1939.	84 1/4	84 1/2
Amer. Thread Co., 6s, 1928.	101 1/2	101 5/8	Denmark, 5 1/2s, 1955.	100 3/4	100 3/4	Mutual Fuel Gas Co., 5s, 1947.	102	102 1/4
Amer. Tobacco Co., 4s, 1951.	89 1/2	90	Denver G. & E. Lt. Co., 5s, 1951.	99 3/4	100	National Press Bldg., 6s, 1959.	100 1/2	101
Anacostia Cop. Min. Co., 6s, 1953.	104 3/4	104 3/4	Det. & Suburb. Gas Co., 5s, 1928.	100	100 3/4	National Tube Co., 5s, 1952.	104 1/4	104 1/2
Anglo Amer. Oil Co., Ltd., 4 1/2s, 1929.	99 1/2	99 3/4	Det. City Gas Co., 5s, 1947.	100 1/4	100 1/2	Netherlands, 6s, 1954.	103 1/4	103 1/2
Appalachian Pr. Co., 5s, 1941.	101 3/4	101 3/4	Detroit Edison Co., 5s, 1949.	102 3/4	102 3/4	New Brunswick (Can.), 4 1/2s, 1936.	100	100 3/4
Argentina, 6s, 1958.	99 1/2	99 3/4	Dominican Republic, 5 1/2s, 1942.	99 3/4	99 1/2	New Eng. Tel. & Tel. Co., 4 1/2s, 1961.	97 1/4	97 1/2
Armour & Co., 4 1/2s, 1939.	89 1/2	89 3/4	Dutch East Indies, 6s, 1947.	102 1/2	102 3/4	Newfoundland, 5 1/2s, 1942.	103	103 1/2
Associated Oil Co., 6s, 1935.	102 1/2	103	Edison Elec. Ill. Co., 4 1/2s, 1928.	99 1/2	100 1/4	N. Orleans Term. Co., 4s, 1953.	88 1/4	88 1/2
Atch., Top. & S. Fe Ry., 4 1/2s, 1962.	98	98 1/2	Edmonton (Canada), 5s, 1934.	97 1/2	98 1/2	N. Y. Cent. Eq., 4 1/2s, 1929.	4.60	4.50
Atl. Coast Line R. R., 4 1/2s, 1929.	99 3/4	99 3/4	Elec. Pr. Corp. (Germany), 6 1/2s, 1950.	98 3/4	99	N. Y. Cent. Lines, 4 1/2s, 2013.	101	101 1/4
Atl. Coast Line R. R., 4s, 1952.	96 3/4	96 1/2	Equitable Gas Lt. Co., 5s, 1929.	100 1/4	100 3/4	N. Y. Chgo. & St. L. Eq., 5s, 1931.	4.75	4.65
Atl. Ref. Co., 4 1/2s, 1928.	99 3/4	100	Erie R. R. Eq., 6s, 1932.	5.10	5.00	N. Y. Tel. Co., 4 1/2s, 1939.	99 3/4	100
Austrian, 7s, 1943.	103	103 1/4	Field (Marshall) & Co., 4 1/2s, 1928-46.	5.00	4.90	Niagara Falls Pr. Co., 5s, 1932.	101 1/2	101 3/4
Bald. Loco. Wks., 5s, 1940.	107	107 1/4	Fla. Pr. & Lt. Co. 1st, 5s, 1954.	94 1/4	94 1/4	Nor. Ind. G. & E. Co., 5s, 1929.	100	100 1/4
B. & O. R. R., 5s, 2000.	102 3/4	103	Florida West Shore Ry., 5s, 1934.	96 1/2	97 1/4	Nor. Pac. Ry. Co., 4s, 1997.	95 1/4	95 3/4
B. & O. R. R. Eq., 6s, 1934.	5.00	4.90	Ft. Worth Pr. & Lt. Co., 5s, 1931.	100 1/4	101	Nor. States Pr. Co., 5s, 1941.	101	101 1/4
Batavian Pet. Co., 4 1/2s, 1942.	93 1/4	93 3/4	France, 7s, 1949.	103 1/4	103 3/4	Norway, Kingdom of, 5 1/2s, 1965.	101 1/4	101 1/2
Bavaria, Germany, 6 1/2s, 1945.	99 1/2	100	Fruit Growers Express Co., 6s, 1928.	100 3/4	101	Ogden Gas Co., 5s, 1945.	100 3/4	101 1/2
Belgium, 6s, 1955.	96 1/4	96 3/4	General Asphalt Co., 6s, 1939.	107 3/4	108	Ohio Power Co., 5s, 1952.	99 3/4	99 1/2
Bell Tel. Co., Canada, 5s, 1955.	102 3/4	102 3/4	General Elec. Co., 3 1/2s, 1942.	92 1/2	92 3/4	Ohio Riv. Edison Co., 5s, 1951.	99 1/4	99 3/4
Bell Tel. Co., Penn., 5s, 1948.	104 1/4	104 3/4	Gen. Motors Acc. Corp., 5s, 1928.	99 3/4	100 1/4	Ontario, Prov. of, 4 1/2s, 1931.	99	99 1/2
Berlin (Germany), 6 1/2s, 1950.	99 3/4	99 3/4	General Pet. Corp., 6s, 1940.	101	101 1/4	Ontario Power Co., 5s, 1943.	102	102 1/4
Berlin E. E. & Und. Rys., 6 1/2s, 1956.	97 1/4	97 1/2	Ga. & Alabama Ry., 5s, 1945.	99 1/4	99 3/4	Oregon & Calif. R. R., 5s, 1927.	100	100 1/4
Beth. Steel Corp., 5s, 1936.	100 1/2	100 3/4	Georgia P. Co., 5s, 1967.	97 1/4	97 1/2	Oregon Sht. Line R. R., 4s, 1929.	99 1/4	99 1/2
Birmingham W. Wks., 5s, 1954.	98 1/2	99	Georgia Ry. & El. Co., 5s, 1932.	100	100 3/4	Oriental Development Co., 6s, 1953.	93 3/4	94
Bogota (Colombia), 8s, 1945.	104	104 1/4	Georgia Ry. & P. Co., 5s, 1954.	104 3/4	105 1/4	Oslo, Norway, 5 1/2s, 1946.	99 1/2	99 3/4
Brazil, 6 1/2s, 1957.	92 3/4	93	German, 7s, 1949.	107 1/4	107 3/4	Pacif. Coast Pr. Co., 5s, 1940.	101	101 1/4
Bremen (Germany), 7s, 1935.	103 1/4	103 1/2	German Cen. Agr. Bk., 7s, 1950.	102 3/4	102 3/4	Pacif. Fruit Exp. Eq., 7s, 1929.	4.70	4.60
Brier Hill Steel Co., 5 1/2s, 1942.	104 3/4	104 3/4	German Con. Mun. Loan, 7s, 1947.	101 3/4	102	Pacif. Gas & Elec. Co., 5s, 1955.	101 1/4	101 3/4
British Columbia, 4 1/2s, 1951.	96 1/4	97 1/4	German Gen. Elec. Co., 6 1/2s, 1940.	125 1/2	125 1/2	Pacif. Pr. & Lt. Co., 5s, 1930.	100 1/4	100 1/2
Brooklyn Borough Gas, 5s, 1967.	101 1/4	101 1/2	Goodyear T. & R. Co., 8s, 1941.	121 1/4	121 1/2	Pacif. Tel. & Tel. Co., 5s, 1952.	102 3/4	102 3/4
Brooklyn Edison, 5s, 1949.	104 1/4	104 1/2	Grand Trunk West. Ry., 4s, 1950.	87	87 1/2	Panama, 5 1/2s, 1953.	102 1/4	102 1/2
Brooklyn Union Gas, 6s, 1947.	114 1/4	114 1/2	Grt. Cons. Elec. P. Co., 7s, 1944.	95	95 1/4	Penn. R. Co., 5s, 1964.	104	104 3/4
Buenos Aires, 6 1/2s, 1955.	100 1/4	100 3/4	Great Falls Pr. Co., 5s, 1940.	103 1/4	104	Penney, J. C., 5 1/2s, 1945.	97 1/4	98
Buenos Aires, Prov., 7s, 1952.	96 3/4	96 1/2	Grt. Nor. Ry. Co., 4 1/2s, 1976.	97 1/4	97 3/4	Penn. R. R. Co. Equip., 6s, 1931.	4.90	4.80
Buffalo Gen. Elec. Co., 5s, 1939.	104 1/4	105 1/4	Grt. Nor. Ry., Canada, 4s, 1934.	92 3/4	93 1/2	Penn., Ohio & Det. R. R., 4 1/2s, 1977.	97	97 3/4
Bush Terminal Bldg., 5s, 1960.	100 1/2	100 1/2	Great Western Pr. Co., 5s, 1946.	100 1/4	100 3/4	Peoples Gas Lt. & Coke, 5s, 1947.	101 3/4	102
Calif. G. & E. Co., 5s, 1937.	101 3/4	102	Gulf Oil Corp., Pa., 5s, 1947.	99 3/4	100	Pere Marquette Ry., 5s, 1956.	104 1/2	104 3/4
Calif. Pet. Corp., 5 1/2s, 1938.	98	98 1/4	Gulf Oil Corp., Pa., 5 1/2s, 1928.	100 1/4	100 3/4	Peru, 7 1/2s, 1956.	100	100 1/4
Canada, 4 1/2s, 1936.	99	99 1/4	Gulf Terminal Ry. Co., 4s, 1957.	85 1/4	86	Phila. Elec. Co. (Pa.), 4s, 1966.	90	90 3/4
Canad. Nat. Ry. Co., 4 1/2s, 1930.	99 3/4	99 3/4	Haiti, Republic, 6s, 1952.	99 3/4	100	Pillsbury Flr. Mills Co., 6s, 1943.	104 1/4	104 1/2
Canad. Nat. Ry. Co., Eq., 4 1/2s, 1939.	4.75	4.65	Hamburg, Germany, 6s, 1946.	99	99 1/4	Pressed Steel Car Co., 5s, 1933.	95 1/4	95 1/2
Canad. Pacific Rys., 4 1/2s, 1946.	97 3/4	97 3/4	Hershey Choc. Co., 5 1/2s, 1940.	102 1/2	102 3/4	Prussia (Germany), 6 1/2s, 1951.	99 1/2	99 3/4
Car. Clinch & O. Ry., Eq., 6s, 1930.	4.90	4.80	Hock. Val. Ry., Eq., 6s, 1935.	5.00	4.90	Pub. Serv. Co., Okla., 5s, 1961.	96 1/2	97
Cent. of Ga. Ry., 6s, 1929.	102 3/4	102 1/2	Hudson County Gas Co., 5s, 1949.	102 1/2	102 3/4	Queensland, Australia, 7s, 1941.	111 1/2	111 3/4
Cent. of Ga. Ry., 5s, 1945.	104 3/4	104 3/4	Humble Oil & Ref. Co., 5 1/2s, 1932.	102 1/2	102 3/4	Rio Grande Do Sul, 7s, 1966.	96 3/4	97
Cent. Ill. L. Co., 5s, 1943.	101	101 3/4	Hungary, Kingdom, 7 1/2s, 1944.	102	102 1/4	Rio De Janeiro, 8s, 1947.	103 3/4	104
Cent. Maine Pow. Co., 5s, 1939.	103 1/4	104	Ill. Bell. Tel. Co., 5s, 1956.	104	104 1/4	Rockford Elec. Co., 5s, 1939.	102 1/4	102 1/2
Cent. N. Y. Gas & E. Co., 5s, 1941.	100	100 1/4	Ill. Cent. Ry., 4 1/2s, 1966.	99 1/4	99 1/2	Rotterdam, Holland, 6s, 1964.	105 1/4	105 1/2
Cent. Pacific Ry., 5s, 1960.	103	103 1/4	Ill. Cent. R. Equip., 5s, 1934.	4.70	4.60	St. L., Ir. Mt. & So. Ry., 5s, 1931.	100 3/4	101
C. & O. Ry. Co., 5s, 1929.	101 1/4	101 1/2	Ill. Steel Co., 4 1/2s, 1940.	98 1/4	98 3/4	St. L. & San Fran. R. R., 6s, 1928.	101 1/2	101 3/4
C. & O. Ry. Co., Eq., 5s, 1930.	4.70	4.60	Ind. Pr. & Lt. Co., 5s, 1957.	97 3/4	97 3/4	St. Paul Gas Lt. Co., 5s, 1944.	102	102 1/4
C. B. & Q. R. R., 4s, 1949.	96 1/4	96 3/4	Ingersoll-Rand Co., 5s, 1935.	101	101 1/2	St. Paul Un. Stk. Yds. Co., 5s, 1946.	100	100 1/2
C. C. & St. L. R. R., 6s, 1929.	103	103 1/4	Inland Steel Co., 5 1/2s, 1945.	103	103 1/4	Salvador, 8s, 1948.	108 1/4	108 1/2
C. C. & St. L. R. R., 5s, 1929.	101 1/4	101 1/2	Internat. Paper Co., 6s, 1947.	98	98 1/4	San Antonio G. & E. Co., 5s, 1949.	99 1/2	99 3/4
C. C. & St. L. R. R., 5s, 1963.	104 1/4	104 1/2	Internat. Silver Co., 6s, 1948.	107 1/4	108	San Paulo, City, 8s, 1952.	110	110 1/4
Ch. Gas L. & Coke Co., 5s, 1937.	102	102 1/4	Interstate Pr. Co., 5s, 1957.	97 1/4	97 1/2	San Paulo, State, 8s, 1936.	105 3/4	106
Chgo. Mem. & Gulf R. R., 5s, 1940.	96 1/2	97	Italy, 7s, 1951.	95 3/4	96	Saskatchewan, Prov., 5s, 1943.	102	102 3/4
C. Mil. & St. P. Ry. Co., 4s, 1989.	86 1/2	86 3/4	Japan, 6 1/2s, 1954.	99 1/4	99 1/4	Sauda Falls Co., 5s, 1955.	99 3/4	99 3/4
C. & Nor. Wes. Ry., 4 1/2s, 2037.	98	98 1/4	Jones & Laugh. Steel, 5s, 1939.	103 3/4	104 1/4	Saxon Public Wks., 7s, 1945.	102	102 1/2
C. R. I. & P. R. R., 5s, 1929.	100 3/4	101	K. C. Pr. & Lt. Co., 5s, 1952.	104	104 1/4	Seaboard Air Line Eq., 4 1/2s, 1936.	4.95	4.85
Chgo. Union Stat., 4 1/2s, 1963.	99 3/4	99 1/2	K. C. Southern Ry. Co., 5s, 1950.	100	100 1/2	Seattle Elec. Co., 5s, 1929.	101	101 1/4
Childs Company, 5s, 1930.	99 3/4	100	Kansas Elec. Pr. Co., 5s, 1951.	97	97 1/4	Sherman Hotel Co., 5 1/2s, 1930.	99 1/4	100
Chile, 6s, 1960.	92	92 1/4	Laclede Gas Lt. Co., 5s, 1934.	101 1/4	101 3/4	Siemens & Halske, A. G., 7s, 1935.	103	103 1/4
Chile Copper Co., 5s, 1947.	95 1/4	95 1/4	La Salle Hotel Co., 5 1/2s, 1930.	99 1/4	100	Sinc. Crd. Oil Pur. Co., 6s, 1928.	100 1/2	100 3/4
Chile, Mtge. Bank of, 6 1/2s, 1957.	94	94 1/4	Lehigh Valley R. R., 4 1/2s, 2003.	99	99 1/4	Sioux City Stkys. Co., 5s, 1930.	100	100 1/2
Chippewa Pr. Co., 6s, 1947.	105 1/4	106 1/4	Ligg. & Myers Tob. Co., 5s, 1951.	102 1/2	102 3/4	61 Broadway Bldg., 5 1/2s, 1950.	99 1/2	100
Cincinnati G. & E. Co., 5s, 1956.	101 3/4	101 3/4	Long Island R. R. Eq., 6s, 1932.	4.85	4.75	So. Car. & Ga. Ry., 5 1/2s, 1929.	101	101 1/4
Cincinnati G. & E. Co., 5 1/2s, 1961.	104 3/4	104 3/4	Louisiana & Arkansas Ry., 5s, 1927.	100	100 1/4	Southern Calif. Edison Co., 5s, 1951.	99 3/4	100
Clev. Union Term., 5s, 1973.	104 1/2	104 1/2	L. & N. R. R. Co., 4s, 1940.	97 1/4	97 3/4	So. Pac. Ry. Eq., 5s, 1932.	4.65	4.60
Cologne, Germany, 6 1/2s, 1950.	99	99 1/4	L. & N. R. R. Eq., 6 1/2s, 1933.	4.75	4.65	So. Pac. Ry., 4s, 1929.	98 3/4	99
Colombia, 6 1/2s, 1927.	100 1/4	100 1/2	Louisville G. & E. Co., 5s, 1952.	101 1/4	101 1/2	Southern Pr. Co., 5s, 1930.	102	102 1/4
Colorado Pr. Co., 5s, 1953.	100	100 1/2	Louisville Lighting Co., 5s, 1943.	102	102 1/2	Southern Ry. Eq., 6s, 1935.	5.00	4.90
Columbia G. & E. Co., 5s, 1928.	100	100 1/4	Maine Cent. R. R., 4 1/2s, 1935.	96	96 1/2	Southwest Bell Tel., 5s, 1954.	104 1/4	104 1/2
Col. Ry. & L. Co., 5s, 1940.	99 1/4	100	Manitoba Power Co., 5 1/2s, 1951.	99 1/4	99 3/4	Spring Riv. Pr. Co., 5s, 1930.	99 3/4	100 1/4
Commonwealth Ed. Co., 4 1/2s, 1956.	95 1/4	96	Mark Mfg. Co., 6s, 1927-39.	102 1/4	102 3/4	Stand. Oil Co., N. Y., 4 1/2s, 1951.	95 3/4	95 1/2
Cons. Gas Balt., 4 1/2s, 1954.	99 1/4	99 3/4	Mass. Gas Co., 4 1/2s, 1931.	98 3/4	99 1/4	Stand. Mill. Co., 5s, 1930.	100 3/4	101
Cons. Gas N. Y., 5 1/2s, 1945.	105 3/4	105 3/4	Mich. Cent. R. R. Co., 5s, 1931.	100 1/4	100 3/4	Sun Oil Co., 5 1/2s, 1939.	99 3/4	100
Consumers Pr. Co., 5s, 1936.	103	103 1/4	Mid. Steel & Ord. Co., 5s, 1936.	99	99 1/4	Swedish G., 5 1/2s, 1954.	104	104 1/4
Cont. G. & El. Corp., 5s, 1927.	100</							

Bonds and Investments

TURNING THE SPOTLIGHT on THOSE SECONDARY RESERVES

A survey of secondary reserve holdings among Iowa banks show they are thoroughly awake to importance of a properly diversified and liquid secondary reserve with assets readily convertible

By C. WARD MACY

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DURING the past few years, more attention has been focused upon the meaning and significance of secondary reserves than at any previous time in modern banking history. The reasons are obvious. Those bankers, who could show large volumes of liquid resources among their earning assets, possessed a feeling of assurance and stability which was invaluable during those troublesome times. This secure feeling was confined not only to bankers but was spread over the entire communities involved. On the other hand, those bankers who were somewhat skeptical of the liquidity of their resources were constantly on the lookout for opportunities to reinvest in more convertible assets, even though earnings might be depleted. These facts are well illustrated by the statement of the cashier of a well-known national bank in Iowa, who recently informed the writer that 50 per cent of his bank's assets are now in bonds, and that 90 per cent of those bonds are United States government obligations. He followed with this comment: "In ordinary times our percentage of such secondary reserves would be too large. Just now we sleep pretty well nights."

Banking laws are usually very definite in regard to the legal or primary reserve. The required amount or percentage varies in different states, as well as between state and national organizations, but in each case the sum constitutes an idle or near idle asset. Though the maintenance of such idle funds is a necessity for the bank's very existence, it is a necessary evil which the banker would minimize. Consequently, the immediate convertibility of the earning assets is a prime essential. To offer a customer anything but cash is a confession of failure, hence the necessity of having readily convertible assets as the bank's secondary reserve. Even though this secondary reserve is no substitute for cash reserve, a bank's reserve position may be greatly

fortified by a judicious selection of such assets.

Ready convertibility of resources depends upon: (1) The organization of the market for the respective assets; (2) their usage; (3) their self-liquidating quality. These characteristics are self-explanatory and sound simple enough, but to actually keep the proper proportion of assets meeting the above requirements of convertibility is no small task for the banker. Some actual facts and opinions from Iowa bankers regarding secondary reserves, as gleaned from questionnaires sent out by the writer, are set forth below.

A Vital Point

First, however, it seems necessary to point out one vital point oftentimes overlooked. Any particular type of asset which may be regarded as a secondary reserve for an individual bank may not meet the needs of liquidity for the banking system as a whole. Call loans with stock exchange collateral, for instance, have always been regarded by American banks as especially liquid assets. From the point of view of an individual bank, call loans in ordinary times answer well the requirements of a secondary reserve. But if the borrowers are unable to pay these loans when called, which in a time of crisis is not unusual, the collateral is immediately offered for sale. This sale would result in more cash for the selling bank, but in the great majority of cases would involve only a transfer from one bank to another. Perhaps this is all that is necessary to relieve the tension, but there has been no actual liquidating throughout the system. Only to the degree that the cash is derived from other than banks, is there any general liquidity for the entire system.

Other assets commonly regarded as secondary reserves—bonds, stocks, time collateral loans, and commercial loans to customers—are subject to the same criti-

cisms as are call loans. When all banks are hard put and trying to sell securities, the market for these becomes automatically stagnant. And in times of depression, commercial loans to customers are not liquid but are more likely to be renewed. In proportion, then, as all banks rely upon one form of secondary reserve, it becomes increasingly difficult for them to procure cash funds by selling assets. Therefore, in spite of the value of secondary reserves to a single bank, the ability of a banking system to withstand difficulties during a time of crisis rests upon its power to draw upon unused reserves, or create new forms of reserve money. These problems are being given considerable attention by practical and theoretical banking students, and it is interesting to note that many replies to the above mentioned questionnaires contained suggestions and comments along this line.

The general business and financial condition during the past few years has forced banking organizations to devote more than ordinary attention to their secondary reserves. In order to obtain some actual facts regarding different phases of the problem, the writer conceived the idea of questioning bankers themselves. Questionnaires were sent to the cashiers of one hundred thirty banks in Iowa. These banks were chosen more or less at random, but a serious attempt was made to: (1) Solicit about equally national and state banks; (2) obtain information from commercial banks, savings banks and trust companies; (3) secure data from banks in every part of the state; (4) select institutions of all sizes. The smallest bank to reply has a capital of \$10,000, and the three largest answering are capitalized at \$1,000,000 each. Of the national banks favoring us with replies, about one-half of them are organizations of \$100,000 capital. The representative capitalization for the state banks is \$50,000. These bankers, for the most part, responded heartily and some

even enthusiastically. While it would be possible to make a more extensive survey, it seems that the following results reveal fair samples of actual existing facts. No attempt is made to solve any pressing problems, but merely to obtain certain facts which show the general condition of secondary bank reserves.

Average of 24 Per Cent

One query of the questionnaire asks, "approximately what per cent of your total assets is in bonds (average)?" The minimum shown by national banks is 5 per cent, and this information happens to come from one of the largest banks concerned. The maximum is 50 per cent in

one of the many \$100,000 capitalized banks. The general average of all national banks responding is 24 per cent.

The state banks show more range. Fourteen per cent of them replied that no bonds are carried as assets. These are among the smaller institutions, and the general reason seems to be that country bankers are handicapped in purchasing bonds because of the lack of opportunity to obtain adequate information. To quote one cashier: "We should have a more authentic source of information relative to the standard of the bonds as offered on the market." Another says: "The average country banker does not know much about bonds, and probably

never will. We have never had any trouble getting money on our good farmers' notes in times of stress." He is rather pessimistic about the possibilities of understanding bonds, but he may know whereof he speaks. Another state institution, this one of \$50,000 capital, reveals 60 per cent of its assets in bonds. Over one-half of them are government obligations. The smallest state bank of the group keeps an average of one-third of its assets in bonds (public utilities and industrials), which proves that some country bankers have confidence in their judgment of securities. The general average among all state banks solicited is 17 per cent, considerably less than the 24 per cent shown by national banks.

Following the general questions about bonds were several inquiries regarding the proportion of those bonds which are classed as: (1) United States government obligations; (2) city, state, etc., bonds; (3) public utilities; (4) industrials; (5) rails; and (6) foreign securities. As perhaps might be expected, government securities are most popular. A few national and state organizations alike have their entire bond holdings in such assets. The national bank replies show a grand average of 53 per cent of their bonds as government obligations. Only a very few have less than 20 per cent. The state banks do not lean so conspicuously toward government issues, although the general average is 34 per cent. Many carry none at all, which tends to partially offset the several 100 per centers. Such comments as "absolute safety and ready marketability," "can be used with Federal Reserve banks at once," and "can be turned into cash upon few hours' notice," readily explain the popularity of this type. A few objections to the low yield are cited, especially by banks with a large volume of 4 per cent savings deposits. On the other hand, a large number suggest that the many advantages more than offset the low yield. One cashier sums up by writing: "We find government bonds give us an exceptional feeling of security and liquidity."

City, state and county bonds under a second classification also vary in popularity. A limited number of national banks have from a third to a half of their bond holdings in such issues, but more in number have none at all. The average for the national banks is found to be 13.5 per cent. Again we find state banks less interested than national. One state institution, however, shows a particular liking for these issues, having 40 per cent of its bonds of this group, but the average for all is only 10 per cent.

Utilities Rank Second

Public utilities rank second in popularity among both classes of banks. Almost all national and state organizations have some public utilities, according to

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these replies, although there is a wide range in the percentages. The maximum percentage of bonds in public utilities shown by national banks is 60, with the average for all at 16 per cent. One state bank has as high as 80 per cent of its bonds in utilities. The average among these banks is 25 per cent. One state banker predicts that "they (public utilities) will hold their market position better the next two years than industrials." Another states, "we consider the public utility a very good bond owing to the steady income as usually enjoyed by these companies." Still others stress safety and stability as arguments favoring public utilities.

Next in line is the industrial class, which we find somewhat less common among bank holdings. National banks average 11 per cent, while state institutions average 18 per cent. Probably a third of the national banks solicited hold no industrials at all. This type is without doubt slightly more popular among state organizations.

Rails, likewise, seem to be more in demand by state chartered banks. This type among such banks constitutes, on an average, 12 per cent of total bonds held, as against 5 per cent for nationals. Here, as with industrials, we find a large number of national banks, about one half, with no railroad bonds among their resources. One state bank, by way of contrast, has as high as 33 per cent of its bonds in rail issues.

Few Foreign Bonds

Foreign bonds, in the final classification, are relatively uncommon. Only a few banks have any at all, and then in small amounts. National banks average $1\frac{1}{2}$ per cent, and state banks $\frac{1}{2}$ of 1 per cent.

Using these percentages as the basis for judging the popularity of various classes of bonds, we find the following ranking applying to national banks: (1) United States government, (2) public utilities, (3) city and state, (4) industrials, (5), rails, and (6) foreign government. For state institutions, the following order holds: (1) United States government, (2) public utilities, (3) industrials, (4) rails, (5) city and state, and (6) foreign government.

The next inquiry in the questionnaire was: "What do you class as secondary reserves other than bonds?" Call loans, commercial paper, farm mortgages, bankers acceptances, and Federal Reserve stock were all mentioned, but call loans are far in the lead, especially for national banks. Many state bankers listed farm mortgages, but with some reservations as to amount and time. One banker, however, states that he "believes in choice farm mortgages as assets. They are as good as bonds." The liquidity of call loans and the eligibility of prime

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Branch Banks—then What

To clear up the vast amount of misinformation that has been accumulating since the passing of the McFadden Act, Walter Lichtenstein, of the First National Bank, Chicago, tells on page 12 how the law affects National Banks.

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Pioneering with the Telephone

Several years ago James F. Toy, of Sioux City, depended upon the telephone to keep in daily touch with his chain of banks. There are more banks in the chain now, and on page 16 is described the up-to-date method used in securing a daily check on their activities.

commercial paper for rediscount are the two points emphasized in these answers. But, in spite of the advantages of these various other assets as secondary reserves, the majority opinion is still decidedly in favor of bonds as per above ranking.

Another question concerned the advisability of requiring banks by law to maintain a certain proportion of their assets in the form of bonds. Answers to this question range from a very positive "absolutely yes" to a decidedly negative "hell, no." A few are lukewarm affirmatives, but the great majority are quite favorable to such regulations. One cashier replies that "a diversified list should be required"; another believes "the requirements should extend only to listed securities"; still another suggests that "good banking procedure compels it and a law to that effect should not be necessary." One of the negative answers is followed by this ironical statement: "We buy bonds because one is not supposed to have a good bank unless one has a few of the things."

On the whole, bankers seem to prefer bonds as secondary reserves. Many believe in a variety, as illustrated by one answer which reads: "The best secondary reserve is a combination of all, because it does not require a sacrifice of income for safety." Along the same line, another writes that "no one type can be considered best or most desirable, as diversification is absolutely necessary." A third suggests that the bond account "should be a flexible account made up of sound, well diversified securities."

Carman, Snider & Co., Enter Iowa

With the appointment of Hugh Graef, former cashier of The Wellman Savings Bank, as local representative, Carman, Snider & Co., well-known Chicago investment bankers, have announced plans for the sale of their securities in Iowa and the northwest.

Mr. Graef is well known among the bankers of the state having been in the real estate and investment banking business at Waterloo, Des Moines and Wellman for the past ten years. He is married, and with his wife and three sons resides in Des Moines.

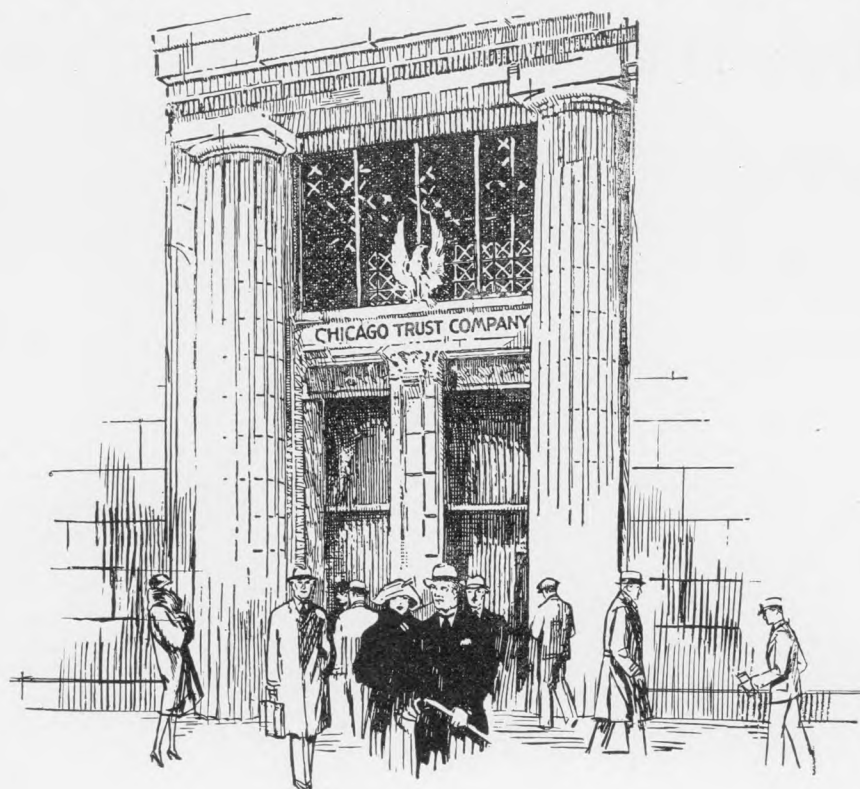
Schenck for Vice President

Charles T. Schenck, president of the First National Bank of Red Oak, is being urged by his many banker friends to enter the race for the vice presidency of the Iowa Bankers Association at the annual convention which meets in Des Moines, June 20-22.

Mr. Schenck was formerly chairman of Group Five and has always taken a keen and active part in the affairs of the Iowa Bankers' Association.

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*The foregoing excerpt is from our anniversary brochure,
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THE NORTHEASTERN IOWA POWER COMPANY, an Iowa Corporation, does an exclusive electric light and power business in 72 communities in Northeastern Iowa. The territory includes the following counties: Winnesheik, Clayton, Fayette, Buchanan, Delaware, Bremer, Chickasaw, Howard, and Mitchell, in Northeastern Iowa and Mower County, Minnesota. The principal communities served are: Independence, Sumner, West Union, Osage, Elkader, Calmar, Clermont, Fayette, Volga, Hawkeye, Arlington, Strawberry Point, Greeley, Elgin, Lawler, Edgewood, Lamont, Elma, Lime Springs, Riceville, Mitchell, Greene, Dunkerton, Waucoma and Marble Rock.

The Company operates 8 hydro-electric power plants and owns 4 auxiliary steam and oil engine plants 2 undeveloped water power sites and has a long term reciprocal contract for the purchase and sale of electrical current with another near-by utility company. The Company owns 750 miles of high tension transmission lines and the distribution systems in all the communities served except six which are served at wholesale. The total number of connected meters is about 13,842. The generating capacity is 6900 H. P. of which approximately 5% is oil, 13% steam and 82% hydro-electric.

CAPITALIZATION

(As of March 31, 1927 giving effect to these Notes)

Mortgage Bonds	\$2,619,000.00
Gold Notes (this issue)	300,000.00
Preferred Stock	1,152,900.00
Common Stock	1,000,000.00

STATEMENT OF EARNINGS

(Years ended March 31st)

	1927	1926	1925
Gross Revenues	\$635,347.74	\$572,485.86	\$492,440.22
Operating Expenses, Maint., and Taxes	291,495.88	270,660.40	228,851.81
Net Earnings	<u>\$343,851.86</u>	<u>\$301,825.46</u>	<u>\$263,588.41</u>
Total Bond Interest Charges	157,140.00		
Balance	<u>\$186,711.86</u>		
Interest on Notes	15,000.00		
Balance	<u>\$171,711.86</u>		

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"Proper Diversification of the Secondary Reserve"

(Continued from page 23)

of a contract of sale. Mortgages are much less easily convertible. Bonds are, therefore, a highly desirable type of secondary reserve for banks.

Bankers often demand a higher degree of marketability for a part of their funds than they need. The price of ready convertibility is lessened yield and for that portion of a bank's secondary reserve which is apt to be undisturbed, the banker may profitably emphasize security and yield rather than extreme marketability.

Since a good banker is extremely practical, he realizes that all values are only relative, and in selecting any investment there is always present the element of business risk. The risk involved may not be especially a matter of safety of principal, but might possibly have to do with the stability and prompt payment of the income. Bonds give more assurance of prompt returns than mortgages, but the banker will seek to minimize risk however slight by diversifying the character of his bond holdings over the whole broad field of business. Although every investment is a problem in itself, the trend of business in various activities ebbs and flows from prosperity to depression and back again, so the cautious banker distributes his investments in diversified fields commonly known as railroad, public utility, industrial, real estate, municipal and foreign government. All these are subject to geographical diversification, and represent many

other possible forms of diversity. For example, in the railroad field one corporation may depend largely on passenger traffic for its income, another upon freight; one may be a "coal" road, another a "granger" line. A public utility may be a pure power and light property, or may derive its income from other de-

pendable channels. A few foreign government bonds may be suitable to raise the average yield of income. Municipal bonds may serve to add to the tax exempt income.

Industrials Diversified

In the field of industrial bonds an almost endless amount of diversification may be obtained. One investment representing the great meat packing industry, another steel, paper, lumber, coal, or textile, or some other great industry producing an essential or useful product.

From a practical standpoint, the banker must consider every bond issue strictly on its merits, taking due regard for the investment houses who have investigated the loan and recommend purchase, and who will be primarily interested in making a market for the securities, and one chief interest is to avoid too large an investment in a distinct field.

In my judgment, his chief problem of diversification is to keep his position so set up that he will never be forced to sell securities bought for more or less permanent investment, except in an emergency, and even when called upon to dispose of such investments will have them so spread over the field of business that he will find issues he can sell to good advantage. The others furnish desirable collateral in case the market at the moment does not please him.

The banker demanding a high rate of



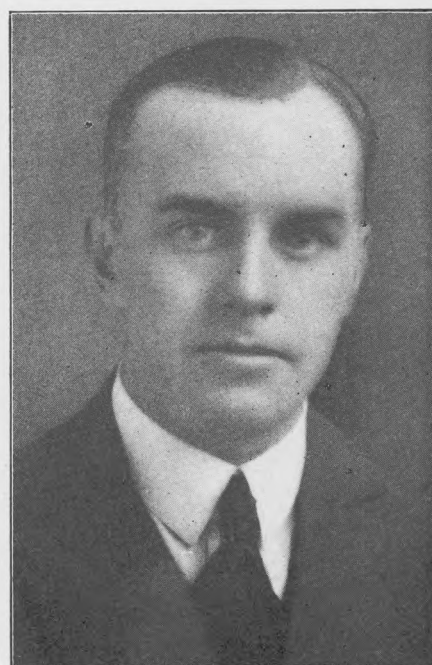
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There Are Reasons

Successful banks don't just happen. E. H. Klock, on page 21, tells about the Bank of Hot Springs, South Dakota, and in the words of G. C. Smith, the cashier, gives five good reasons why that institution has succeeded.

yield on his secondary reserve may "eat well" but if he would "sleep well" he will be satisfied with a fair average rate, and proper sleep is more conducive to good health than over eating.

\$30 Second Prize

By R. W. Morrison

DIVERSIFICATION of investments in building up a bank's secondary reserve is important, but not the governing factor in a secondary reserve account.

It is far better that every bond in the reserve be of the same type and selected from the same field if the selection has been based on correct principles, than that the reserve show a wonderful diversification but an inherent lack of correct motives in the selection of these securities and subsequent handling of the reserve.

A secondary reserve loses its value if the selection of its securities is influenced by considerations of Profit, Speculation, or Promotion, which three motives will defeat both proper selection and diversification and cannot be reconciled with the correct handling of a secondary reserve.

PROFIT taken on a rise in market value on bonds in a secondary reserve, with the consequent reinvestment of that portion of the fund, denies the very purpose for which the secondary reserve is established. A bank whose secondary reserve bonds show a current market value considerably in excess of original cost, should not be tempted out of this ideal situation by suggested profit taking.

SPECULATION enters a secondary reserve account when the buyer is induced to purchase more bonds of one particular issue than are justified by proper diversification of holdings with the expectation that a portion will be resold on a rising market. This loading of a secondary reserve for speculative purpose is entirely without the province of the true secondary reserve.

PROMOTION in the handling of a secondary reserve occurs when the bank disregards quick marketability and substitutes bonds of a local character from the motive of promoting industry within its own community.

The secondary reserve runs true to form when its total holdings, having escaped the above influences, can qualify under the specifications of the various types of bonds as set out below:

1st. Government bonds, instrumentalities of the United States only, including in the farm loan instrumentalities only the bonds of the Federal Land Bank.

2nd. Municipal bonds, issues of municipalities of populations exceeding five thousand, accompanied by strictly market legal opinion.

NORTHWESTERN BANKER

3rd. Public utility bonds, issues of only the larger and established companies which have demonstrated a permanent quick market.

4th. Railroad bonds and railroad equipment notes, issued by those railroads of unquestioned financial standing and stock dividend earners above their requirements for funded indebtedness.

5th. Industrial bonds, issues of industrial corporations only whose exceptional size and long tenure of successful operations is a guarantee of earning strength and continued market for their securities.

To sum up, I would say that there are many issues too weak to deserve consideration in a secondary reserve account, and no issues too strong to feel properly placed in such an account.

Ask yourself, Mr. Banker, if the bond which you are buying from the bond salesman will be immediately accepted as collateral by your New York or Chicago correspondent. If not, this bond does not belong in a secondary reserve. Remember that these reserves are probably not for liquidation in time of prosperity, but more likely in times of local or national adversity.

Diversify over the five types of bonds suggested above, but in seeking variety in your secondary reserve, recognize the fact that while variety in things of this life is always desirable, it is secondary to the fundamentals which govern the correct selection of those designs which enter into the pattern as a whole.

\$10 Third Prize

By Edward I. Bradley

THE great importance of a secondary reserve and the desirability of adequately establishing one has inspired the writer to submit the following essay. Those bankers who have carried a secondary reserve over a period of years and have made an analysis of same, will find in the following essay much that is "old stuff" if the younger bankers and any others who, in the past have not carried a strong secondary reserve find in the following lines any information that will make the task easier, the writer will feel more than repaid for his effort.

The amount to be carried as a secondary reserve would vary according to the size of the bank and also the territory served. Commercial banks, in our large cities today underwrite many issues and also have syndicate participations, thus having a portion of their money invested in a way that might be termed a secondary reserve at all times. Country banks are not subject to the same conditions. In most cases their deposits grow faster than they can be

for MAY, 1927

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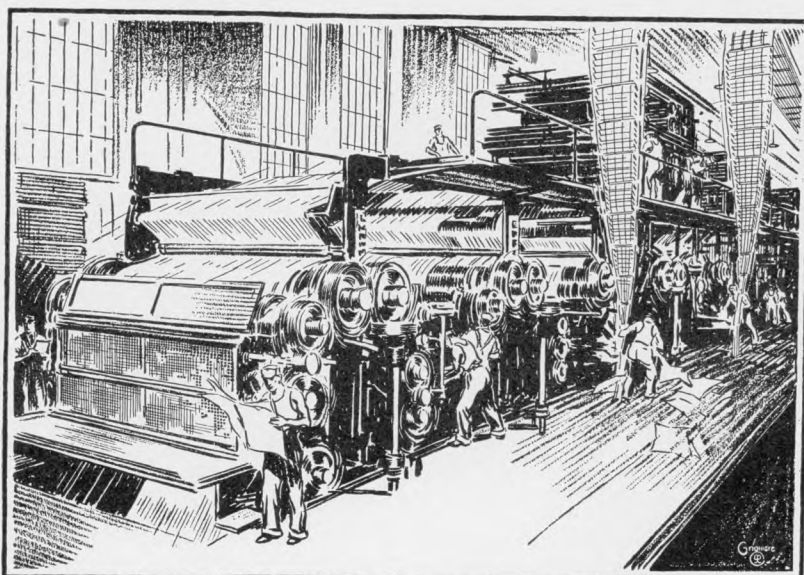
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You'll find much of interest in our booklet, "The Ideal Investment," which tells why Electric Power and Light Bonds are so much in favor among careful investors. Ask for Booklet T-31, please

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BOSTON

Help! Help!

Every country banker, and some city ones, can appreciate the trials and tribulations of Cashier Walker when it comes to making out a financial report for Farmer Beason. In "Farmer Beason Makes Out a Financial Statement" on page 15, Roscoe Macy gives a few reasons why cashiers become bald-headed.

loaned satisfactorily at home and are less apt to show as much fluctuation as the city banks. I will take, therefore, as an example, the average country bank whose statement might read as follows: Capital, \$50,000; loans and discounts, \$500,000; deposits, \$700,000; surplus and profits, \$15,000; secondary reserve (bonds \$200,000).

The investment of this bank's reserve as listed below would give good diversification, security, yield and quick liquidation which is an important factor.

\$30,000 Second Liberty 4 1/4's.

30,000 Fourth Liberty 4 1/4's.

20,000 Municipals, (City and School) 5M each issue.

16,000 Federal Land Bank. 4M each issue.

24,000 First Mortgage Public Utility, 4M each issue.

20,000 First Mortgage Industrial, 4M each issue.

15,000 Railroad Equipment's, 3M each issue.

15,000 Foreign, 3M each issue.

30,000 Commercial Paper, 5M each issue.

\$200,000

The writer has placed an investment of the United States Obligations into several issues with the following thought in mind. The second Liberty Loan due in Forty-two but redeemable at par after November 15, 1927, on six month's notice. However, since the third Liberty Loan must be paid in Twenty-eight it seems logical to believe the seconds will not be paid before Thirty or Thirty-one, and if such were the case the bank would have a high grade short maturity in a United States Obligation. The Fourth Liberty Loan due Nineteen Thirty-eight optional in Thirty-three, gives a good maturity and a good yield. Assuming again, the Second Liberty Loan is paid in Thirty or Thirty-one the bank can reinvest these funds in a long time Government obligation and have the same feature in the Fourths, that they previously had in the Seconds.

In the Municipals, I would suggest the buying of general obligation, city or school bonds, maturing from five to ten years. The writer prefers the city or school amongst the Municipals, as a bond holder, can sue a Municipal Government and practically force them to pay while the holder of state or national bonds has no recourse. It is advisable to buy Municipals in five thousand blocks, as they will bring a much better price in the open market.

Federal Land Bank Bonds have a very good market, and a good diversification of territory, may be had. They are very close to being a Government obligation,

NORTHWESTERN BANKER

due to the fact that mortgages against which bonds are issued must be deposited with the Federal Farm Loan Board, which is a branch of the United States Treasury.

The first Mortgage, Public Utility presents a large field for good diversification. Ten to twenty-year maturities here seem justified, due to the basic industries represented. Power, gas, light, telephone and telegraph, traction lines and electric railways should not be included in the Public Utility holdings.

In the Industrial list there are many fields to be considered, but whether it be steel, copper, paper or oil, any other high grade commodity, the bond should not be considered unless it is secured by assets which remain saleable, whether the payer can exist as a going concern or not. Five to fifteen year maturities in Industrials that are national leaders in the manufacture of their product should prove satisfactory.

Railway equipment is always saleable, and the equipment trusts issued against it are good whether the railroad continues in business or not. A few high grade railroad equipments diversified as to territory served and a maturity range of five to twenty years will add to the list materially.

In the Foreign Government there is a vast territory open for investment. The yield obtainable in this group will help materially to raise the average yield on the entire list. A nation to exist must keep its credit good and the full powers of taxation are the security. Considering only nations carrying the highest credit. The external dollar bonds should prove safe and liquid.

The Commercial Paper account carrying a diversified list of business's with an average ninety day to six months maturity, whose financial statement's reputation, record and all other available information with respect to the issuer having been checked should prove a satisfactory short time holding.

Call Money has not been mentioned in the list, as some authorities list it as a secondary reserve while others do not. Call Money being a demand note could, to the writers estimation be considered a good holding for the secondary reserve account.

Listing a bond does not create a ready market, for there must be a buyer for every seller and vice versa. For every bond sold on the exchange, there are hundreds sold on the outside, the real market is among the bond houses. A diversification of listed and unlisted would be a well devised plan.

\$10 Third Prize **By J. L. Mann**

IN A discussion of "Proper Diversification of a Bank's Secondary Reserve," it
for MAY, 1927

is essential to keep constantly in one's mind the meaning of the subject. The well and properly managed bank should have and, in most cases, does have a secondary reserve. This reserve is made up of investments that can be converted into cash on very short notice, whenever it is necessary to replenish the bank's cash reserve, without disturbing in any way what is commonly known as the banks' local loans. The term "secondary reserve" when properly considered immediately brings to one's mind the impression of strength and security; something that can without fail be relied upon to furnish added strength whenever called upon.

Safety and convertibility are the essential requirements and should be constantly in the banker's mind when he is buying for his bank's secondary reserve account. In order to obtain investments that can be readily converted into cash, it is necessary to consider the yield on such investments a secondary matter in making the selections. With these facts in mind it is necessary then to have proper diversification of the investments which go to make up the reserve account.

The secondary reserve account should be confined to a well diversified list of bonds, for in them the essential requirements are more certain to be found than

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Even the best of bonds undergo changes. Business and financial conditions affect them. Legislative enactments may alter their market status. Prices often shift according to no fixed rules and for no reason which is perceptible to the ordinary observer.

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You can do this accurately only by calling on those whose specialized experience qualifies them to know and to interpret the conditions which govern values and prices. Many bankers are finding the service of our Analytical Department of untold benefit to them. This service is free to you, if you wish to avail yourself of it.

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in any other class of investments. From this basis the banker has the problem of buying the proper types of bonds, and the problem of knowing how much of the funds to put in each type.

The bonds for this account should consist of Government, Municipal, Industrial, Public Utility, Real Estate and Railroad Bonds. There is no doubt but what Government securities should take first rank of the various types.

How many of each type should be bought in order to obtain the proper diversification? Under ordinary conditions about 20 per cent of the bank's

demand deposits and 10 per cent of its time deposits should be held as a secondary reserve. If a bank has \$500,000.00 demand deposits, \$100,000.00 in secondary reserve should prove ample, and if the same bank has \$200,000.00 in time deposits, another \$20,000.00 should be added to this reserve.

Of this total amount 30 per cent in government, 25 per cent in municipal, 20 per cent in industrials, and the remaining 25 per cent in public utilities, real estate, railroad and foreign bonds, would give an ideal list. Going back to our bank of \$500,000.00 demand deposits and

\$200,000.00 time deposits, we would have a list that would look about like the following: \$36,000.00 in Government, \$30,000.00 in municipal, \$24,000.00 in industrial and \$30,000.00 combined in public utilities, railroad, real estate and foreign bonds.

Assumed that the bank has used proper management in its note case, a secondary reserve like this should prove ample at any and all times, and would reflect intelligence and good judgment on the part of the bank's officers.

Reverting to the matter of safety first, and profit second in the consideration of the secondary reserve, it is very probable that over a period of years the account invested as suggested would show as much profit as an equal amount invested in local loans. The charge-offs during the past few years are the best evidences that the higher rate charged on local loans is necessary to carry the risks that exist in every bank's note case. Good management will not be led into false ideas of profit.

In telling what should go into the bank's secondary reserve, and why it should go, the problem of how to accomplish the results still confronts the banker. He must know how to make the proper investments. The average banker should keep as well posted as possible regarding the bond market and general economic conditions. The fact remains, however, that in most cases his knowledge is limited on investments of this character. To get the required results, he must depend upon some reliable bond house. A proper connection and understanding between the banker and his bond house is of the greatest value for upon it the banker must place explicit confidence and must depend upon it for most of his information.

The banker studies his needs and his secondary reserve requirements. He has in mind the results he wishes to obtain in this fund. He can state his case to his bond house, and with its knowledge of investments and the added knowledge of the banker's requirements the desired results and proper diversification of the secondary reserve will be an accomplished fact.

With a secondary reserve of this sort a reality, will it stand the acid test? It will. No higher type of securities can be purchased than the types suggested in this diversified list; and any security that does not measure up to the standards that can be obtained in these types has no place in the bank's secondary reserve. If this list would not show sufficient profit for the bank to carry it, then there is something wrong elsewhere. The bank must find a way for a profitable existence other than by buying a higher yield investment at the sacrifice of safety and convertibility.

NORTHWESTERN BANKER

What are Corporate Building Bonds?



CORPORATE BUILDING BONDS
are secured by first mortgages on large buildings in leading metropolitan districts.

These bond issues are widely distributed through banks and investment dealers in all sections of the country, so they command a general market just as do other large corporation issues. They yield, 5½ per cent to 6½ per cent.

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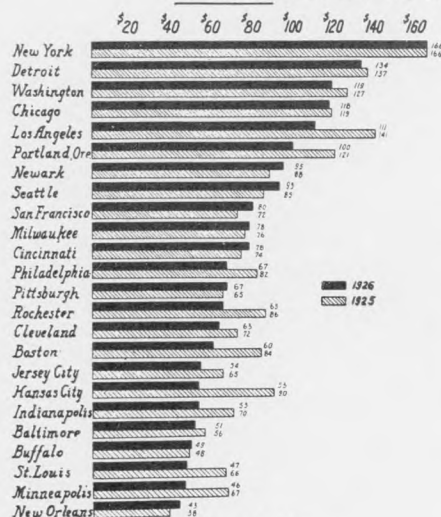
Per Capita Building in 24 Cities of U. S.

Expenditure per capita for building construction in twenty-four of the largest cities of the country for 1925 and 1926 reveals that the largest cities are also doing the greatest volume of building per capita.

This conclusion applies particularly to New York, Chicago, Detroit and Los Angeles, with Philadelphia as an exception. Philadelphia, ranking third in population, placed twelfth in per capita construction for last year, while its neighbor, Newark, ranking fifteenth in population, rated seventh in per capita building. This analysis was based on the most dependable estimates of population figures obtainable and the building construction figures were those of the national monthly building survey issued by S. W. Straus & Co.

It is to be noted that there is a marked

PER CAPITA BUILDING IN 24 CITIES OF U. S.



(Courtesy, Cleveland Trust Co.)

constancy between the per capita figures for New York, Chicago and Detroit for both years. New York had the same rating of \$166, while Chicago varied only one dollar in the per capita comparison and Detroit varied only three dollars.

Other cities that indicated consistency included Milwaukee, Cincinnati, Pittsburgh, Baltimore and Buffalo in none of which the spread was more than four dollars.

Pacific Coast cities, irrespective of population volume, ranked high in per capita figures, Los Angeles being fifth, Portland sixth, Seattle eighth, and San Francisco ninth, according to ratings based on 1926 permits.

Ever See This Happen?

Traffic Cop: "Don't you know you can't turn around in the middle of the block?"

The Lady at the Wheel (with her sweetest smile): "Oh, I think I can make it, thank you!"

for MAY, 1927

SAFETY

There is no substitute for the Safety of an investment. If Safety is lacking the investment is unwise and speculation begins. There is no speculation when you invest in the **COLLATERAL GOLD NOTES**, issued by this Corporation.

JULIUS D. ADELMAN, President

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BONDS / SHORT TERM NOTES / ACCEPTANCES

Savings Deposits Decreasing

Are selling methods wrong? Are bankers poor salesmen? If you were starting a bank, how would you go after new savings accounts? What can your bank do about it? All these questions are answered on page 19.

City Railway Offering

A syndicate headed by Guaranty Company of New York and W. E. Hutton & Company is offering \$7,000,000 First Mortgage Series A 5½ per cent Gold Bonds of the Cincinnati Street Railway Company, to mature April 15, 1952, at 100 and accrued interest, to yield 5½ per cent.

The issue has been authorized by the director of public utilities of the City of Cincinnati and the Public Utilities Commission of Ohio, and the proceeds will be used to retire outstanding \$4,500,000 6 per cent notes, to reimburse the company for capital additions heretofore made, and to provide funds for further additions and other corporate purposes.

The bonds will be a direct first lien on all fixed property and all equipment now owned by the company, except about one-third of its railway cars on which there is a prior lien represented by \$711,400 outstanding equipment trust certificates.

The company owns and operates the entire street railway system of Cincinnati, together with a supplementary bus system. The company has a franchise of the "service-at-cost" type, running for 25 years from November 1, 1925, which provides for the automatic adjustment of railway fares to cover operating expenses, depreciation, interest, sinking funds, and a return on capital stock amounting to 5 per cent per annum during the first 3 of the 25 years, and 6 per cent thereafter. In no year since 1898 have the reported net earnings of the company's property after depreciation, under either the company's own management or that of the Cincinnati Traction Company, been less than twice the annual interest requirements of the total funded debt of the company presently to be outstanding. For the year 1926, the company's total income amounted to more than 3½ times the annual interest requirements of total funded debt presently to be outstanding.

Foreign Finances Improving

While Europe politically is a mere group of states, it is beginning to think as a continent, Robert McManamy, Jr., manager of the bond department of Arthur Lipper & Co., members of the New York Stock Exchange, points out in a review of the foreign situation entitled "The Case for Foreign Bonds."

Proof beyond argument of real improvement in European finances is given by the refunding of many foreign securities, he says.

"Many of the original loans made here since the end of the war have been called for payment and new loans negotiated at lower rates—for example, Switzerland, which borrowed at 8 per cent, has since floated bonds at 5½ per cent. The process of refunding at lower interest rates has since been successfully accomplished by the Scandinavian countries."

NORTHWESTERN BANKER

Facts About the Municipal Market

Editor's Note: The interesting article on this page is taken from a recent issue of "Bond Briefs," published by the Northern Trust Company of Chicago, and contains so many important facts regarding recent developments in municipal financing that the NORTHWESTERN BANKER is glad to reproduce the entire article herewith.

MUNICIPAL bonds are generally considered, after United States Government obligations, as the safest investment instrumentality in existence. Safe things are sometimes quite uninteresting—but very comforting. Loud praises with reference to the safety of municipal bonds are unnecessary. The fact that there are outstanding at the present time a total of \$30,000,000,000 municipal bonds in the hands of the investing public and that in the case of that portion consisting of direct obligation bonds there is almost never a default, is a strong endorsement of the general standing of this class of security. During the last five years an annual issuance in excess of \$2,000,000,000 has come into the market, and during that same five-year period we have had no record of a default in principal or interest of any important issue. It would seem therefore that municipal bonds which are generally known as tax-free may be considered worry-free as well.

An Impetus to Prices

The offering by the Treasury Department at Washington of a new issue of Five-Year $3\frac{1}{2}$ s, exchangeable for the outstanding Second $4\frac{1}{4}$ s, brought into the municipal market many strong influences which, during recent weeks, have carried prices on tax-free bonds to the highest level for fifteen years. The fact that the Government felt that the market at this time would warrant a $3\frac{1}{2}$ per cent coupon, and the added fact that by placing an option on these Five-Year Bonds there might be a possibility of refunding at even a lower rate of interest during the next few years, gave an unusual impetus to municipal bond prices.

Apparently, individual holders of the Second $4\frac{1}{4}$ s were much more numerous than was supposed. When it became apparent that the treasury would avail itself of the privilege of calling the Second $4\frac{1}{4}$ s on their optional date, November 15, 1927, many holders took the opportunity to sell at premium prices and place their funds in tax-exempt municipals

which have a considerably higher yield than any issue of Liberty Bonds at the present time. Whereas government bond yields range from 3.10 per cent to 3.45 per cent, good municipal bonds are now to be purchased to yield 4 per cent, and more.

The Market in 1901

A comparison of present prices of municipal bonds with those existing twenty-five years ago indicates that the recent rise in municipal bonds has not been un-

warranted. The following prices of high grade municipal bonds give an idea of the level of the market in 1901:

Security	Rate	Basis
State of New York.....	3%	2.65%
City of Philadelphia.....	$3\frac{1}{2}$	2.90
City of New York, Water...	3	2.95
City of Boston, Registered..	$3\frac{1}{2}$	3.05
Chicago, Illinois, Water....	$3\frac{1}{2}$	3.10
Detroit, Michigan, Sewer....	4	3.10
Sanitary District of Chicago	$4\frac{1}{2}$	3.50

It is to be remembered that the above prices were justified by the excellence of

INVESTMENT TRUSTS

Similar circumstances to those which gave rise to the development of the British Investment Trusts from 1880 to 1890 are now obtaining in the United States; that is, large accumulations of capital giving rise to a lowering of interest rates and a decreasing of yields on investments, making it desirable for capital to seek employment in markets offering more attractive returns.

For the past half century, the British Trusts have demonstrated that they can secure for their shareholders, advantages unattainable by the investor alone, due to returns available through ample capital, broad diversification, and skilled management which has access to world markets that may offer attractive sources of profit, as well as domestic markets.

It is well for bankers and investors to become familiar with the form and principles of the Investment Trust, which promises soon to develop extensively in the United States.

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721 First National Bank Building

Bankers Who Farm

Very few farmers would make good bankers, but quite a number of bankers are successful farm operators. Read on page 11 "How Bankers Are Operating 19 Farms Successfully."

the security alone, as at the time there was no item of income tax exemption entering into the situation. If municipal bonds were worth the prices at which they were selling twenty-five years ago on the basis of intrinsic safety, there would appear to be considerable foundation for the belief that prices in the present market are too low in comparison with taxable issues.

Much has been said and written during recent years regarding what is supposed to be an alarming increase in municipal indebtedness. The important question is not one of increasing public liabilities but, rather, of ratios between public debts and municipal wealth. The natural increase of public debt loses much of its apparently disturbing quality when the cases of individual cities are analyzed. The City of Chicago is representative. In 1900, when the assessed valuation of Chicago was \$276,565,800, the city had a total bonded debt of \$16,328,450. Twenty-five years later, in 1925, although the city's total bonded debt had increased to \$70,594,400, the assessed valuation stood at \$1,873,921,764. It is true that in 1900 property in Illinois was assessed at 33 1/3 per cent of its actual value, while in 1925 the assessment was made on 50 per cent of the estimated actual value. Even making adjustments for this change in percentage, the ratio of bonded debt to valuation in 1925 is found to be slightly lower than the ratio twenty-five years earlier.

Realization by municipal authorities during recent years of the responsibility which rests upon them in the handling of public moneys has brought about an improved situation in municipal financing. Apparently, the era of municipal bond issuance for indefinite and unnecessary purposes has passed. Taxpayers are ever watchful that their officials handle municipal finances conservatively. At the same time the voting public in general has become thoroughly conscious of the fact that improvement must be steadily carried on if a municipality is to grow. A natural increase of debt must necessarily accompany growing civic needs and is altogether desirable as a means of creating better schools, wider streets and more parks.

No discussion is necessary regarding the intrinsic safety of municipal loans in general, although it is well to point out that all so-called "municipal" bonds are not per se absolutely safe investments. Bonds of many local improvement districts and special assessment districts, of one type and another, have been accorded investment standing on the assumption that they had the backing of municipal issuance, whereas, actually, no responsibility is assumed by the municipality. In such cases it is well for the investor to be extremely cautious, making a complete investigation of any or all securities.

NORTHWESTERN BANKER

Plan Group One Meeting

Bankers of Group One of the South Dakota Bankers Association are planning a "peppy" meeting May 9th at Vermilion. E. M. Hart, vice president of the First National, is secretary-treasurer of the group.

There will be but one business session at 2:30 p. m. Speakers include: B. V. More of the Minneapolis Federal Reserve Bank, on "The McFadden Bill and other topics of interest to bankers of the Ninth District; Einer Johnson, president, and George Starring, vice president of the State Association; A. V. Gunderson, state senator from Clay county on "Legislative Matters," and Dean E. S. Sparks of the South Dakota state university, on "A Recent Survey of South Dakota Banking Conditions."

After election of officers and a question box, the banquet will be held followed by entertainment.

The greater the obstacle, the more glory in overcoming it, and difficulties are but the maids of honor to set off the virtue.—Moliere.

Holds Sales Conference in Des Moines

THIRTY-FIVE representatives of Henry L. Doherty and Company from eastern Iowa recently held an all-day sales conference at Hotel Savery, in Des Moines.

S. B. Irelan, of Kansas City, who has been associated for years with H. L. Doherty in the development of the Cities Service Company and who is now western sales manager for H. L. Doherty and Company, was the principal speaker. James L. Moore, of Des Moines, Iowa, divisional manager; G. M. White, manager of the company's Davenport office, and J. P. Gordon, field manager of the Des Moines office, also spoke.

Mr. Irelan, in a picturesque way, sketched the growth of the Cities Service Company in recent years until today it occupies eighth position in the United States in its field, with assets of more than \$600,000,000 and operating in 32 states.

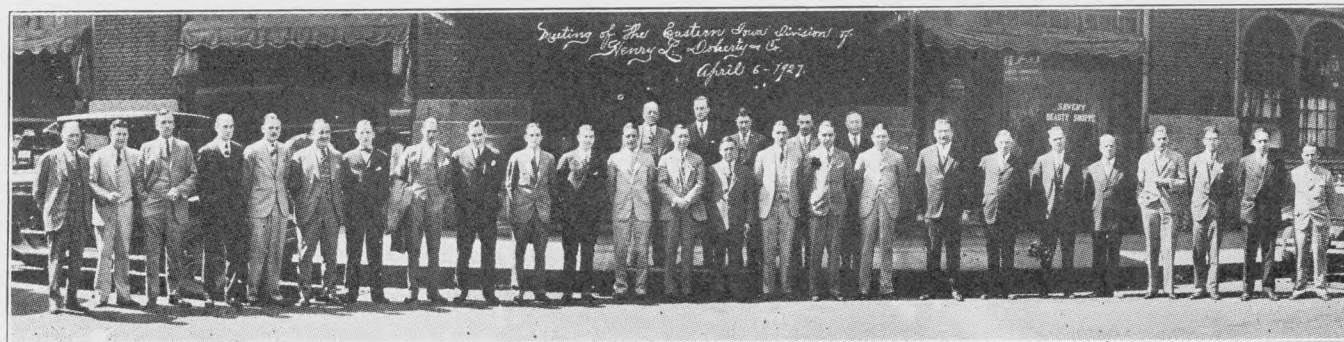
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He pointed out that the company, which is now engaged in petroleum production, as well as in the supply of electric and gas service, is in the strongest position in its entire history, and that net earnings for 1927 promise to be the

largest in the history of the company. Following the Des Moines meeting, a similar conference of western Iowa and Nebraska representatives of H. L. Doherty and Company was held in Omaha on April 7th.



Representatives of the Henry L. Doherty Company from eastern Iowa who held a sales conference last month in Des Moines.
for MAY, 1927

RESERVES

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Central Bond Company

H. I. FOSKETT, Manager

702 Equitable Bldg., Des Moines, Iowa

April Maturities

Corporation bonds and notes falling due last month totaled \$45,238,490 par value, according to a tabulation by Dow, Jones & Co., as compared with \$72,428,300 in March and \$33,248,080 in April of last year. There is also a \$10,000,000 maturity of a Province of Ontario loan.

Of the corporation maturities falling due, \$22,104,310 were railroad, \$10,794,920 public utility and \$12,339,260 industrial obligations. Among the railroad issues, the largest item was Wisconsin Central Railway \$6,000,000 5½ per cent notes, due April 15, and in the industrial group Remington Arms Company had \$6,000,000 6 per cent notes falling due April 15, which was the largest item. The total of maturities in April was small and was paid without refinancing.

Public Utility Offerings

Among public utility offerings deserving attention is that of \$3,000,000 Mississippi River Power debenture 5s, offered by a syndicate headed by Stone & Webster and Blodget at a price to yield 5.30 per cent. Proceeds of these debentures will be used for retirement of the company's 15-year debenture 7s, of which \$2,473,000 principal amount are now outstanding, and for other corporate purposes.

An issue of \$1,400,000 Texas-Louisiana Power Company 15-year debenture 6s, series A, was offered at 96½ by R. E. Wilsey & Company. Proceeds of the sale of these bonds, together with proceeds of sale of \$1,650,000 first mortgage 6s and additional preferred stock, will be used for acquisition of additional properties, and to reimburse the company's treasury for past expenditures made for improvements and extensions.

Illinois Northern Refunding 5s

Through Halsey, Stuart & Company an offering was also made of \$1,250,000 Illinois Northern Utilities first and refunding 5s. These bonds were priced at 97½, to yield over 5.16 per cent and mature in 1937. They have been issued to reimburse the company's treasury for new properties acquired, for improvements, betterments, extensions, etc. These bonds are secured by a mortgage covering as a direct lien all fixed properties now owned or hereafter acquired by the company.

Both Right

As a steamer was leaving the harbor of Athens a young passenger approached the captain, and pointing to the distant hills, inquired:

"What is that white stuff on the hills, captain?"

"That is snow, madam," replied the captain.

"Well," remarked the lady, "I thought so myself, but a gentleman just told me it was Greece."—Smiles.

NORTHWESTERN BANKER

Leach Officers in Omaha

Faith in midwest investments, and belief in a prosperous future were expressed in Omaha, the middle of April, by the members of the investment banking firm of A. B. Leach & Co., who spent a day in Omaha.

They were headed by A. W. Leach, who dodged a scheduled trip of inspection of various properties for whom the house has underwritten bonds, in order that he might walk about Omaha with a young newspaper reporter, and comment on the changes in the city. With Mr. Leach in visiting Omaha were Hamilton Allport and B. F. Troxell, vice presidents of A. B.

Leach & Co.; George T. Leach, also a vice president; L. F. Doyle of Hickey, Doyle & Co.; Porter Fox, of Porter Fox & Co., and the following representatives of the Leach Company: John A. Smith, H. R. Bennett, John S. Watson, George S. Wolcott, Arthur H. Oehle, Kenneth T. White, Karl Hodge, Shreve C. Badger, Roderick MacPherson, M. H. Flexner, John R. Childs, Ralph Mordue, Max Lewis Richards, Frank B. Heston, William D. Bangs, E. H. McKee, W. B. Prickett.

The party had breakfast at the Fontenelle hotel with E. F. Pettis, vice president of the Omaha Trust Company and other Omahans. They inspected various properties for which the A. B. Leach

company has assisted in floating bonds, and had luncheon at the Hotel Chieftain, Council Bluffs. In the evening they were the guests of Walter W. Head, president of the Omaha National bank, at dinner at the Fontenelle.

At the dinner Mr. A. B. Leach said: "I have never known such a time like the present where there was such a large surplus of money for investment. All of our recent issues have had double the required number of prospective buyers. I can truthfully say that for all the things Nebraska and her industries need there is plenty of money, easily available and at fair rates, to carry on the necessary program of financing and extension."



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What Is BACK of a REAL ESTATE FIRST MORTGAGE BOND?

By A. E. WELTNER

FUNDAMENTALLY no better form of investment has ever been devised than a Real Estate First Mortgage.

The simplest form of this is the case of a man with a small home and usually a mortgage of fifty per cent of its value. Since shelter was the first thing man sought, likewise anything endangering it

was the first thing he thought to take care of.

The real estate and homes located thereon have in every civilized country of the world formed the foundation and wealth of the communities in these various countries.

Taken over a period of time in the

history of the United States, the losses on such investments, to use the words of an insurance company's report, have been so small as to be considered negligible.

Buildings of this type had no inherent earning ability of their own, but were dependent entirely on the owners seeking other means of income and paying interest and principal therefrom.

As communities grew in size and the values of land increased, it became economically unsound to place structures for single occupants on such valuable land thus was developed what are known as apartment buildings which provide living quarters for from six to three or four

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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

hundred families on practically the same amount of ground. Added points of strength in buildings of this kind from an investment standpoint are that the building itself has income producing possibilities in that the owner can rent these apartments. Also buildings of this type are of much better construction (usually steel and concrete fire-proof buildings) which insure a much longer income-producing life, thereby reducing the chance for ultimate loss. Also buildings of this type requiring, as they do, much greater capital for their erection, preclude the possibilities of buildings of undesirable character, which, of course, affect the

NORTHWESTERN BANKER

values of all buildings in the neighborhood.

Another Advantage

Another advantage of the apartment building is that owing to the great number of apartments in one building, it is possible for a man to live in a desirable neighborhood, the cost of living in which would be entirely beyond his means if he were forced to buy land in that vicinity and erect a home thereon.

Last, but probably the most important, is the fact that in a building of this kind there is obtained diversification of income. Take for instance a building with eighty apartments—one of the renters will be a banker, one a steel man, one a dealer in cotton, and so forth—down through perhaps the whole line of occupations and professions. Whereas a depression in the case of the individual occupant would be a serious matter, a depression in two or three or in several industries would not materially affect a large apartment building. This is, of course, on a small scale, the old insurance idea of distribution of risk.

As the demand for these apartment buildings, hotels, and large office buildings grew greater and greater, it became necessary to divide the first mortgage into smaller units, and next was developed what is now known as the First Mortgage Real Estate bond. This form of investment, secured by the most fundamental of all man's needs and combining with this a simplicity of structure understandable to the most inexperienced of investors, has met with such popular favor as to be an outstanding feature even in the unprecedented buying of bonds witnessed in the past ten years.

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EACH Krenn & Dato security is safeguarded by the proved integrity, underwriting experience and stability which have characterized their offerings since the establishment of the company. Every known safety measure which marks the high grade first mortgage bond is an integral part of Krenn & Dato security protection.

The banker who recommends Krenn & Dato securities is building into his assets that lasting confidence and good will which form the corner stone of sound business structures.

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change—no new inventions—no new style or mode of living has made them obsolete over night. True, neighborhoods had slowly but surely changed, but here again they were well protected by substantial yearly payments far in excess of decreased values due to such changing or due to depreciation in the building itself. Here again was a security not dependent upon the earnings from highly competitive and expensive sales campaigns. Here again was a security not dependent upon expert or highly skilled individual management.

The renting of an apartment and the hiring of proper attendants for such a building is not beyond the ability of most of us. In every city there are numerous firms competent to handle such buildings so efficiently that they really save the owner the very nominal amount they charge for handling such properties.

In the event of depressions, to which the United States has been subject in the past years (with the increased efficiency of transportation and communication and the consequent smaller buying, which means the doing away with top-heavy stock on hand, and also with the better distribution of finances and credits due to the Federal Reserve System, it is the popular belief among the most competent men in this country that the spread between depressions and inflations will be much smaller in the future) a well financed real estate mortgage loan is ideally equipped to withstand it.

It is not necessary to spend huge sums keeping the name before the public. There is no big organization to be kept at great loss or face the cost of getting another such organization together when business conditions demand it; there is no stock on hand or expensive machinery to become depreciated in value, nor can people stop buying the product which in this case is a place to live. As a matter of fact, depressions have an ultimate beneficial effect on well located properties, because population continues to increase while practically no building is done during these periods to meet this demand.

Short Term Bonds

Here again is a security financed for a comparatively short period, as very few of real estate bonds run over fifteen years while thirty years is the very lowest estimate experts make as to the profitable operating period of a modern fireproof building. As to the number of years the building itself is good, they do not even attempt to say. While I have not figures at hand, I have no hesitancy in making the assertion that well-known buildings in Chicago and New York City which were erected ten years ago or more are really at the peak of their value and income producing ability. Outstanding examples of these are the Woolworth build-

NORTHWESTERN BANKER

ing, the Singer building, and the Peoples Gas building, etc.

Here again was a security which could not be entirely destroyed by needless and unwise competition. There is only so much land within five or ten miles of the heart of any city, there is only so much lake front and mere man himself cannot change this. This statement will, of course, bring to mind the oft-discussed question of over building, and while I have really touched on this point in my discussion of depressions, would say that here again the first mortgage bond is exceptionally well guarded.

In most any other business (?) when there is an oversupply, the stronger and better equipped ones survive it and come through again to earn profits while a certain number unable to withstand it fail and in most instances with great loss, as the intrinsic worth of their properties and equipment depends almost entirely on being operated for a particular purpose.

The case of the well located building is entirely different. It is comparatively simple to estimate supply and demand in this field, and when buildings become unprofitable to erect and operate, there is almost automatically a cessation of building.

All these points mentioned substantiate very clearly my opening statements. As is usual along with all good things come some attendant evils. The popular demand for securities of this type opened a ready field for the organization of companies interested only in the originating and selling at a profit, of securities of this type. As it is impossible for the individual, in most cases, to investigate and make a personal inspection of the security any more so than he can of the properties of a manufacturing plant and its sales units or the estimating of intricate machinery and distributing units of a public utility and its subsidiaries, it is necessary that he obtain his information in some other way.

Generally speaking, his easiest available method is the reputation of the originating house or confidence in the institution from which he ultimately purchases. These are very important, and should be given due consideration in all purchases.

Another very important item which is not generally given the consideration it deserves, is the character of the borrower—both from the fact that he can be resorted to as a final measure and also that his standing be such that he can not afford to be identified with a project the financial payment of whose obligations might be doubtful.

The proportion of loan as to the real value constitutes the main thing, however, on which most people base their judgment in buying. This feature is an

for MAY, 1927

Discriminate in Bonds

BONDS which are a good investment for one bank may be entirely the wrong buy for another.

Our large list of offerings for bank purposes enables us to recommend to you, without partiality, those securities which exactly fit your circumstances.

You are sure of always obtaining just the bonds you need, when and as you need them.

We invite you to send for our current offerings, and make use of this helpful service.



HARRY H. POLK & Co.

INCORPORATED

Investment Securities

Equitable Bldg.

Des Moines

Phone Walnut 55, 56, 57



THE DETROIT COMPANY

Correspondent of
Detroit Trust Company

	Yield
City of Duluth, Minn. City Hall 4½'s, 1928-57 . . .	3.65-3.90%
Harris County, Texas Road 4½'s, 1933-56	4.25%
Missouri Pacific R. R. Co. First & Ref. 5's, 1977	4.97%
Detroit Trust Company, Trustee, First Mtge. 6% Certificates of Participation, 1927-33	5.00-6.00%

137 South La Salle Street
CHICAGO

We Recommend for Investment

	Rate	Due	Yield
State-Randolph Building Corp. . .	5½s	1942	5.75%
Community Power & Lt. Co. . . .	5s	1957	5.30%
Federated Utilities, Inc.	5½s	1957	5.85%
Loew's Theatre & Realty Corp. . .	6s	1947	6.00%
Associates Investment Co.	6s	1930	6.30%

Circulars on Request

HOAGLAND, ALLUM & CO.

Established 1909 — Incorporated

14 S. La Salle St.
CHICAGO

34 Pine St.
NEW YORK

all-important one and is also the most abused one—first from the standpoint that fictitious values may be placed on buildings. Conversely careless statements are made as to the percentage of loans without due regard to the value of the land and cost of the type and character of building indicated, thereby injuring materially the issues of good conservative houses.

Location of property can, of course, mean success or failure for a project. A twenty per cent loan on the finest building possible located in the Sahara desert would, of course, be worthless. This information can usually be determined by the information given in the ordinary descriptive circular issued by mortgage bond houses. Well established communities and zoning laws are generally tending to obviate this danger.

Still another important consideration placed by many as the most important consideration is the income producing ability of the building. From the standpoint of the originating house, this should not be a different problem as they can very readily check what adjacent rentals are for buildings of similar type to that on which they are underwriting the issue.

Operating expenses, such as taxes, employees, insurance and so forth can be very accurately estimated, thus in this way they arrive at the net income. This is usually set out in the circular so that the investor can determine it for himself. In the case of a completed building, the circular should contain a statement of the net earnings of the building for the immediate preceding period. In the case of a construction loan, it should contain the gross rental and operating expense and if it does not contain some information as to the existing adjacent rentals, the purchaser, in the case of good loans, can ask for and receive this data.

Choose Exchange Head

The nominating committee of the Chicago Stock Exchange has picked R. Arthur Wood to succeed J. J. Bryant as president of the institution. Mr. Wood is a floor trader and a harmony candidate. The Chicago Stock Exchange recently has been the scene of personal dissension, with the active floor traders clamoring for greater representation in the executive personnel in the hope that their spokesman might find means of increasing the volume of dealings on the exchange.

The nominating committee faced a difficult situation in meeting this condition, but Mr. Wood was named unanimously. He was assured of absolute support from both so-called factions and therefore will enter upon the direction of the exchange with a harmonious membership to work with him.

NORTHWESTERN BANKER

Plan Office Building

Plans for a 22-story office building on Ninth street between Marquette and First avenues south were announced recently by W. B. Foshay, president of the W. B. Foshay Co., Minneapolis. Original plans for the building called for a 12-story tower building, but Mr. Foshay said the architects now had been instructed to prepare plans for the higher building. The cost will be more than \$2,000,000.

The corner site at Ninth and Marquette avenue is occupied by a filling station, which is to be removed at once to make way for a two-story building, which will be the foundation of the 22-story tower. The architects said there is a possibility that work on the tower building may be started in 1927.

Height of the skyscraper is made possible by a recent change in the building ordinance, which permits buildings 200 feet high at the street line, with additional stories built on the set-back plan.

Home from Brownsville

George White, senior partner of the firm of White Phillips Company, Davenport, Iowa, bond merchants, has returned from a three-months' sojourn on the banks of the Rio Grande, Brownsville, Texas, where he owns a considerable estate in the rich citrus lands now being developed. Mr. White was accompanied by his wife, son, George, and daughter, Mary Jane.

Brownsville is the center of a rapidly developing agricultural district, Mr. White states. A total of 16,000 carloads of perishables and \$16,000,000 worth of cotton was shipped out in the last year. One grapefruit ranch visited by the Davenport was a mile long, a half mile wide and contained 24,000 trees. It will come into bearing next year.

There is a total of \$19,000,000 invested in irrigation systems in the Brownsville district. Cameron county, where Brownsville is located, has just passed a \$6,000,000 bond issue for the construction of concrete feeder roads, the largest bond issue for this purpose ever passed by any county in the United States. Five years will be necessary to complete this road program and when it is finished every 40-acre tract in the county will either be on or not less than a mile distant from a concrete highway.

A new 200-room hotel has been completed at Brownsville, a beautiful new Chamber of Commerce and many fine business structures and palatial homes. The tourist trade is indicated by the fact that 37,826 passports to visit Matamoras were issued by the Chamber of Commerce from December 21st to March 20th.

Mr. White spent some time fishing off Point Isabel and caught a 60-pound jackfish, one of the gamiest of Gulf fish. His

for MAY, 1927

partner landed a big tarpon and one afternoon they saw eight tarpon jump with-

in a short time. The big fish were chasing mullet.

We Own and Offer, Subject to Prior Sale

\$500,000.00 Dyer County, Tennessee 4³/₄% Highway Bonds

Dated March 1, 1927

Due March 1, 1937 to 1957, Inc.

DENOMINATION \$1000

Principal and semiannual interest (March 1st and September 1st) payable at the National City Bank of New York City

FINANCIAL STATEMENT

Actual valuation, estimated	\$40,000,000.00
Assessed valuation, 1926	17,045,785.00
Total bonded debt, including this issue.....	2,647,000.00
Population, 1920 census	29,983
Present official estimate	35,000

PRICE: TO YIELD 4.60%

DYER COUNTY is one of the most fertile agricultural counties in the state. The U. S. Census report for 1920 gave the value of all farm property as \$20,868,401, the value of all crops as \$7,024,899, and the value of manufactured products as \$6,281,069.00. Dyer County leads the state in the production of cotton, having produced in 1925 approximately 40,000 bales. Other products are corn, wheat, potatoes, hay, lumber and livestock. Dairying and poultry raising are also profitable sources of revenue. The county is traversed by the Illinois Central, Birmingham and Northwestern and the Chicago, Mobile and Gulf Railroads. There is also a paved highway connecting the county with Memphis. Dyersburg, the county seat and principal trading point in the county, is a thoroughly modern and substantial city, and the present estimated population is 8000. The city is an important hardwood lumber and cotton market, the ginnings during 1926 having been between 90,000 and 100,000 bales. There are located in the city six large lumber plants, two large cottonseed oil mills, two cotton compresses, five cotton gins, a large cigar factory, feed mill, machine shops and numerous other industries including the wholesale and retail establishments. There are three banks located here with combined resources of \$3,000,000. These Bonds, issued for the purpose of constructing hard surface roads in the county, are direct and general obligations of the entire county, supported by an unlimited ad valorem tax which will be levied annually in sufficient amount to pay principal and interest promptly at maturity. Legality has been approved by Messrs. Chapman, Cutler and Parker, Attorneys of Chicago.

THE BROWN-CRUMMER COMPANY

WICHITA KANSAS

L. H. DAVIS, Resident Manager
526 Liberty Bldg., Des Moines
Telephone Market 315

Chicago
Kansas City
Amarillo

Detroit
Omaha
El Dorado

Dallas
Topeka
Orlando

St. Paul
Los Angeles
Des Moines

Glad to Do It

Northwestern Banker,
Des Moines, Iowa.

Dear Sir: This is to advise you that at the annual meeting of the State Board of Directors of the Greater North Dakota Association yesterday a special resolution was passed whereby the Board expressed its knowledge and appreciation of the interest shown in North Dakota, and the constructive publicity about this state printed in the Northwestern Banker. I know you will be pleased to learn of this action.

Yours very cordially,
James F. Milloy, Sec'y

IOWA PROTECTION for Iowa Institutions

can be furnished by a strong, stable
Iowa surety company with a national
reputation for strength and service.

That institution is the---

Federal Surety Company *of* Davenport

W. L. TAYLOR, Vice President

This Company is anxious to serve you and writes
Surety Bonds, Accident and Health, Automobile,
Burglary and Plate Glass, Public Liability and
Workmen's Compensation Insurance.

Capital Fully Paid	:	:	:	:	:	:	:	\$725,000.00
Surplus and Reserves	:	:	:	:	:	:	:	\$1,617,886.69

(As of December 31, 1926)

Insurance

What the Banker Said About Richard Douglas

A FEW years ago a very wealthy man died in a small town in Colorado. The leading banker of the city and the leading hardware merchant were pallbearers, and as they returned from the cemetery the merchant said to the banker, "John Hargrove did not live as long as some of us, but he has had the most useful life of any citizen of our community. He has created the largest estate."

After a few moments' silence the banker replied, "You are wrong about that. Richard Douglas reserves the honor of creating the largest estate of any man who ever lived in this community."

The merchant was astonished. He had known Dick Douglas quite well. Douglas had been a successful life insurance man, but had not died a wealthy man, and he said to the banker, "Jim, you are way off. I was a witness at the inventory of Dick Douglas' estate and, while he left a comfortable fortune, it in no way compares with the tremendous estate created by John Hargrove. Mr. Hargrove was easily worth \$3,000,000. His son is a graduate of Harvard University and a junior partner in one of our leading Colorado law firms. His daughter is a graduate of Wellesley and has acquired the culture which will make her a welcome guest in any home. His widow inherits the finest home in this city and probably \$2,000,000 to maintain it, while Douglas' estate, as I recall, did not inventory more than \$100,000.

The Banker's Answer

The banker answered, "It is true that Richard Douglas did not leave an estate of millions of dollars to his widow. His boys may not have gone through Harvard or his daughters through Wellesley, but he left an estate of \$10,000,000 in this community that would not have been here except that he lived and worked. There are hundreds of widows who might be taking in washing today, except for the daily work of that man. There are thousands of girls and boys who are get-

FROM THREE AND ONE-TENTH PER CENT

"Three and one-tenth per cent of our national income is invested in life insurance. From this 3.1% come:

19.1% of all moneys invested in farm mortgages

21.8% of all moneys invested in city mortgages

7.4% of all moneys invested in Government Bonds

6.6% of all moneys invested in State, County and Municipal Bonds

22.7% of all moneys invested in Railroad Bonds

6% of all moneys invested in Public Utilities

And best of all, 87% of all estates of \$5,000 or more left to widows and orphans.

ting or will get a good common school education and an opportunity in life because of the daily work of Richard Douglas as a life insurance man. In my judgment, he has created the largest estate and been the most useful citizen this community has ever known."

Life insurance is a great social system, which merges the individual into the mass and supplants the frailty of a man, standing alone, with the immeasurable strength of men standing together.

The spirit of life insurance is the spirit of achievement and the spirit of service, for the achievements of our business count predominately, not for ourselves alone, but for the people of our communities and of our nation.

Three and one-tenth per cent of our national income is invested in life insurance. From this 3.1 per cent come:

19.1 per cent of all moneys invested in farm mortgages

21.8 per cent of all moneys invested in city mortgages

7.4 per cent of all moneys invested in Government Bonds

6.6 per cent of all moneys invested in State, County and Municipal Bonds

22.7 per cent of all moneys invested in Railroad Bonds

6 per cent of all moneys invested in Public Utilities

And best of all, 87 per cent of all estates of \$5,000 or more left to widows and orphans.

Charles Evans Hughes says, "Life insurance is the effective agency of thrift; the best guardian of the purse that has ever been discovered."

It is the life insurance policyholders of our nation who are in large measure providing the savings which make possible the expansion of transportation service, the improvement of public utilities, the development of natural resources, the housing our people, the making of America the best place to live that the world has ever known.

During the years 1914 and 1918 the gods of war poured forth their wrath and armies aggregating 52,000,000 of soldiers, representing twenty-six nations, made war upon each other. The havoc wrought was inconceivable. Unborn generations will feel the heavy yoke of indebtedness born of this world-wide struggle.

New Life Insurance Estates

In the eight years that have elapsed since that struggle ended, an army of 70,000 American life insurance men and women have, while following the pursuit of peace, brought into being life insurance estates more than sufficient to extinguish the combined indebtedness of every nation on the globe.

To buttress the home, to give impetus to thrift, to afford that relief which comes with the assurance of protection for dependents, to organize on a vast scale, investing power, wisely used, to seek practical measures to conserve health and prolong life. What have we better than that?

We plant an insignificant seed. In due course there blooms an exquisite flower. A few bushels of wheat sown in fertile soil bring forth a harvest of golden acres.

Millions of men and women in America are planting for the future by depositing their savings in life insurance premiums. The harvest will be measured in terms of human welfare: Millions of stricken homes maintained in comfort; the joys of childhood preserved for countless boys and girls; an adequate education made possible; a nation enriched by purposeful

SCOTT RUTLEDGE, President

W. A. RUTLEDGE, Secretary

J. A. BENSON, Treasurer

Facts Which Should Interest the Banker Who Wishes His Customers Protected from Hail Storms



\$41,652,194.00 insurance in force January 1, 1927.

\$851,160.27 surplus over all liabilities January 1, 1927.

Paid \$333,713.86 in losses in 1926.

Has paid \$7,000,000.00 in losses and saved its policyholders an additional \$7,000,000.00 on the cost of their protection.

Average annual assessment for the last twenty years, **2 per cent.**

The largest assessment in the last twenty years only **3 per cent.**

Over 30,000 farmers are holding Farmers Mutual policies.

This is the thirty-fifth successful year of business. It has been under the same management for the entire period.

Saved hundreds of farmers from bankruptcy.

These are only some of the facts regarding the old Farmers Mutual Hail Insurance Association of Iowa.

It has the only corps of adjusters who have had twenty years and more of experience with hail storms and who are the friends of the men whose losses they are sent to adjust. Their sympathies are with the men who have suffered the actual losses.

Just as the words, "**FARMERS MUTUAL HAIL INSURANCE ASSOCIATION**" at the head of this column stand between the onrushing hail storm and the fields of growing grain beneath, so this association stands between the farmer and his loss.

This association embodies strength, simplicity and low cost—all the essentials to the best organization conceivable.

No farmer can ask more and none should be satisfied with less.

The Home Office of the Association is at 722 Sixth Ave., Des Moines, Iowa.

lives of achievement; multitudes of aged men and women furnished with the means of keeping unclouded the sunset of life.

In America today, 58,000,000 people, 46 per cent of our population, own life insurance policies in 356 American companies, aggregating 80 billions of dollars. This is equal to more than one-fifth of our national wealth. It is true that the present value of this 80 billion dollars is only 12 billion 850 million dollars, as shown by the reserves of our life insurance companies, but every dollar of each individual policy in the 80 billion is guaranteed the dependents of each one of these policyholders, even if he does not live to make one single further deposit. Therein lies the miracle of life insurance.

Time is annihilated and every dollar of the estate a man intends to create is brought into being the very minute he spreads a little drop of ink out into his signature.

This estate is maintained by the deposit of small sums of money which might very well be likened to the taxes which would have to be paid to maintain any other estate, the principal of which had already been accumulated.

We are accustomed to pay interest to a bank for the use of money, the principal of which must some day be returned. In buying life insurance, we are actually buying money, the principal of which is never returned and our interest charge, or premium, rarely exceeds one-half of the legal interest rate which we are accustomed to pay for the use of money.

If we are borrowing money from a bank or paying taxes on some other form of estate, the interest or taxes we pay never come back to us, but in the purchase of a life insurance estate, a very substantial part of the interest or taxes which we annually deposit is at all times subject to the use of the depositor and the life insurance company each year adds interest to these deposits.

We might compare the purchase of life insurance with a savings account at a bank. At the depositor's death, his deposits plus interest are all that his family will get. The life insurance deposits are increased at the insured's death to the entire amount he started out to save.

If we compare it to the purchase of real estate on the installment plan, at premature death the family get only the buyer's equity and frequently even that is lost. Death at any time cancels all future payments upon his life insurance estate and the family immediately come into possession of all that he started out to buy.

On Any Terms

The life insurance estate may be purchased on any terms desired by the purchaser. He can make a single deposit and own his estate in entirety. He can

NORTHWESTERN BANKER

make deposits for a short period of years, or he can make smaller deposits for a longer period of years, thus adjusting his fixed charges to his productive years, or he can, if he desires, make still smaller deposits to last throughout his lifetime and thus create a very considerable estate, even though his capacity to save is quite small.

The insurance estate is guaranteed to be worth a stipulated amount at death, or in old age, no matter what conditions exist. It is the only property that is always worth one hundred cents on the dollar.

The contract by which the life insurance estate is created is unilateral. The insured may withdraw at any time and get back a very substantial portion of his deposits. The company cannot withdraw from the contract no matter how impaired the risk may become.

The money that is put into life insurance does double service. It insures the beneficiary against the loss of life of a bread winner and it enables the purchaser to save money which he may use at any time.

The owner of a life insurance estate can administer it himself by designating his several beneficiaries and choosing the manner in which he wishes the money to be paid to them.

Such portion of the life insurance estate as is desired is available in cash. The balance is already invested at interest. The life insurance estate enjoys many exemptions from state and national taxes. There is no fee for its administration. There need not be any publicity of the family's inheritance. The beneficiary is relieved of all the annoying details incident to the settlement of the other estates. Life insurance is distributed without litigation among the various members of the family.

Dies in Cedar Rapids

H. E. Witwer, for more than 60 years a leader in the civic life of Cedar Rapids, Iowa, and a veteran of the Civil war, died at his home, 1738 Third avenue, recently, following a week's illness of pneumonia. He was 82 years of age.

Many local enterprises knew him as a sturdy supporter and his business activities were widely diversified. He was one of the organizers of the Peoples' Savings bank, and served as the second president of that institution. For some years he was a director in the Montrose Hotel company, and was also associated with the Witwer Realty company.

The Materialist Muses

There isn't much to life but this:
A baby's smile, a woman's kiss,
A book, a pipe, a fire, a friend,
And just a little cash to spend.

—Exchange.

for MAY, 1927

Quarterly Statement

Northwestern National LIFE INSURANCE COMPANY

O. J. ARNOLD, President

Minneapolis, Minn.

1927—First Quarter Gains—1927

Increase in Insurance in Force
\$4,434,178.00

Increase in Reserve on Policies
\$716,015.00

Increase in Assets
\$747,775.23

FINANCIAL STATEMENT

March 31, 1927

ASSETS

Bonds,	
Government, State, County, and Municipal	\$3,302,172.00
Railroad, Public Utility, etc	4,481,821.95
First Mortgage Loans (City and Farm)	9,347,607.38
Collateral Loans	89,831.25
Policy Loans	4,413,210.67
Real Estate	1,601,170.92
Premiums, Due and Deferred	1,151,095.00
Cash on Hand	631,167.23
Interest, Due and Accrued, and Other Assets	606,164.62
Total	\$25,624,241.02

LIABILITIES

Reserve on Policies	\$21,508,350.00
Death Claims Due and Unpaid	None
Claims Reported But Proofs of Loss Not Received	161,058.72
Present Value of Death, Disability, and Other Claims Payable in Instalments	382,883.00
Premiums and Interest Paid in Advance	167,473.29
Reserve for Taxes	141,101.97
Profits Payable to Policyholders	1,036,179.01
All Other Liabilities	175,870.83
Reserve for Real Estate Depreciation, and Mortality, Disability, and Investment Fluctuation	315,688.23
Contingency Reserve	400,000.00
Unassigned Surplus	1,335,635.97
Total	\$25,624,241.02

Insurance in Force March 31, 1927
\$239,010,875

Do You Know This Man-----?

His age, height, color of hair and nationality (if he is an American citizen) are not so important. Can he sell Life Insurance, part or full time?—that's all we want to know just now. If he can, we have a real proposition to submit to him.

If you know such a man, won't you please give us his name and address. Maybe you're that man we want—let us hear from you.

B. C. THURMAN, Manager, Des Moines Branch
618 Insurance Exchange

MISSOURI STATE LIFE INSURANCE COMPANY

M. E. Singleton, President

Home Office, St. Louis

A great company daily growing greater

**BANK CHECKS • LETTERHEADS
STOCK CERTIFICATES AND BONDS
OF QUALITY AND DISTINCTION**

Ability • Dependability
Quality • Service

Four great principles
on which we stand

NORTHERN BANK NOTE COMPANY
Established 1887 at St. Louis
CHICAGO

James McHugh, Iowa state agent for the Hartford, announces the appointment of Charles Wherry, as Iowa special agent, effective at once. Mr. Wherry is a brother of Sim E. Wherry, Iowa special agent for the National of Hartford.

The **McKinney-Hesse** general agency of Des Moines, announce that they will soon open up a health and accident department having already taken on a life department. They will write all lines for the Continental Casualty. The agency also represents the American Equitable and Republic Fire.

Appointed Agency Inspector

The International Life Insurance Company of St. Louis announces the recent appointment of John P. Stake as inspector of agencies of the Rocky Mountain Division, with headquarters at Denver, Colorado.

Mr. Stake comes to the International from the Central Life Assurance of Des Moines, and had been with the latter company for the past twenty-five years.

Connecticut Mutual Gain

The Connecticut Mutual at the close of business on March 31, 1927, had issued during the first quarter of the present year, 9,336 policies for a total amount of insurance of \$35,016,771. These figures show an increase over the corresponding quarter of 1926, when 8,542 policies were issued for a total of \$32,701,848. This increase for the first quarter of 1927 is \$2,314,923.

Buys Graham Interests

C. H. Tyrrell, Sr., of Sioux Rapids, Iowa, father of Clarence H. Tyrrell, of Spencer, Iowa, has purchased of P. R. Graham the latter's insurance interests in Spencer and vicinity.

Mr. Tyrrell has been in the insurance business all his life, and is widely known as one of the largest writers of fire, lightning, tornado, automobile and casualty insurance in northwest Iowa, having built up an agency in Sioux Rapids recognized as being one of the largest in the state and has on several occasions produced for some of his companies the largest volume of business in a single year of any agent in Iowa.

Appoints Oklahoma Manager

The Royal Union Life announces the appointment of R. E. Leonard as state manager for Oklahoma with offices in the Tradesmen National Bank Building, Oklahoma City. Mr. Leonard was formerly connected with the agency department of the Mid-Continent Life in Oklahoma.

Affliction teacheth a wicked person some time to pray; prosperity, never.—Jonson.

NORTHWESTERN BANKER

Federal Surety Gets Department O. K.

A STATE Insurance Department's examination is interesting and valuable in proportion to its thoroughness. For that reason the Iowa Insurance Department's examination report of the Federal Surety Company of Davenport, Iowa, which examination was made as of December 31, 1926, should be particularly interesting.

That the examination was thorough, is indicated by the fact that eleven examiners of the State Department participated in the analysis of the company's financial and underwriting policies. The report, signed by Chief Examiner Robert B. Goode, is both detailed and explicit and reflects quite favorably upon the company's management and future possibilities as an independent Western Casualty Company.

and in 1926 to the very satisfactory total of \$1,600,028.10.

In writing this volume of business the company's underwriting policy has been such as to be able to maintain the very satisfactory ratio of losses as to premiums written—in fact, its record in this respect is better than that of any other Bureau Company of its class.

Fine Agency Force

The company has gone to considerable expense in building up an agency force which has been able to give this considerable premium volume and at the same time keep down the loss ratio. It has established full underwriting branch offices in Chicago, Des Moines, Denver, Detroit, Dallas, Minneapolis, and Washing-

ton, D. C., and service branches are maintained in Kansas City, Oklahoma City, Nashville and Cleveland. While the expense of building an agency organization, opening and operating the branch offices has naturally tended to add largely to the underwriting expenses of the company, the examiners point out that the Home Office is well organized and equipped to handle a considerably larger volume of business with practically no additional expense; and as the company has already shown its ability to secure premium volume, it logically shows that as the company grows older a material decrease will be shown in its underwriting expense.

In this connection it is particularly interesting to note that the company's total volume and loss figures for the first three



W. L. TAYLOR

The Federal Surety Company, of which W. L. Taylor, Vice President and General Manager, is the active and directing head, was organized in July, 1919. The company commenced writing business July 1, 1920, with paid-up capital of \$364,550.00 and a surplus of \$39,945.72. As of December 31, 1926, the Federal's paid-up capital was \$725,000.00 with a surplus of \$400,000.00. The company's surplus as regards policyholders is \$1,125,000.00. The total admitted assets of the Federal Surety are listed in the report as being \$2,329,145.20.

Since organization the Federal has shown a splendid yearly increase in its premium volume—its first full year's premiums written totaled \$345,742.95. In 1924 this figure had grown to 978,921.15

for MAY, 1927

ROYAL UNION LIFE INSURANCE COMPANY

DES MOINES, IOWA



Royal Union Life Building,
Cor. Seventh and Grand Ave.,
Des Moines, Iowa

Selling Insurance on Lives of Children

Our new Juvenile Policies offer a great opportunity and a distinctive field of service.

Endowment policies at ages 16, 17, 18, 19, 20 and 21. Also straight 20-year Endowment and 20 Pay Life contracts.

Written from age one day old and up.

Without reexamination, automatically placed in full benefit for face of the policy at age five.

Special Waiver of Premium Benefit waives premiums in event of death or total permanent disability of the beneficiary.

A great many of our agents are devoting their time exclusively to the money-making sale of these wonder contracts.

Royal Union Life Insurance Company

Des Moines, Iowa

A. C. TUCKER, President

months of 1927, bear out quite substantially the company management's optimistic future outlook, as the premiums for the three months ending March 31st, were \$387,182.00, showing a 21 per cent increase over the premium volume for the same period of a year ago. Equally as interesting is the fact that the losses for this period were \$140,714.00 as against \$162,819.00 for the same period in 1926. In other words, the company's 21 per cent premium increase amounting to \$58,847.00 more than last year was written with losses of \$22,105.00 less than the losses on the smaller volume of 1926.

Quoting from the examination report, we find the company complimented for its loss payment record. The report states: "The records indicate that where the liability has been established the company is prompt in the payment of the loss. An examination of the suit dockets of the various departments indicate the company

has had a comparatively small number of cases in litigation and has been successful in winning the greater portion of the claims litigated."

The report also indicates the splendid position occupied by the Federal as regards reinsurance facilities. The company can in any of its lines write at least twice its net carrying capacity and in some of the lines four times its net carrying capacity without seeking reinsurance from its direct writing competitors. Throughout the report there was no word of criticism to be found and the examiners commented on the fact that full facilities of the company were turned over to them during the examination.

The Federal Surety Company is doing business in 23 states, is qualified under the Federal Government requirements for bonding purposes and writes a complete line of Health and Accident, Casualty and Fidelity and Surety Bonds.

The company has a well-organized Home Office force and is giving a splendid brand of service to 1,500 agents under the direction of W. L. Taylor, Vice President and General Manager, allied with whom in the management of the Federal is a strong Board of Directors composed of individuals prominent in the tri-cities and Iowa's commercial and financial interests.

The Directors are: Messrs. C. W. Borg, founder of Borg & Beck; M. H. Calderwood, banker, ex-president of the Iowa Bankers Association; George E. Decker, director and president of the Register Life, Director Iowa National Bond; Charles Grilk, attorney, general counsel of the Register Life, Director Union Davenport Bond & Trust Company; H. C. Kahl, vice-president Walsh Construction Company, railroad contractor and director in banking and hotel companies and owner of the Kahl buildings, Davenport; M. Landauer, merchant; Charles Shuler, coal operator, director and president of the Iowa National Bank of Davenport; Frank B. Yetter, director Register Life Insurance Company, director and active vice president of the Iowa National and ex-president of the Iowa Bankers Association; W. L. Taylor, vice-president and general manager.

Speaks at Keokuk

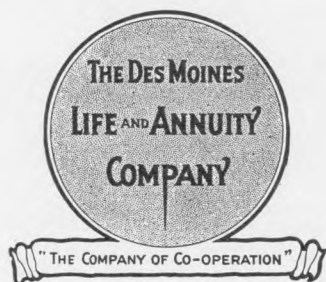
Earl Madden, district manager for the Equitable of New York, Davenport, Iowa, was the speaker before the Keokuk, Iowa, Lions' Club recently. Mr. Madden gave a very interesting talk, stressing systematic effort in professions and pointing out that the life insurance business is one of serving mankind. Mr. Madden declared that there is little choice in insurance, stating that the best method was to call in the best insurance man, the best posted, when one wanted insurance. He said, "we call in the best doctor and confer with the best banker—why not do business with the best informed insurance man?"

From Bellboy to Surety Chairman

William B. Joyce, chairman of the National Surety Company of New York, began his business career as a bellboy. He followed that by being a telegraph messenger, then a store clerk, and then the leading surety bond salesman of the United States, and at 38 he took the presidency of a bonding concern on the verge of bankruptcy, and made it the strongest concern of its kind in the world ten years from that date.

The National Surety Company now has resources exceeding \$30,000,000 and annual gross premiums of more than \$23,000,000.

Mr. Joyce has, as much as any other successful business man, exemplified the statement, "Bankers, blacksmiths, painters, physicians, statesmen and servants—all must remember that they are in busi-



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

ness for more than just money. God gave men the high privilege of living a life. Business is a life devoted to the right thing."

In developing the National Surety Company Mr. Joyce has devoted his life to "the right thing," and has been rendering a service valuable and worth while throughout the United States.

So great has been Chairman Joyce's success in organizing the National Surety Co. that in 19 years its capital has increased from \$500,000 to \$10,000,000; its surplus from \$186,000 to \$5,500,000 and its annual business from \$1,225,000 to over \$23,000,000.

Banker Dead

Hon. R. W. Birdsall, well known lawyer and banker of Dows, Iowa, died recently in a hospital in St. Louis, where he has been receiving treatment for some time. Mr. Birdsall's health began failing soon after the death of his wife a few years ago, and of late he has been unable to look after business interests. He was a member of one of the old and prominent families of Wright and Hardin counties. The late congressman, Ben. J. Birdsall of Clarion, was a brother and the late T. J. Birdsall of Alden was another brother.

New Casualty Organization

A new organization was launched recently in New York, that of the Association of Casualty & Surety Executives. A committee has been appointed to draft rules and a course of procedure.

Membership in the association will consist of the president or senior executive officers administering the affairs of stock casualty and/or surety companies. It is felt that with this line-up of executives it will be possible to accomplish a great deal along cooperative lines.

Moves Offices

The Des Moines branch of the Mutual Life of New York has leased most of the eleventh floor of the Southern Surety Building. G. M. Patton is agency manager, and the agency is moving from the Iowa National Bank Building. The credit insurance department of the Southern Surety which formerly occupied the eleventh floor of the company's building is moving to the third floor.

Missouri Auto Premiums \$9,374,034

During 1925 stock casualty and fire companies wrote 86 per cent of the automobile business in the state of Missouri. Mutual fire and casualty companies transacted 7 per cent of the total volume as did also reciprocals. All auto premiums in the state aggregated \$9,374,034.

for MAY, 1927

An Exceptional Sales Opportunity

An Ideal Policy—

Specimen Rate at Age 35
per \$1,000.00

\$17.60

With Paid-Up and Extended Insurance Values, Also Optional Cash Benefit at Age 70.



We are licensed in the following twenty-five states and have top contracts available in many districts.

Alabama	Illinois	North Dakota
Arizona	Indiana	Oklahoma
Arkansas	Iowa	Pennsylvania
California	Kansas	South Dakota
Colorado	Kentucky	Tennessee
Florida	Michigan	Texas
Georgia	Missouri	Washington
Idaho	Nebraska	Wyoming
	New Mexico	

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Agency Department

National Life Association

Home Office: Des Moines, Iowa

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Title Insurance

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Title Insurance Department

Southern Surety Company

201 Youngerman Building

DES MOINES

IOWA

Bankers' 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.



Young Married Banker desires a position during his two weeks annual vacation. He prefers a position in another occupation such as selling, travel, etc., which will also serve as a vacation. Can qualify as an auto chauffeur and companion for the right party. Best of references. No. 2977, Northwestern Banker.—5-6.

Cashier now employed, eight years with present employers, wishes change. Thirteen years experience in country banks. Married. Age 33. References. No. 2978, Northwestern Banker.—5-6.

Position wanted: as Cashier in good bank. Ten years experience in Wisconsin. Would consider assistant cashier-ship in larger bank. Best of references. Available June 1st. No. 2979, Northwestern Banker.—5.

Banking position wanted by middle aged married man, Protestant with eighteen years' experience in all lines of country banking as executive in banks in Colorado and Iowa. Capable of handling Real Estate Loans and Insurance business. Can furnish best of references and invest in good proposition. Would be interested in assisting to organize bank. No. 2973 Northwestern Banker.—5-6.

Aggressive young bank executive with 10 years successful experience in all departments of banking desires position in larger bank. Now employed as cashier. Available in 30 days. No. 2974 Northwestern Banker.—5.

Wanted: Young man for cashier small county bank in northwest Iowa. Must understand farm loan and insurance. A fine chance for competent man. No. 2975 Northwestern Banker.—5.

Position Wanted: Man 38 years of age in good health, of good character and can give good references. Married. Seven years' banking experience. Want chance for advancement. No. 2976 Northwestern Banker.—5.

Position Wanted: By young man as bookkeeper, teller or assistant cashier, where there is chance for advancement. Now employed in bank. Good reason for change. Can furnish best of references. Available at once. Also will consider position with C. P. A. Hold diploma of C. P. A. training course. Address K. A. Coates, Chapin, Iowa—4-5.

Wanted Connection in Good Iowa Bank. Experienced. Good education and best of references. Address No. 2972, the Northwestern Banker—Indef.

Position wanted as assistant cashier: Young man with University education, also banking and business experience. Excellent references can be furnished. Address No. 2967, The Northwestern Banker—Indef.

Executive Bank Position Wanted: With 20 years' successful banking experience, both state and national banks in executive capacity. Married. Good reputation for ability and genial aggressive personality. Protestant and lodge affiliations. Consider any desirable point, middle west, east or south modern conveniences. Satisfactory references furnished. Address EBC, The Northwestern Banker—Indef.

ONCE THE TELEPHONE—NOW THE FIELD AUDITOR

(Continued from page 17)

First National, Emerson, Nebr.; First National, Fonda; State Savings, Hornick;

First National, Hudson, So. Dak.; Farmers State, Osmond, Nebr.; First National, Paullina; First National, Randolph, Nebr.; First Trust and Savings, Remsen; Commercial Trust and Savings, Storm Lake; Commercial Investment Co., Storm Lake; Iowa Trust and Savings, Varina; Toy National, Sioux City; Farmers Loan and Trust, Sioux City; Iowa Joint Stock Land Bank, Sioux City, and Toy National Corporation, Sioux City.

In the matter of choosing officers for each bank, Vice President Toy says they follow the practice of promoting within the ranks, wherever possible. They seldom go out of the organization to secure new officers, taking "green" boys in to the Sioux City office and training them.

Accumulated experience, properly applied, is the magic wand of successful banking. How to obtain that experience is the thing of difficulty. The Toy banks believe they have solved the problem, and are applying the solution. "Through experience we are constantly improving our system," they say. And the fact that no Toy bank has experienced any losses in towns, whether competitive banks have suffered badly, indicates that their plan of operation is sound and intelligent.

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MORRISON HOTEL

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350 BATHS

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Right in the heart of the shopping and business district. Selected as headquarters for many conventions. You'll find a real welcome here. Rooms \$2.50 and up.
T. H. HOFFMAN, Mgr.

250 ROOMS
200 BATHS

HOTEL HANFORD
MASON CITY, IOWA
"The pride of northern Iowa." Hotel service equal to any in the larger cities. You will enjoy staying at Hotel Hanford. Rates, \$2 up.
F. C. GAYLORD, Mgr.

350 ROOMS
350 BATHS

HOTEL BLACKHAWK
DAVENPORT, IOWA
You are proud to tell friends that you stay at the "Black Hawk" when in Davenport. It's economical, too. 350 rooms 350 baths. Rooms \$2.50 up.
W. R. KANE, Manager

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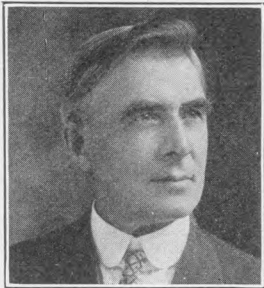
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EINER JOHNSON
President

South Dakota Bank News

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Association

President.....Einer Johnson
Volin

Vice President.....Harry M. Griffith
Gettysburg

Secretary.....Geo. A. Starring
Huron

Treasurer.....Geo. C. Fullenweider
Huron



GEO. A. STARRING
Secretary

Goes Out of Business

The Bank of Burbank, South Dakota, was liquidated last month, depositors being paid in full. Officers were E. C. Barton, president; Geo. K. Brosius, vice president, and W. A. Chaussee, cashier. These three men owned the institution. They felt that Burbank was not large enough to warrant continuing operation of the institution and decided to close it. Mr. Brosius is cashier of the Vermilion National Bank of Vermilion.

To Liquidate

It has been announced that the Bank of Burbank, South Dakota, will liquidate as soon as possible. The bank is absolutely sound, and in such good financial condition that they are anxious and ready to pay every dollar to every depositor at any time the demand is made. In fact, the difficulty the bank is having in closing up its affairs is to get the depositors to call for their money. The bank was organized in 1913. It was purchased in 1919 by E. C. Barton, George Brosius and W. A. Chaussee, of Vermilion. Since that time W. A. Chaussee has been in charge of affairs.

Meets in Vermilion

Bankers from eight counties constituting Group 1 of the South Dakota State Bankers association, will hear B. V. Moore of the Federal Reserve Bank of Minneapolis and other banking authorities at a meeting May 9 in Vermilion. Clay, Union, Yankton, Bon Homme, Douglas, Charles Mix and part of Turner and Hutchinson counties will be represented. The principal speakers will include, besides Mr Moore, Einer Johnson, president of the State Bankers Association; George A. Starring, secretary; Senator A. B. Gunderson, and Dean E. S. Spark of the State university.

Resigns

After giving faithful and obliging services for seven years at the Lakeside State Bank, Lake Andes, South Dakota, Mrs. Michael Pekas severed her connection with that institution recently. Mrs.

Pekas' place at the bank has been taken by Sam Lehr of Tripp.

Group Two Meets

The bankers of Group No. 2 of the South Dakota Bankers Association will hold their district meeting in Madison on May 11th. The affair will be held at Lake Madison.

Bankers from five counties will be present and will bring their ladies with them. A dinner will be served at the hotel at Lake Madison and social features will be added to the regular business meeting of the group. Each group plans to hold a meeting preceding the state meeting preceding the state meeting which is to be held at Deadwood, July 1st and 2d.

Increases Capital

The Brookings Building & Loan association, Brookings, South Dakota, at a meeting of the stockholders, voted to increase the capital stock of the association from \$1,000,000 to \$5,000,000. This was made necessary because of the fact that the association has sold more than \$900,000 worth of stock. The company was organized in May, 1913. Attorney Philo Hall is president and O. O. Olson is secretary.

Consolidation

The Gettysburg State Bank recently consolidated with the Potter County Bank, both of Gettysburg, South Dakota. Though both banks were in excellent condition it was decided by officials that a more profitable business would be obtained through consolidation. This leaves two banks in Gettysburg, the Potter County and the First National.

Plan Entertainment

A trip in open cars by rail through Spearfish Canyon is one of the features planned for the thirty-sixth annual convention of the South Dakota Bankers Association at Deadwood, July 1st and 2d, it was announced recently by Elmer Johnson, president of the association.

Besides the Spearfish Canyon trip, on which the bankers will be taken to an al-

titude of more than a mile at one point, another trip includes a visit to Homestake Mine at Lead, one of the world's largest gold mines. Sylvan Lake and The Needles also are included in the itinerary planned for the bankers.

The final feature of the entertainment program will be the Tri-State Round-up at Belle Fourche.

The bankers will not be pleasure bent alone, however, as a full program is being prepared for the association's consideration at the business session.

Organize Trust Department

The First National Bank of Vermilion, South Dakota, has announced the opening of a trust department under government and state supervision, with M. L. Thompson as manager and E. M. Hart and F. L. Hyde as assistant trust officers. The charter of the new organization authorizes the handling of estates of decedents, minors, incompetents, and in all relations where a guardian or administrator is required, as well as permitting it to act as trustee in trust relationships and as registrars for bonds and other financial issues.

Group Four in Watertown

Roy Emry, secretary of the state chamber of commerce, with headquarters at Huron, South Dakota, will be one of the chief speakers at the annual meeting of the bankers of Group No. 4, which will be held in Watertown on May 13th. At the meeting present problems confronting bankers will be discussed and policies for the coming year will be outlined. The group organization is affiliated with the South Dakota Bankers association. Affairs of the state association will be discussed by Secretary Starring.

Bank Clearings Gain

Bank clearings for Sioux Falls, South Dakota, banks for March totaled \$7,596,744, almost a million dollars more than for the same month of 1926, and nearly two millions more than March, 1925.

To Organize Bank

At a meeting of the citizens of Esteline, South Dakota, and community recently, arrangements were practically completed for the sale of stock for a new national bank. Henry VanOswego of Castlewood and F. E. Millard, Jr., will be in charge of the new institution.

Deposits Ten Million

At the close of business on March 23d of this year there was \$9,885,299.12 on deposit in the four banks in Sioux Falls, South Dakota. The four banks in order of their founding are Minnehaha National, Security National, Corn Exchange and Citizens National. The first two banks were founded in 1885 and in 1890,

respectively, while the last two were started only last year. The statements issued by the banks and dated March 23d, show the following deposits: Minnehaha National, \$3,450,207.98; Security National, \$4,428,103.50; Corn Exchange, \$948,740.41; and Citizens National \$1,548,247.23.

The officers of the banks are as fol-

lows: Minnehaha National, W. L. Baker, president; Ira A. Moore, vice president; Max A. Kuehn, vice president; B. H. Requa, cashier; C. D. Rowley, assistant cashier; H. L. Jones, assistant cashier; Martin J. Kuehn, John P. Bleeg, Louis Caille, George T. Blackman, Fred W. Taylor and E. W. Fiske, directors.

Security National: W. Z. Sharp, presi-

dent; D. A. McCullough, vice president; John Barton, cashier; Delmar C. Lowe, J. V. Lowe, Oliver A. Bray, Melvin I. Orms, assistant cashier; F. W. Koneman, manager farm loan department; L. J. Sharp, manager trust department; F. H. Hollister, John Mundt, H. E. Neeley, Sam Spier, Thomas McKinnon, H. Loonan, F. W. Koneman, W. K. Van Brunt, L. J. Sharp, D. A. McCullough, John Barton and W. Z. Sharp, directors.

Corn Exchange: O. V. Meyhaus, president; W. C. Hollister, vice president; G. B. McMahon, cashier; F. W. Koneman, J. C. Vandagriff, A. K. Pay and E. J. Todd, directors.

Citizens National: W. E. Stevens, president; John M. Toohey, vice president; Ray G. Stevens, vice president and cashier; W. C. Buchanan, Jay B. Allen, Clifford H. Peck, Dr. S. A. Donahoe, Otto F. Jewell, directors.

The Live Stock National Bank Sioux City, Iowa

AT THE CLOSE OF BUSINESS MARCH 23, 1927

RESOURCES

Loans and discounts	\$2,174,064.31
United States Bonds	276,050.00
Bonds and Investments	993,604.99
Stock in Federal Reserve Bank	9,000.00
Redemption Fund with U. S. Treasurer	10,000.00
Cash on Hand and Due from Banks	1,378,489.52
Real Estate	None

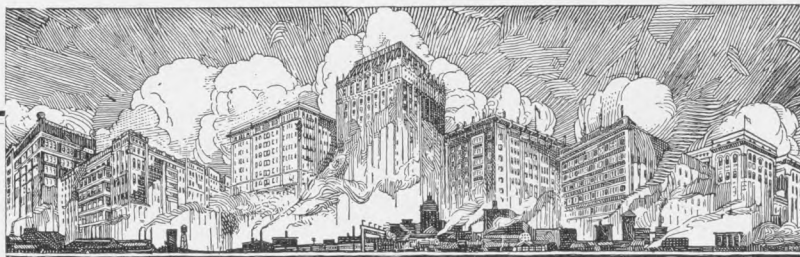
\$4,841,208.82

LIABILITIES

Capital Stock	\$ 200,000.00
Surplus	100,000.00
Undivided Profits	9,113.56
Interest Collected, Not Earned	24,798.53
Circulation	200,000.00
Deposits	4,307,296.73
Borrowed Money	None

\$4,841,208.82

Deposits December 31, 1926	\$3,999,621.92
Deposits March 23, 1927	4,307,296.73
Increase	307,674.81



Hotels of Hospitality

Hotel Fontenelle.....	Omaha, Neb.
Hotel Chieftain.....	Council Bluffs, Iowa
Hotel Lincoln.....	Lincoln, Neb.
Hotel Rome.....	Omaha, Neb.
Hotel Montrose.....	Cedar Rapids, Iowa
Hotel Capital.....	Lincoln, Neb.
Hotel Martin.....	Sioux City, Iowa
Hotel Norfolk.....	Norfolk, Neb.
Hotel Carpenter.....	Sioux Falls, S. D.
Hotel Cataract.....	Sioux Falls, S. D.
Hotel West.....	Sioux City, Iowa
Hotel Magnus.....	Cedar Rapids, Iowa
Hotel Evans.....	Columbus, Neb.

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Rates
are Posted
in Every
Eppley Room"*

Operated by Eppley Hotels Company

Group Meetings

Meetings for the nine groups of the South Dakota Bankers Association will be held throughout the state during May. The dates and the meetings places are as follows:

- Group 7—May 2, at Mobridge.
- Group 6—May 3, at Aberdeen.
- Group 5—May 4, at Huron.
- Group 3—May 5, at Mitchell.
- Group 9—May 7, at Colome.
- Group 1—May 9, at Vermillion.
- Group 2—May 11, at Lake Madison.
- Group 4—May 13, at Watertown.
- Group 8—May 16, at Deadwood.

Bank Reopens

The Utica State Bank at Utica, South Dakota, reopened recently with a capital of \$20,000 and a surplus of \$5,000, with J. H. Bierle, president; James Peterka, vice president; Anton Walla, cashier, and William Limpo, assistant cashier.

Ambiguous

A pretty girl presiding over a stall at a bazaar, was approached by a wealthy man who had the reputation of being niggardly.

"How much for these chocolates?" he asked, picking up a box.

"Two dollars," he was told.

"But," he exclaimed, looking first at the chocolates and then at the girl, "aren't you a little dear?"

"So I've been told," was the demure reply.

A Quiet Departure

Mistress (not liking the look of her new maid): "Did you have any words with your former mistress as you were leaving your last place?"

New Maid (encouragingly): "Not in the least, mum. I locked her in the bathroom, and took all my things and slipped out as quiet as you please."

NORTHWESTERN BANKER

Passed by Legislature

The following are the bills relating to banking passed by the South Dakota legislature at its 1927 session:

Senate Bills

Senate Bill No. 55 by Fetzner.—Amending Section 4, Chapter 121, S. L. 1923, relating to the issuing of checks, drafts or orders on any bank or other depository without sufficient funds to meet the same upon presentation and providing a rule of evidence. The making, drawing, uttering, issuing or delivering check, draft or order on any bank for the payment of money without sufficient funds on deposit shall be prima facie evidence of knowledge upon the drawer that he has not sufficient funds.

Senate Bill No. 92 by McDonald.—An act regulating the depositing of all county, municipal, township, school and irrigation district and all other public funds except state funds, and relieving the treasury from liability and repealing all acts in conflict therewith. Introduced at the request of bonding companies.

Senate Bill No. 102, Committee Bill.—New law which has to do with adverse claims. Notice of an adverse claim shall not be effectual for recognition unless said adverse claimant shall either procure a restraining order, injunction or other appropriate process from the court or shall execute to the bank in question a bond indemnifying said bank from all liability.

Senate Bill No. 103, Committee Bill.—An act providing that the superintendent may petition the court to sell remaining assets of closed banks. Provides for appraisal, order of hearing, notice of hearing, order of sale, notice of sale, sale, return of sale, confirmation of sale, final account, final dividend.

Senate Bill No. 104, Committee Bill.—An act to improve and stabilize the banking system. Most important bank law of the session. Provides for regulation and control of banks and banking; amending Depositors Guaranty Fund Law; providing for the establishment of separate individual Guaranty Fund; continuing the Depositors Guaranty Fund Commission; extending power to Superintendent of Banks and Depositors Guaranty Fund Commission for supervision and control over officers of banks and the management and administration of banks. Copies of this law are available at association headquarters.

Senate Bill No. 105 by Committee.—Authorizes the Superintendent of Banks to employ such legal counsel and assistants as he may deem necessary. This amends Chapter 98, S. L. 1925, which authorized the Superintendent to employ counsel during the period ending June 30, 1927.

Senate Bill No. 106 by Committee.—Amending Section 8949, Code of 1919, as

amended by Chapter 95, S. L. 1925. Relating to organization of a bank, its capital and requiring approval of Depositors Guaranty Fund Commission. New material provides that no charter or authority to engage in the banking business shall be issued except on a certificate issued by the superintendent of banks upon the approval of the Guaranty Fund Commission. The issuance of such certificate shall rest solely in the discretion of the superintendent of banks and Depositors Guaranty Fund Commission. No certificate will be issued unless the commission shall first affirmatively find that the need for such bank exists and the applicants must possess adequate qualifications of fitness to engage in the banking business.

Senate Bill No. 107, Committee Bill.—An act validating real estate mortgages,

assignments, satisfactions and real estate sales made by the superintendent of banks or examiners in charge, and validating other actions of examiners in charge. The title fully explains this bill.

Senate Bill No. 110, Committee Bill.—An act amending Section 8951 of Revised Code relating to filing of articles of incorporation. Under this law, as amended, articles of incorporation shall be forwarded to the secretary of Depositors Guaranty Fund Commission. If approved it will then be filed in the office of secretary of state and a certified copy shall be forthwith filed in the office of the superintendent of banks. Also a certified copy thereof shall be recorded in the office of the register of deeds of the county where such bank is established.

Senate Bill No. 120.—An act permit-

Guaranty Trust Company of New York

140 Broadway

LONDON PARIS BRUSSELS LIVERPOOL HAVRE ANTWERP

Condensed Statement, March 23, 1927

RESOURCES

Cash on Hand, in Federal Reserve Bank and Due from Banks and Bankers	\$134,276,081.48
U. S. Government Bonds and Certificates	29,026,045.33
Public Securities	42,647,156.04
Other Securities	20,961,116.00
Loans and Bills Purchased	383,623,158.79
Real Estate Bonds and Mortgages	1,512,500.00
Items in Transit with Foreign Branches	6,643,485.08
Credits Granted on Acceptances	51,083,894.89
Real Estate	7,981,150.16
Accrued Interest and Accounts Receivable	8,553,785.56
	<u>\$686,308,373.33</u>

LIABILITIES

Capital	\$ 25,000,000.00
Surplus Fund	25,000,000.00
Undivided Profits	1,854,667.67
	<u>\$ 51,854,667.67</u>
Accrued Dividend	914,000.00
Accrued Interest, Reserve for Taxes, etc.	5,436,060.63
Acceptances	51,083,894.89
Outstanding Treasurer's Checks	22,478,863.80
Deposits	554,540,886.34
	<u>\$686,308,373.33</u>

ting county commissioners to designate certain banks in the county as active depositories for county funds—describing conditions. This law allows county treasurers to deposit more funds than prescribed by law, provided the county commissioners pass a resolution to that effect. (Lame Duck Bill.)

Senate Bill No. 149 by Trygstad.—Building and loan. Providing for method of incorporation of cooperative mutual building and loan associations, defining the powers of such associations and providing for their supervision and examination by the Superintendent of Banks.

Senate Bill No. 150, Committee Bill.—An act relating to trust companies. Provides for meetings of board of directors

and declaration of dividends—making reports to superintendent of banks—amending Sections 9045, 9046 and 9054, Code of 1919. New material provides that six of the monthly meetings shall be held on the second Tuesday in the odd numbered months. It further provides that dividends, if any, shall be declared on the second Tuesday in January, if paid annually; and if paid semiannually, to be declared at meetings held on the second Tuesday in January and July. Section 9054 has been amended so that trust companies will now report to the superintendent of banks in the same manner as the state banks.

Senate Bill No. 151.—Provides that the superintendent of banks shall have the

right to appoint as examiner in charge of an insolvent bank any active officer of an open state bank in the same community as such suspended bank formerly transacted its business.

House Bills

House Bill No. 78 by Olsen of Turner.—An act to amend Section 8980, Revised Code 1919; amend Chapter 114, S. L. 1923, and to amend Section 8981, Revised Code 1919, as amended by Chapter 115, S. L. 1923. Relating to limitation of loans to stockholders of banks and providing a penalty.

This law provided that loans to stockholders owning 2 per cent or less of the capital stock of the borrowing corporation shall not be figured into loans so as to make it an excessive loan. It is now the duty of the officers of any bank to report to the superintendent of banks all loans made to the stockholders of a bank or to any corporation in which any stockholder may own shares of capital stock whenever the aggregate of such loans exceed 50 per cent.

Section 8981 is amended by adding the words "except as provided in the next preceding section hereof," which refers to Section 8980, and further by adding the word "by," which would tend to increase the penalty by providing for both the fine and imprisonment for the violation of this law.

House Bill No. 88 by Otte.—Amending Section 6873, Code of 1919, as amended by Chapter 282, Session Laws 1923. New matter added as follows: "And the treasurer shall not be liable personally nor upon his official bond, for any money that may be lost by reason of the failure or insolvency of any bank which has become a depository under this article, and provides further that said state treasurer shall not be liable or responsible for any funds or moneys deposited with the treasury department in the form of bank drafts, cashier's checks, warrants and other instruments of exchange until same have been actually paid and collected and actually received by him." This amendment was made to assist the state treasurer in obtaining a bond.

House Bill No. 106 by Committee on State Affairs.—An act to amend Section 6875, 1919 Code, as amended by Chapter 281, S. L. 1923, as amended by Chapter 281, S. L. 1925. This relates to depository bonds given by banks to secure deposits of state funds. In addition to collateral as formerly provided, warrants of any county, township or municipal corporation or bonds of any state of the United States may be so used.

Helps Business, Anyhow

Teacher: "Honesty is the best policy."
Son of an Insurance Agent: "You're wrong teacher. Twenty Pay Life is the best policy."

NORTHWESTERN BANKER



"Time Out" for Business

An important telegram for an official of a bank in the Northwest came to the Union Trust Company—its Chicago correspondent. We were requested to make every effort to forward and deliver it to the banker who had passed through Chicago en route to a southern city.

In 10 minutes, via our private wire to New Orleans, we traced the bank official to a Gulf Coast golf course, located a private telephone wire direct to the club house, and delivered the message on the fifth green. On his return through Chicago, he again called at the Bank to express his gratitude.



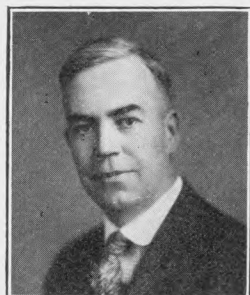
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CHICAGO

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Nebraska Bank News

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Council.....A. R. Thompson
Hastings
Secretary.....W. B. Hughes
Omaha
Treasurer.....J. B. Owen
Omaha
General Counsel.....J. P. Palmer
Omaha



WM. B. HUGHES
Secretary

Sixteenth Annual Conference

The Nebraska Bankers Association and the Omaha Clearing Association were the hosts recently to the sixteenth annual conference of the presidents, vice presidents and secretaries of the Central State Bankers Associations held in Omaha.

Plans were formulated at the meeting for all fourteen states of the conference to organize their vigilance protection so that it would work out into an interlocking system for the benefit of all concerned.

The committee on resolutions was composed of Robert Waite of Indiana, George Starring of South Dakota, and Forba McDaniels of Indiana.

Frank Warner of Iowa, W. C. McFadden of North Dakota, and W. F. Keyser of Missouri made up the nominating committee.

Officers for the coming year are Fred Fellows of Minnesota, president; W. B. Hughes of Nebraska, vice president, and Forba McDaniels of Indiana, secretary.

Goes to Iowa

Edward E. Horn of Norfolk, Nebraska, is to become vice president of the Citizens State Bank of Griswold, Iowa. J. H. Alexander is president of the institution, and Martin L. Wehn is the retiring vice president. Mr. Horn has purchased the block of stock owned by E. M. Begg, which was a large percentage of the capital stock of the bank. The personnel of the Citizens State Bank will remain unchanged with the exception of the vice presidency.

Deposits and Loans

Omaha national banks at the close of business on March 23d, had loans and deposits as follows:

	Deposits	Loans
Omaha National....	\$ 31,817,002	\$19,522,292
First National	24,958,776	10,552,294
United States	18,580,601	11,626,289
Stockyards	8,040,026	5,989,612
State Bank	6,851,224	4,594,919
Packers National...	4,097,534	3,197,811
Livestock	3,825,530	2,844,760
Peters	2,532,576	1,265,302
Union	2,357,568	1,591,146
S. O. State	1,494,000	1,037,814
Farmers & Merch...	1,224,056	940,772
S. O. Savings	970,664	926,101
Bank of Florence..	493,131	382,695
Totals	\$107,242,688	\$64,472,797

for MAY, 1927

Investigate Death

Investigation into the death of Donald Severns, cashier of the Surprise State Bank, Surprise, Nebraska, who was found dead in his automobile with a bullet through his brain was conducted by Sheriff I. N. Scott.

Following a cursory probe, Scott announced that Severns probably committed suicide as he clutched a revolver from which one shot had been fired.

Shortly before discovery of the body, Severns was visiting friends apparently in excellent spirits. Severns was cashier of the First National Bank for five years.

Dies at Broken Bow

James A. Cline, vice president and former cashier of the National Bank of Commerce at Lincoln, Nebraska, died recently following a period of failing health. Cline retired from active business about four years ago. He was vice president of the Broken Bow bank and well known in banking circles of the state. The body was taken to Lincoln for burial.

Consolidation

Consolidation of the Conservative State Bank with the Platte Valley State Bank, both at Central City, Nebraska, was announced recently by the state banking department.

Arthur N. Johnson will be president of the merged institution and Carl E. Erickson, cashier. The combined deposits total \$600,000. The merger leaves Central City with two state banks and one national bank.

To Check Loans

A system patterned after the Omaha Associated Retailers for checking bank loans was advocated by bankers attending the Central States Bankers Association convention at Hotel Fontenelle, Omaha.

Persons get loans from five and six banks simultaneously without any of the banks knowing of the other notes, it was said.

Other bankers discussing legislation in

their respective states said that many bills affecting banks have been killed in committees due to pressure brought upon the legislatures.

Charles H. Mylander of Columbus, O., said that a bill is in the legislature which makes United States treasury bonds a good banking investment. In years past, he said, banks of the state could not hold the securities as investments.

Following a dinner party at the Hotel Fontenelle the bankers were given a theater party at the Riviera theater as the guests of the Omaha Clearing House Association and the Nebraska Bankers' Association.

Sells Interest

J. C. Daugherty, cashier of the First National bank, Greeley, Nebraska, has disposed of his banking interests to Joseph McQuinlen, formerly cashier of the First National Bank of Minden, who will succeed Mr. Daugherty as cashier. Mr. Daugherty, who has been engaged in banking in Greeley for the past 14 years, goes to Omaha where he will be identified with the Packers National Bank of that city.

Faster Elevators

Electric elevators may be installed in the First National Bank building of Omaha in the near future, according to T. L. Davis, vice president of the institution.

The elevators are automatically controlled by electricity, and have much more speed than ordinary elevators.

Changes Name

The Crawford State Bank, Crawford, Nebraska, has succeeded the First National Bank, of Crawford.

The new bank was organized by the following: O. R. Ivins, George Swanson, B. F. Johnson, J. E. Porter, A. F. Johnson and C. A. Minick, all of Crawford, Nebraska, and F. McGivern, of Omaha, Nebraska. These men also owned a majority of the stock in the First National Bank.

The officers of the Crawford State Bank are the same as the officers of the National Bank, being O. R. Ivins, president, C. A. Minick, cashier; F. McGivern, vice president; A. F. Johnson, assistant cashier.

The Bank of Crawford started business August 1, 1889, and C. A. Minick was cashier of that bank. This bank was succeeded by the First National Bank in 1903 and now in 1927, the Crawford State Bank succeeds the First National Bank, having the same managing officers during all the twenty-seven years.

He who prays without confidence cannot hope that his prayers will be granted.—Fenelon.

In New Building

Recently the Chappell State Bank, the pioneer banking institution in Deuel county, Nebraska, moved into its new and commodious quarters which it recently purchased.

Both buildings were built at the same time and of the same material so that the work of reconstructing the two buildings into one banking room was very simple and few people would ever suspect from either the exterior or the interior appearance of the building that it had not been built for this specific purpose. The exterior of the building is of a superior quality cream colored pressed brick and the interior of oak and marble and al-

together presents a very pleasing and substantial appearance.

The bank has a capital and surplus of \$75,000.00 and around \$600,000.00 deposits, has no borrowed money and maintains a cash reserve of around 20 per cent.

Mr. H. C. Peterson, the president, is one of the original organizers of the bank and has been connected with and active in the bank continuously since its organization. In addition to his banking interests Mr. Peterson is a heavy investor in Deuel and Garden county, Nebraska, and Sedgwick county, Colorado, farm lands, his Garden and Sedgwick county holdings being irrigated sugar beet and alfalfa lands.

Glenn D. Jenkins, vice president of the Home State Bank of Humboldt, Neb., recently underwent an operation for stomach trouble, at the Mayo clinic, Rochester, Minn. It is anticipated that he will soon be able to return to his desk at the bank.

The Conservative State Bank and the Platte Valley State Bank of Central City were merged late in March, the business being continued under the name of the Platte Valley State Bank. The merger was approved by bureau of banking of the department of trade and commerce of the state of Nebraska.

The Platte Valley State Bank is one of the oldest financial institutions in Merrick county, Neb. Arthur N. Johnson is the president of the merged bank; A. F. Jewell, vice president; Carl E. Erickson, cashier; Lydia Burke, assistant cashier; the capital is \$50,000 and the surplus \$10,000. The statement as of March 28, 1927, showed the following resources: Loans and bonds, \$499,459.92; overdrafts, \$189.18; bankers conservation fund, \$1,669.67; banking house and fixtures, \$12,600; other real estate, \$46,900; cash reserve, \$136,215.17. The liabilities: Capital stock, \$50,000; surplus and profits, \$13,499.51; depreciation reserve, \$2,000; guarantee fund, \$1,703.73; deposits, \$29,830.70.

Charles T. Kountze, vice president and chairman of the board of the First National Bank, Omaha, Neb., who sailed for a European trip in March, is cutting short his travels, having been called back for business reasons. He may return abroad to accompany his family home.

Edward E. Horn, formerly an executive of the Nebraska State Bank of Norfolk and later organizer of the Nebraska State Bank at Bristow, has purchased the J. W. Begg interest in the Citizens State Bank of Griswold, Iowa, and has become vice president of that institution, and a member of the board of directors.

Miss Martha Siert, for twenty years an employe of the Stock Yards National Bank of Omaha, has left the banking institution, and has begun operation of a farm between Blair and Fort Calhoun, Neb.

Frank A. Dean, president of the Phelps county bank at Holdrege, Neb., died recently in a Los Angeles hospital. Mr. Dean was president of the Phelps county bank for more than 40 years, and was formerly mayor of Holdrege.

The First National Bank of Crawford, Neb., which was organized in 1903, has been succeeded by the Crawford State Bank, headed by the same persons as

70 years of banking experience for you

70
years helping
folks on
their way to
success

Seventy years of banking experience is at the command always, of our correspondent banks and other customers. Some of our correspondents have been doing business with us more than a half century.

The First National of Omaha has been built upon a policy of giving unexcelled service in an unassuming manner.

Seventy years of continuous and successful banking activity in the central west is the proof we offer of our ability to render a complete banking service.

Service—Experience

F. H. DAVIS
President

**First National
Bank of Omaha**

C. T. KOUNTZE
Vice President
and Chairman

were formerly in charge of affairs at the National Bank. The officers of the new institution are O. R. Ivins, president; F. McGiven, vice president; C. A. Minick, cashier; A. F. Johnson, assistant cashier. The Bank of Crawford started business August 1, 1899, and C. A. Minick was cashier. It was succeeded by the First National Bank. The management of the bank has not changed in 27 years.

The Federal Land Bank of Omaha, for the first quarter of 1927, closed loans of \$10,967,300, the largest volume of business for the first quarter of any year since the bank was organized, ten years ago. The loans this year were about \$2,500,000 more than for the same period last year. March loans, this year, were \$4,810,800; while in March, 1926, they were \$3,822,800.

When S. H. Blackwell, registrar of the eighth federal land bank district, held an open house recently in his new office in the Woodmen of the World building, Omaha, his rooms became a bower for flowers sent by friends and associates. On the walls of Mr. Blackwell's office are hung autographed steel engravings of President Coolidge and Secretary of the Treasury Mellon, a photograph of President D. P. Hogan of the Federal Land Bank of Omaha; the first \$5 note issued by Mr. Blackwell when he was cashier of

the National Bank of Princeton, N. J., and a deed and mortgage dated Princeton, N. J., in 1813.

Omaha bankers are assisting in the organization of the North Platte Valley Dairy Development Association, by subscribing to the first \$25,000 capital, being raised in Omaha to match a similar amount in the valley. Among the Omahans actively interested in the promotion of dairying and the cheese-making industry in the vicinity of Scottsbluff, Neb., were F. H. Davis, president of the First National Bank; Walter W. Head, president of the Omaha National Bank; Ford E. Hovey, president of the Stock Yards National Bank; Robert P. Morsman, president of the United States National Bank, and others, directors of various Omaha banks.

The State Bank of Madison, (Neb.), has purchased a site for a new building, which it is to build for the bank.

J. C. Daugherty, cashier of the First National Bank of Greeley, Neb., has sold his banking interests to Joseph McQuinlen, formerly cashier of the First National Bank of Minden, Neb. Mr. McQuinlen will succeed Mr. Daugherty as cashier of the Greeley bank. Mr. Daugherty has been at Greeley, in the bank, for fourteen years. He is to become identi-

fied with the Packers National Bank of Omaha.

Mrs. A. W. Clark, 84, widow of the founder of the Banking House of A. W. Clarke of Papillion, Neb., died early in April in California, where she lived after her husband's retirement at Papillion 13 years ago. He died in 1926. The Banking House of A. W. Clarke was founded in 1880.

The Farmers and Merchants and the State Bank of Lebanon have merged, by the deal the building occupied by the former going to the latter, and the name of the latter being adopted for the larger bank. Ray C. Murphy continues as president of the State Bank of Lebanon, and M. J. Walters, former cashier of the Farmers & Mechanics Bank, has been retained as cashier of the state bank.

The State Bank of Lebanon was established in October, 1887. Mr. Murphy purchased it in 1920.

Not Made of Air

1st Bookkeeper: "What was all the rough talk down in the basement this morning?"

4th Bookkeeper: "Fella walked into the vault."

1st: "Well, what of it?"

4th: "Oh, nothing, only the door was shut."



Investments for Banks and Individuals

We own and offer a diversified list of corporation and municipal bonds.

A list of our offerings will be sent to your bank regularly on request.

The Omaha Trust Company

Walter W. Head, *President*

OMAHA - - - NEBRASKA

Group Two of the Nebraska Bankers association met April 22, Arbor Day, according to annual custom at Fremont, Neb., with J. Howard Heine, vice president of the Union National bank, president of the group, presiding. At the morning program, after the address of welcome by Mayor Moore of Fremont, there was a response by A. Hauser, president of the Farmers State bank of Platte Center, vice president of the group; the president's address; report of the secretary, Herman F. Meyer, cashier of the Farmers State bank, Scribner; address, "Bonds as Bank Investments," by H. C. Nicholson, vice president of the Packers National bank of Omaha; and a question box conducted by E. F. Folda, vice president, Clarke & Co., Omaha.

The afternoon program included: Address, "Banking Problems," by William B. Ryons, cashier, First National bank,

Lincoln, president of Group One; address, "The European Corn Borer," Don B. Whelan, professor of entomology, Nebraska university college of agriculture; address, "Bank Legislation," J. B. Palmer, counsel, Nebraska Bankers association, Omaha.

At a banquet in the evening Ray W. Hammond, vice president of the Hammond Printing company, of Fremont was toastmaster, and the address was given by James A. Rodman, speaker of the Nebraska house of representatives, who discussed "Legislation."

The Packers National Bank, of Omaha, is encouraging the formation of "4 H" clubs among the farm boys and girls of Sarpy county, under the direction of Russell Kendall as extension agent for the state college of agriculture. At first the bank proposed to sponsor only calf and

pig clubs, but the response was so enthusiastic that canning, corn growing and cooking clubs are also to be formed.

Frank A. Dean, president of the Phelps County Bank of Holdrege, Neb., died in a hospital at Los Angeles, Cal., at the end of March. Mr. Dean had lived in Holdrege more than 40 years, and besides his banking enterprises was formerly mayor, postmaster, hardware dealer, and active in republican politics.

J. H. Catron, president of the Farmers State Bank at Nebraska City, Neb., where deposits have increased in nineteen years from \$203,000 to more than \$1,000,000, recently attributed this large growth to "continual and perpetual advertising." He said the advertising done by his bank has also aided the other banks in the community. The home town paper is entitled to much of a bank's advertising appropriation, Mr. Catron believes.

Walter W. Head, president of the Omaha National Bank, is general chairman of the local committee on arrangements for the annual convention of the National Editorial association, to be held in Omaha in June, and to be followed by a ten-day tour of Nebraska and the Black Hills of South Dakota. Ford Hovey, president of the Stock Yards National Bank, is chairman of the entertainment committee for the editors.

A decision of far-reaching importance on banks was handed down by the Nebraska supreme court April 12th, when the Central National Bank of Lincoln lost its claim for the full amount of notes, \$4,467.23, sent the Gering (Neb.) National Bank for collection, and collected in full but not remitted before the latter bank failed. The supreme court reversed the lower court. The final decree held that the Lincoln bank was not entitled to collection of the notes from the defunct bank because it had not traced the money to any specific fund in the Gering bank. "The proof fails to establish the plaintiff's right to a preference out of the general assets of the bank," said Justice Good, who wrote the decree.

Charles H. Cornell, president of the First National Bank, Valentine, Neb., is in St. Joseph's hospital at Omaha, recovering from a breakdown following almost two years in recovering from an auto accident in Chicago, in January, 1925.

Mr. Cornell had been active for a generation in Nebraska banking circles. He has been a citizen of Valentine for four decades, and was prominent in the growth of the community and the upbuilding of the surrounding territory.

Any success we may have in the securing and retention of business is due in a large measure to the satisfaction correspondents derive from our *individual treatment* of each transaction

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Capital, Surplus and Undivided
Profits, over \$7,500,000

Northwest Corner La Salle and Monroe Streets

CHICAGO

Nebraska Group Meetings

Two of the seven Group meetings of the Nebraska Bankers Association were held on April 22, Group Two meeting at Fremont, and Group Three meeting at Norfolk. The remaining meetings will be held throughout May as follows:

- Group 1—May 27, at Beatrice.
- Group 4—May 26, at McCook.
- Group 5—May 25.
- Group 6—May 23, at Valentine.
- Group 7—May 24, at Alliance.

Director Ill

Charles W. Lyman, director of the United States National Bank, Omaha, since the merger of the former Commercial National Bank with the present bank in 1905, has been seriously ill at his Blackstone hotel apartment.

Mr. Lyman has been practically retired from business since the merger. At times he had a desk in the offices of the former Nebraska Telephone company. He is the last of a group of pioneer business men who had much to do with the building of Omaha.

Among the former associates of Mr. Lyman were the late E. M. Morsman, Casper Yost, E. W. Nash and Guy C. Barton.

Recently Organized

At a meeting held at the State Bank of Lawrence, Nebraska, recently, a committee consisting of Messrs. J. A. Demilt, Louie Petz, J. E. Portwood, Dick Bargaen and C. R. Imler, were appointed to meet with the state guaranty commission to draw up the papers and agreements in the process of taking over the State Bank. The name of the new concern will be the Farmers State Bank of Nelson and the stockholders will consist of farmers and business men of Nelson and vicinity who have subscribed \$35,000 as the capital stock.

Takes Over Bank

A deal was closed recently whereby the State Bank of Lebanon, Nebraska, became possessors of the Farmers & Merchants Bank.

The deal included the bank building erected in 1919 by the Farmers & Merchants bank.

Ray C. Murphy will continue as president of the State Bank and M. J. Walters, former cashier of the Farmers & Merchants Bank, has been retained as cashier of the State Bank.

The State Bank of Lebanon was established in October, 1887, with L. L. Searles as president and J. W. Hupp, cashier. B. F. Bradbury later took Mr. Searles' place as president and M. C. Stephens succeeded Mr. Bradbury.

Banker Dead

Thomas F. Memminger, banker, who recently died at Atoka, Okla., was an

for MAY, 1927

officer of the Bank of Burnett, the Tilden State Bank of Madison and the Citizens National Bank of Norfolk, Nebraska. He served two terms as county treasurer of Madison county, was a member of the state legislature from Madison county two terms. He is survived by his wife, daughter and son.

THE LEGAL DEPARTMENT

(Continued from page 26)

the right to charge back the amount credited.

The claim for preference in the matter first referred to, herein, is based on two theories. The first theory is that in han-

dling the draft in question the relation of principal and agent, and not that of debtor and creditor, existed. The second theory is that, even though the relation of debtor and creditor was created by the transaction respecting the draft, plaintiff is nevertheless entitled to a preference on the ground that the bank was hopelessly insolvent, and was so known to be by its officers when the draft was received by it.

The controlling feature underlying a transaction of this nature is generally considered to be the agreement existing between the bank and the one who presents and receives credit for a draft. The question as to whether the draft was deposited for collection only, or for credit, is one



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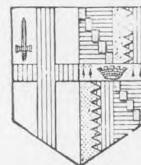
TRY US

Live Stock National Bank

Union Stock Yards—Omaha

W. P. Adkins, President
Howard O. Wilson, Cashier
L. V. Pulliam, Asst. Cashier

Alvin E. Johnson, Vice President
R. H. Kroeger, Asst. Cashier
W. S. Hogue, Asst. Cashier



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 nearly 2400 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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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

of agreement between the bank and the depositor. If the draft or deposit is entered as a deposit only as a matter of convenience, intending that it shall be a deposit after collection, the courts have held that the title will not pass to the bank until after collection is made. But that the bank may take title immediate, without intention to attempt collection, with the intent to charge back the amount in case collection is not made. The fact that the bank took the draft on the strength that it would be paid, and intended to collect it if possible, would not conclusively show that the bank had not purchased the draft.

Smith Brothers contended in this matter that where a bank credits a depositor's account with a check or draft and the depositor is allowed to check against the same, or has a right to do so, the bank becomes the owner of the draft or check, even though the bank has reserved the right to charge back the amount of the draft or check, if not collected, and that in such case the relation established is that of debtor and creditor, and not that of principal and agent.

In the matter of the Smith Brothers, it was held that the bank became the absolute owner of the draft deposited, and that by the transaction and the general course of business between Smith Brothers and the bank, as shown by the agreed statement of facts and the evidence presented, the relation of debtor and creditor was created when the draft was deposited, and not that of principal and agent.

Debtor and creditor relation is held to exist rather than the principal and agent, where the bank credited depositor's account with amount of draft drawn by latter payable to bank, and allowed him to check against it, but reserved right to charge back amount of draft if it was not collected, so that such amount did not constitute preferred claim against bank, when it became insolvent after receiving draft.

Where bank accepts draft for deposit, knowing itself to be hopelessly insolvent, depositor has right to rescind and follow money deposited, even into hands of the parties handling the liquidation of the affairs of the bank.

The bank became the owner of the draft in the matter referred to and was not agent of Smith Brothers for collection. So Smith Brothers were entitled to claim as a general creditor only, and not as a preferred creditor.

There is a false modesty which is vanity; a false glory which is levity; a false grandeur which is meanness; a false virtue which is hypocrisy; and a false wisdom which is prudery.—La Bruyere.

Justice is exalted, strengthened and honored by the judicious praise of merit.—Winter.

NORTHWESTERN BANKER



R. E. MACGREGOR
President

Minnesota Bank News

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Vice President.....A. G. Wedge
Park Rapids

Treasurer.....A. M. Schaefer
Jordan

Secretary.....F. P. Fellows
St. Paul



F. P. FELLOWS
Secretary

Pass Seven Banking Bills

THE Minnesota State Senate recently passed seven measures on the program of bills framed to improve banking conditions in Minnesota.

Six of the bills were embraced in the list recommended by the commissioner of banks and the Minnesota Bankers' Association and previously had passed the House. Among them were a number of important measures that provide new limitations on loans to safeguard funds entrusted to the banks of the state, while several have to do with the most efficient handling of closed banks.

The seventh bill was a measure sponsored by Senator George H. Lommen, Eveleth, which makes it unlawful for anyone to spread a false rumor that a bank or one of its executives is insolvent or about to become so. Violation of the law would be a gross misdemeanor and would be punishable by imprisonment for from 30 days to six months or by a fine of not to exceed \$500.

Many Provisions Pass

The banking bills passed included: A bill that would allow the commissioner of banks to order an assessment under the double stockholders' liability provision of the constitution in the case of a closed bank without waiting for a court order. An appeal to the district court would be permitted. The provision was sought by the commissioner of banks to speed up proceedings in liquidating closed banks.

Another bill on the list provides that no officer of a bank may borrow money from the bank without approval of the board of directors and a written authorization in the minutes of the board. Violation of this law would be made a gross misdemeanor.

One of the measures increases the amount of stock which a director of a bank must own. In banks having a capital of \$25,000 or more, the director under the new law would have to own \$1,000 worth of stock, while directors in smaller

banks would have to own at least \$500 worth of stock.

Present Maximum, \$500

At present, the maximum which a director must own is \$500. Directors in banks with less than \$15,000 in capital now must own \$300 worth of stock, and those serving as directors in the larger banks, \$500.

One of the bills passed gives the directors of a bank or trust company power to remove any employee or officer. Another measure in the group sets up new safeguards to prevent seizure of the assets of a closed bank by creditors.

Another bill passed modifies the present law, which provides that no bank may loan to one person or firm an amount greater than 15 per cent of its capital and surplus. An amendment to this law provided in the bill broadens the definition of "one person" so as to mean "members of a family living together in one household."

Would Limit Loans

Another section of this bill provides that the officer of a bank who is responsible for "wilfully permitting" the making of an excessive loan shall be held accountable. Violation of this provision would be made a gross misdemeanor.

A. Moorman Dies in St. Paul

A. Moorman, 67 years old, until recently directing head of A. Moorman and Company, St. Paul, designers and builders of bank buildings, died recently at his home in St. Paul. He was born in Hanover, Germany.

Mr. Moorman is survived by his wife, two daughters, Clara of St. Paul, and Mrs. Florence Roden of Minneapolis, and two sons, Alfred J. and Frank Moorman of St. Paul.

Teacher: "Who can give me a sentence using the word 'Avaunt'?"

Little Abie: "Avaunt what avaunt when avaunt it."—*Hardware Age*.

Agree on New Restriction

Minnesota state funds will not be deposited in any national bank that declined to pay its taxes under the present state law under terms of a bill which has been passed by both houses of the legislature.

The bill was one of two to work out the compromise under which the legislature delays new bank tax legislation pending an investigation of an interim commission and 90 per cent of the national banks agree to continue payment for two years of certain taxes held to be illegal by the United States supreme court.

The senate has passed four bank improvement bills, two with amendments requiring house concurrence.

The senate passed a bill increasing the capital stock required to start a bank to a minimum of \$20,000 capital and \$4,000 surplus. The present minimum is \$10,000. The senate amended the bill to permit starting a bank in a community of less than 500 population with a capital of \$10,000 and a surplus of \$2,000 if there is no bank in the town at the time.

Limitations on Deposits

The senate modified another bill which limits the amount of deposits which a bank or trust company may accept, the amendment making it possible for such institutions to accept deposits up to 25 times the amount of capital stock and surplus.

Another bill modifies somewhat the law covering the authorized securities in which savings banks and trust companies may invest their funds. A fourth bill provides for regulation of transfer of security, receipts and equipment trust certificates. The senate had killed a bill to permit investment of funds of savings banks and trust companies in certain public utilities, but reconsidered the bill and passed it.

"Clothes give a man a lot of confidence."

"Yes, they certainly do. I go a lot of places with them that I wouldn't go without them."—*Hardware Age*.

MIDLAND NATIONAL BANK and TRUST COMPANY

Resources \$22,000,000.00

MINNEAPOLIS

Deposits Increasing

Increase of more than \$8,000,000 in Minneapolis national bank deposits since the beginning of the year indicate that financial institutions have found a firmer footing and that an advance in northwest business has taken place during the past three months.

Deposits reported as \$232,464,917 on January 1, 1927, had increased to \$240,551,627 on March 23d. This was also an approximate \$5,000,000 advance over the January 1, 1926, deposit figure of \$235,316,937, and an \$8,000,000 advance over the figure reported in the spring a year ago. Included in the national bank figures of March 23, 1927, were 11 Minneapolis banks and trust companies operating under the federal law.

A \$2,000,000 recession in loans and discounts outstanding at the time of the March 23d check as compared with the

first of the year is interpreted as being a natural fluctuation. Loans outstanding on March 23d totaled \$155,666,265 as compared with \$157,922,719 for January 1, 1927, and \$125,177,500 for January 1, 1926.

The rise in deposits and normal fluctuations in loans indicated, according to financial authorities, that conditions in the northwest are relatively stable, with plenty of money in the territory. The increase of more than \$30,000,000 in loans and discounts in the past year and three months is said to indicate the end of liquidation of depression debts, and the beginning of a new financial period.

To Enlarge Quarters

Work on the enlargement of the First National Bank, Winona, Minnesota, will be started soon by the erection of a 40 by 70 foot addition to its main build-

ing, it was announced by A. V. Gardner, vice president of the bank.

Bids from contractors for excavation and walls for the basement of the addition are being advertised. Other contracts will be made as soon as the architect can prepare final specifications.

Bank Reopened

Farmers State Bank at Hoffman, Minnesota, has reopened. Capital and surplus are \$30,000. F. E. Griswold is president and C. A. Lofgren cashier.

Soon to Open

It is expected that the new Buffalo National Bank, Buffalo, Minnesota, will open its doors for business Monday, May 9th. Mac Lundsten, who will be cashier of the new institution was in Buffalo during the week making preliminary arrangements. The new bank will open in the building recently purchased from the old First National.

Consolidation

The Citizens State of Fertile, Minnesota, has consolidated with the Farmers State and the merger will be the Farmers and Citizens State, \$35,000 capital.

Foiled

Yeggs attempted to blow the safe of the Frontenac State Bank, Frontenac, Minnesota, recently, but failed to complete the job, after burning a hole 4 inches by 7 inches through the heavy steel door, a few inches above the combination.

It was the second time within four months that an attempt was made to loot the bank. Early in December yeggs burned a hole through the combination but were evidently frightened and fled and left no clue, whatsoever, although at the time it was reported that the yeggs in their haste to get away left an acetylene torch. The heavy vault door was only slightly burned and the damage done was only trivial.

Heads A. I. B.

M. S. Sampson of the Lincoln office of the Northwestern National Bank at Minneapolis has been elected president

The Chase National Bank

of the City of New York

57 BROADWAY

Capital	\$ 40,000,000.00
Surplus and Profits	38,742,735.95
Deposits (March 23, 1927)	744,877,636.06

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Chairman of the Board

JOHN McHUGH
President

ROBERT L. CLARKSON
Vice Chairman of the Board

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Comptroller
THOMAS RITCHIE

Foreign and Trust Department Facilities



of the Minneapolis chapter, American Institute of Banking, for 1927. Mr. Sampson succeeds William A. Kramer of the Farmers & Mechanics Bank as president, and is also chairman of the institute's forum division.

Other officers elected are Floyd W. Larson, first vice president; Bertram Olson, second vice president, and Harold Kerr, treasurer. The board of governors for the coming year are P. W. Colbert, Sam Martin and Owen E. Thomas. Mr. Kramer and Sampson were elected chapter delegates to the convention of the Minnesota Bankers Association.

Dean Miller Speaks

Dean Steven I. Miller of New York, educational director of the American Institute of Banking, addressed members of the Minneapolis branch of the organization recently, at a meeting held in the Hotel Radisson. Plans for opening a short course for members of the organization were discussed at the meeting. More than fifty bank officials and members of the board of governors of the organization attended.

Asking for Charter

An investigation is made by a representative of the national Comptroller of Currency of the application that has been made for a new charter for a national bank at Montevideo, Minnesota. This application is for a bank to be called The Security National Bank with a capital of \$50,000 and surplus of \$10,000. Charles H. Klein, Chaska banker and brick manufacturer, is to be the principal stockholder.

Elected President

Fred P. Fellows of Minneapolis was elected president of the Central States Bankers' Association at the close of the two-day conference at Omaha. Mr. Fellows, who is also secretary of the Minnesota association, succeeds W. G. Coapman of Milwaukee.

William B. Hughes, Omaha, was chosen vice president and Miss Forba McDaniel of Indianapolis, secretary. Columbus, Ohio, was selected as next convention city.

More Stringent Laws

More stringent laws to protect banks against criminals were urged by Fred P. Fellows, secretary of the Minnesota Bankers Association, at the annual meeting of the Minnesota State Safe Deposit Association in the Women's City club recently.

The recommendations of the Minnesota Crime Commission to the legislature were praised by Mr. Fellows, but he voiced opposition to the bank guaranty law which has been killed biennially in the past five

sessions of the legislature. A dinner preceded the meeting.

Vice President

J. H. McCollom has been elected vice president of the First National Bank of Hope, Minnesota, to succeed Morton B. Cassell, who died recently. Mr. McCollom has been a director of the bank for several years.

Minnesota Meetings

The following list gives the meeting place and the dates of the various Group Meetings of the Minnesota Bankers Association to be held during May:

First District—Austin, May 9th and 10th.

Second District—Mankato, May 11th and 12th.

Third District—Shakopee, May 5th.

Sixth and Ninth Districts—Detroit Lakes, May 18th and 19th.

Seventh District—Tracy, May 13th.

Eighth District—Virginia, May 21st.

Tenth District—Cambridge, May 16th.

Put It on the Air

"Have you any ambition besides wanting to look beautiful?"

"Oh, yes—I want to be told I do."—*Life.*

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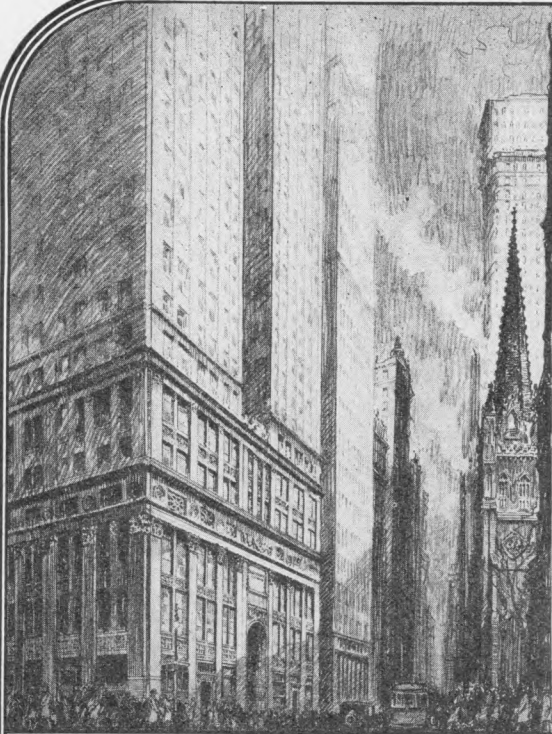
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Commercial and Travelers' Credit issued; Correspondents in all principal Cities in the World. Foreign Exchange bought and sold. Corporate and Personal Trusts; Safekeeping of Securities; Collection of Income, Investment Service for Customers. Safes in our Safe-Deposit Vaults at moderate rental.

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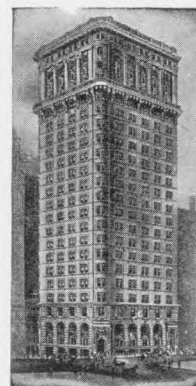
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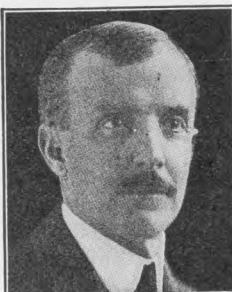
H. T. GRAVES
President

North Dakota Bank News

Officers North Dakota Bankers Association

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Vice President and Chairman Execu-
tive Council.....George H. Leick
Hebron
Treasurer.....J. E. Davis
Goodrich

Secretary.....W. C. Macfadden
Fargo



W. C. MACFADDEN
Secretary

Becomes Cashier

Landis Day of Devils Lake, North Dakota, has accepted a position as cashier of the First State Bank of Columbus, succeeding Ludvig Tweten, who resigned to take over the management of a merchandise store at Larson.

Leaving Northwood

J. L. Goeson, for several years cashier of the Citizens National Bank of Northwood, North Dakota, has become a shareholder and director in the Fargo Motor Company and will be secretary and credit manager of that concern in the future.

Bank Clearings

Bank clearings in Greater Grand Forks, North Dakota, ending March 30th, amounted to \$1,561,600 as compared to \$1,823,200 for the week previous, according to the weekly statement issued by I. A. Berg, manager of the Grand Forks Clearing House Association.

Elected Cashier

Alvin A. Holmquist, brother of Morris Holmquist of the First National Bank, is now located at Gilby, North Dakota, having been elected cashier by the board of directors. The new cashier has served as clerk of the House of Representatives in the present session of the Minnesota Legislature. He has had several years' experience in the banking business.

Starts New Term

Gilbert Semingson, bank examiner of North Dakota, is just entering upon a new term in that capacity, and will serve for four years under the appointment made by Governor A. G. Sorlie, and confirmed by the senate. Mr. Semingson is the first bank examiner to be appointed to a four-year term, the appointment being made under a bill passed by the legislature during the session just ended. The bill was passed with the idea of making for greater continuity in office, the position of bank examiner being one of great importance.

Opens in Fargo

A state agency of the Bankers Life Company, insurance company of Des Moines, Iowa, has been opened in Fargo, North Dakota, with A. P. Malm as agency manager. A steady increase in the amount of business done by the company through the various smaller agencies of North Dakota and the solid financial condition of the state, led the company to locate its state agency in Fargo, according to Mr. Malm. The Fargo office will be known as the "cashier agency" and will have charge of all other agencies in North Dakota.

Convene in Minot

Bankers of northwestern North Dakota will meet in Minot on Tuesday, May 17th, in the first of a series of eight group meetings to be held in North Dakota.

The dates for the various group meetings and the general programs which will be discussed were decided upon at a meeting in Fargo of representatives from each district in which Secretary W. C. MacFadden of the state association joined.

The dates for the various meetings follow: Northwest district, Minot, May 17th; second district, Devils Lake, May 18th; northeast district, Grafton, May 19th; third district, Fargo, May 20th; fourth district, LaMoure, May 24th; fifth district, Jamestown, May 25th; eastern Missouri Slope district, Bismarck, May 26th; western Missouri Slope district, Bowman, May 27th.

These group meetings have been found to be of great value to bankers of the state, according to Mr. MacFadden. The attendance at the various 1926 group meetings was the largest in the history of the state association.

Speaks on Investments

H. T. Graves, president of the James River National Bank, Jamestown, North Dakota, gave an interesting discussion of "Investment Banking" at a recent meeting of the Rotary club.

Mr. Graves said that there are two classes of banks, commercial and investment. The former is concerned with

short and intermediate term credits and the latter with long term credits. "The art of investment is most difficult to master," the speaker said, adding that there is no clear charted course. The knowledge of investments must be learned individually since it is not a science such as law or medicine, but an art and must be studied as one.

Eight billion dollars in securities were sold in the United States last year, Mr. Graves said. Of this vast amount, it is estimated that there were half a million dollars worth of fraudulent or worthless bonds sold.

There is no absolutely safe investment, the speaker said, calling attention to the depreciation of Liberty Loan bonds shortly after the war. The safest rule to follow, however, is to buy securities only from established investment dealers of proven integrity.

North Dakota News

M. J. Brown has been elected director of the Blabon State Bank, succeeding M. B. Cassell, deceased.

E. I. Levang has been elected cashier of the Havana State Bank, succeeding H. J. Pfeiffer.

The State Bank of McVile reopened on March 2d, last, the officers and directors being the same as before they closed, with the exception of Louis Malm, who was elected cashier.

Landis Day has been elected cashier of the First State Bank of Columbus, succeeding Ludvig Tweten.

Robert J. Geyer has been appointed assistant cashier of the Peoples Bank of Calvin.

The Citizens State Bank of Rugby took over the assets and assumed the liabilities of the Security Bank of Rugby, on March 14, 1927.

E. M. Anderson has been appointed assistant cashier of the St. John State Bank, succeeding W. C. Rowerdink.

A. B. Magnuson has been appointed bookkeeper of the First State Bank of Hastings.

The First State Bank of Carson took over the assets and assumed the liabilities of the Carson State Bank on March 14th, last. The officers and directors are as follows: Officers—W. A. Tart, president; Fred Pathmann, vice president; Peter Botten, vice president; Oliver Tollefson, cashier. Directors—L. A. Travis, Fred Pathmann, R. H. Leavitt, Peter Botten, C. W. Pathmann, O. Tollefson and W. A. Hart.

The First State Bank of Carson has increased its capital stock from \$10,000.00 to \$25,000.00.

The Berwick State Bank has renewed its term of corporate existence to June 1, 1952.

B. J. Rogelstad has been appointed assistant cashier of the State Bank of Heimdal.

C. W. Ross has been elected president of the Northern State Bank of Grand Forks, succeeding E. J. Lander, and W. A. McIntyre has been elected vice president, succeeding W. E. Fuller.

The State Bank of Brocket has renewed its term of corporate existence to April 15th, 1947.

The First State Bank of White Earth has increased its capital stock from \$10,000.00 to \$15,000.00.

Melvin Hanson has been appointed assistant cashier of the Farmers & Merchants Bank of Cooperstown, succeeding T. A. Marquardt, and Clarence Lunde has been appointed teller.

J. P. McDonald has been elected president of the Interstate Bank of Billings County, at Sentinel Butte, succeeding J.

F. Martin, and E. R. Kennedy succeeds A. L. Martin, Jr., as vice president.

Truly Masculine

"Hair-cut?" asked the barber in a western town.

"Yeah," grunted the hard-boiled cowboy. "Girlish bob."—*American Legion Monthly*.

That'll Hold Him

Mrs. Ritz: "Nora, was the butcher impudent again when you telephoned your order this morning?"

Nora: "Sure, but I fixed him this time. I sez, 'Who the hell do youse think yer talkin' to? This is Mrs. Ritz talkin'.'"



Hotels MADISON and LENOX DETROIT

Madison Ave., Near Grand Circus Park

IN THE heart of the downtown district, near all public buildings, department stores and theatres, yet away from the noise of the city.

These twin hotels, so conveniently located, offer you accommodations of notable excellence at prices most reasonable.

Delicious foods of choice quality prepared by home cooks.

*Ample parking space.
Good transportation to
all parts of Detroit.*



PEARSON HOTEL

On the near North Side
CHICAGO

THE pleasure of your Chicago visit will be heightened if The Pearson is selected as your stopping place. It is located just outside of the business, theatrical and shopping district, yet within pleasant walking distance; its moderate rates, unexcelled equipment and service, notably good and reasonably priced food, all make it a perfect base for opera, concert, theatre and shopping expeditions. A 300-car fire-proof garage is close by.

SEND TODAY FOR ILLUSTRATED FOLDER

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 \$12.00. Every room and suite with private bath.



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Additional Iowa News

Cashier Injured

Emil P. Skrable, cashier of the Farmers State Bank of Elbertson, Iowa, was injured in a fall from a tree recently.

Mr. Skrable, who loves outdoor exercise, was cutting a limb from a tree and was standing on a ladder. It appears that while he was pulling on a limb, the limb got away from him and in swinging back, knocked him off the ladder, throwing him about fifteen feet.

Prominent Banker Dies

Emmons Johnson, who died at his home in Waterloo, Iowa, recently, in his ninety-third year, was not only one of the community's earliest and most successful bankers; those who knew him best will testify to his other remarkable accomplishments and the beauty of his character.

Educated in the true sense of the word, himself a state senator when his home was in Waverly, he retained throughout his lifetime a keen interest in training the mind of youth and in affairs of government.

Mr. Johnson's business career is the story of a young man who went west and grew up with the country. It was in 1859 that he and his bride moved from New York state to Waterloo, then a village of fewer than 2,000 souls, and since 1871 the Johnson name has been prominently associated with banking institutions in Waterloo.

In Emmons Johnson's death the community mourns the loss of a citizen and friend who for the greater part of a long and useful life was a leader in its progress and prosperity.

Adopt Service Charges

Pursuant to the recommendations of the Still Better Banking committee of the Iowa Bankers Association as presented at the annual convention of the association in Sioux City last June, the banks of Clear Lake and Ventura, Iowa, have adopted a schedule of service charges to partially reimburse the banks for services heretofore rendered for little or no revenue. Two meetings of the local bankers have been held to consider the adoption of the charges which have proven so successful in other communities, with the result that at the last meeting a complete schedule of charges was agreed upon.

Young Officeholder

W. A. Hoeven, clerk of courts of O'Brien county, is claimed to be the youngest county clerk in Iowa. He came to Sanborn with his parents in 1911 and resided there until he took his present position at Primghar.

for MAY, 1927

How Do YOU Advertise to Get New Customers?

Do you use:

- letters?
- newspaper ads?
- house organ?
- leaflets or circulars?

Starting Next Month

you may combine *all four* of these methods in a single form at considerably less than the cost of producing any one of them locally . . . cutting your costs by cooperating with noncompetitive brother bankers through the special Northwestern Banker's *New Business Service* which will be *fully explained* in this same space next month.

Watch for it in the
June number of

THE NORTHWESTERN BANKER

SEE this BEFORE
you plan any more
advertising for
your bank

CLIFFORD DE PUY'S NEW BUSINESS SERVICE

DEVELOPS DEPOSITS DIRECT

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- Nat. A. Buck
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BONDS FOR INVESTMENT

BURLINGTON

LINCOLN

WATERLOO



MUSCATINE

Iowa Group Meetings

"Bigger and Better" Is Aim of 1927 Iowa Group Meetings

THE biggest and best" is the slogan for the 1927 May group meetings for Iowa, according to President A. C. Smith and Secretary Frank Warner, of the Iowa Bankers Association, the duet at the helm of the group meeting affairs. As this issue goes to press, no detail has been omitted to make every Iowa banker happy that he will have attended at least one of the ten meetings, scheduled for this month.

The southern tour this year starts at Oskaloosa, where bankers of Group 10 will congregate Monday, May 9th. On Tuesday, Group 8 bankers will assemble at Clinton to discuss banking problems and have a good time together. From Clinton the caravan will journey to Boone, with bankers of Group 6 in session Wednesday. Greenfield, for Group 9, and Council Bluffs, Group 5, complete the southern circuit closing at the latter city Friday, May 13th.

A week's rest and the chase will begin again, the northern trip opening Monday, May 23rd, at Charles City, one of the busiest cities of northern Iowa. This is the Group 3 meeting. On Tuesday will come the Group 7 meeting at Waverly; Group 4 at Elkader on Wednesday; Group 1 Thursday at Le Mars, and the series of meetings closes Friday, May 27th, at Twin Lakes, near Manson, where it is hoped the weather will be warm enough to allow a swimming free-for-all.

According to a recent bulletin by the Iowa Bankers Association, the association is attempting to get the annual group meetings on a systematic basis, rotating them in each group by county according to alphabetical arrangement. This has distinct advantages over having one or two cities in each group do all the entertaining and also bringing the meetings to the doorstep of every county. Speaking of this plan, the association, in a recent bulletin, says:

"For a number of years it has been noticed, not only by the officers of the State Association but by the bankers themselves, that the group meetings are becoming too large for the average Iowa town to assume the entire expense of entertaining the group. During the year

IOWA GROUP MEETINGS FOR 1927

SOUTH

Oskaloosa	Monday, May 9....	Group 10
Clinton	Tuesday, May 10....	Group 8
Boone	Wednesday, May 11....	Group 6
Greenfield	Thursday, May 12....	Group 9
Council Bluffs	Friday, May 13....	Group 5

NORTH

Charles City	Monday, May 23....	Group 3
Waverly	Tuesday, May 24....	Group 7
Elkader	Wednesday, May 25....	Group 4
Le Mars	Thursday, May 26....	Group 1
Twin Lakes (Near Manson)	Friday, May 27....	Group 2

1925, a total of 3806 registered at the eleven group meetings. The registration ran as high as 547 per meeting. At the banquets a great many more sat down than registered, because there are always some who inadvertently fail to register. It is easy to see that when the group meetings have grown to the dimensions that they have, that it is imposing a real obligation on the banks of the average town in Iowa that may want to entertain their group. The officers of the state association have recommended for the last five years that instead of any single town entertaining the group that the county association be the entertaining host. This would divide the expenses among all the banks in the county. It would remove the reluctance that any of our good Iowa towns may have for assuming this growing burden and which they can hardly be asked to assume, now that the Group meetings have become larger than the state convention used to be only a comparatively few years ago."

The association is also anxious that the young men and women in each bank be urged by the bank executives to attend and take part in the group meetings, and has this to say on that point:

"Another thought which is submitted for your consideration is that of particularly urging the presidents and secretaries of the county bankers associations to communicate with each bank in their county, asking them to send the young men and the young women employees of their bank to the group meetings. These young men and women who are year after year assuming more of the executive duties of the banks, should have an opportunity to grow into the spirit of the

association meetings. They will absorb and take home with them from these group meetings more suggestions and enlarge their acquaintance better than in any other way—things which will redound to the benefit of the bank with which they are associated. Group 11 has tried this out at its last six meetings. They have had larger attendance, and it is generally conceded that they have had the best meetings that they ever have had with an unusual amount of enlivened interest. In addition to asking

the officers of the County Bankers Association to urge their members to send the young people to the meetings, the same thought could be conveyed in any communication which may be made direct to the members in each group by the group officers, or by the bankers of the entertaining city.

Another suggestion which is submitted for your approval is that of asking every bank in the group to close on the group meeting date. A number of the groups follow this custom each year. Some of the county bankers associations in the other groups have already passed resolutions stating that the banks in their counties will close on the date of their group meeting. If the banks of the groups will declare a holiday on the date of their group meetings, a number of the foregoing suggestions can be easily carried out. The best way for bankers to advance their own mutual interest is to increase their own mutual acquaintance in the shortest possible time, and this cannot be done on as large a scale and within as short a time as by having all of the banks of the group close on the group meeting, and urging all of the officers, directors and their wives, employees, farmers and their wives, county agents and their wives, join in going to the annual Group Meeting.

As usual, officers of the association have made all the necessary arrangements for the Group Meeting special trains. The following instructions have been sent out of the secretary's office relative to the trains:

The South Group Meeting special will be made up at Oskaloosa, where the first

(Continued on page 104)

Come to Oskaloosa! *You Are Expected!*

—and we suggest that the President, the Vice Presidents, the Cashier and Assistant Cashiers all attend the Group 8 meeting—and you might even bring the Board of Directors.

You will be genuinely welcome and the friendly discussion of mutual problems will benefit every banker present.

Oskaloosa awaits your coming on May 9th with real pleasure—as these banks await the opportunity of serving you on that day—and in the future—

FARMERS NATIONAL BANK
MAHASKA COUNTY STATE BANK
OSKALOOSA NATIONAL BANK
PEOPLES TRUST & SAVINGS BANK

Oskaloosa the Center of Rich Farm Territory

RICH in Indian lore, heroic in history, and energetic in its community activities, Oskaloosa, where Group 10 bankers will meet May 9th, has so many commendable attributes that singing her praises becomes a matter of pleasure.

Four score and two summers have passed since the Sac and Fox Indians gathered their tepees and departed from the village of Kish-Ke-kosh and Mahaska county became the home of the white man.

Almost over night Oskaloosa sprang into existence as a bustling frontier town. Stages soon found their way into the town and established lines of communication with eastern civilization. Stores, shops, inns were eventually followed by churches and schools. Later came industries.

Then came the railroads and Oskaloosa ceased to be a borderline trading post, but a flourishing midwestern community. Her commerce and industry increased, her shops grew into substantial mercantile establishments. And her people became an early influence in state development.

The cultural and religious side of her people kept pace with business advancement and progress. A state normal was established. Oskaloosa college followed soon afterward, then Penn college, and more recently John Fletcher college. A public school system developed that has long been the pride of the community.

Some thirty denominations are represented in the city's church life, most of them erecting imposing edifices. Oskaloosa's religious atmosphere will bear comparison with any other midwestern city.

A desire for the finer things is characteristic of Oskaloosa's people. For nearly a half century she has supported her band, the Iowa Brigade Band, out of her band grew the C. L. Barnhouse music publishing house, the largest of the kind in the world. Now Oskaloosa boasts as fine a civic symphony orchestra and community chorus as can be found in cities many times the size.

Oskaloosa is the trading center for a rich district in southern Iowa. A net work of surfaced highways is in course of construction, soon to make Oskaloosa the center of a converging highway system unsurpassed. No great transcontinental railroads enter the city, yet steam lines connect Oskaloosa with every section of the nation and provide wholly adequate shipping facilities. Surfaced roads will in a few months reach Des Moines and Ottumwa.



Administration Building, John Fletcher College, Oskaloosa, Iowa.

The city is in the heart of Iowa's richest agricultural territory. Mahaska county corn and hogs admit no peers. The farming territory about the city is peopled by prosperous progressive agriculturists. Mahaska farm homes are contented homes where a rural population enjoys the same privileges and comforts of city dwellers. Mahaska farmers find pleasure in life.

And Oskaloosa herself is a city of contentment, small enough to enjoy the fellowship of wide personal acquaintance, yet large enough to participate in metropolitan life.

The industrial activities of the city are not often stressed as much as the educational, yet Oskaloosa produces many commodities used in all parts of the world. Here is located the Iowa Valve Company which supplies fire hydrants to safeguard business in many countries. The Hanna Manufacturing Company makers of Penn Overalls furnishes work garments for those who are building our cities and cultivating our land. Other industries are Standard Clay Products Company makers of brick and tile. Turner Simplicity Manufacturing Company making gasoline engines, Underwood Candy Company, Ritchie Manufacturing Company.

Oskaloosa is the home of the Southern Iowa Fair and Exposition, this fair serves a large territory in South-Central Iowa and is one of the largest and most successful fairs held in the entire state. The plant is thoroughly modern and up to date

and with the coming of hard roads it is doubtful if the present equipment will be able to accommodate the crowds. Last year there were exhibitors from thirteen states and this number will probably be increased at the next fair.

The Civic activities of the city are administered through the Oskaloosa Chamber of Commerce which is a modern city building organization of some four hundred members with an annual working income of \$10,000.00.

Does This Give You an Idea?

Salesman: "This is the type of washing machine that pays for itself, sir."

Propect: "Well, as soon as it has done that you can have it delivered at my house."—*Good Hardware.*

Outline of Program for Group 10

Oskaloosa, Monday, May 9th

Morning—Roundtable discussion on banking topics.

Noon—Banquet.

Address—Governor John Hammill.

Address—Bank Supt. L. A. Andrew.

Address—Secretary Frank Warner.

For the ladies—Party at Elmhurst Country Club.

Night—Dance, Elmhurst Country Club.

For Your Cash Reserves



The Commercial National Bank

WATERLOO, IOWA

Capital and Surplus One-half Million Dollars

Resources, Over Five Million Dollars

OFFICERS

E. W. MILLER
President

JAMES M. GRAHAM
Vice President

H. W. WENTE
Cashier

S. C. KIMM
Assistant Cashier

R. L. PENNE
Assistant Cashier

C. S. McKINSTRY
Assistant Cashier

For Your Secondary Reserves



The Commercial National Company

WATERLOO, IOWA

BONDS

GOVERNMENT
MUNICIPAL

FOREIGN
PUBLIC UTILITY

INDUSTRIAL
RAILROAD

OFFICERS

E. W. MILLER
President

E. H. WYANT
Secretary

GEO. W. HUNTLEY
Vice President

WORTH HILLMAN
Treasurer

"BIGGER AND BETTER" IS AIM OF 1927 IOWA GROUP MEETINGS

(Continued from page 99)

meeting of the schedule will be held.

Railroad fares, badges and proper traveling credentials for the special can be obtained from Secretary Frank Warner at the desk where the bankers register for the group meeting.

Buy no individual railroad tickets if you have made reservations on the special. The secretary will have purchased complete transportation for all who have reservations; the railroad and Pullman companies require the full fares paid in advance. This the secretary will do and later send the prorated statement of expense to each passenger.

Have your mail and telegrams addressed to you in care of the Iowa Bankers' Special Train. A porter will call at the post office and telegraph office several times each day and all mail and telegrams ad-

ressed to passengers will be delivered personally to them at the train.

It is planned to operate a cafe observation car which will be equipped to serve light breakfasts and luncheons in the evening for any of the passengers who may prefer this service. The passengers will pay direct to the attendants for whatever they may order. However, it will be a greater courtesy to the people of the entertaining city if as much local patronage as possible is made by the visiting bankers.

The attention of all passengers is called to the fact that there will be no tipping by passengers individually. If any emoluments are paid they will be given by the secretary to each porter at the end of the trip, which will go in as expense item and each passenger will pay his pro rata share when he pays his expenses for the trip.

"George," the extra porter, will be prepared to press clothes. You can pay him direct for this service. The charges will be nominal.

To Inaugurate Vigilante

H. M. Brown, secretary of the Michigan Bankers Association, announces that the bankers of Michigan are seriously contemplating a state-wide vigilante system, to be modeled after the system now in operation in Iowa and other neighboring states.

In a letter to member banks, Mr. Brown says:

"This inauguration of the vigilante plan is a big step in the right direction and, by lining up shoulder to shoulder with the bankers' associations of our sister states, we hope to put an end to the forays and attacks of these predatory murderers and thugs. The plan is perfectly legal; no responsibility devolves on any bank or banker and the vigilante forces so organized are regularly appointed deputy sheriffs under the leadership of the county sheriff. The bankers simply act as directors and leaders in the fight."

Remember it this way—
"Peoples Trust"
Clinton



CLINTON, IOWA

In Eastern Iowa^{and} Western Illinois

The Bankers of Group Eight Will Meet at Clinton

CLINTON, county seat of Clinton county, where Group Eight bankers will meet May 10th, is located in the eastern portion of Iowa, on the west bank of the Mississippi river.

It is "at the crossing" of the Lincoln highway (east to west), and the Mississippi River Scenic highway (north and south). Formerly a very important factor in the lumber industry, during the old days when great rafts of logs were floated down the "Fathers of Waters," it is today an industrial and retail center of considerable note, as well as a delightful residential city with an imposing array of beautiful homes, wide streets and avenues lined with great, stately elms and with exceptionally fine park advantages, notably the great river front park area, now in course of development.

The last official United States census gives the population of Clinton as 24,151. The city directory census gives it a population of nearly 27,000 now.

The area covered by the city is 6,390 acres. Its elevation is 593 feet. Owing to its peculiar topography, Clinton has a very extensive water front area, which will be of inestimable benefit when river transportation resumes full sway.

The total deposits in Clinton banks, as shown by the last call of the Comptroller of the Currency, are \$18,186,000.

The latest compilation of industrial data for 1923 shows:

Number of industries, 119.

Annual value of products, \$32,000,000.

Number persons employed, 5,000.

Among the principal products of the city, many of which are nationally advertised and exported are: Artificial ice, blinds, bridges, boilers, confectionery, crackers and cookies, clothing, corn syrup, corn oil, corn oil cake meal, corn gluten

PROGRAM for GROUP VIII

Clinton, Iowa, Tuesday, May 10, 1927

9:30—Registration and meeting of committees. Annual meeting of county presidents with President A. C. Smith and Secretary Frank Warner, Wapsipinicon Club.

11:00—Meeting called to order at Wapsipinicon Club by F. L. Pearson, chairman of Group 8, cashier of West Branch State Bank, West Branch.

Invocation—Rev. H. E. Harned.

Address of welcome—W. W. Cook, Clinton.

Response—Frank Yetter, Davenport.

Two minute talks by county chairmen, "What is the Most Important Banking Problem in My County."

Cedar county-----J. B. Vaughan

Clinton county-----M. H. Dake

Jackson county-----G. S. Day

Jones county-----C. B. Frazier

Muscatine county
Chas. F. Hermann

Scott county-----R. O. Byerrum

Address—"The Ideal Clearing House," R. F. McNally, vice president National Bank of the Republic, Chicago.

1:00—Luncheon at Lafayette Hotel, Chairman F. L. Pearson presiding.

Address—A. C. Smith, president I. B. A.

Address—L. A. Andrew, superintendent of banking.

Address—Frank Warner, secretary I. B. A.

Address—Senator J. O. Shaff.

Report—Resolutions committee. American Legion Quartette

Maurice Leahy, Song Leader

feed, doors, dairy products, flour and feed, fly swatters, furniture of all kinds, glucose, harness and saddlery, internal combustion engines, locks and keys, paper boxes, poultry equipment, refrigeration plants, sash, starch, shoes, structural iron, toys and puzzles, truck bodies, wagon boxes, wire goods, wire cloth, etc.

As a retail center it is well equipped, there being eight department stores, 60 grocers, 12 druggists, 14 men's furnishing stores, seven ladies' ready-to-wear, 14 shoe and eight hardware stores.

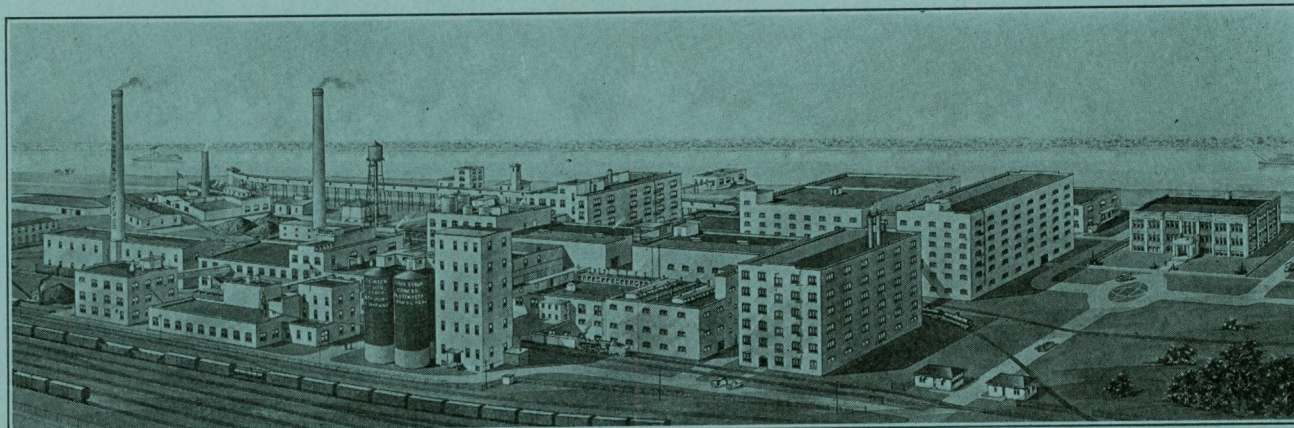
The civic and commercial organizations of Clinton include: Chamber of Commerce, Manufacturers and Shippers Association, Associated Retail Merchants Credit Bureau, all of which are housed in the Coliseum building. It has Rotary,

Kiwanis and Gyro Clubs, the Clinton Boat Club, Wapsipinicon Club, and a fine country club. All fraternal and religious organizations are fully represented.

Clinton is served by four great railway systems—the Chicago & Northwestern, which maintains very extensive shops and round houses here; the Chicago, Burlington & Quincy; the Chicago, Milwaukee & St. Paul, and the Chicago, Rock Island & Pacific. It is also the northern terminus of the Clinton, Davenport & Muscatine Electric Line, with twenty fast trains each way daily.

The city is a jobbing center of considerable prominence, especially in groceries, meats, hardware, confectionery, shoes and other essentials.

East to west: Entering the city from



Factory of the Clinton, Iowa, Corn Syrup Co.

A Banking Record Worth Banking On

IF THE City National Bank of Clinton could claim no other distinctions than the dignity of age, and the inheritance of 57 years' experience, these would be sufficient to establish the value of an enviable record of banking performance.

But the part of our record in which we take greatest pride is the consistently courteous and efficient service which this bank has rendered to all of its clients, all of the time. That its growth has been constant since establishment is a natural reward of this faithful execution of trust.

We cordially invite you to visit our bank while attending the meeting of Group 8 at Clinton on May 10th.

THE CITY NATIONAL OF CLINTON

OFFICERS AND

ALFRED G. SMITH
Chairman

ALFRED C. SMITH
President

G. L. CURTIS
Vice President
President, Curtis
Companies, Inc.

G. W. DULANY, JR.
President, Eclipse
Lumber Co.
President, Climax
Engineering Co.

H. W. SEAMAN
Chairman
Clinton Wire Cloth Co.

M. J. GABRIEL
President, Gabriel
Lumber & Fuel Co.

J. PETERSON

J. O. SHAFF
Farmer and Live Stock Dealer
State Senator

B. M. JACOBSEN

ASSETS OVER \$7,000,000.00



CITY NATIONAL BANK ST. LOUIS, MO.

DIRECTORS

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

CAPITAL AND SURPLUS \$650.000.00

the east, via Lincoln highway, paved with concrete all the way from Chicago, one gets a magnificent view of the wide-spreading Mississippi when crossing the high bridge connecting Fulton, Illinois, with Lyons, Iowa—the latter now being by annexation the 6th and 7th wards of Clinton. Main street, Lyons is directly at the end of the bridge, and the traveler turns from it onto Sixth street, Lyons, which later becomes Second street, Clinton, continuing there on to Fifth avenue. This is one of the city's most attractive retail thoroughfares, and further to the west becomes its finest residential street. Westward, one may drive on 39 miles of paved highway to the limits of Clinton county. This is known as No. 6 in the Iowa trunk system of highways.

North and south: The north or south-bound traveler through Clinton uses the Mississippi River Scenic highway, a very attractive route, extending from Winnipeg, Manitoba, and Port Arthur, Ontario, to the Twin Cities, thence following the Mississippi river to the Gulf of Mexico, where it again branches to Tampa, Florida, and to Port Arthur, Houston and Galveston, Texas. The Scenic highway is exactly what its name implies, and when thoroughly developed will be without question America's most delightful tourist highway, through the very heart of the Mississippi valley, serving as the agency to let the world know that Iowa,

in addition to being a wonderful agricultural state, also has scenic attractions rivaling the Hudson. To the north, passing through Almont, Sabula, Green Island and Bellevue, it leads on to Dubuque, and, through the Switzerland of North America to the Twin Cities. Southbound, one follows the river through Camanche, Folletts, Princeton and LeClaire, whence a paved road leads to Davenport. This route is No. 99 in the Iowa primary road system.

Tourists, who frequently inquire as to passenger service on the river, are advised that since the war, the boats formerly plying between St. Paul and St. Louis have been abandoned, and there is no through passenger steamboat service now. These boats have been placed in local excursion service only. The completion of the new lock and dam at LeClaire, 18 miles below Clinton, is however, the first real challenge to the establishing of a new and very extensive heavy freight traffic on the Upper Mississippi, which will mean a tremendous impetus to the future development of the central northern states, and make Clinton the great port of entry to the interior.

Clinton has one of the finest hotels in the state, and a number of others, of varying degrees, and is thereby equipped to cater to a wide range of tastes among the traveling public.

Clinton's churches of all denominations, number 29.

The city has commodious and well equipped Y. M. C. A. and Y. W. C. A. buildings.

Clinton has two theatres, one of which is devoted to vaudeville; also four motion picture houses, the new High School auditorium with a capacity of 1,200, and the great Coliseum with room for 2,700 seats (movable), furnish ample accommodations for conventions and large gatherings, exhibitions, etc.

Clinton's free public library (Carnegie) erected in 1903, owns over 31,000 volumes, with an annual circulation of over 160,000. Its staff consists of librarian and five assistants. It has a very good reference department. It has four substations not including books to schools.

Hospitals

Two thoroughly modern and splendidly equipped hospitals, and a detention hospital, amply serve present and immediate future needs. Their ministrations are supplemented by an efficient "visiting nurse" system.

Clinton has two especially good sections in which are a number of available sites. In these sections railroad sidings are already available or may be made so with a minimum expense. Government dredges are now at work opening the channel of Beaver Slough.

Like Your Bank~

You will find in the Register Life Insurance Company the same qualities you have in your bank—reliability and strength. And you will find a company conservatively and progressively managed.

It will be a pleasure to give you detailed information on how we can serve you and your customers.

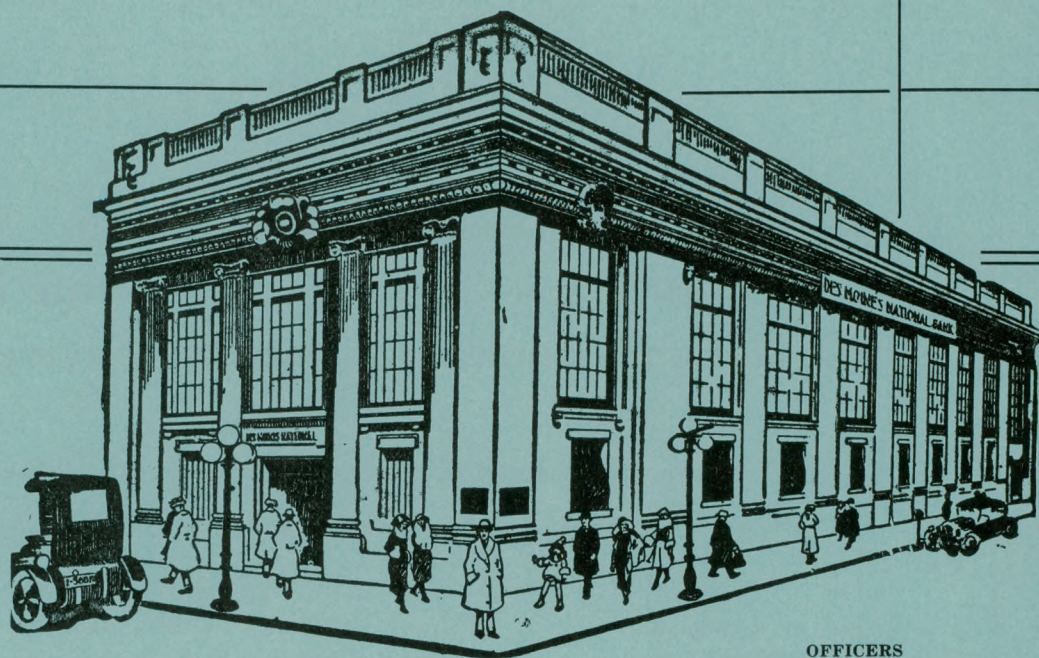
THE REGISTER LIFE INSURANCE COMPANY

DAVENPORT IOWA

A. E. Littig, Secretary

The Group Meetings

As usual, there will be some of the officers of the Des Moines National in attendance at every meeting, and we always welcome this opportunity of greeting our many good friends among the bankers of Iowa.



Des Moines National Bank

Capital \$1,000,000.00

OFFICERS

LOUIS C. KURTZ, President
ANDREW J. HUGLIN, Vice Pres.
HERBERT L. HORTON, Vice Pres.
GEORGE D. THOMPSON, Cashier
CLARENCE A. DIEHL, Asst. V. P.
WALTER J. ROBERTS, Asst. V. P.
RICHARD H. COLLINS, Asst. V. P.
E. F. BUCKLEY, Asst. V. P.
OWEN P. McDERMOTT, Asst. Cash.
LELAND J. ANDERHECK, Asst. Cash.
CLYDE H. DOOLITTLE, Tr. Officer
DONALD J. McMURRAY,
Mgr. Bond Dept.

ALL SET---

to show you a royal good time when you arrive
in Boone on Wednesday, May 11.

Our several committees have been busy making plans for your entertainment. We have arranged a program both instructive and interesting. Special entertainment is being provided for attending ladies. The golf course will be available for those who wish to play. And in addition to that, there will be the keen pleasure of receiving the hearty handclasp of your many friends.

*Let's make the meeting
of Group Six a real turnout. We WANT you to come.*

City Trust & Savings Bank

Boone State Bank
First National Bank

Farmers State Bank
Security Savings Bank

Cooperating with the following members of the
Boone County Bankers' Association:

Farmers Savings Bank.....	Beaver	Farmers Security Bank.....	Ogden
Farmers State Bank.....	Boxholm	Farmers State Bank.....	Ogden
Farmers Savings Bank.....	Madrid	First National Bank.....	Ogden
Madrid State Bank.....	Madrid	Pilot Mound Savings Bank, Pilot Mound	
City State Bank.....		Ogden	

Boone—Where the Bankers of Group Six Will Meet

BOONE, Iowa, City of Homes and Happiness, located in the heart of Central Iowa, will entertain the members of group six (6) of the Iowa Bankers Association, Wednesday, May 11th.

We feel sure that our visitors will be favorably impressed with Boone. We are proud of our city and rightfully are entitled to boast of our many outstanding features.

Located in Iowa's best agricultural district we are in a position to offer shippers unexcelled transportation facilities over the main lines of the Chicago & Northwestern railroad with division headquarters in our city and the Ft. Dodge, Des Moines & Southern railroad with headquarters and main offices in Boone, connecting with practically all main trunk lines in Iowa. Also of a branch of the Chicago, Milwaukee & St. Paul railroad. Our city also has the headquarters for the Ft. Dodge, Des Moines & Southern transportation company, operating passenger busses in nearly every direction.

You will also be interested in some of our industries and perhaps will want to visit a few of them if time is available. Our railroad shops, of course, are our largest industries, employing many hundreds of men, where cars are rebuilt and put into first class shape. Where all sorts of machine work is done on the huge locomotives, cars, etc.

The foundry of the Quinn Wire & Iron Works is very interesting and any one making a visit to this plant will see many men at work in the various departments of this flourishing industry. One thing of special interest at this plant is the mammoth machine for the manufacture of reinforced concrete drain tile. The machine is cast and assembled at this plant and is considered the best one on the market.

Across the street from Quinn's plant one will notice a thriving industry known as the Halverson Manufacturing Company, manufacturers of air coolers, ventilators, etc., for the Arctic Nu-Air Corporation, a new concern just recently moved to Boone. These people manufacture a very high grade product that has been shipped all over the country and in many foreign countries.

A visit to the Rollins or Boone Hosiery Mills will be very interesting and educational. Here one will see many girls and young women at machines making hosiery that are worn by people in all parts of the world. This plant is modern in every respect and is centrally located, being near the down town business district.

for MAY, 1927

PROGRAM for GROUP VI Boone, Iowa, Wednesday, May 11, 1927

FORENOON

- 9:30 A.M. Registration at the Elks Club.
10:00 A.M. Meeting of all the Officers of the various County Associations with the President and Secretary of the Iowa Bankers Association, at the Elks Club.
10:30 A.M. Group Meeting at Rialto Theatre, called to order by N. P. Black, Cashier Dallas County Savings Bank, Minburn, Iowa, and Chairman of Group 6.
Appointment of Resolutions Committee.
Invocation.....Rev. Harvey C. Travis
Music.....Boone Broadcasters
Miss Ertz, Mrs. Sparks, Messrs. Carlson and Olson
Address of Welcome.....Mayor Robt. McBirnie
Response.....T. R. Watts, President Citizens Bank, Grand Junction
Report of Group Secretary
Hugh G. Little, Cashier First National Bank, Prairie City
Music.....Boone Broadcasters
Talk—"Accomplishments of the 42nd General Assembly"
A. H. Bergman, President First National Bank, Newton, and
Chairman of the Senate Banking Committee
Talk—"Directors and Their Banks"
John W. Jordan, Attorney, Boone, Iowa
Talks—"Service Charges":
Ivan O. Hasbrouck, Cashier Iowa State Bank, Jefferson.
Clay W. Stafford, Cashier Ames National Bank, Ames.
A. F. Miller, Cashier Polk City Savings Bank, Polk City.
G. H. McMurray, Vice President Citizens National Bank,
Grinnell.
Otto C. Herman, President Security Savings Bank, Boone.
Report of Resolutions Committee.
12:30 P.M. Adjournment.

AFTERNOON

- 1:00 P.M. Luncheon.
Group Singing and Music by the Boone Broadcasters.
2:00 P.M. Talk.....A. C. Smith, President of the I. B. A.
Talk.....L. A. Andrew, State Superintendent of Banking
Talk.....Frank Warner, Secretary of the I. B. A.
Entertainment....Golf—Trip to Ledges State Park—General Visiting
Special Entertainment for Ladies Attending.
Registration fee of \$1.00 per person agreeable with resolution passed by the Group.

Space will not permit detailed description of all our industries, large and small, however, we feel that you will be interested to know of various articles manufactured here, such as coal shutes, cigars, storage batteries, automobile accessories, cement brick machines, coal in abundance is mined here, a very good grade of potters clay is to be found at Boone, a huge brick and tile yard, employing many men is another of our industries. Ice is also one of our principal products, being manufactured by Rocho Brothers, who supply our people with a good clean product.

Most of these plants are supplied with power from our local power plant. A very fine branch of the Iowa Railway & Light Corporation, also manufacturing gas for home cooking.

Boone people are proud of our many industries and they should be, because they are operated by good, loyal citizens.

Boone has beautiful parks in and around us, all noted for their natural beauty. The Ledges State Park, located on the banks of the Des Moines river with its many cliffs, ravines, and winding drives is a wonderful place to see. One can

easily spend a day there and then go away without seeing all of nature's beauties.

Hermans Park and McHose Park are other pretty sites. While not connected with our parks the Boone Viaduct, the highest double track railroad bridge in the world is worth a trip, while out driving around.

Come prepared to have an enjoyable time, because we can assure you that our

bankers will have a worth while program for you.

For the Ladies

The committee on entertainment for the meeting of the bankers of Group Six in Boone have made special arrangements for the entertaining of ladies who accompany their husbands on the trip, and it is hoped that as many of the wives and

sweethearts will attend as possible.

Members of the general committee in Boone are: C. O. Craig, vice president of the First National Bank; J. F. Herman, vice president and cashier of the Security Savings Bank; Carl R. Roberts, cashier of the Farmers State Bank; R. T. Duckworth, assistant cashier of the City Trust & Savings Bank, and C. W. Sparks, cashier of the Boone State Bank.

Greenfield Host to Group Nine

By K. H. SIDEY

GREENFIELD is looking forward to meeting the bankers of Group 9, when they come here for their meeting May 12th. Such meetings are generally held in larger towns and it is with due modesty that Greenfield puts her best frock on and tries to look the part of an experienced as well as a delighted hostess.

Greenfield is located in the heart of Adair county. Adair county has never known a complete crop failure. It has passed through lean years but it has always managed to make both ends meet and to collect from the years its share of prosperity.

The cooperative spirit of Greenfield is manifest in its new hotel, which was built by a group of citizens who wanted to show their confidence in the city, and also wanted to provide a suitable stopping place for its guests and leave with them a good impression of the town. The hotel was built after the war at a cost of \$45,000, and, while not as large as some hotels, is complete in every respect.

The new Greenfield high school building was completed in 1925 at the cost of \$135,000. The auditorium of the new building will seat 1,400 people, and has a modern equipped stage. The classrooms and offices are designed to comply with the latest school practice.

An addition to the business part of the town was recently completed in the form of the new Grand Theater. The new theater provides good clean amusement in the form of motion pictures and vaudeville, with three changes of shows each week.

Has Carnegie Library

For those who enjoy good reading, the Greenfield Carnegie Library furnishes the wisdom of the ages as well as present-day fiction. The current magazines of the day as well as state newspapers are found on its reading tables.

Greenfield has been fortunate in the type of men it has elected to office in its city government. The city makes its

own electricity in a modern power plant. The plant contains two Diesel oil engines of 400 and 300 horsepower, which supplies electricity for Greenfield and also Fontanelle, which is located 7 miles west of Greenfield. The city owns its own water system and at the present time is digging a well 3,500 feet deep which will supply the city with water.

The community's prosperity is closely linked with its marketing facilities. One of the most successful cooperative creameries in the state is located here. Last year this creamery paid Adair county farmers \$204,617.14 for cream. Realiz-



Hotel Greenfield at Greenfield, Iowa

ing that dairying is a profitable business Adair county is fast realizing that dairying fits into its scheme of diversified farming.

One of the largest cooperative elevators in the state is located here. Their net business last year amounted to \$704,689.75, which includes also the business done by the livestock buying department.

Greenfield has three strong banks, the Greenfield Savings Bank, the First National Bank and the Adair County Bank, which during the period of deflation retained the confidence of their depositors, with the result that Greenfield has not experienced a bank failure.

The Greenfield Golf Club maintains a golf course west of the city limits, which is known for its natural hazards and is referred to as a "sporty" course. The course this year is in the best shape ever and furnishes an opportunity for visit-

ing golf fans to spend many delightful hours.

Adair county has as good dirt roads as any other county in the state. The primary roads are, with the exception of a few miles, put to grade, and even these roads are maintained in first-class shape. Even in case of rain it requires only a few hours for them to dry before travel can be resumed.

Perhaps Greenfield's greatest asset is its large number of beautiful homes. Home owning is cherished in Greenfield and this pride is expressed in well-kept lawns, cozy-looking homes with flowers in the window boxes and an air of peace and contentment over all.

The main streets of Greenfield are paved, in all about 8 miles, so that all sections of town can be reached without getting off of paving.

With four active churches, adequate schools, ample public utilities, and congenial social atmosphere, Greenfield extends the heartiest welcome to bankers of Group 9 and hopes that they will enjoy their sojourn here.

Heads County Association

The Scott County Bankers Association held its annual meeting and election of officers at the Davenport, Iowa, Chamber of Commerce recently. The results of the election were:

R. O. Byerrum, cashier of the Bettendorf Savings Bank, president; Zach Suiter, cashier of the Princeton Savings Bank, vice president; A. E. Goetsch, cashier People's Trust & Savings Bank, Davenport, treasurer; Henry Hansen, cashier New Liberty Savings Bank, secretary.

F. A. Pearson, president of the West Branch State Bank, and chairman of Group Eight of the Iowa Bankers Association, was a guest of the Scott county bankers, and extended an invitation to attend the group meeting at Tipton, May 10th. Mr. Pearson conferred with local bankers regarding the program for the group meet.

NORTHWESTERN BANKER

Group Five at Council Bluffs

COUNCIL BLUFFS, where Group 5 bankers will meet May 13, is located on nine trunk lines, which makes it adaptable for jobbing and manufacturing, as these roads are trunk lines and not branch lines.

Freight rates to and from Council Bluffs are such that it makes it an ideal manufacturing and jobbing center.

Council Bluffs is an ideal location for a flour mill or cereal mill, as we have the elevators for the raw material and transit arrangements so the manufactured products can be moved out on equitable freight rates.

The following are a few of the many articles now manufactured there: Candy, oil compounding, soda, elevators, truck bodies, gas purifiers, beekeepers supplies, paints and varnishes, stock remedies, car wheels, baskets, artificial ice, butter, ice cream, soda waters, mill works, spark plugs, iron barrels, road maintainers, steel tanks, playground apparatus, artificial limbs, brooms, cereals, and lumber.

The labor turnover in Council Bluffs is very small for the reason that 80 per cent of the citizens in Council Bluffs own their own homes. There is very little transient labor.

There is now pending the locating of a great number of prospective industries, who have considered Council Bluffs on account of its many attractive industrial advantages.

Five first-class motion-picture theaters, an excellent amusement park and a series of athletic fields in Council Bluffs furnish splendid amusement features. In addition, Council Bluffs is within twenty minutes of the best that Omaha offers.

In addition to the new Oakland Court Apartments just completed at a cost of \$200,000, are the Shugart Apartments, Baneroff Terrace Apartments, Elder Court Apartments and Ogden Apartments, together with numerous smaller apartments.

An auditorium with a seating capacity of 3,500 is located near the center of the city, and serves as a community center.

Council Bluffs is the automobile center of southwestern Iowa. In Pottawattamie county alone there are over 10,000 cars valued at over \$10,000,000. This is one car to every six people living in the county or practically one to every family. There is an annual automobile show held at the auditorium each winter which brings thousands of people to the city.

The combined capital and surplus of the six banks in Council Bluffs total \$1,426,150. The combined deposits total over \$14,000,000.

The city enjoys an active Boy Scout organization with troops in many of the churches, schools and industrial organi-

Outline of Program for Group 5

Friday, May 13th, Council Bluffs

10 A. M.—Business meeting.

Noon—Luncheon.

Entertainment—Mrs. Jensen, violinist.

Address—Craig B. Hazelwood, Chicago.

Humorous address—George Hughes (tentative).

zations. There are eighteen scout troops with charters.

Three bridges span the Missouri river between Council Bluffs and Omaha. The Illionis Central drawbridge is said to be the largest of its kind in the world. A train passes over the Union Pacific bridge every five minutes.

One of the most important industries of Council Bluffs is the manufacturing of candy. There are between 450 and 500 people employed in this industry. The yearly output of our candy factories is over \$2,750,000. The John G. Woodward plant is one of the largest candy factories in the United States.

Council Bluffs has a live and efficient Chamber of Commerce with 1,200 members. Its machinery made possible the wonderful war record of the city. At present, it is carrying out a well-studied program of postwar activities.

The Christian Home Orphanage, founded in 1882, affords a home for about 270 orphan children and aged women. It covers about 2½ blocks and is valued at \$500,000. Children are taken from all over the country and given a splendid home and a nonsectarian Christian education through the eighth grade. The home is supported entirely by voluntary contributions. Further information will be gladly furnished by addressing the Christian Home Orphanage.

Council Bluffs has forty-two churches.

Council Bluffs operates under the aldermanic system of government, electing a mayor and eight aldermen every two years. The city is closely divided as to politics in municipal affairs.

Council Bluffs is blessed with an abundance of high level acres on track-age which may be purchased at very reasonable prices. The realtors of the city will cooperate with any new enterprise in obtaining cheap and desirable factory sites.

Council Bluffs is one of the foremost implement-distributing centers of the middle west. The International Harvester Company has one of their largest plants located here.

Council Bluffs enjoys the reputation of

being one of the largest farm loan centers in America. One-fifth of the money loaned on agricultural lands by the insurance companies of the United States is loaned on Iowa farms. Practically every large insurance company making these loans is represented in Council Bluffs. A number of long-established and reputable mortgage bankers have their home office in this city with branch offices scattered throughout Iowa and Nebraska.

Low insurance rates are due to the recognition of Council Bluffs' efficient fire department and excellent water pressure. There are five stations scattered throughout the city with seven motor-drawn apparatus.

Candidate for Treasurer

Friends of V. C. Bonesteel, of Sioux City, are announcing his name and are supporting him as a candidate for the office of treasurer of the Iowa Bankers Association. Mr. Bonesteel is vice president of the Security National Bank of Sioux City, and is one of the outstanding young bankers in the western part of the state. He has always taken an



V. C. BONESTEEL

active interest in the affairs and state programs of the Iowa Bankers Association, and at the present time is president of the Woodbury County Bankers Association and the organization has had a very successful year under his leadership. His name will be brought before the convention to be held in Des Moines in June.

FOR

OFFICERS

JAMES E. HAMILTON, President

P. C. FRICK, Vice President

E. E. PINNEY, Vice President

EDWIN H. FURROW, Vice President

H. N. BOYSON, Vice President

ROY C. FOLSOM, Vice President

MARK J. MYERS, Vice Pres. & Cash.

S. E. COQUILLETTE, Vice President

E. B. ZBANEK, Vice President

L. W. BROULIK, Assistant Cashier

FRED W. SMITH, Assistant Cashier



"SOUND PROGRESS"

Since the day this bank was founded its watchword has been "Sound Progress."

"Sound Progress" we believe calls for the type of conservatism that underlies all sound banking

+ PLUS +

the application progressively of those same principles to the requirements of "TODAY."

To the banks and bankers we offer superior service based upon a thorough knowledge of this territory plus a genuine desire to serve.

THE
MERCHANTS NATIONAL BANK
CEDAR RAPIDS, IOWA

Pleasure

and Profit

You will find pleasure and profit awaiting you at the annual meeting of Group Three at Charles City.

Charles City Bankers, the Charles City Clearing House Association, the Charles City Country Club, and all citizens welcome you cheerfully and are glad of the opportunity to show you Charles City and its many industrial and civic features.

A splendid program—enjoyable entertainment, dancing, golfing—and a business session of particular and vital interest to every member of Group Three.

Come to Charles City—bring the family, we want you to—and profit by the business meeting, and at the same time, enjoy yourself immensely.

MAKE YOUR RESERVATIONS

Citizens National Bank
Commercial National Bank
Commercial Trust and Savings Bank
First National Bank
Security Trust and Savings Bank

Eight Thousand Consider Charles City Iowa's Choice Metropolis

By
W. E. DODGE

NATURE was in a kindly mood when she made the setting for Charles City, Iowa. Located as it is in the midst of fine farming lands and on either bank of the classic Cedar river, gives it an advantage not excelled and seldom equalled in this midwestern section of the United States.

Charles City was founded in 1854; soon thereafter it became the county seat of Floyd county and has throughout the intervening years enjoyed a steady growth, until today the directory indicates that it is the home of 8,000 happy, hearty, contented people who believe in their city and are ready at all times to work for it.

Besides having the Cedar river as a natural asset, the waters of which are harnessed for the making of electric light and power, Charles City is well supplied with railroads. The main line of the Chicago, Milwaukee & St. Paul railroad, the Illinois Central railroad and the Charles City Western railway furnish adequate transportation facilities in all directions. The latter road is operated in close conjunction with the Rock Island system which it joins at Marble Rock, which is located at a distance of about sixteen miles from Charles City.

Many Fine Highways

In addition to railroads, Charles City lays just claim to having the finest net

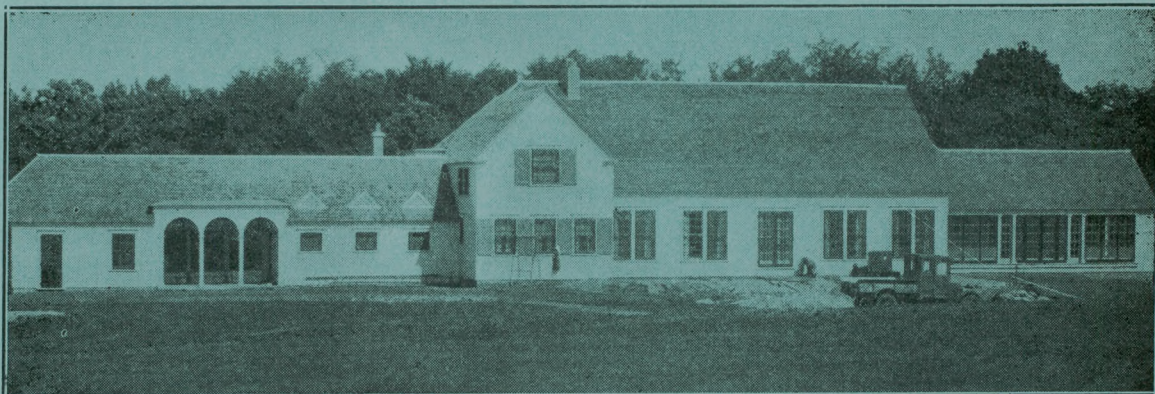
work of improved highways radiating from it of any city in Iowa. At present it is at the eastern end of ninety-one miles of paved road beginning at Algona, Iowa, and passing through several counties before Charles City is reached. Before the present year closes this stretch of paved road will be extended from Charles City for a distance of ten miles to near Nashua. At the rate with which paving is being laid on the Atlantic-Yellowstone-Pacific trail this year, Charles City will soon enjoy the use of a hard surfaced road leading in an unbroken stretch to Chicago and points eastward. The primary and county roads not paved entering the city from all directions are well gravelled and carefully maintained the year around, this affording what amounts to all-weather service for farmers and motorists. These excellent roads are already extending the city's retail trade radius, hence its business men are ever alert and eager to promote and maintain good means of transportation.

In earlier days Charles City was called the "City of Homes" for no place in Iowa

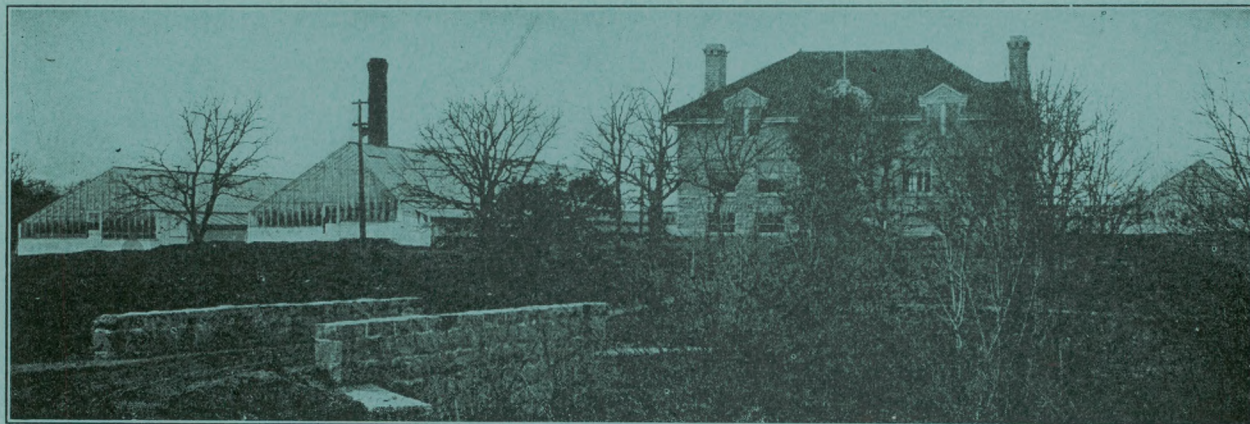
of anywhere near similar size could truthfully boast of as many fine dwellings. In later years, while it has steadily maintained its rank for beautiful homes, yet the industrial side has been emphasized and today her factories and nurseries employ fully 1,500 people. The pay rolls coming from these live wire institutions play no small part in creating business activities of large proportions.

The following named industries are located here: Hart-Parr Co., founders of the tractor-making business; Geo. P. Smith Co., makers of sash, doors, mill work and high-grade interior finish for dwellings, stores and public buildings; Fisher Co., makers of bank counters and fixtures for stores and office buildings; The Burnham Manufacturing Co., makers of coaster wagons, tanks, racks and other important items of farm equipment; Sherman Nursery Co., operating over 1,000 acres of land intensively devoted to the raising of nursery products. This nursery is situated near the city and the office buildings and large greenhouses

(Continued on page 145)



Charles City Country Club



The Home of the Sherman Nursery at Charles City

The Growth of a Great Nursery and Dairy Farm



Three Million Evergreens Growing on the Grounds of the Sherman Nurseries.

CHARLES CITY, among its industries, has two outstanding firms in which Iowa bankers will be interested, namely, the Sherman Nursery Company and the Sherman Jersey Cattle farm. A few facts about these follow:

The Sherman Nursery Company really

began "Way Back When" E. M. Sherman, president of the present company, was a baby, and his father before him was a lover of trees and plant life, and E. M. inherited his love for such things.

In 1884 he was selling and distributing nursery stock. In 1902 he purchased the

beginning of the nearly one thousand acres now owned by the company, although much stock was grown from 1884 largely on leased lands.

The office building is one of the finest and most substantial to be found in the United States, which is used solely for nursery office work.

The packing cellar is 300 feet by 150 feet and 18 feet deep having been built on a side hill, so that all of one side and part of both ends are protected by natural earth banks. The other side opens out on level ground and is flanked by two side-tracks for loading freight cars. These cars can be loaded in any kind of weather, while stock so loaded is not exposed to the elements. All boxing of nursery stock is done in this immense building and consequently, leaves the company in A No. 1 condition.

In a trip over the broad acres one will note millions of Evergreens of all sizes and varieties, as this company is classed as one of the largest, if not the very largest, grower of Evergreens in the United States. Literally, millions of seedling Evergreens of different varieties are grown here each year, and shipments are made to nearly every state in the Union, as well as to Canada.

More than 500,000 shrubs are being grown each year from cuttings. Fully as many fancy Evergreens are also being propagated from cuttings this year.

The company raises plants, graft, bud and produce a general line of all nursery stock, such as apples, plums, cherries, vines, roses, shrubs and small fruits and countless forest and street trees.

One department of this great business is the raising of roses, ferns, etc., in several large greenhouses. There are nearly 200,000 feet of glass and cut flowers and greens are sent out daily in season to Minneapolis, St. Paul, Des Moines, Cedar Rapids, Chicago and other cities.

Several years ago the company employed many teams during the winter and spring, hauling fertilizer from the barnyards and cow stables in the city, but since horses and cows have been replaced by automobiles, Fords and embalmed milk, the company has been compelled to use commercial fertilizers for the greenhouses, which became more and more expensive until Mr. Sherman decided to try out twenty to thirty cows as a dairy starter, but really to supply fertilizer for the greenhouses. And this brings us to the real starting point, of what has since developed into a great breeding farm of world's champion Jersey cattle. Beginning with common and graded cows, Mr. Sherman began weeding out the unprofitable ones, and buying pure bred. There are several types of Jerseys, but the Shermans have never cared for the show or Island type, rather

(Continued on page 145)

WE GROW a general line of Nursery Stock, specializing in **EVERGREEN TREES.**

We also specialize in **AMERICAN-TYPE JERSEY CATTLE**—the Farmers' "**BEST FRIEND.**"

SHERMAN
NURSERY COMPANY

CHARLES CITY, IOWA

All Group Three Roads
Lead to the Convention
at Charles City

Home of

HART-PARR COMPANY

Founders of the Tractor Industry



*The Company that has made Iowa famous
and carried its name the world around*

Founded and Financed, Owned, Controlled
and Managed by Bankers

Officers and Board of Directors

Chairman of Board—C. D. Ellis, President, First National Bank, Charles City
President and General Manager—M. W. Ellis, President, Security Trust and Savings Bank Charles City
C. H. McNider, President, First National Bank, Mason City
E. W. Miller, President, Commercial National Bank, Waterloo
E. L. Wallaser, Cashier, Security Trust & Savings Bank, Charles City
A. H. Witt, Secretary-Treasurer

This Company is making a direct contribution to the solution of the farm problem by helping farmers cut their costs of producing crops through the use of tractor power.

You are cordially invited to visit our factory while in Charles City.

HART-PARR COMPANY

Founders of the Tractor Industry

CHARLES CITY, IOWA



M. W. ELLIS

Charles City banker who is president and general manager of the Hart-Parr Company.

ONE of the places of most unusual interest to every banker attending the Third District Convention is the factory of Hart-Parr Company, founders of the tractor industry, which is located at Charles City.

On the northern outskirts of Charles City, surrounded on the east by typical Iowa cornfields, is a large modern factory covering twenty-five acres, employing from seven hundred to one thousand men the year round, and shipping a steady stream of farm tractors to every state in

the union and twenty-five foreign lands.

The history of Hart-Parr Company and its contribution to agriculture is interesting to every banker in an agricultural district, and in the third district that applies to all of us. Founded in 1900 by two farm boys, C. W. Hart and C. H. Parr, the company was financed largely through the efforts of C. D. Ellis and A. E. Ellis, Charles City bankers. Through the twenty-seven years since that time the Ellis family, through the above

members, have been the financial rock on which the structure of this great company has been reared. During the past seven years the guiding genius has been M. W. Ellis, son of C. D. Ellis, who won his place as president and general manager by guiding the company through the depression period and bringing it to its present state of prosperity, until today Hart-Parr Company is recognized as one of the four leading manufacturers of tractors in the world.

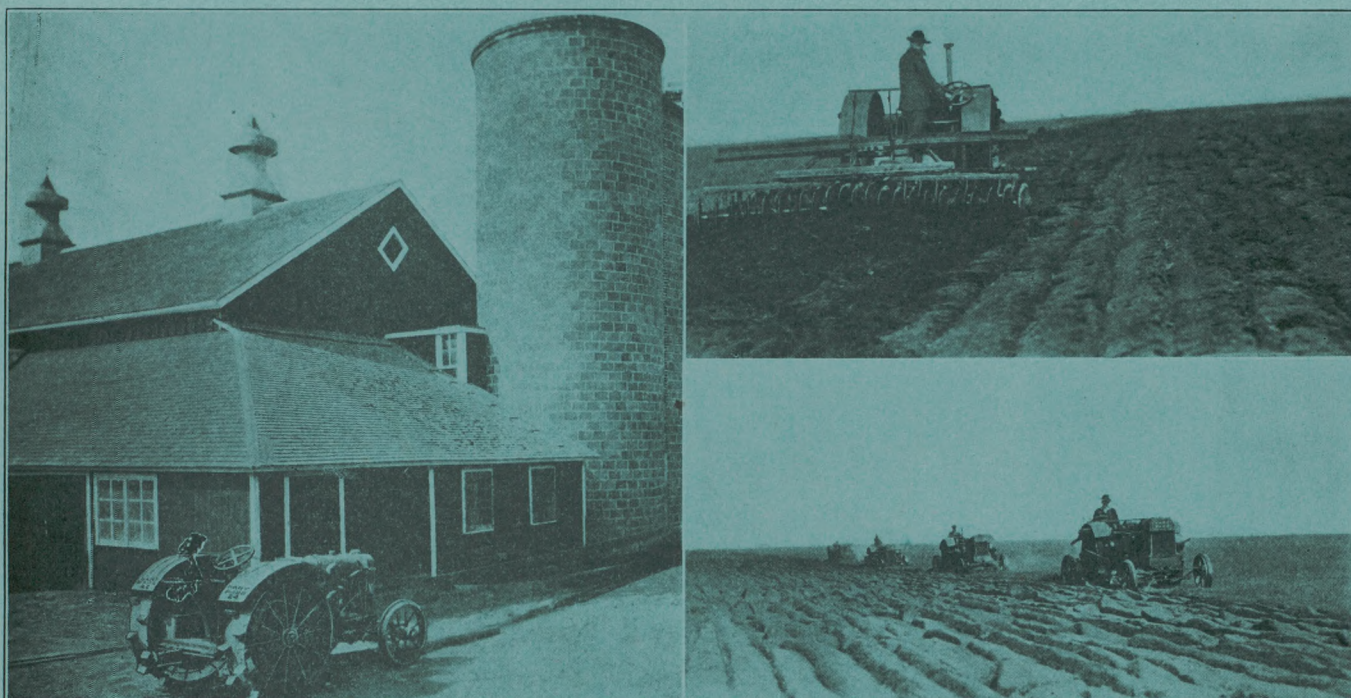
When M. W. Ellis took over the man-

agement of Hart-Parr Company seven years ago, he was president of the Security Trust & Savings Bank of Charles City and had, for some time, been acting treasurer of Hart-Parr Company. He immediately laid down the fundamental policy that every effort of the company should be judged on the basis of service to agriculture. He insisted that the company had a right to existence and success depending upon its ability to serve a definite need in agriculture. Today, from the blue print of the engineers, through factory production and sales service to the farmer, every thought and operation in the tractor organization is made to conform to that fundamental of service.

Built on an Idea

It is interesting to observe how the influence of that idea has worked out. Mr. Ellis took charge of the Hart-Parr Company at the beginning of the depression period. The years that followed were a struggle for existence. The statistics of the industry show that over 90 per cent of the companies in the tractor industry

(Continued on page 143)



Hart-Parr tractors are found everywhere. On the left, a Hart-Parr tractor on the farms of the Sherman Nurseries, near Charles City, Iowa. Right, lower photo, a battery of Hart-Parr tractors plowing up the last section of virgin prairie sod in Floyd county, Iowa.



THE FISHER COMPANY

MAKERS of HIGH GRADE FIXTURES for
BANKS STORES AND OFFICES

CHARLES CITY. IOWA

To the Bankers
of the Middle West:

Bank fixtures by Fisher are a real asset
to any institution.

Bank customers like to do business in an
institution which is progressive, modern and
efficient. All of these elements are secured
with Fisher Fixtures.

For over fifty years we have been studying
bank fixtures and how to make them. We have
concentrated on one line of endeavor and are
experienced in designing and installing the
proper type of bank fixtures.

If you have already made your plans for a
new building ask your contractor about Fisher
Company or write to us direct and we will give
you detailed information concerning hundreds of
bankers who are already using Fisher Fixtures to
their entire satisfaction.

Thoughtful bankers consult the Fisher
Company.

Sincerely yours,

The Fisher Co.
BANK FIXTURE HEADQUARTERS
Charles City, Ia.



STOP!---

All Iowa Bankers of
Group Seven this
Way to—

WAVERLY

Waverly is ready for the big event
May 25th.

Are you?

Each and every banker of Waverly is co-
operating with the Bremer County Bankers
Association and has made some very ex-
tensive plans for the Iowa Bankers Group
No. 7 meeting.

It is an honor and a gratification to Wa-
verly bankers to be the hosts of Group 7
bankers May 25th in Waverly. We want very
much for you to have an enjoyable time and
we are endeavoring in every way to make
arrangements so you will feel perfectly at
home.

We expect a 100 per cent turnout and are
making our plans accordingly.

May we count on You?

First National Bank

State Bank of Waverly

Waverly Savings Bank

Waverly—the “Dairy Spot of Iowa”

WAVERLY, county seat of Bremer county, where bankers of Group 7 will meet May 25, one of the most beautiful little cities in the state of Iowa, is ideally located in a lovely, fertile valley. It lies in the midst of a prosperous farming community known as the “dairy spot of Iowa.” With a population of about 4,000, Waverly possesses many unusual advantages. Four railroads—the Chicago Great Western, the Illinois Central, the Chicago, Rock Island & Pacific, and the Waterloo, Cedar Falls & Northern—afford splendid transportation facilities. Running through the city also are Primary Roads No. 10 and U. S. No. 218, the Atlantic-Yellowstone-Pacific Hiway, the Red Ball, and the Tall Corn Trail.

Three Banks

The city's three banking institutions—the First National, the State Bank of Waverly, and the Waverly Savings Bank—are among the soundest and most conservative in the state and have never been affected by the recent period of depression. They have always had money to loan to reliable patrons. The combined deposits of the three banks amount to nearly four million dollars, their assets are near five millions, and their capital and surplus amounts to more than \$525,000.00. This combined wealth gives assurance that money will always be at command to tide over emergencies that may arise.

Waverly has nine churches, and their fine spirit of cooperation among themselves and with all civic advancement and business interests exerts a notable influence in the community.

The city possesses splendid educational facilities. There are three public school buildings, one of which is an up-to-date high school completed less than a year ago at a cost of \$250,000.00. A high standard of qualifications is required of the instructors, and a comprehensive course of study is provided.

Has Normal College

Wartburg Normal College, opened in 1879 with two teachers and thirteen students, now has a faculty of about twenty and an enrollment of nearly three hundred. Among the fine buildings on the campus is a handsome three-story administration building, completed last year at a cost of \$105,000.00. Their total equipment represents an investment of \$450,000.00. Both high school and normal college are fully accredited.

About seventy-five homeless children are now being cared for in the local orphans' home, which has reared, educated and turned out many fine citizens.

The institution owns a hundred acres of land at the outskirts of the city—a



The new Community-Legion-Masonic building at Waverly, Iowa

beautiful location—and there are several substantial buildings on the property.

St. Joseph's Mercy Hospital, with its active staff of excellent surgeons, is an institution of which the city is proud. It is furnished with fifty beds and a complete laboratory and X-ray equipment. It averages about a thousand operations a year, and its record of complete cures is among the very best. The hospital has acquired a Standard A rank, and has an accredited training school for nurses. A splendid nurses' home was recently built.

Waverly has two splendid newspapers, *The Waverly Democrat* and *The Independent Republican*, which in recent years have alternated in winning the state cup offered to newspapers in cities of this class.

The Waverly Publishing company, in addition to its weekly paper, *The Waverly Democrat*, prints for the Poultry Breeders company three of the best known poultry journals in the country with a circulation of more than 100,000—*The Rhode Island Red Journal*, *The Leghorn World*, and *The Plymouth Rock Monthly*—together with an immense volume of other printing and book work.

The Marshall Canning factory, the largest in the state (and the only 5-line plant in Iowa) for canning corn, pumpkins, beans, etc.

The Waverly Baking company, the Hutchinson Ice Cream company, the Cerex company, the CaPhenin Chemical company, Goodrich & Gallagher and the Waverly Produce companies, the Miller Casket company, the Gruben Monument company—all serving a wide territory with products of outstanding excellence.

Boosts County Fair

Waverly is the home of the Live Fair, one of the best in the country, and the city has also an active Rotary Club, an enterprising Community Club, a Merchants' Association, an influential Woman's Club, a wide-awake Golf Club, and other worth-while organizations. It has also a splendid municipal band of forty pieces and a fine Community Orchestra.

The city is well equipped to take care of travelers and visitors, its leading hotel,

The Fortner, having about fifty rooms and operating upon the European plan.

One of the outstanding community achievements of recent years was the financing of a Community-Legion-Masonic building, which was erected at a cost of \$70,000.00, all the stock being owned by the American Legion, the Masonic orders and individual citizens of Waverly. The building houses the postoffice, a splendid motion picture theater and a cafe, with quarters on the upper floor for Legion and Masonic bodies and for the Community Club, and a fully equipped dining hall in the basement. The structure fills a long-felt community need.

When **W. H. Babcock** came to the Waverly Savings Bank in 1904 as cashier, the bank had but \$35,000 in deposits. As evidence of his careful management and business-building ability, the institution now lists its deposits at \$920,329.

Mr. Babcock started his banking experience twenty-five years ago in Louisiana. He is a member of the Commercial Club and of the Knights of Pythias.

A term of twenty-four years as treasurer of the city of Waverly is the record established by **W. Weiditschka**, cashier of the First National Bank of that city. He has also held the office of auditor of Bremer county for four years and deputy auditor for the same length of time. Certainly no one could accuse Mr. Weiditschka of neglecting his civic activities.

Mr. Weiditschka has been with the First National since 1900, and has been cashier of the bank since 1916. The First National had deposits of \$207,213 in 1900. Now, according to its last statement, the deposits total \$1,045,383. When the bouquets are passed, we know who will get the biggest.

Either the city of Waverly, Iowa, has enjoyed continued and ever-increasing prosperity for the past quarter century, or else the banks in that community were exceptionally fortunate years ago when they picked out their cashiers. Here comes **G. O. Van Derveer**, cashier of the State Bank of Waverly, who came with the bank in 1897 when its deposits were only \$275,000, and in March of this year it shows a total of deposits of \$2,118,880. Waverly and Bremer county must be a good place in which to live.

Mr. Van Derveer has been an active banker for the past forty-one years. He started at the bottom in the old German-American Bank, and as mentioned above, came with the State Bank in 1897. He is a member of the Rotary Club, Commercial Club, Knights of Pythias, and is a Mason.

*The Clayton County Bankers
Association*

welcome

The Bankers of Group Four

to

Elkader

in

Clayton County

on

Tuesday, May 24th

The Banks of Clayton County count it a privilege and an honor to entertain their many banker friends of Group Four, to renew old friendships and make new friends who can be counted as old friends.

The Bankers of Elkader especially wish to urge you to come to the meeting and the smoker on Monday evening, May 23d.

Clayton County Bankers Association

HAROLD J. KRIEBS, *President*

R. C. LEMKA, *Secretary*

ELKADER—In Clayton County

The “SWITZERLAND OF IOWA”

By C. L. REINECKE

CLAYTON county, Iowa, has this year received no small amount of publicity from various sources, among them several financial journals, due to its splendid financial condition, and investigation shows that there is a close relationship between this condition and agriculture, especially in its diversified form. The county, as a whole, represents a condition unequaled by any other county in the state. This statement is made not as a boast but with just pride, and facts to be presented later will bear out this statement.

The splendid financial condition of the county can be attributed to the general character of its people, who, taken as a whole, are of a conservative type. The wild speculation in land during the late war never found a place here and in only a few cases did land sell at more than normal prices. Its people are progressive but not of that type which changes with various fads. Diversified farming is, perhaps, the largest contributing factor to the financial stability of the county. Cattle, swine and poultry, together with their products, are items of no small consequence in this connection. The value of these products runs high in the millions, and when it is considered that the revenue from these sources comes into the county in monthly or less than monthly installments it can be readily seen that there are few, if any, “frozen assets.”

Dairy Business Growing

The growth of the dairy industry in the county is perhaps one of the greatest individual contributing factors for the financial strength at this time, and credit for this rightfully belongs to the county farm bureau and its county agent, Roy Combs. Ever since he came to this

county in his capacity as county agent he has advocated further interest in the dairy industry, largely because of the regular income derived. He has personally assisted in organizing each of the ten cow testing associations now operating in the county and has personally coached junior judging teams to championships.

Clayton county, with its ten cow testing associations, is a leader in the United States in this type of work; no other county has as many similar associations. It ranks first in the state in the number of cattle, having 66,222 head, 10,944 of which are tuberculin tested. It ranks first in the state in the production of creamery butter and during 1926 produced 5,483,853 pounds of butter valued at \$2,467,283.85, taking 45 cents as the average price per pound. This means an average monthly income to the farmers of this county during the year of \$205,606.99. Clayton county's cows were second in the pounds of butterfat produced, per cow, of 171 pounds. It is tied with Fayette county for second honors with the number of creameries, at eighteen. It is the home of the largest whole milk creamery in the world, at Strawberry Point. It is the home of the United States junior championship dairy judging team which next July will go to London to compete with other teams for international honors. Incidentally, one of the members of this team is a girl—the first girl to have received such honors. Dairy herds in this county won the Kildee trophy for cow test association work six years in succession (1920-1921-1922-1923-1924-1925).

Add to the amount received from the dairy industry that received from swine and poultry and it can readily be seen

why only a small amount of outside capital need be used to finance Clayton county mortgages.

As a general rule, figures are dry reading, but permit the use of just a few more at this time.

This is the only county in the state which has no bonded indebtedness. The assessed value of moneys and credits for 1926 was \$7,318,748; assessed value of farm lands for the same year was \$28,089,044; assessed value of personal property, \$3,355,652. On December 31, 1926, the county treasurer had on hand a total of \$298,009.35. Total taxes collected for 1926 amounted to \$927,011.97 and the total collected for motor vehicle licenses was \$103,426—this in a county with a population of 24,406 where there are 3,063 farms of which only 635 are operated by tenants.

A Scenic Center

In the very center of this county, located in what is now recognized as the “Switzerland of America,” lies Elkader, the county seat, where Group Four bankers will meet this month. It is one of twenty towns, none of which can be called large; yet these twenty towns and the surrounding territory support twenty-six banks that last December boasted of combined deposits of \$14,000,000.

Perhaps no other town of its size can boast of as many blocks of paving—76 out of a possible 112—and those not paved are all graveled. Its business section is well and substantially built and segregated, including four modern garages and a department store seldom found in a town of this size. Strangers comment on this fact at once.

Here also is located the Elkader Fairgrounds, a tract of forty acres with buildings valued at \$20,000, acclaimed by fair



Scenes in and near Elkader, Iowa

Our Facilities Include~

- 1.—A bank whose methods are modern and progressive.
- 2.—Officers and employees who are eager to help you in any matter requiring individual attention.
- 3.—A bank that realizes that their customers' prosperity is their prosperity.

Accounts of Banks and Bankers given individual attention.

THE LIVE STOCK NATIONAL BANK

Sioux City, Iowa

"The Bank at the Yards"

A. G. Sam, President

H. B. Scott, Vice President

C. L. Fredricksen, Cashier

M. A. Wilson, Asst. Cashier

W. G. Nelson, Asst. Cashier



Capital, One Million Dollars

**Sioux City—and
The First National Bank**

*two names inseparably linked in the
minds of*

*Always at
Your Service*

First National Bank
Sioux City, Iowa

**Iowa—
South Dakota—
and Nebraska
Bankers**

followers as the most picturesque grounds in the state. These grounds differ from the usual fairgrounds in more respects than one. Ordinarily grounds of this nature are used but once a year. In the case of these grounds they are put to use ten months and longer.

On these grounds are located the free tourist camp, where ample room is provided in a large grove for the pitching of tents. However, if the weather is such that the tourist does not feel like pitching his tent, all he needs do is to drive into the "Pig Club Inn." Last year a san-

itary comfort station was erected at a cost of \$2,800, financed entirely by local popular subscription. The building is 20 feet wide, 40 feet long and 10 feet high. It is divided into two sections, with a lavatory on both sides, and the men's section has, in addition, a shower bath, water being furnished from city water plant.

A nine-hole golf course has also been laid out on these grounds with hazards and all. It is the home of the Elkader Baseball Club, a member of the Clayton County League, and, finally, it is used generously during the picnic season as a

picnic ground. Being located in the center of the county at the intersection of several primary roads, it is most convenient for picnics of a private or group nature and is used as such nearly every week in season. A deep, flowing well is an asset to these grounds.

Spots of scenic beauty are numerous in the county and tourists, who have visited here, state that if one-tenth as much were spent advertising this county as is spent advertising other sections tourists would come here by the thousands each year and tour the "Switzerland of America."

LE MARS—a City of Beauty and Good Business

By R. M. LATHEM

THE city of Le Mars, where Group One bankers will meet May 26, is located in Plymouth county, northwestern Iowa, is one of the richest farming communities of the state. It is the county seat and has a population of 4,688, according to the federal census of 1920. The town is located on the main lines of the Illinois Central railroad and the Chicago, St. Paul, Minneapolis & Omaha railroads. The Great Northern railroad depot at Dalton, two and a half miles west of Le Mars is easily accessible by motor.

Le Mars as a city is naturally beautiful at all times of the year. The streets are wide and a majority of them lined with beautiful trees. All the streets in the business section of the city are paved and there are twelve miles of paving in the residential districts. The residences are for the most part of pleasing architecture, and the business houses, in the main, are models of neatness and modern efficiency. In few other places in the United States is wealth so evenly distributed. There are no millionaires, but on the other hand there are none poverty stricken, and slums are unknown.

Three Fine Parks

The city boasts of three fine parks. Cleveland Park, donated to the city in 1884 by the late M. A. Moore, wealthy lumberman and four times mayor of Le Mars, is known throughout the state, as an ideal chautauqua ground. Foster Park and Tourist Park are other beauty spots of the city. The country club to the north of Le Mars, with its golfing links, is an ideal place, and adjacent to this is the Dalton swimming pool. A mile east of Le Mars, Grimes Lake may be found. Both these places have all the facilities for

camping, bathing and pleasuring found in other well-known resorts.

Le Mars affords educational facilities of the highest order. There are two ward schools in addition to the Central High School, which was enlarged three years ago, at a cost of \$150,000.00. The St. Joseph Parish conducts a large parochial school. Western Union College is one of the leading institutions in this part of the country. The college was founded by the Evangelical Church Conference and is fully accredited. The college has a number of fine buildings and a campus unexcelled for location. The city has a splendid Carnegie library. McDuffie Athletic Park, centrally located in the city, gives baseball and football fans the opportunity of using an up-to-date and spacious park, while at the same time supporting the athletics of the schools.

The Sacred Heart Hospital, ideally situated, is one of the best equipped and most modern hospitals in the northwest, and the Community Hospital is another adjunct to the city. The Le Mars Clinic, with a staff of physicians and nurses, is another of the well known institutions of Le Mars. The city has two Roman Catholic churches and eight Protestant churches.

There are a large number of clubs and organizations, among them a Rotary Club, the Lions, the Elks, the Knights of Columbus, the American Legion and many others. The Masons of the city have recently finished building a fine new Temple, which was dedicated April 27, with prominent Masons from all over this part of the country in attendance.

The business houses are as large, modern and up-to-date as those found in any city. There are four safe, sound and reliable

banking institutions. The Plymouth Mills, destroyed by fire a year and a half ago, are being rebuilt and rehabilitated. The mill was the largest in the state, at the time of its destruction, and had a reputation which extended to Europe. Local capitalists are back of the move to restore its pristine property. The Pech Foundry Company employs a large force of men, and well augers from this factory are shipped to all parts of the world. Large shipments were made recently to the Canadian provinces and to South Africa by this foundry. Electric light, water, gas and artificial ice plants supply the city and the installation of a central heating plant is before the city council at present for consideration. A fine, new armory was completed last year and supplies quarters for Co. K, Iowa National Guards and affords a place, if desired, for civic functions and receptions.

Le Mars is known far and wide as one of the best little towns in Iowa. The town gained recognition in the early days when an English colony was founded in 1879-1883. Hundreds of young Britishers came and bought land. It was said that there were three places they knew of in the states, New York, Chicago and Le Mars. A majority of these early settlers from England, sold out their holdings and were succeeded largely by settlers of German and Luxembourg stock. Many nationalities in Plymouth county are now merged into good American citizens.

In Farm Territory

The town of Le Mars, situated as it is in a purely agricultural country is largely dependent on the farming community for its trade, and welfare. The farmers of Plymouth county, with very few excep-

tions, are substantial and prosperous, and to own a farm in this section, without incumbrance, is a happy lot. Many of the residents of the city are farmers who have amassed wealth or gained a comfortable competence. These own many of the palatial and convenient residences which add beauty to the town.

Le Mars has gained renown in other lines. It was the first little town to have a polo team. The team won victories from St. Louis and Chicago in the nineties. The first golf links in northwest Iowa were laid out in Le Mars. Year after year Le Mars supports baseball teams which vie with any in surrounding towns, and ath-

letics of all kinds receive their due measure of recognition.

With easy communication with the outside world, with business opportunities, legitimate amusements, and other things which make up life, Le Mars is an ideal little city in which to cast one's lot.

Nyemaster for President

Ray Nyemaster, vice president of the American Commercial and Savings Bank, Davenport, is being strongly urged by his friends for presidency of the Iowa Bankers' Association when the state convention convenes in Des Moines on June 20th-22d.

Many bankers believe that it is only fair that a state banker should be elected president this year in view of the fact that a national banker has been president during the past year.



RAY NYEMASTER

Mr. Nyemaster has received the endorsement of hundreds of bankers throughout the state who are anxious to see him elected president for the ensuing year. They know of Mr. Nyemaster's ability as a banker, his helpful advice and counsel on the state banking board, and his energetic work in the Iowa Bankers' Association and the saving bank division of the American Bankers' Association. They also believe that next year will be a most important one for Iowa bankers, and that Ray Nyemaster can guide the association along the road of sound and constructive banking.

John Fletcher College

John Fletcher College, on the eastern border of Oskaloosa, is just finishing its twenty-first year of work. In that time it has amassed a property worth \$600,000. Serving a very wide constituency, students have come from every section. About twenty states are now represented on its rolls. Making special appeal to those who are looking toward distinctively Christian work, it numbers fifty missionaries—preachers, teachers, physicians—and some three hundred home field workers on its "honor list." An intensive campaign is getting the institution before the people with marked success. Students' inquiries have greatly increased; educational standards are being lifted; financial prospects are encouraging. A growing Fletcher College becomes a real Oskaloosa asset.

OUR GROUP

We will be with you at your Group Meeting.

We believe in the Group idea in banking, and in the farm mortgage business.

Our Group—the Stanley-Henderson Co., Inc., has an authorized capital of \$300,000.00 and is better equipped than ever to serve you in the handling of your farm loans on the basis of

1. Prompt closing.
2. Reasonable rates.
3. Personal service.

Authorized Capital \$300,000.00

STANLEY-HENDERSON CO., Inc.

I. C. STANLEY, President

Farm Mortgage Bankers

CEDAR RAPIDS

South Dakota Meetings

The following is a schedule of the Group Meetings as they will be held in South Dakota this spring:

- May 2—Group 7, at Mobridge.
- May 3—Group 6, at Aberdeen.
- May 4—Group 5, at Huron.
- May 5—Group 3, at Mitchell.
- May 7—Group 9, to be selected.
- May 9—Group 1, at Vermilion.
- May 11—Group 2, at Lake Madison.

- May 13—Group 4, at Watertown.
- May 16—Group 8, at Deadwood.

Permit to Remodel

Permit for the remodeling of the Cedar Rapids National Bank building, Cedar Rapids, Iowa, to cost \$35,000, was taken out recently by Theodore Stark and company, contractors in charge of the work. The building formerly occupied by the Camera shop, east of the

bank, is to be made a part of the bank quarters. More or less work has been going on in the building since the Cedar Rapids National Bank and the Security Savings Bank merged several weeks ago. The work is expected to be finished within sixty days.

The man who in this world can keep the whiteness of his soul is not likely to lose it in any other.—Smith.

Statement March 23, 1927

RESOURCES

Loans and Discounts	\$2,509,048.47
Stock in Federal Reserve Bank	16,500.00
Security Bank Building	247,910.08
Other Real Estate	22,064.09
Overdrafts	765.24
Bonds and Cash Securities	1,036,468.79
U. S. Bonds	597,509.06
Cash on Hand, Due from Banks and U. S. Treasurer	1,135,508.42
	\$5,565,774.15

LIABILITIES

Capital Stock	\$ 250,000.00
Surplus and Undivided Profits	331,074.70
Circulation	249,997.50
Deposits	4,734,701.95
	\$5,565,774.15

FOUNDED
1884

SECURITY NATIONAL BANK of Sioux City

FOURTH ST.
AT NEBRASKA

A. B. Darling, President
V. C. Bonesteel, Vice-President

L. R. Manley, Cashier
R. E. Brown, Asst. Cashier

CONFIDENCE

The First National for the past sixty-two years has had the confidence of its customers.

This confidence has been created and maintained because of the courteous treatment of customers, efficient handling of all accounts, accurate attention to all detail, and the desire to take a personal interest in every customer of our institution.



Chartered 1865

THE FIRST NATIONAL BANK, Waterloo, Iowa

DIRECTORS

- B. F. SWISHER
Pickett, Swisher & Farwell
- R. J. HOXIE
Secretary, Waterloo Fruit & Commission Co.
- A. M. PLACE
Vice President
- E. E. PEEK
Vice President Waterloo Bldg. & Loan Association.
- H. W. GROUT
Real Estate
- C. A. MARSH
President

THE First National Bank of Waterloo is equipped to give you the highest degree of SERVICE, and do it promptly and efficiently at all times. Fifty-eight years of steady conservative growth enables this bank to extend such service.

OFFICERS

- C. A. MARSH, President
- A. M. PLACE, Vice President
- WILL A. LANE, Cashier
- P. W. EIGHMEY, Assistant Cashier
- O. L. MORRIS, Assistant Cashier

DIRECTORS

- W. W. MARSH
President Iowa Dairy Separator Co., President Associated Mfg. Co.
- J. T. SULLIVAN
Lawyer.
- J. O. TRUMBAUER
Vice President Farmers Loan and Trust Co.
- H. A. MAINE
President H. A. Maine & Co.
- WILL A. LANE
Cashier.

Total Resources Over \$2,900,000.00.

← One-Way Traffic—



Sedans and touring cars, coaches and runabouts, and the Group Meeting train—all headed one way, and due to stop at



The Twin Lakes

To the bankers of Group Two we extend a most cordial invitation to be with us on Friday, May 27. You will be entertained at Twin Lakes, the beauty spot of Pocahontas and Calhoun counties.



There will be something of business, and something of pleasure. We are making every effort to have your stop here be an enjoyable one.

**TWIN
LAKES**

PLAN TO BE WITH US!

**Calhoun County Bankers Association
Pocahontas County Bankers Association**

When Group Two Meets At TWIN LAKES

EXTENDING for three miles through the heart of Iowa's corn belt, seven miles southwest from Manson and six miles southeast from Pomeroy, lies a beautiful body of water known as Twin Lakes. Surrounded by slightly rolling land, and with a heavy growth of timber to further conceal them, Twin Lakes are almost completely hidden from view. The casual tourist, not looking for anything so unusual in what he considers acre upon acre of intensively cultivated farm land, is pleasantly surprised when a slight depression reveals to him the sparkle of a broad expanse of water and the brightly painted roofs of numerous cottages.

As he comes closer he sees two large pavilions, one of them the largest in Iowa, and a number of other buildings which house the numerous entertainment features which Twin Lakes has to offer.

The cottages and the amusement facilities, however, are of comparatively recent origin. Up until about a year ago the recreational advantages of Twin Lakes remained undeveloped. It is true that the shores of the lakes provided ideal picnic grounds for persons living in the immediate vicinity, and the boys from the surrounding farms drew many a sturdy fish from the green water, but it remained for a few far-sighted business men of Manson, Pomeroy, Rockwell City, Fort Dodge, and other near towns to discover that nature had left at their very doorstep a real treasure.

A company was formed for development purposes, lots on the lake shore were staked out, and offered for sale. Feeling as they did that the natural advantages of Twin Lakes would do the most good only when enjoyed by the greatest number, the promoters of the project made the lots available at a reasonable price. The sale progressed rapidly, so that today more than two hundred cottages dot the shore line.

The cottages are situated in natural timber which provides adequate shade throughout the day. A sand beach in front of each provides ideal bathing facilities, with a shore frontage wide enough to permit the anchoring of rowboat or launch.

Every provision has been made for the comfort of the cottagers in a convenient daily food supply. Groceries, fresh meats and vegetables, milk and butter and other dairy products, as well as ice, are delivered to the door every day.



A view of Twin Lakes, one of Iowa's scenic spots

While the owner of a cottage has an ideal place in which to rest and relax, should he desire amusements, these also are at hand. Two fine resorts on Twin Lakes provide amusement and recreation for everyone, old and young. There are two big roller skating rinks, two dance halls, rowboats for rent, two speed boats and a large fifty passenger launch for pleasure rides.

It is in this beauty spot of Pocahontas and Calhoun counties that the bankers of Group Two are to be entertained on May 27th. The plan is to have the group meeting train stop at Pomeroy, where sufficient cars will be provided to transport the visiting bankers to the lakes.

Making Preparations

C. H. Martin, president of the Des Moines Clearing House Association, and general chairman of the arrangements for the 41st annual state convention of the Iowa Bankers Association, which will be held this year in Des Moines, June 20th-22d, has announced the personnel of the several convention committees. Several of the committees have already begun active work in making plans for the gathering.

The personnel of the various committees is as follows:

Executive Committee—C. H. Martin, (ex-officio member) chairman, president Des Moines Clearing House; H. A. Miller, A. J. Huglin, A. O. Hauge.

Hotel and Housing Committee—R. L. Chase, Jr., chairman; B. B. Vorse, J. H. Sharpe.

Entertainment Committee—B. F. Kauffman, chairman; Grant McPherrin, L. C. Kurtz, R. O. Wagner, Bert McKee, R. A. Crawford, C. E. Brenton, Clifford De Puy.

Badge Committee—C. A. Diehl, chairman; Ross M. Carrell, C. S. Pidgeon.

Music Committee—Frank P. Flynn, chairman; J. R. Capps, C. T. Cole, Jr., Harry T. Rollins.

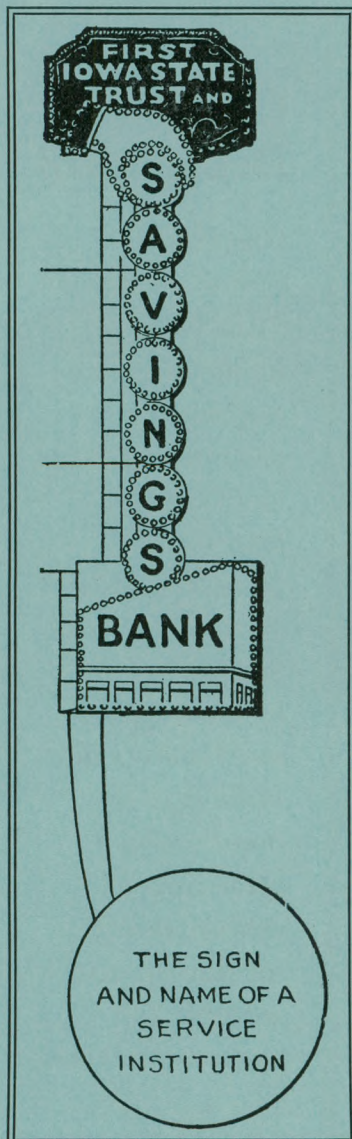
Golf Committee—L. M. Barlow, chairman; Carl W. Mesmer, Leland Windsor, D. J. Van Liew.

Automobile Committee—Walter Roberts, chairman; C. M. Way, M. D. Woods, Carl Hummell.

Women's Committees

Executive Committee—Mrs. Clyde E. Brenton, general chairman; Mrs. Bert McKee, Mrs. B. F. Kauffman, Mrs. A. J.

—“and one’s a



In speaking of a bank, one writer has said: “The walls and floor are made of stone, and yet somehow they’re warm. The guards respond in cheerful tone, while happy people swarm. The human touch is everywhere despite the rapid pace; that’s why the patrons all declare, ‘My bank’s a homey place!’

“So banks are things you can’t define—observe them as you roam—for one’s a vault with rigid fault, and one’s a banking home.”



OFFICERS

CHARLES E. PERKINS, Chairman of Board

J. G. WALDSCHMIDT, Vice President

C. T. SIMMONS, Vice President

R. L. BUNCE, Vice President

L. M. WILSON, Vice President

ELMER RAUENBUEHLER, Vice President

F. J. NORTON, Vice President

Capital, Surplus and Undivided

FIRST IOWA TRUST &

BURLI

banking home"

The First Iowa State Trust and Savings Bank has for many years been the "banking home" of many correspondent banks. We sincerely appreciate our intimate association with a great number of banks in this territory, and will be glad to discuss with those not now our customers, the constructive service already enjoyed by those banks carrying accounts with us.



OFFICERS

E. WEBBLES, President

L. T. PANTHER, Cashier

S. R. GRANT, Assistant Cashier

L. P. BECKMAN, Assistant Cashier

J. S. STUBBLEFIELD, Assistant Cashier

RAY HUMPHREY, Manager Bond Dept.

H. A. HEIL, Trust Officer

T. H. WILSON, Auditor

Profits Over \$1,200,000.00

STATE SAVINGS BANK

INGTON

Our Bond Department

One banker writes us that "The Bond business in our community is growing by leaps and bounds."

Our Bond Department is anxious to serve you and offers to Iowa banks and bankers the same type of bonds, which, after careful investigation, we have found suitable for our own account.

Huglin, Mrs. Grant McPherrin, Mrs. E. A. Slininger.

Entertainment Committee—Mrs. L. C. Kurtz, chairman; Mrs. H. A. Miller, Mrs. J. S. Carpenter, Mrs. D. J. Van Liew, Mrs. L. A. Andrew, Mrs. Carl Weeks, Mrs. Simon Casady, Mrs. Gardner Cowles.

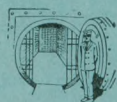
Automobile Committee—Mrs. L. M. Barlow, chairman; Mrs. Herbert Horton, Mrs. B. B. Vorse, Mrs. C. T. Cole, Jr., Mrs. H. T. Rollins.

Hotel Hostesses—Mrs. Rufus L. Chase, Jr., chairman; Mrs. B. F. Kauffman, Mrs. J. H. Sharpe, Mrs. H. L.

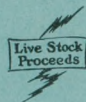
Sheuerman, Mrs. D. L. Skinner, Mrs. A. H. Blank, Mrs. Le Roy C. Dunn.

Hostesses—Mrs. F. H. Luthe, Mrs. L. B. Bartholomew, Mrs. Paul Beer, Mrs. J. E. Bradbury, Mrs. O. J. Fay, Mrs. J. G. Gamble, Mrs. Sol Scheuerman, Mrs. C. H. Stevenson, Mrs. M. A. Young, Mrs. E. F. Kennedy, Mrs. R. J. Miller, Mrs. R. L. Read, Mrs. Geo. Richter, Mrs. R. O. Wagner, Mrs. S. C. Pidgeon, Mrs. Lynn Fuller, Mrs. Harry Cross, Mrs. J. W. Hawk, Mrs. Henry Nollen, Mrs. Charles N. Pierce, Mrs. Leland Windsor, Mrs. Marion D. Woods, Mrs. R. F. Buckley, Mrs. R. H. Collins, Mrs. Clyde Doolittle,

Mrs. W. J. Roberts, Mrs. G. D. Thompson, Mrs. Carl Hummell, Mrs. E. A. Tyler, Mrs. M. H. Cohen, Mrs. W. B. Lutz, Mrs. C. M. Way, Mrs. Jas. Burson, Mrs. J. R. Capps, Mrs. H. J. Clark, Mrs. John Cownie, Mrs. J. F. Hart, Mrs. Morris Mandelbaum, Mrs. A. J. Robertson, Mrs. E. R. Stotts, Mrs. O. P. Thompson, Mrs. Geo. Van Evera, Mrs. A. O. Hauge, Mrs. C. B. Hextell, Mrs. Frank Warner, Mrs. Sol Panor, Mrs. Clifford De Puy, Mrs. R. J. Fleming, Mrs. F. P. Flynn, Mrs. C. W. Mesmer, Mrs. E. R. Millard, Mrs. W. E. Barrett, Mrs. R. A. Crawford, Mrs. P. J. Mills, Mrs. W. R. Beck.



SAFEKEEPING OF SECURITIES. Correspondent Banks are invited to deposit their securities with our Safekeeping Department. We attend to all details of the collection of coupons and maturities promptly, and the income will be remitted direct to you or deposited to your account. Full information upon request.



GIVE YOUR STOCK SHIPPERS REAL SERVICE when they ship to the Chicago market by using Drovers Service. Drovers' location and forty-five years of progressive experience in handling Live Stock items have developed this branch of service to a most efficient basis.



COMMERCIAL PAPER RATINGS from our Statistical Department contain complete information to guide the banker in his selection of names. Banks are invited to make full use of this valuable service.



Let Diversified Farming Be Your Message

A Correspondent Bank located in one of the best counties in Iowa writes: "Personally, I credit our financial betterment here to live stock, dairying and poultry."

Another banker says: "Long experience has taught us that the farmers who diversify are the ones who come through the stormy periods in the best shape."

And so it goes throughout the middle west. Interest in Diversified Farming is decidedly on the increase. Progressive bankers are encouraging Diversified Farming as the most practical solution of the present agricultural problems.

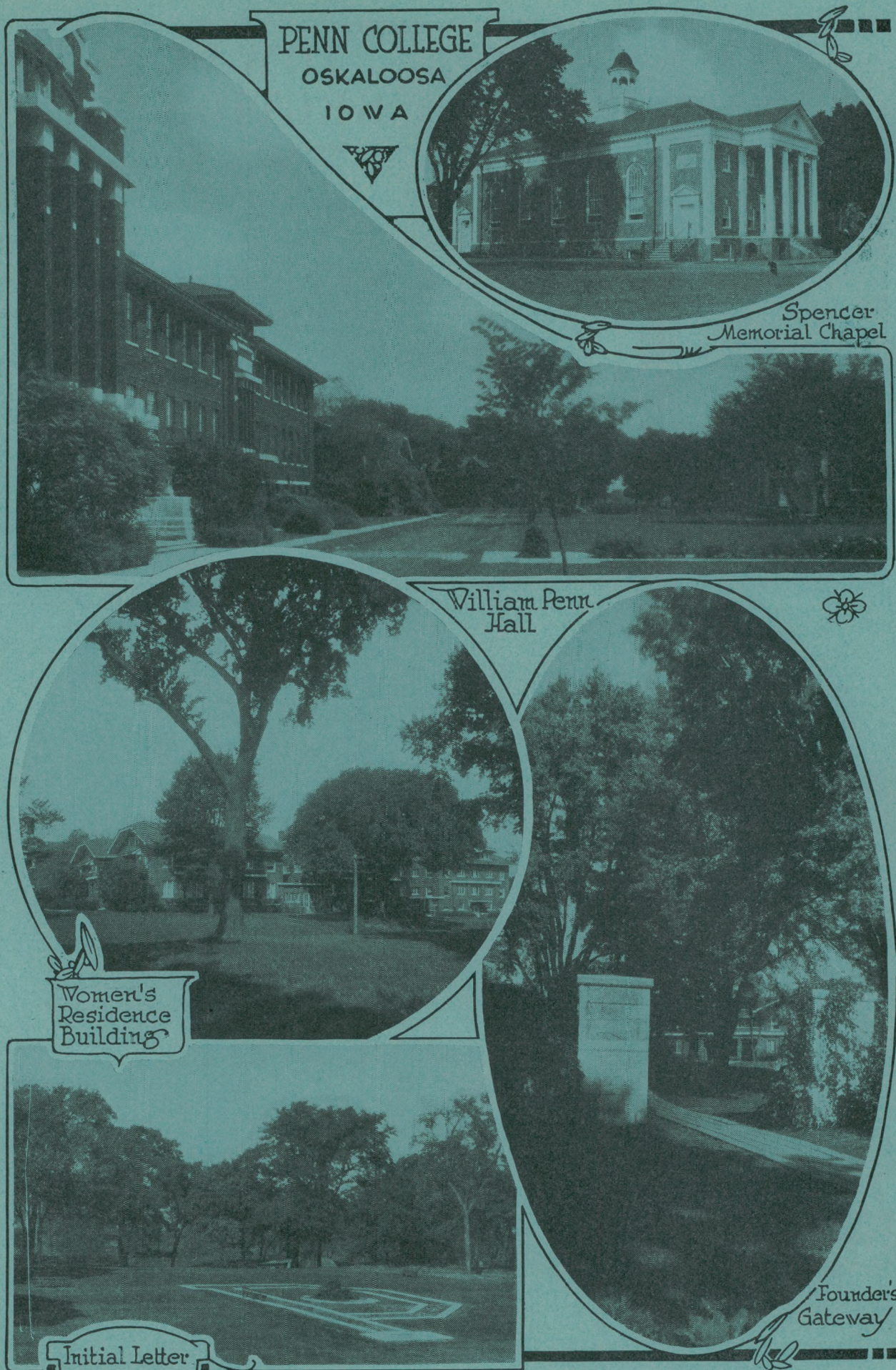
Here is a subject that is attracting the attention of your business men and farmers. Here is a timely message for your advertising—one that will win good will for your bank and encourage better farming conditions in your community.

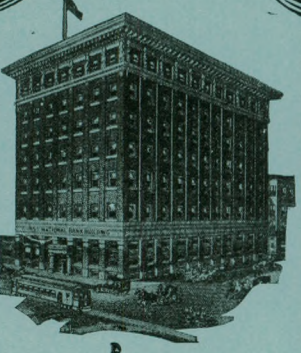
* * * * *

In the June issue of Drovers Advertising Service will start a Series of Advertisements on Diversified Farming. They have been carefully prepared after a thorough study of the agricultural situation. They are ready for use by your bank in newspapers, circulars and letters.

A request for this Diversified Farming Series of Advertisements will bring them to you without charge.

DROVERS
NATIONAL BANK
TRUST & SAVINGS BANK
Union Stock Yards • Chicago





A
majority of
the banks
we are
serving
are the leaders
in their
respective
communities

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.**



A. C. SMITH
President

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



FRANK WARNER
Secretary

Commercial Savings Bank

The Commercial Savings Bank of Lohrville, Iowa, shows in its recent statement of condition deposits of \$419,493, loans and discounts of \$288,900, with total resources of \$472,079. The Commercial Savings is capitalized at \$30,000, and shows surplus and profits of \$22,155.

Confers with Governor Hammill

I. C. Stanley, president of the Stanley-Henderson Company, farm mortgage bankers located in Cedar Rapids, Iowa, was asked to confer recently with Governor Hammill on the attitude of easterners in regard to Iowa. This conference was the result of an eastern trip which Mr. Stanley took not long ago, explaining how he found a very decided change in the attitude of eastern bankers and insurance executives toward Iowa and Iowa's financial condition.

Mr. Stanley's company is capitalized at \$300,000, and has loaned more than twenty-three million dollars on Iowa farms during the past few years.

In Father's Footsteps

After the McFadden Banking Bill was passed, the editor of *The United States Investor*, a financial weekly published at Boston, wrote President A. F. Dawson of the First National Bank of Davenport, Iowa, and asked him for a digest on the practical effects of this measure. Mr. Dawson had been called to Washington to assist the comptroller of the currency in getting this measure enacted into law.

The Davenport banker was asked to rush his digest to Boston by air mail. This he did.

A few days ago Mr. Dawson received a letter from his son, Albert, now a student at the Wharton School of Commerce and Finance of the University of Pennsylvania.

"Father, here is the text given us for class work yesterday," the letter read, and the text referred to proved to be the front page of *The United States Investor* with a reproduction of Mr. Dawson's analysis of the McFadden bill.

Banker Honored

Representatives of the banks of Howard county and immediate vicinity, including Ridgeway and Granger, held a business and social meeting at Cresco, Iowa, recently. A 6:30 dinner was served at the McDermott cafe when Henry W. Young was the guest of honor.

Mr. Young enjoys the distinction of being the oldest banker in northeast Iowa, in point of continuous service. In 1874 he entered the service of the banking firm of Kimball & Farnsworth, the first bank established in Howard county, in 1869. The bank is now known as the Cresco State Bank and Mr. Young is the honored and efficient cashier, having been connected with that institution continuously for nearly 53 years.

President Resigns

F. S. Frisbee of Sheldon, who has for many years been a director and official of the Farmers Savings Bank of Boyden, Iowa, resigned his position as president of the bank recently. The board of directors met and voted Gerhard Scholten as a new director. John Rensink, who has been vice president for a few years, was made president, and John Doorenbos is now vice president. The stock of the Farmers Savings Bank is now mostly owned by local men.

Combined Statements

The nine banks in O'Brien county, Iowa, under state and federal control, recently published statements of their conditions as of March 23d. A consolidation of the several returns is as follows:

Assets

Loans and discounts.....	\$3,278,411
Overdrafts	8,518
Bank buildings and fixtures...	108,502
Other real estate.....	160,808
Cash and Liberty bonds.....	1,305,331

\$4,861,120

Liabilities

Capital, surplus and profits...\$	555,311
Deposits	4,305,809

\$4,861,120

NORTHWESTERN BANKER

Group III Program
Monday, May 23, 1927
Charles City, Iowa

PROGRAM

Forenoon

- 9:30 Registration—Hotel Hildreth, headquarters.
10:30 Meeting of presidents and secretaries of County Bankers Associations with A. C. Smith, president and Frank Warner, secretary, at Hildreth Hotel.

Afternoon

- Meeting at Hildreth Theater
1:30 Session called to order.
Invocation—Rev. E. T. Gough, pastor First M. E. church.
Address of Welcome—Raymond B. Reis, cashier of Marble Rock Bank, chairman of Group 3.
Response—C. W. Haase, president Hampton Savings Bank.
Music—
Address—State Senator C. F. Johnston of Sheffield, Iowa, subject: "Banking Legislation in the Forty-second General Assembly."
Music—
Address—H. W. Wente, cashier Commercial National Bank, Waterloo, Iowa, subject: "Service Charge."
Report of Resolutions Committee.
Address of A. C. Smith, president Iowa Bankers Association.
Address of Frank Warner, secretary Iowa Bankers Association.
Invitations for 1928 Group Meetings.
Business Session.
Election of Officers.
4:00 Auto Tour and Golf.

Evening

- 6:30 Banquet.
9:00 Dancing and Theater.

Consolidation

The Farmers Savings Bank and the Atkins Savings Bank at Atkins, Iowa, completed a consolidation recently. The name of the new concern will be changed to the Peoples Savings Bank and its capital increased from \$30,000 to \$40,000.

The new board of directors consists of Everett Owens, James C. Beatty, Joseph Hagan, Lou Weichmann, George W. Rinderknecht, H. A. Haerther and W. J. Beatty, all representative men in the Atkins community.

The new bank will have deposits of approximately a half million dollars and cash and marketable bonds in excess of \$150,000.

To Open in Nevada

Nevada, Iowa, is to have a new bank, chartered and ready to open probably by May 1st. An option has been taken on the First National Bank building, to be exercised on or before May 1st, the stock

for MAY, 1927

has been subscribed and the charter will be applied for at once.

Howard Sonnes, now engaged in the banking business at Indianola, is one of the organizers and will be the cashier and actively in charge of the new institution.

The new bank is to be organized under the national banking laws and will have a capital of \$40,000 and surplus of \$10,000, paid up when it opens.

Making Improvements

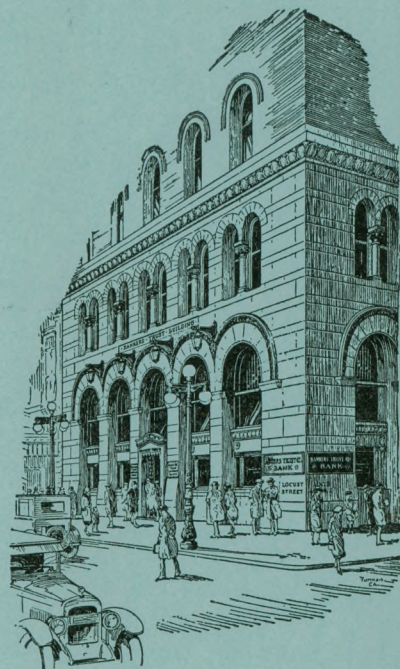
Several months ago the Cedar Rapids Savings Bank & Trust Company moved out of its old quarters across the lobby

into the old Merchants National Bank quarters, since which it has rearranged its old quarters, dropping the floor to the street level, dropping its vaults to the proper level and refurbishing the room. They have deepened the basement somewhat, put into the basement rest rooms, toilets, directors' room, and one of the largest safety deposit vaults in the state, with roomy booths and committee rooms.

Becoming Thrifty

The American people have had much teaching, particularly during and since the world war, in the doctrine of thrift. We have made some measurable prog-

TO HELP build a bigger and better Iowa in which to live and prosper requires constructive preparation and performance. In these things, we are always ready to cooperate with our Iowa bank correspondents.



BANKERS TRUST CO. BANK

Cor. 6th and Locust Sts., Des Moines
Capital \$1,000,000.00 Surplus \$200,000.00



THE CEDAR RAPIDS

Where You Find Friendship

CEDAR

OFFICERS

Ralph Van Vechten, Chairman of the Board
Glenn M. Averill, President
E. M. Scott, Vice President
C. C. Kuning, Vice President and Cashier
Van Vechten Shaffer, Vice President
Geo. F. Miller, Vice President and Trust Officer
Frank Filip, Vice President
Marvin R. Selden, Asst. Cashier

Bertha M. Wolf, Asst. Cashier
George W. Swab, Asst. Cashier
Maude W. Carpenter, Asst. Cashier
Peter Bailey, Asst. Cashier
Walter Allison, Asst. Cashier
R. D. Brown, Asst. Cashier
O. K. Kearney, Asst. Cashier

IN the spirit of helpfulness hundreds of Iowa's progressive bankers will soon meet at the Group meetings and state conventions.

Much in the way of good will will come from these meetings and there will be many discussions of mutual problems.

The meetings represent a fine form of cooperative effort. The regrettable fact is that Iowa bankers do not meet together more often.

NATIONAL BANK

and Service Working Together

RAPIDS

More "open discussions" of Iowa problems by Iowa's bankers would prove of inestimable value.

In the Cedar Rapids National we carry out the convention idea by having daily meetings of our officers who are studying the requirements of correspondent banks—so they may be given genuine cooperation.

Knowledge of this territory—with accurate information regarding business conditions makes it possible for the Cedar Rapids National to offer **you** the type of interested service **you want**.



A Steady Growth During Seventy Years of Community Service

DEPOSITS

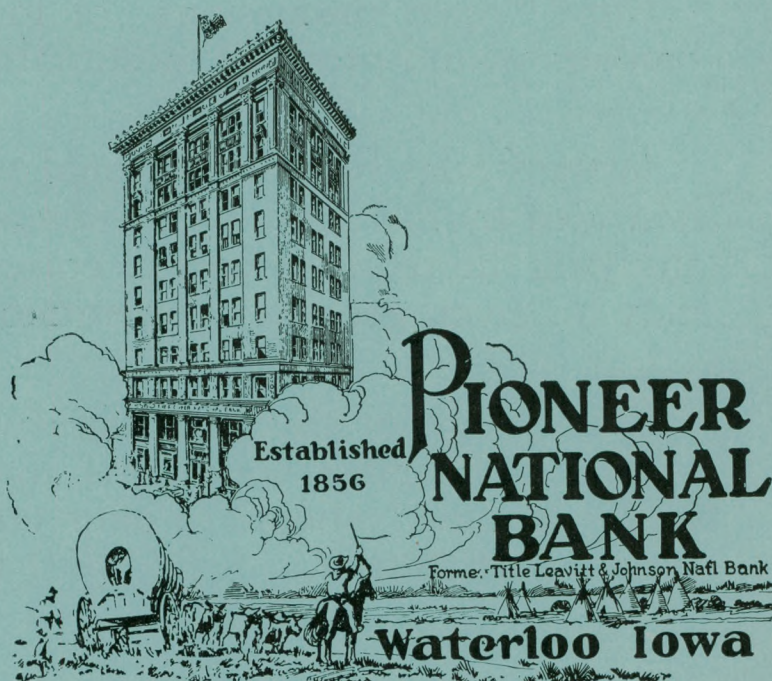
1922 Average	.	.	\$2,520,000.00
1923 Average	.	.	3,016,000.00
1924 Average	.	.	3,354,000.00
1925 Average	.	.	4,008,000.00
1926 Average	.	.	4,370,000.00

OFFICERS

IRA RODAMAR President	RALPH E. MILLER Ass't Cashier
C. E. PICKETT Vice President	I. W. BLOUGH Ass't Cashier
J. O. TRUMBAUER Vice President	A. M. DECKER Ass't Cashier
FRED H. WRAY Cashier	M. E. HARMON Auditor

DIRECTORS

A. H. FRANK	C. E. PICKETT
ROGER LEAVITT	IRA RODAMAR
W. W. MARSH	F. E. STEWART
J. O. TRUMBAUER	



NORTHWESTERN BANKER

ress along that line, to be sure. A century ago the savings banks deposits in this country were less than \$1,250,000; today they are about \$25,000,000,000. Seventy years ago there were 8,635 depositors in savings institutions; today these have increased to 40,000,000.

The size and number of banks and similar financial organizations have increased tremendously in recent years, and a glance at the daily news dispatches indicates that this expansion has by no means reached its maximum. In the matter of dollars and cents we as a nation are becoming well placed in the thrifty class.—Clinton, Iowa, *Herald*.

For Good Roads

M. B. Nelson of the Farmers Savings Bank of Atlantic, Iowa, has received notice from Governor John Hammill of his appointment as one of the delegates from Iowa to the meeting of the National Good Roads association to be held at Savannah, Ga., July 6th to 11th.

Bank Clearings

Bank clearings for March, 1927, totaled \$47,584,191.74 in Des Moines. This is a marked gain over clearings for January which were \$39,908,498.27, and February which were \$37,064,346.96.

During March, a total of 106 building permits valued at \$245,510 was issued by V. O. Marriott, city building commissioner. In January of this year fifty-nine permits valued at \$201,640 were issued, and in February, sixty-eight permits valued at \$201,155 were issued.

Vice President and Director

Edward E. Horn, formerly an executive of the Nebraska State Bank of Norfolk and later organizer of the Nebraska State Bank of Bristow, has purchased the J. W. Begg interest in the Citizens State Bank of Griswold, Iowa, and will serve as vice president and director of the institution.

Caught in Carroll

Robert Huffman, 28, who a few weeks ago was caught passing bogus checks in Carroll, Iowa, admitted to officers that he was wanted in Omaha. Sometime ago

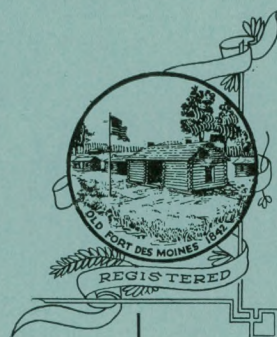


FOR YOUR LOBBY

Fill this attractive Art Stone Vase with white sand and use as receptacle for ashes, cigar stubs, etc.

No. 813 14 in. high, \$7.00. Write for catalog on Garden Furniture.

CENTURY LUMBER CO., Des Moines



A progressive institution founded upon thirty-two years of sound, conservative banking practice.

SIMON CASADY
Chairman of the Board

GRANT MCPHERRIN
President

THE OLD RELIABLE CENTRAL STATE BANK OF DES MOINES

Banking, Trusts and Investments
Safe Deposit Vaults

Member Federal Reserve System

Courteous Service

When you come to a bank you've a right to expect good banking service.

Our organization is trained and alert to give courteous and efficient service. But far more than this, it is the countless little things, our sincerity and integrity that make banking here so much of a pleasure.

We will appreciate your account

SECURITY STATE BANK

KEOKUK

"Where Banking Is a Pleasure"

IOWA

Huffman forged checks in Omaha and was given a 2- to 10-year sentence in the Nebraska state penitentiary. He became suddenly ill while there and was removed to a hospital where he underwent an operation. The operation proved successful and while convalescing he escaped. Huffman is believed to have come directly to

Carroll. Sheriff Schmich turned Huffman over to the Douglas county, Nebraska authorities.

Bank Stock Sold

A considerable block of stock in the Geneva Savings Bank, Geneva, Iowa, the property of the late N. A. Inglis, has been

sold by the heirs to R. E. Shockey, Ray A. Waddington and F. E. Davenport of Geneva. Mr. Shockey succeeds Mr. Inglis on the board of directors.

Stockholders Meet

The stockholders of the National Bank of Bode, Iowa, that has lately been reorganized and received new stock, met recently and selected O. E. Halsrud, William Sittler, M. H. Rossing, A. J. Aasheim, J. M. Rood, O. C. Jacobson and J. O. Hale directors. The board of directors then met and selected the following officers: O. E. Halsrud, president; J. O. Dale, vice president; J. M. Rood, cashier.

Resigns Position

Miss Beulah Jacobs, who for the last six years has been employed as head bookkeeper for the First National Bank of Newton, Iowa, resigned her position recently. Miss Jacobs has not decided as yet what line of work she will take up.

Charles City News

Now president of two banks which have combined deposits of \$1,364,245, Carl C. Magdsick, of the Commercial National and Commercial Trust & Savings Banks, Charles City, started his career with the institution as a bookkeeper in 1910. In 1920 he was elected president of both banks.

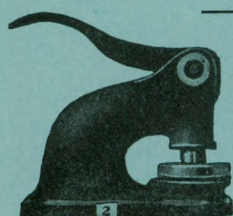
A. M. Hauser came into the banks in 1905 as bookkeeper, and in two years was made assistant cashier. In 1920 he became cashier of the Commercial National Bank, and vice president of it and the Commercial Trust & Savings both.

Neither the Commercial National nor the Commercial Trust & Savings have missed a dividend since their organization. Deposits in 1905 were \$300,000. Now they stand at \$1,375,000, an increase of over a million dollars.

It seems to be the opinion of the voting public that bankers, being accustomed to handling money, make good guardians of public funds. So it is that R. V. McCammond, cashier of the First National Bank of Charles City, is treasurer of the city schools.

Mr. McCammond started his banking career as a bookkeeper with the First National away back in 1901, when the bank had but \$400,000 deposits. He rose steadily through the ranks, and now has the management of an institution of \$816,141 deposits and total resources of \$1,013,541.

Ernst L. Wallester, cashier of the Security Trust & Savings Bank of Charles City, started with the institution in 1912 in the bookkeeping department. He evidently made the motto of the bank, "The Bank of Personal Service," mean some-



Notarial Seals

Write For Catalog 'N'

DES MOINES RUBBER STAMP WORKS
215 Fifth Ave. Des Moines, Iowa



THE above advertisement appears in the May issues of National Geographic, Harpers, Atlantic Monthly, Asia, Travel, Country Life, American Legion Monthly; also in the May 7 Saturday Evening Post, May 14 Literary Digest, May 19 Life, May 2 Time, May 7 New Yorker, May 15 Vogue, and May 2 American Hebrew. It will be seen by nearly 7,000,000 families, among them your best customers.

Be prepared for a demand for Mr. Franck's unusual book which fills a definite need. Many of your customers will ask you for it. Let them know you have it.

If you haven't received your allotment of books let us know immediately.



AGENTS BANKERS TRUST COMPANY
16 WALL ST., NEW YORK

thing, for in 1923 he was elected cashier. Mr. Walleser is a Rotarian, a Mason, and belongs to the Country Club.

Banks and farm tractors are perhaps more closely related than most persons might think, for it is more or less directly through the banks that many farmers are able to purchase the tractor that cuts their costs, thereby enabling them to put more money in the bank. At any rate, **Melvin W. Ellis** not only enjoys the distinction of being the president of the Security Trust & Savings Bank, but is also the president of the Hart-Parr Tractor Company, which is also located in Charles City.

A NEW TRACTOR EVERY TWENTY MINUTES

(Continued from page 120)

passed out of existence during the depression period. The fact that Hart-Parr Company came through this depression period stronger than ever and in this year experiencing the most successful year in its twenty-seven years of experience, proves that the fundamental of service was sound as a basis on which to build. From the floor sweeper to the president, every one in the organization is imbued in the thought that they personally are making a definite contribution to agriculture. The employees have adopted the term "Hart-Partners" to typify the spirit of the organization. Labor troubles have disappeared. Harmony reigns and production costs have been cut in two. Today the output is the same as during the peak year of 1920, yet a vastly improved tractor is being produced by slightly over 55 per cent as many employees as were needed to turn out the 1920 output.

Quality materials, quality work, attention to details, a product that will give service over a long period of years and be as paying an investment as a long-time bond—that is the ideal back of every Hart-Parr tractor. A month ago at a big convention given at Sidney, Australia, in his honor, M. W. Ellis presented the ideals and fundamentals of service back of the Hart-Parr organization. The hundreds of Australians present stood and cheered his remarks repeatedly. It is the wonder and admiration of all those who visit with and learn to know the Hart-Parr organization.

A trip through the factory is a pleasure. The workmen are largely Charles City folks, born and raised in that vicinity. Over 60 per cent of them are property owners in Charles City. They are Americans—contented citizens. No radical labor from south or eastern Europe is employed. Workers are recruited largely from the small towns and farms of Iowa. They are trained in the Hart-Parr shops until they become skilled workmen. The shops are not unionized.

for MAY, 1927

During This Year We Have Paid Extra Dividends On Three Types of Securities Distributed By Us Results Justify Our Assertions

"For Over Nine Years—All Your Money—All The Time—On Time"

W.B. FOSHAY CO.

(Incorporated August 31, 1917)

Foshay Building
Minneapolis

New York
Boston

San Francisco
Portland, Ore.
Denver

St. Paul
Chicago



CHAS. SHULER, President
FRANK B. YETTER, Vice Pres.
WM. H. GEHRMANN, Vice Pres.
LOUIS G. BEIN, Cashier
HERMAN STAAK, Asst. Cashier

COMMON sense and initiative—both necessary to the success of any organization. Combine common sense with initiative, and you have a banking service hard to beat. It is such a combination that the Iowa National offers to its correspondents, backed up with efficiency.

Iowa National Bank

Davenport, Iowa

The open-shop principle is followed. Top wages are paid for good work. It is a rule with Mr. Ellis that good work is entitled to good pay.

Today, the world over, Hart-Parr tractors are known for surplus power, fuel economy, low operating costs and long life. From a small beginning, 27 years ago, the factory and organization has steadily grown until today Hart-Parr tractors are sold in every state in the union and in twenty-five foreign countries.

President M. W. Ellis, with Mrs. Ellis, is now on his way home from Australia and New Zealand where he has been for the past four months building and strengthening Hart-Parr trade connections in those distant lands where Hart-Parr Company already enjoys a splendid business. As a result of his activity Hart-Parr trade in those countries will

be doubled during 1927. Mr. Ellis will land in this country early in May, in time to attend the convention of the National Bankers' Association at Hot Springs, of which organization he is a member of the Executive Committee.

Serving Agriculture

Backing up the slogan of "Service to Agriculture" the laboratories of Hart-Parr Company are constantly working to improve their output and cut down operating costs so that farmers may produce their crops more cheaply with Hart-Parr power than in any other way. In 1905 Mr. Hart startled the world by perfecting the first system for burning cheap kerosene as a fuel. In January of 1927 Hart-Parr Company again astounded the industry by announcing to the world that they had perfected a system for the burning of cheap low-grade fuels like distillate in Hart-Parr tractors. This means a saving of from one-third to one-half in the cost of operating a tractor as compared to the use of kerosene or gasoline.

As a result of this definite contribution towards cutting the costs of farm crop production, the Hart-Parr factory has been working to capacity all winter and at the present time is adding a night force to try to keep up with orders. A finished tractor is rolling off of the assembly floor every twenty minutes and yet Hart-Parr is hundreds of orders behind on shipments. 1927 promises to be the most successful year the company has ever enjoyed.

Enters Newspaper Work

Dwight B. Claar, formerly assistant Superintendent of agents in Iowa, for the Woodmen's Accident Insurance Company of Lincoln, Nebraska, has resigned his position with that company to become associated with the editorial staff of the Register and Tribune.

Too Dumb

Foreman: "Say, Thompson, that man is doing twice as much as you are."
"Sure! I keep tellin' the poor sap, but you can't learn him nothin'."—Judge.

SIT IN at a weekly conference of the nation's financial experts

NOWADAYS nine business problems in ten are solved in conference—not the kind you dodge salesmen with, but gatherings of intelligent and serious men ready to work out a solution of the matter in hand on a basis of group opinion and experience. The Business Economic Digest is prepared on a conference basis. The opinions of the country's foremost business students and analysts are presented and weighed, and sound guidance to investors is made possible through ascertaining what is the dominant qualified belief among experts.

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serves one of America's richest farming territories, and its commercial importance in the West makes a good banking connection in this city highly valuable.

We invite correspondence regarding our service to banks and bankers.



CAPITAL ONE MILLION DOLLARS

The State Central Savings Bank Keokuk, Iowa

Capital	\$ 200,000.00
Surplus and Undivided Profits.....	334,115.53
Deposits	3,102,651.48

WILLIAM LOGAN, President

L. J. MONTGOMERY, Vice President	W. A. LOGAN, Vice President
C. J. BODE, Cashier	ALVIN KRAFT, Asst. Cashier
G. N. DUERKOP, Asst. Cashier	L. J. WOLFE, Asst. Cashier
	E. A. EBERSOLE, Asst. Cashier

ACCOUNTS OF BANKS AND BANKERS INVITED

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

NORTHWESTERN BANKER

The Growth of a Great Nursery and Dairy Farm

(Continued from page 118)

preferring the American type, which are much larger; great producers of butter fat and hold up remarkably well for years.

Jersey cattle carry the purest blood of any breed of dairy cattle, having been bred for butter fat production on the Island of Jersey for a longer period of years than any other breed anywhere. In 1789 the Island of Jersey passed a law, yet in force, that no foreign blooded cattle could be imported, except for immediate slaughter and that Jerseys shipped from the Island for exhibition purposes could not be brought back, for fear that some had become impregnated by other than Jersey bulls.

The Jersey is the most profitable breed of dairy cattle in the world as shown by tests in competition with all other breeds. They make more cheese, more butter, more solids other than fat, cost less for feed, and return greater profits than any other breed. Upwards of 100 pure bred Jersey cows of high production, are on

the Sherman farms, headed by such outstanding bulls as Sophie 19th's Tormentor 19th 160249, R's T's L's Tormentor 216420, Vive La France's Darling Boy 214411 and Brown Lady's Tormentor 216425. Among the magnificent females in this great herd are fourteen holding state championships in their classes, five world champions, nine gold medals and twenty-one silver medals, all based on production. Pure breds, both male and female, have been shipped to nearly every state in the Union, and one fine bull has gone to Costa Rica, C. A.

Requests for descriptions, prices and terms are received from Mexico and all parts of the Union, Canada and other British possessions. Some of the famous females are Raleigh's Torono's Meme 544207, world's champion junior two-year-old Jersey in butter fat and milk production with a register of merit record of 902.15 lbs. of butter fat from 16085 lbs. of milk and a retest record as junior three-year-old of 1,003.51 lbs. of butter

fat from 19016 lbs. of milk. Brown Lady's Little Jewel 378786, champion Jersey of Iowa and the Mississippi valley west of Ohio with a record of 1019.73 lbs. of butter fat from 18,318 lbs. of milk.

Golden Lad's Josephine 2d 567373, champion senior yearling Jersey of the world for 1925, winner of both gold and silver medals for butter fat production as senior yearling. There are many more state and world champions in their respective classes, but we close with mention of Merry Maiden's Brown Lady 199041, without question the most remarkable Jersey cow now living, famous for two facts: First, she is the mother of Brown Lady's Little Jewel, just mentioned, and second, for producing 698.01 lbs. butter fat herself at the age of nineteen years, a performance never equaled by any cow of any breed at anywhere near this age. She is yet in prime condition at twenty-two years of age and the dam of five in the Register of Merit.

Eight Thousand Consider Charles City Iowa's Choice Metropolis

(Continued from page 117)

and other necessary buildings are located in a fine group within the city limits near its southwestern gate. The Charles City Artificial Ice Co., The Chester Knitting Mills, The Moss Foundry and the Puritan Ice Company are all employers of labor and help materially to swell the number of employed and the same is true of C. G. Patten Sons, a nursery company doing an extensive mail order business.

The matter of photo finishing is being developed here to a considerable extent. Three companies are each doing a good-sized business and employ, in the aggregate, fully twenty-five people. The work is carried on thru the mails.

Charles City possesses a metropolitan business section, containing many fine stores and office buildings. In addition the government operates its weather bureau for this section in a fine, two story building located near the business center. Besides the postoffice is housed in a large government building erected not long ago.

Of paved streets, storm and sanitary sewers, excellent water in abundant supply from deep wells, sanitary disposal plants, paid fire departments and similar civic necessities, Charles City has her full share and, in addition, points with pride to a record of economy in operating her public facilities attained by but few cities in Iowa.

Beautiful Churches

In church edifices and beautiful auditoriums to accommodate public gatherings, Charles City need apologize to no sister city and to her excellent school system and adequate buildings she points with pride. With reference to public parks, she is particularly fortunate. Central Park, a block square, in the business section, is a thing of beauty and a joy forever, while Wildwood Park, containing eighty acres, is within the corporate limits and is one of the handsomest places in Iowa, combining a greater variety of flora, according to the late Charles G. Patten, than can be found elsewhere within the borders of the state. This park, in addition to its great natural beauty, is adorned with a handsome club house erected last year at a cost of \$35,000.00, two well-built pergolas, and in addition contains a wonderfully developed nine hole golf course and a goodly supply of playground equipment for children. These parks, and several more smaller ones about the city, are governed by a park commission, the members of which are elected by a vote of the people.

One of the distinctive features of Charles City is her five story Y. M. C. A. building, built and equipped at an expense of more than \$100,000.00. The two upper floors of this structure are devoted to dormitories and house fully fifty men.

One of the recent improvements in Charles City is the development of "Lion Field." This field is in itself a beautiful park containing twenty-one acres. It is connected with the main part of the city by a suspension bridge across the Cedar river, used by foot passengers only. In this field, which was made possible by the Lions club, is located a handsome dance hall, and a modern grand stand and baseball diamond and field equipment, all built and put in last year.

To the bankers of northeastern Iowa Charles City extends greetings. May your visit here be both pleasant and profitable is the sincere wish of every one of her 8,000 people.

With Central Life

Geo. Bricker of Earlham, Iowa, has accepted the general agency of the Central Life Assurance Co., of Des Moines, to have authority over some fifty agents in nine counties, with headquarters in Des Moines.

Moves to Carroll

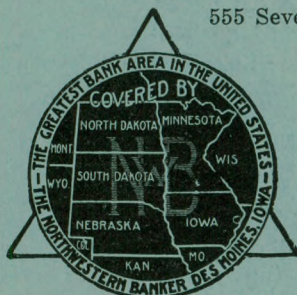
C. S. Catheart, vice president of the Farmers Savings Bank which recently closed at Odebolt, Iowa, has accepted a position as special agent for the Provident Mutual Life in four counties—Sae, Ida, Crawford and Carroll, and has moved to Carroll, Iowa, where he will have his headquarters.

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THE NORTHWESTERN BANKER

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Looks Like a "Run on a Bank!"

It is—but a "Run" for Personal Service rather than Cash

THIS is an early morning scene in front of 11 Rue Scribe, Paris. It is just an eager lot of American travelers awaiting the opening of the American Express Office—to get their mail from home—to ask a hundred and one questions about their trips abroad—to secure advice, suggestions, assistance—to inquire about passport intricacies, routes, hotel reservations, railway and steamship tickets. For whatever the needs or desires of the American traveler abroad, "11 Rue Scribe" knows the answer and renders the service with true American courtesy and dispatch.

400 employees in this American Express Paris office, alone, are kept busy from morning to night helping the American traveler. A similar service to travelers is rendered at the American Express offices in London, Rome, Cairo, Calcutta, Hongkong, and other principal cities of the world.

Depositors of your bank, on their travels abroad, are assured this Service to its full extent when you sell them American Express Travelers Cheques.

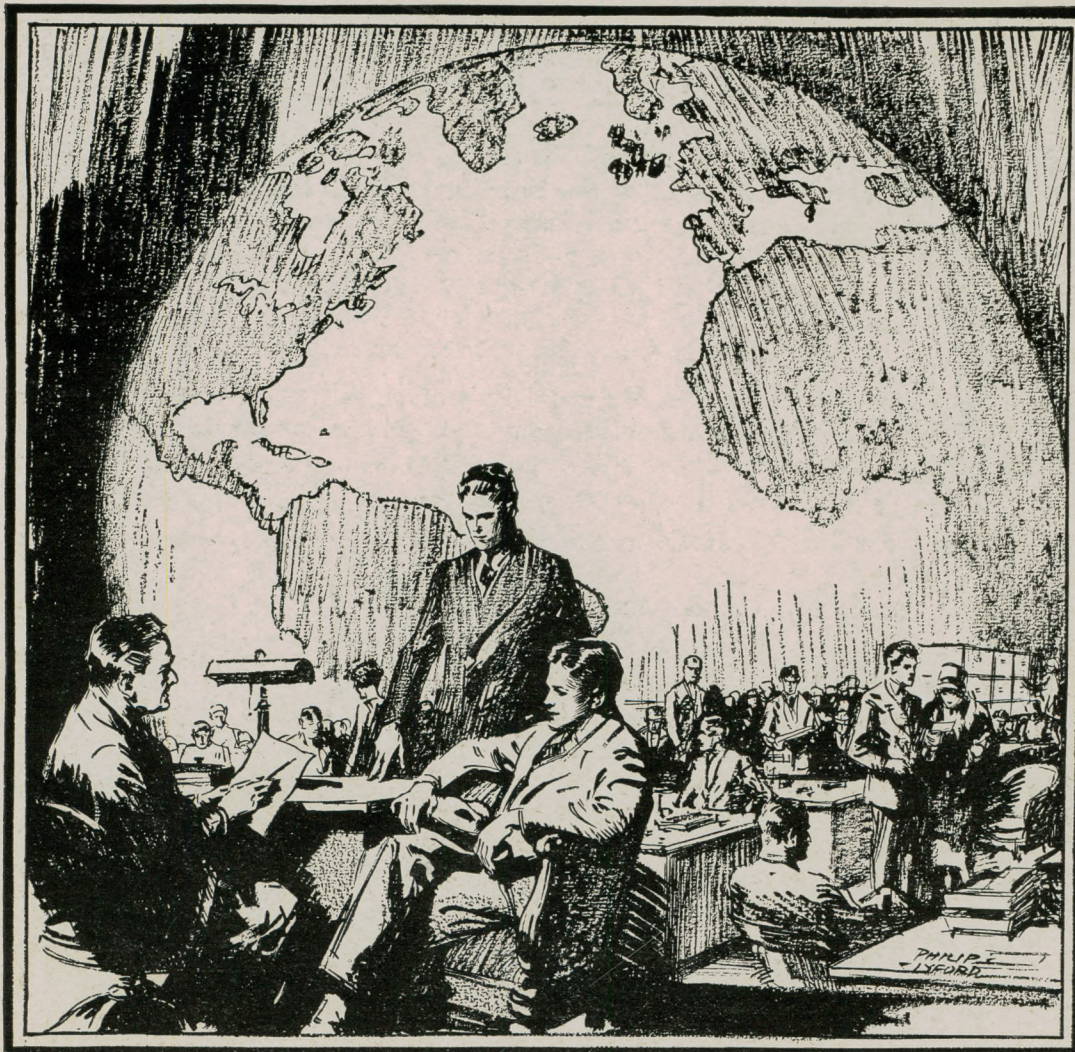
You solve for them, before they start, the two most important requisites for care free travel—a safe and everywhere-usable form of travel money, and a long established, world-wide Personal Service often of far greater value, in producing *pleasurable travel*, than the money these Cheques represent.



AMERICAN EXPRESS TRAVELERS CHEQUES



Seeking
"The Helpful Hand
of a Great Service"



World-wide Banking Service

Through more than fifty years of constant growth and thousands of direct business connections established both here and abroad, the Illinois Merchants Trust Company has built a service for importers, exporters, banks, travelers, and investors, which is truly world-wide in character.

The resources of this bank are large; its organization is well developed; its facilities highly specialized and its board of directors composed of leaders in every branch of commerce and industry.

Inquiries about our services and our ability to meet your banking needs are cordially invited.

ILLINOIS MERCHANTS TRUST COMPANY

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