

*"Do Our Special Savings  
Clubs Pay?"*  
(SEE PAGE 19)

*December 1927*

# Northwestern Banker



## You can't *swamp* us

**L**OADS OF MAIL are received here every day, and each item is given the kind of care you might most hopefully expect. Out-of-town items are despatched at once on their collection journey. We miss no trains. If you are not already a correspondent, give our service a trial.



## Northwestern National Bank *Minneapolis*



*Affiliated with the*  
MINNESOTA LOAN AND TRUST CO.

*Combined Resources*  
\$118,000,000.~

## Just Between Us

JOHN L. MITCHELL, president of the First National Bank, Sioux City, in a recent letter said: "The service you render is very pleasing to us and goes to prove that you are continuously on the job in the interests of bankers in this great territory."

Another recent letter very much appreciated is that of Fred D. Stone, manager of the service department of the First National Bank of Lincoln, who says, "From communications received since the Nebraska bankers' convention, I feel sure your November number was read with a considerable amount of interest, not that the writer had any part in the program, but due to the fact that the whole convention seemed to radiate with interest regarding the progress and prosperity of Nebraska and the corn belt states.

"We western people must find more of the good things to talk about, and less of the temporary reverses which we have experienced."

WE CALL your special attention to the following articles in this issue: "Too Much Golf in America?" A hot discussion of where we are going and why. Some bankers say too much golf, football-madness and sports insanity is taking our minds from industry and thrift. Others say, "the business man who is only a business man is not a howling success in this world. This also includes a frank discussion of farm problems, etc.—

Another clever Macy story broadcasted from Ishpodar, keeper of the royal counting house of Sheekem, with plenty of sage banking advice scattered through it. More philosophy therein than in many a book on banking.

"Building Business in Towns of Less Than 5,000 Population," to appear in the January issue, contains real facts for country bankers. The moral of it is to "do something and be something" if you wish to see your bank grow.

## READ THIS SUMMARY of WHAT YOU'LL FIND

In This December Number  
of the

# Northwestern Banker

Number 485

DES MOINES

32nd Year

	Page
ACROSS FROM THE PUBLISHER.....	8
<i>By Clifford DePuy</i>	
Frontispiece "Yellowstone Falls".....	10
Causes and Remedies for Bank Failures.....	11
ARE WE PLAYING TOO MUCH GOLF?.....	15
A Credit File That Pays.....	16
ISHPODAR BROADCASTS SOME DO'S AND DON'T'S.....	17
<i>By Roscoe Macy</i>	
Houston Convention Photographs.....	18
DO OUR SPECIAL SAVINGS CLUBS PAY.....	19
"News and Views".....	20
"No More Guessing on Credit".....	21
IOWA LAND BUYING COMPANY BEGINS ACTUAL WORK.....	22
"Here and There in Nebraska".....	27
<i>By H. H. Haynes</i>	
Personal Paragraphs.....	30
Bonds and Investments.....	45
Insurance Section.....	71
Bankers Wants.....	76
South Dakota News.....	77
Nebraska News.....	81
Minnesota News.....	85
North Dakota News.....	89
Iowa News.....	91
"In the Directors' Room".....	105
Index to Advertisers.....	106

The Oldest Financial Journal West of the Mississippi

Member, Audit Bureau of Circulations

Northwestern Banker, published monthly by the DePuy Publishing Company, Inc., at 555 7th street, Des Moines, Iowa. Subscription, 50c per copy, \$3.00 per year. Entered as second-class matter at the Des Moines post office. Copyrighted, 1927.

# Wishing You a Merry Christmas



Let us be among the first to extend the season's greetings, confidently anticipating a prosperous New Year.

We are abundantly prepared to serve the bankers of Iowa, and especially invite attention to the facilities afforded by our Bond Department, not only for your own investments but for those of your clients.



## OFFICERS

Homer A. Miller	President
Clyde E. Brenton	Vice Pres.
Geo. E. Pearsall	Vice Pres.
Albert J. Robertson	Vice Pres.
J. R. Capps	Cashier
R. L. Chase, Jr.	Asst. Cash.
James F. Hart	Asst. Cash.
Wm. M. Brandon	Asst. Cash.
J. Burson	Asst. Cash.
Sherman W. Fowler	Asst. Cash.
A. J. Warnke	Asst. Cash.
Winfield W. Scott	Asst. Cash.
Harry G. Wilson	Asst. Cash.

## DIRECTORS

Geo. N. Ayres	M. Mandelbaum
Clyde E. Brenton	Homer A. Miller
Howard J. Clark	Geo. E. Pearsall
Gardner Cowles	Ralph H. Plumb
J. H. Cownie	M. Shloss
E. C. Finkbine	E. R. Stotts
J. B. Green	O. P. Thompson
Wm. C. Harbach	G. M. Van Evera
F. H. Luthe	Carl Weeks

# IOWA NATIONAL BANK

DES MOINES SAVINGS BANK AND TRUST COMPANY  
Des Moines

# *A Cedar Rapids Bank*



## *Servicing All Iowa*

“The Merchants” Is Your Logical  
Cedar Rapids Correspondent  
BECAUSE—

The Merchants National was organized in 1881. It has been conducted and has prospered on the sound principle of progressive activity regulated by conservative banking.

Over a period of 46 years this policy has builded a growing and satisfied list of correspondent banks. We will gladly serve you.

**MERCHANTS  
NATIONAL BANK**

**Cedar Rapids**

**Iowa**

**T**HE seat of our national wealth continues to be agriculture. Agriculture is also the basis of community wealth.

The progressive local banker builds local farming by precept and example.

INTERNATIONAL HARVESTER COMPANY  
606 So. Michigan Ave. of America Chicago, Illinois  
[Incorporated]

## Excerpts from a letter —

*one of a strong and practical series issued to farmer customers by the First National Bank of Tahlequah, Okla.*

Dear Sir:

August 30, 1927

The officers and directors of the First National Bank of Tahlequah have always advocated diversified farming as security against crop failure.

The primary aim of the farmers is not only to make a living for themselves but to produce crops in such quantity that a surplus may be raised and marketed hoping thereby to realize a profit. The major crops in Cherokee County, for the past, consist of wheat, oats, corn and cotton. These crops oftentimes pay, but more often they do not. This year we have seen disappointment to the oats and wheat grower and the outlook for cotton is about the most distressing that our farmers have ever experienced. Corn is about the only crop apparently that will yield anything like a satisfactory return.

Some farmers may not be able to meet their store accounts this year due to the generally poor prospects for cotton. From every indication the cotton crop is going to be the smallest in years although the price indications are encouraging. It is not too soon for each and every farmer in Cherokee County to consider seriously his situation and endeavor to make some plans that will enable him to hold on to his possessions. That is, keep such part of his live stock, especially his milk cows and young cattle, brood sows, and hogs, because they are the soundest and best investments on the farm. With abundant forage crops of all kinds and perhaps the biggest crop of corn raised in years, the farmer with cattle and a few brood sows, properly handled, will turn into a prosperous condition in the near future.

We unhesitatingly recommend the purchase of cream separators even though you are milking but two cows. By doing this it will soon be discovered that cows are a paying investment on the farm, affording food for the family and will produce a cash income every week in the year. Then more milk cows will be added and full use of the cream separator realized.

The First National Bank of Tahlequah is ever alert to aid in the development of this county and we shall deem it a pleasure to have you consult us at any time. We shall be glad of the opportunity to lend every encouragement necessary in aiding the farmers of our county to get upon a sound basis and to follow a safe policy.

Very respectfully, D. O. SCOTT, President.

## McCORMICK-DEERING

Farm Operating Equipment, Sold and Serviced Through 92 Company-Owned Branches and 13,000 McCormick-Deering Dealers in the United States.



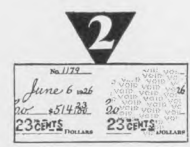
Mr. Roy Woodruff of Sullivan, Illinois, an enthusiastic power farmer, is substituting improved farm machines for hand labor wherever possible. He is shown at the wheel of the McCormick-Deering 15-30 Tractor, which is hitched to a No. 8 power-drive McCormick-Deering Harvester-Thresher. This modern method of combined harvesting and threshing is saving the farmers 20 cents per bushel over the usual methods in the harvesting of grain.

# Leading banks, business houses and industries everywhere safeguard funds with

## TODD SYSTEM OF CHECK PROTECTION



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



**2** *Todd Greenback 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." The instant the forger's acid is applied countless imprints of the word "VOID" appear.



**3** *Standard Forgery Bonds* cover the remaining check-fraud possibilities, namely, outright forgery of signature or of endorsement. As preferred risks, Todd users qualify for such bonds at large savings from the Metropolitan Casualty Insurance Company, New York.

### *A partial list of Todd users*

Etna Life Insurance Co.  
 Ajax Rubber Co.  
 Alabama Power Co.  
 Allis-Chalmers Mfg. Co.  
 Aluminum Co. of America  
 American Express Co.  
 American LaFrance Fire Engine Co., Inc.  
 American Laundry Machine Co.  
 American Radiator Co.  
 American Rolling Mill Co.  
 American Thread Co.  
 Armstrong Cork Co.  
 Associated Oil Co.  
 The Atlantic Refining Co.  
 Atwater Kent Mfg. Co.  
 Auburn Automobile Co.  
 Barber Asphalt Co.  
 Bearings Company of America  
 Bemis Bros. Bag Company  
 The Berger Mfg. Co.  
 Boston & Albany R. R.  
 Boston & Maine Railroad  
 The Bradstreet Co.  
 Brunswick Balke Callender Company  
 Buckeye Steel Castings Co.  
 The Bucks Stove & Range Company  
 Edw. G. Budd Mfg. Co.  
 F. N. Burt Co.  
 Cannon Mfg. Co.  
 The Celotex Company  
 Central Railroad of N. J.  
 Certo Corporation  
 Champion Spark Plug  
 Chase & Sanborn  
 Chicago, Milwaukee & St. Paul Railway  
 City of Rochester, N. Y.  
 The Colorado Fuel & Iron Company  
 Columbia River Canning Company  
 Columbia Steel Corp.

Controllers Office, Sacramento, Calif.  
 Corning Glass Works  
 Corn Exchange Bank, New York  
 The Curtis Publishing Co.  
 Delco Remy Co.  
 Delaware, Lackawanna & Western R. R.  
 Dodge Bros.  
 Donner Steel Co. Inc.  
 Dunlap Tire & Rubber Co.  
 Eagle Picher Lead Co.  
 Eastman Kodak Company  
 Electric Auto Lite Co.  
 Electric Storage Battery Company  
 Equitable Trust Co. of N. Y.  
 The Estate Stove Works  
 Federal Radio Corp.  
 First National Bank of City of N. Y.  
 Ford Motor Company  
 General American Tank Car Corporation  
 General Petroleum Co.  
 General Tire & Rubber Co.  
 Goodyear Tire & Rubber Company  
 Grand Trunk Railway System  
 Graybar Electric Co.  
 Great Northern Railway  
 Guaranty Trust Co.  
 Hamilton Brown Shoe Co.  
 Hamilton Watch Co.  
 Harbison-Walker Refr. Company  
 W. A. Harriman & Co., Inc.  
 Hart Schaffner & Marx  
 Hazel Atlas Glass Co.  
 Hercules Powder Co.  
 The Home Insurance Co.  
 Homer Laughlin China Co.  
 Hudson Motor Car Co.  
 Humble Oil & Refining Co.  
 Illinois Watch Case Co.

Indiana Limestone Co.  
 Ingersoll Rand Co.  
 International Harvester Company  
 Johnson & Johnson  
 Kroehler Mfg. Co.  
 LaCled Steel Co.  
 Lehn & Fink, Inc.  
 Libby, McNeil & Libby  
 Louis K. Liggett Co.  
 MacFadden Publications  
 Magnolia Petroleum Co.  
 Marland Refining Co.  
 Massachusetts Mutual Life Insurance Co.  
 Michaels, Stern & Co.  
 Michelin Tire Co.  
 Michigan Central Railroad  
 Miller Rubber Co.  
 Moon Motor Car Co.  
 Frank A. Munsey Co.  
 National Cash Register Co.  
 National Carbon Co., Inc.  
 National City Bank of New York  
 National Lead Co.  
 National Silk Dyeing Co.  
 National Twist Drill & Tool Co.  
 New York Central R. R.  
 North East Electric Co.  
 Oneida Community Ltd.  
 Pacific Gas & Electric Co.  
 Paige Motor Co.  
 Paine, Webber & Co.  
 Parke, Davis & Co.  
 Pennsylvania R. R.  
 The Pepsodent Co.  
 The Philadelphia Electric Company  
 Pittsburgh Plate Glass Co.  
 Postum Company, Inc.  
 Prest-O-Lite  
 Public Service Co. of N. J.  
 The Robbins & Myers Co.

Rochester Gas & Electric Corporation  
 Reo Motor Car Co.  
 John A. Roebling's Sons  
 Republic Stamping & Enameling Co.  
 Rome Brass & Copper Co.  
 D. A. Schulte, Inc.  
 Sears, Roebuck & Co.  
 Sing-Sing Prison  
 The Singer Mfg. Co.  
 Skelly Oil Co.  
 Southern Pacific Railway  
 Southern States Steel Corporation  
 Spencer, Kellogg & Sons  
 Standard Sanitary Mfg. Company  
 Standard Oil Co. of N. J.  
 F. B. Stearns Co.  
 Stromberg-Carlson Mfg. Company  
 The Symington Co.  
 Texas Company  
 Toledo Scale Co.  
 United Cigar Stores Co.  
 United Electric Light Co.  
 United Fruit Co.  
 United Hotels Co.  
 U. S. Industrial Alcohol Company  
 United States Light & Heat Corp.  
 United States Rubber Co.  
 Universal Pictures Corp.  
 Virginia Bridge & Iron Co.  
 The Vitaphone Corp.  
 The Warner Bros. Co.  
 F. W. Woolworth Co.  
 Wm. Wrigley, Jr., Co.  
 Westinghouse Air Brake Company  
 Westinghouse Electric & Mfg. Co.  
 Yawman & Erbe

Digitized for FRASER  
https://fraser.stlouisfed.org  
Federal Reserve Bank of St. Louis



## Across the Desk from the Publisher

*By Clifford DePuy*

**A** HERE is probably no equation in the banking business that counts as much as personality. We do business with people because we like them, or conversely, we don't do business with them because their personalities do not appeal to us.

You and I know that a banker must have something besides a fine personality to succeed in the banking business, but the right kind of a personality is a real asset in a business which is as personal as the banking business.

While attending a banquet the other night, one of the speakers told of the research which the Carnegie Institute had made to ascertain the factors which had contributed most to the success of a large group of engineers. These men were all college graduates and had been especially trained in engineering, but according to their own testimony, they attributed 15 per cent of their success to their engineering ability, and 85 per cent of their success to their personalities.

I am wondering if the Carnegie Institute were to make such a survey among bankers if the same percentage would hold true. Perhaps not. But in any event, personality does play a very vital part in the management of a bank and is a quality which should be developed by the officers if the bank is to be something more than a mere storage plant for the finances of the community.

### **Choosing a Correspondent Bank**

The NORTHWESTERN BANKER has just completed a survey among 2,000 banks, in which is asked the question: "What do you consider the three most important factors in choosing a correspondent bank?" Among the hundreds of replies that have been received to this question the following are perhaps the best:

1. Security, NOT size of bank
2. Personal acquaintance with its officers handling your own department
3. Ability and willingness to assist in time of need without too much red tape.

Certainly these are three very important factors to consider in choosing a correspondent bank, and likewise we believe that they are three of the most important factors for a customer to consider in choosing the bank with which to do his business in his own community.

**Unusual Service** Unusual service in the banking business is always appreciated because it is usually outside of the regular lines of banking service which are customarily rendered.

"What is the most unusual service a correspondent bank ever rendered for you?" was one of the questions the NORTHWESTERN BANKER asked in its recent bank survey.

A few of the replies to this question about unusual service include the following:

"We asked our correspondent bank what they thought of the grain market. They called in three of their customers who were members of the exchange and asked them for their individual opinion of the market at that time, and then after securing their opinions, our correspondent bank gave us their own individual analysis of the market."

"In 1920 and 1921 the \_\_\_\_\_ bank of Minneapolis took care of us through the period of inflation, and the attendant evils of the land boom, and never refused us any loan we asked for, even when the Federal Reserve Bank fell down and failed to function, as we were led to believe it would."

"When our correspondent bank sent us all of the cash we wanted by airplane when we



had a run on account of the closing of the other bank in our town.”

“Furnished us \$25,000 currency at one time during the currency panic of 1907, without premium, when we thought we couldn't get it anywhere in the whole world.”

“Purchased ticket for a football game.”

“Standing by us to the limit when conditions were so uncertain, and giving us good advice prior to the slump that ruined so many banks.”

“Our principal New York correspondent has met steamers for us and assisted in looking after affairs of our customers in no way directly connected with the banking business.”

Unusual service must be backed of course by the regular daily service which covers the routine matters of correspondent bank relations, but it is interesting to observe that every bank remembers the unusual things done for it, and especially when they come at a time of stress and storm.

### **Reducing Bank Failures**

How to reduce the number of bank failures in the United States, was given very careful study during the past year by the Economic Policy Commission of the American Bankers' Association, and formed the basis of its report to the convention at Houston.

During the past six years the Commission found that 3,800 banks, or more than one-eighth of the total number of banks in the United States, have been obliged to suspend operations. The main reason for this was due to the excessive number of banks and the fact that many banks which could go along nicely in fair weather, were not able to withstand the financial storms when they came.

The Commission believes that bank failures in the future can be reduced “through the adoption of arrangements definitely designed to meet obvious defects that experience has disclosed in our system of independent local unit banks.

“In the judgment of the Commission, however, this objective can not possibly be reached through the imposition of further legislative restrictions covering the details of banking operations.

“A more immediate enforcement of existing legislation would do much, but remedies for bank failures, to be adequately effective, must be designed to reduce the number of financially weak banks, secure more competent officers supported by responsible and active directors, and, above

all, insure that unsound policies shall be checked long before solvency is endangered.”

### **Should Secretaries Be Merchandisers?**

A secretary of a state bankers' association should be employed for the purpose of maintaining as nearly as possible a 100 per cent membership in the association; making suggestions that will be helpful to the members; cooperating with the various committees of the organization, preparing surveys on topics of general interest to the members, and serve in any other way which he thinks will be helpful and beneficial. In order to accomplish the objects outlined above, it is not necessary for any state secretary to run a department store or to engage in the merchandising or publishing business.

Haynes McFadden, secretary of the Georgia Bankers' Association, in speaking before the state secretaries' section of the American Bankers' convention at Houston, said: “It is my opinion that no association should become a department store and engage in the sale of typewriters, adding machines, stationery, deposit slips, blank checks and other supplies. The danger in the extension of such activities is two-fold. In the first place it sets up between the association and its members the relationship of merchant and customer. This atmosphere easily invades and detracts from the ethical mission and from the professional dignity that a bankers' association should maintain with its members. The possibilities of commercial disputes are too numerous to recommend the department store idea for general adoption by bankers' associations.”

Some secretaries in addition to their desire to make department stores of association headquarters, have also felt that they were well qualified to enter the publishing business and have consequently engaged in the business of editing and publishing banking journals in behalf of their associations, when as a matter of fact this function has no more to do with the operation of a state bankers' association office than it would be if they were selling bonds, bank advertising service or mahogany desks.

The state secretaries throughout the country, who are known as the best and most efficient in their respective organizations, are the ones who have devoted themselves to the main objects for which their associations were organized, and have not allowed themselves to dissipate their energies on a half dozen sidelines.



"YELLOWSTONE FALLS"

*Northwestern Banker* December 1927

# The Causes of Bank Failures and Some Possible Remedies

**I**N THE limited time at its disposal, the Commission has not been able to make a comprehensive investigation of the particular banking transactions that have involved serious losses and numerous

failures. A preliminary examination of this aspect of the matter, however, disclosed great diversity among these unfortunate operations—a diversity so wide that it has forced upon the Commission the conviction that it is hopeless to seek for a solution of the bank failure problem in main reliance upon the imposition of further restrictions on bank loans and investments.

Far more promising results may surely be anticipated from efforts directed toward the correction of defects in banking structure and management, of which unsound banking practices are but merely symptoms. The recommendations of the Commission are, therefore, designed to bring about the establishment of conditions which will be more favorable than in the past to the conduct of banking along safe lines.

## Too Many Bank Failures

In the supremely important matter of safety the recent record of the American system of independent unit banking has been conspicuously unsatisfactory. During the last six years more than 3,800 banks, somewhat more than one-eighth of the total number of banks in the country, have been obliged to suspend operations, and although a considerable number, after a variety of adjustments and sacrifices, have been reopened, the aggregate of definite failures has been in excess of 3,000.

Many additional banks also have escaped failure only through the absorption of losses on doubtful and worthless assets by directors, assessment on shareholders to restore impaired capital, or by subscriptions to additional capital from wider circles influenced by the desire to avert the damaging consequences of a general loss of confidence in local banking institu-

tion. Still other tottering banks have been taken over by stronger neighbors, in some instances with disastrous effect upon the solvency of the absorbing institution. These failures and near failures do not imply a weak condition and poor management in the case of the majority of banks throughout the country, but they do indicate, as does experience in earlier periods, that large numbers of banks, which seem to be in a flourishing condition during years of business activity, are unable to withstand the stress and strain incident

with 158 also show at least a comparatively low casualty rate. In the four southern districts of Richmond, Atlanta, St. Louis, and Dallas, on the other hand, there were 1,117 failures during this six-

year period, while the three remaining districts present a still more unfavorable record, the Chicago district with 437 failures, Kansas City with 590, and finally the astounding number of 999 failures in the Minneapolis district.

A variety of adverse local influences, among which may be mentioned a succession of crop failures and the collapse of urban real estate booms, precipitated numbers of these failures, but the great majority suspended because they were unable to meet the stress exerted by the persistence of unprofitable prices for the products of agriculture and animal husbandry—stress which was particularly severe because it was experienced after years of abounding prosperity, an extreme appreciation in the value of farm property, and a large increase in the number of farms mortgaged and amount of mortgage indebtedness.

## Influence of Adverse Conditions

These adverse conditions, it can hardly be too strongly emphasized, do not furnish an adequate explanation of the numerous bank failures of the last six years. By no means all, or even a majority, of the banks in the localities most seriously affected have been obliged to suspend operations. Unfavorable economic conditions are an acid test of the policies which banks have followed during preceding years of business prosperity. Financially weak and unskillfully managed banks are weeded out; strong and well managed banks experience losses but they survive. Great significance in this connection attaches to the finding of a Special Committee on the Banking Situation of the 1927 Legislature of Minnesota, a state in which adverse conditions have been particularly severe and the number

The report on this and following pages, was presented at the recent A. B. A. convention in Houston, and was one of the outstanding features of the meeting. The work of assembling the information and arriving at some definite conclusion was done by the Economic Policy Commission which was appointed last May. The Commission was assisted in its work by Dr. O. M. W. Sprague, Banking Professor at Harvard University.—Editor's Note.

to depression and a downward adjustment of values in the communities in which they are established.

Aside from scattered failures due to dishonesty or gross mismanagement, the banking troubles of the last six years have been concentrated in localities which have experienced a prolonged period of adverse conditions or the sudden collapse of a highly speculative local situation. In the northeastern states, in the territory served by the Federal Reserve banks of Boston, New York, and Philadelphia, a section which speedily recovered from the industrial reverse of 1920, bank failures were relatively few, only forty during the six years, 1921-1926. The Cleveland district with thirty-six failures, and San Francisco

## State and National Bank Failures 1921 - 1926

	Total State Banks Failed	Total National Banks Failed	Grand Total	Number Banks in Operation, 1920		
				State	National	Total
Alabama	14	3	17	251	101	352
Arizona	27	3	30	67	20	87
Arkansas	42	3	45	404	83	487
California	9	9	18	420	303	723
Colorado	51	15	66	262	141	403
Connecticut	2	1	3	154	66	220
Delaware	..	..	..	28	19	47
District of Columbia	..	..	..	30	15	45
Florida	28	1	29	212	53	265
Georgia	155	9	164	645	93	738
Idaho	..	19	60	141	81	222
Illinois	45	3	48	1,130	480	1,610
Indiana	31	3	34	803	254	1,057
Iowa	236	27	263	1,405	358	1,763
Kansas	104	8	112	1,100	249	1,349
Kentucky	26	..	26	450	134	584
Louisiana	25	1	26	229	38	267
Maine	2	..	2	98	63	161
Maryland	4	1	5	190	92	282
Massachusetts	16	1	17	306	159	465
Michigan	31	..	31	588	112	700
Minnesota	186	29	215	1,184	331	1,515
Mississippi	22	1	23	324	30	354
Missouri	145	2	147	1,532	136	1,668
Montana	130	59	189	286	145	431
Nebraska	112	17	129	1,008	188	1,196
Nevada	1	..	1	23	10	33
New Hampshire	..	..	..	70	55	125
New Jersey	..	..	..	176	212	388
New Mexico	39	21	60	76	47	123
New York	7	1	8	565	491	1,056
North Carolina	68	9	77	536	87	623
North Dakota	279	38	317	717	181	898
Ohio	8	3	11	775	370	1,145
Oklahoma	140	42	182	611	356	967
Oregon	18	5	23	187	90	277
Pennsylvania	21	5	26	695	851	1,546
Rhode Island	1	..	1	31	17	48
South Carolina	97	8	105	379	82	461
South Dakota	212	38	250	558	136	694
Tennessee	23	2	25	448	98	546
Texas	137	23	160	1,026	556	1,582
Utah	10	3	13	105	28	133
Vermont	1	..	1	59	49	108
Virginia	19	1	20	323	165	488
Washington	32	6	38	307	87	394
West Virginia	10	1	11	218	122	340
Wisconsin	30	5	35	809	151	960
Wyoming	49	11	60	113	47	160
Totals	2,687	437	3,124	22,054	8,032	30,086

merous bank failures, an insistent demand for greater safety in banking is to be anticipated, and this demand is not rendered less reasonable by the presence of strong and well managed banks in every part of the country. The public must make use of banks, but few are in position to distinguish between the strong and the weak. Bank statements and other external information relating to banks do not furnish an adequate basis for intelligent discrimination. Unless failures become exceptional, it may be expected that all banks will be subjected to an increasing range of restrictions, restrictions that may be quite superfluous for well managed banks, but which are adopted to curb the weak and incompetent minority.

Numerous failures should be a matter of grave concern to well-managed banks for still other reasons. To those bankers who are strongly opposed to branch banking it should be evident that the recurrence of numerous failures threatens to undermine the system of unit banking. Recognition should also be given to the damaging effect upon the earnings of the better banks during the more or less prolonged period of operation of weak banks before the failure stage is reached. And, finally, attention may be called to the unfavorable influence on earnings in consequence of the damage to a community which is entailed by the unsound conditions and unsuccessful undertakings that are fostered by banks under competent management.

While the experience of the last six years furnishes ample evidence of serious defects in our present system of unit banking as it is now organized and operated, and compels recognition of the urgent need for its modification and improvement, the Economic Policy Commission is hopeful that no revolutionary change, such, for example, as the general diffusion of branch banking, will be required to provide adequate protection for the depositor, and is also hopeful that this result can be attained with no sacrifice but rather with a positive enhancement of the characteristic advantages of unit banking. The causes of numerous failures are not obscure and difficult to discover, and the Commission believes that the number of failures in future can be substantially reduced through the adoption of arrangements definitely designed to meet obvious defects that experience has disclosed in our system of independent local unit banks.

In the judgment of the Commission, however, this objective cannot possibly be reached through the imposition of further legislative restrictions covering the details of banking operations. Safety in banking will never be secured if reliance continues to be placed primarily and almost exclusively upon restrictions,

of bank failures numerous. Analyzing the causes of bank failures, the Committee says:

"A survey of the closed bank situation in Minnesota presents an interesting picture. Certain communities of the state seem to have escaped entirely, or almost entirely, this epidemic of closed banks, while in other parts of the state the proportion of closed banks to the number of banks chartered in the community is very great, nor is this unequal distribution of closed banks due in large measure to different conditions of soil or conditions of the farmers, for in parts of the state where the farming conditions are almost identical one part shows a large percentage of failed banks and another part shows almost none. The cause lies deeper than that."

Unqualified agreement with the view of the matter of this Minnesota Committee is not inconsistent with definite recognition that external conditions in many parts of the country during the last ten years have been abnormally unfavorable to the conduct of banking along safe lines. In the agricultural development of the country, however, the stage is apparently more generally being reached in which farm values will be more closely related to current income, and it is not probable that commodity prices will again exhibit the extreme fluctuations of the last de-

cade. It is therefore reasonable to presume that no future period of similar duration will witness the number of bank failures that have marked the last six years. If these anticipations are realized, the bank failure problem assumes less unmanageable proportions, but in the absence of improvements in organization and practice, it is not to be doubted that a discreditable number of failures will continue to occur, mainly concentrated in periods of trade reaction.

It is also important to note that the inability of many banks to withstand adverse conditions is not a problem that concerns exclusively those areas in which bank failures have been numerous in recent years. Present immunity furnishes no certain assurance that all banks in a locality are and will remain in competent hands. The possibility, if not probability, must be recognized that adjustments even distantly approaching in difficulty those experienced in agriculture might be accompanied by numbers of banking casualties in communities in which manufacturing is the major occupation.

### Need Greater Safety

As in earlier periods marked by nu-

which even when carried to an extreme point can do no more than somewhat narrow the field within which an incompetent management will manifest its incompetence. A more immediate enforcement of existing legislation would do much, but remedies for bank failures to be adequately effective must be designed to reduce the number of financially weak banks, secure more competent officers supported by responsible and active directors, and above all insure that unsound policies shall be checked long before solvency is endangered.

#### Excessive Numbers of Banks

A system of unit banks is peculiarly subject to the grave danger that a much larger number of banks will be established than is compatible with the requirements essential for safety of financial strength and good management. Under a highly developed branch banking system the large capital and, even more important, the extensive organization needed from the outset, effectively restrict the formation of new banks. Branches may, indeed, be overdeveloped, but experience indicates that the consequent inroad on earnings is not serious enough to impair capital, much less jeopardize the position of depositors.

Strikingly different is the situation under a system of unit banking. In order that all communities may enjoy the benefits of banking facilities under competitive conditions, the minimum capital required for the establishment of a bank is necessarily set at a low figure, and operations can be handled by a simple organization that can be readily improvised. Profits during years of business prosperity are reasonably satisfactory, and the temptation to enter the banking business is made more alluring by the exaggeration of these profits under the faulty accounting practice that is followed by most banks. Reserves are not created to take care of future losses, but all undistributed earnings are allocated to surplus and undivided profits, from which deductions are subsequently made, often most unwillingly, when losses have been unquestionably realized. In addition to anticipations of profits, a certain measure of power and dignity, especially outside the large cities, that seems to attach to the management of banks, does much to enlist an active interest in proposals for additions to their number, and the possibility of securing liberal accommodation through relationship with a bank, as officer, director, or shareholder, is a consideration that is by no means uncommon.

Public opinion also has in general looked with positive favor upon an unlimited increase in the number of banks. That men of good character and average business experience should be as free to engage in banking as in other occupations

## Summary of Conclusions

The conclusions of the Commission may be summarized as follows:

1. A few banks fail on account of dishonesty or gross mismanagement.
2. Adverse conditions precipitate numerous failures of banks that are financially weak and unskillfully managed.
3. An excessive number of banks is the most potent single cause of numerous failures. This situation can be corrected in part by increased capital requirements, and more completely by the limitation of new charters to the needs of the community for additional banks.
4. In view of the heavy responsibilities, both legal and moral, of bank directors, closer supervision by them is desirable in their own interest, and would serve to correct much that leads to insolvency. It is recommended that the Association prepare standard forms for the analysis of the condition of banks and for the presentation of business to be brought to the attention of bank directors.
5. While additional restrictive legislation covering loans and investments is not favored, the more immediate enforcement of existing statutes is approved.
6. The clearing house examination system has been in general highly advantageous, and its further growth is to be anticipated.
7. As a plan, more feasible for immediate and general adoption, the organization of local regional associations of banks for the purpose of supporting and securing the more effective use of the existing system of government examinations is strongly recommended.

seems to have been taken for granted. Insufficient account is taken of the special characteristic of banking that it exposes to risk of loss not only shareholders and business creditors but also the wide circle of depositors who are not in position to protect themselves by the exercise of reasonable care and foresight. Moreover, the misconception is widespread that additional banks in a community will increase the available supply of credit, a motive particularly strong in communities where the local supply of credit regularly falls short of the local demand for accommodation.

It is not clearly perceived that the volume of credit in any community is determined by the wealth and banking habits of its people, and that an increase in the number of banks subdivides but does not appreciably augment the aggregate amount of banking resources. A community with aggregate banking resources of, say, \$4,000,000 will be better served in every way including safety, by two or three banks rather than by six or more. An excessive number of banks induces cut-throat competition, and tends to undermine conservative standards in the granting of credit, which in turn subjects the better borrowers to the necessity of paying higher rates for loans since they are obliged to compete with a demand for credit that properly should not receive favorable consideration.

#### Country Over-banked

During the decade and a half preceding the trade reaction of 1920, these various

influences brought about the organization of a large number of new banks in most parts of the country, and in the judgment of your Commission the resulting overdevelopment of banking is more responsible than any other factor for the banking disasters of the subsequent years. Between 1904 and 1920 the number of state banks and trust companies increased from 7508 to 22,054 and the number of national banks from 5331 to 8123. Aggregate resources had indeed increased enormously so that the average resources at the close of the period were greater than at its beginning. But an average of resources is most misleading, since the gain in resources was by no means evenly distributed among the banks. Many banks had become larger and stronger, and the thousands of newly chartered banks served mainly to provide the country with an unprecedented number of small banks employing resources of from \$100,000 or even less to \$500,000.

The strength of any particular bank cannot, of course, be determined by its size. There are hundreds of small banks throughout the country that are ably managed and abundantly strong. These banks are commonly subject to the handicap of an absence of industrial diversity in the communities which they serve—a handicap which they can only overcome by the exceptional caution and judgment. On the other hand, while there is no exact relationship between the number and size of the entire group of banks in a locality and the strength of its banking position,

(Continued on page 36)

A COLLEGE education comes high," says one observer (both wise and witty), adding: "Nowadays it takes around \$5,000 to educate a good quarterback!

Someone else, with the country's welfare at heart, has figured that the 1927 football season drew an attendance of 30,000,000 people, at an average price of two dollars each for about \$60,000,000 in pleasure and recreation.

Golf statisticians, too, have figured that America's golf bill would pay the war debts of a group of European countries. Many individuals, including bankers, are stopping to ask: "Is it sensible? Is it right? Are we playing too much golf, football, and all the other sports? Would business and industry be better off if Jack risked the chance of being a dull boy by more work and less play?"

In an interview during the Houston convention of the American Bankers Association, one of the nation's leading bankers, A. P. Giannini, founder of the Bank of Italy, made the frank statement that we are playing too d— much golf for the good of the nation. His ideas are presented below in full.

The NORTHWESTERN BANKER has asked a half dozen bankers of the middle west to give their ideas on Mr. Giannini's article. Their comment follows:

Says David R. Forgan, vice chairman of the National Bank of the Republic, Chicago:

"I do not at all agree with Mr. Giannini regarding golf, although I agree with the rest of his article. Of course, anything, including golf, may be overdone by some individuals but, on the whole, I believe that golf is a great boon to the American business man. I think the American business man who 'eats and sleeps' with his business, who gives his entire life to it, and arrives at old age with his mind full of nothing but how to make more dollars, is greatly to be pitied. It appears to me the greatest temptation to American business men is to be nothing but business men, and golf, in moderation, and for the purpose of healthful recreation, is to my mind just what American business men need."

#### Recreation Is Essential

Lucius Teter, president of the Chicago Trust Company, says:

"I have read with interest what Mr. Giannini has to say. I think there is something to think about in his statement. Of course, we have been going through a very strenuous and unsettled time during the last ten years, and I do not think the average person fully realizes to what extent the world excitement has affected the programs of a large percentage of our people. Certainly it is a good plan to have as much outdoor recreation as possible. Personally I prefer horseback riding.

*Northwestern Banker December 1927*



Giving his family the cold shoulder

# Are We Playing

Bankers of middle west express  
craze for sports is a

ing. If it is at all proper for an 'outsider' to criticize golf I would say that sometimes it appears to me that some of my friends make quite as hard a job of golf playing as they do of their business. This, of course, is not right at all. It would be much better to attend to business and play less golf and enjoy that which is play. However, somehow I think it will all work out all right."

Charles H. McNider, veteran Iowa banker, agrees rather fully with Mr. Giannini. He says:

"Is there too much golf in America?"

"Primarily, yes. Bankers and business men devote too much time to golf to the detriment of their business. We have examples of young professional men in the city whose offices are closed at one or two in the afternoon and they are out on the

## California Banker Says:

By AMADEO PETER GIANNINI

(Note:—The following article in part, appeared in a Houston, Texas, newspaper, during the American Bankers Association in that city.)

**H**ARD work is the best farm relief. And as I see it, it is the only relief the rural population of America can expect. Congress may pass laws to hand the farmers money if they fail to make good, but it will be distress, not relief.

All over the country the farm situation is getting better by the natural process of adjustment, for the farmers who work. For those who are willing to "let George do it" the situation will never improve.

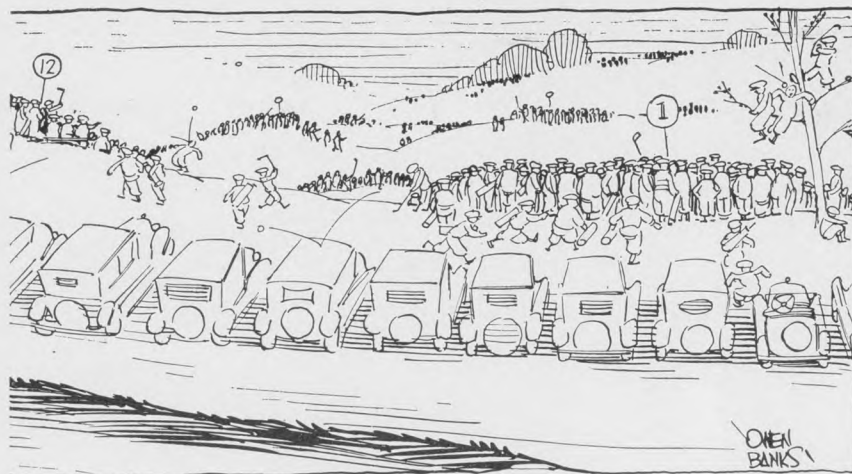
The reason there is general improvement is because the farmers,

hard pressed by the policy they pursued, found it necessary to go to work. When they went to work, they were applying the very best antidote for failure.

I wouldn't want it understood that I thought the government should do nothing to help—it can very well assist by distributing information and fostering better marketing and being helpful to the farmers without giving them anything.

To give to them would discourage hard work, as they would take the attitude if they got in bad straits again, the government would come to their rescue.

There is no better example of this



for a hot time on the links.

# Too Much Golf?

opinions as to whether America's blessing or a curse

golf field, spending time that should be spent in earning a livelihood. It seems to me that the country is going golf mad. There is no great organization but what two-thirds of its time is taken up in golf tournaments instead of in helpful sessions.

"While I appreciate that it is quite a wonderful game for a good many people, at the same time it is overworked, and

very much to the detriment of legitimate business."

"Moderation" in athletics, just as in any other work, is desirable, says T. R. Watts, Iowa banker, who adds:

"Mr. Giannini's success in his chosen line of business would indicate that he is a man of mature judgment, and a student of affairs, and seems to have expressed in his article that which is be-

## "TOO MUCH GOLF!"

*Founder Bank of Italy, San Francisco*

than the English doles started to save those out of work after the war. Now there are 500,000 who idle not because there is no work to do but because they don't want to work.

I do not think the government should get into the farming business nor do I believe that it is the province of the government to guarantee certain prices. But I do think the government can well lend its good offices to keep the market from becoming glutted, to inject intelligence into marketing.

There are too many autos to take the farmers away from their work. A little prosperity distracts them. They spend their money in good times

and have nothing on which to operate when times are not so good. Both conservation and diversification will help them.

Another thing, I think there is too damn much golf in the country. I have never understood how a man can spend half of his time on a golf course and be more interested in it than he is in his business and succeed. This afflicts the business man more than it does the farmer, but the farmer has plenty to distract him from his business. He gets it in his head he wants to boss and hire his work done. He doesn't seem to know that if his farm is to be a success, he must be on the job himself and buckle down.

lieved to be, by a great many successful men, sound logic.

"It is a pretty well accepted fact among thinking people that there is too much time wasted by a very large percentage of the American people in various amusements, in fact, in entertaining themselves, whether it be in golf or in other ways, and while the writer has not had sufficient experience with the game of golf to justify the taking of other folks' time in the discussion of it, I have observed that a great many active business men do not have the physical strength to grind continuously at their business, regardless of how much they would like to do so, and the golf course has, in a great many instances, served a very useful purpose in affording them an opportunity for recreation and recuperation, and probably is entitled to its place in the general program of affairs.

"The article referred to gives expression to that which is believed to be true by a great many folks when it talks about farmers not working, and am wondering whether the conclusion is based on the exception rather than the rule.

### No One Is Perfect

"It probably could be said that there is no line of endeavor, whether it be banking, farming or what not, where every individual attempting it is one hundred per cent efficient.

"I have observed in my rather close contact with folks in the agricultural belt for the last quarter of a century that there are farmers who possibly do not devote as much of their time in planning their affairs and their strength in prosecuting them as they should, but am convinced that the program of the average farmer is that of hard work and fairly careful planning.

"There no doubt is too much extravagance practiced upon the part of everybody with the automobile, but I can think of no other line of endeavor in which the automobile plays a more important part than in farming, and can think of no class of people who, from the standpoint of their needs, would be more justified in using a car than the man residing on a farm in a rural community.

"Poor management, economic waste and lack of industry have no doubt been contributing factors to the agricultural depression throughout the country, but I believe that the fluctuation of from twenty to forty per cent in a few months in the price of agricultural products, as has happened during this summer, is very largely responsible for the unstable agricultural conditions.

"The rank and file of farmers do work, and work hard, and plan fairly well except that they do not work together, but methods are being improved and the standard of planning improved from year

(Continued on page 32)

*Northwestern Banker December 1927*

**M**ORE and more are bankers appreciating the importance of a complete credit file. Where the banker once carried in his head the credit information on his various customers, he now assembles his data on neat cards, ready for use at a minute's notice. Experience has taught him that these cards are the watchdogs of his bank's funds.

The credit department of a bank is highly important, say officials of the "oldest bank in Jasper county, Iowa"; the Jasper County Savings Bank. Hence, the bank has worked out an extensive credit information system that has proved its worth.

Vice president P. H. Bestor has this to say about it: "In addition to our regular credit file, we have a separate set of credit cards that assist us greatly. The card is five by eight inches and contains on the one side the customer's name, address, occupation, and space for entry of his income, mercantile rating, credit limit, history, family, age, church, lodge, extent of savings account, ability, character, average balance, etc. On the other side is space to list his assets and liabilities, checks returned, etc.

"One of our stenographers takes care of posting the card entries, consisting of daily reports from the county record. This includes judgments, chattel mortgages, protested checks, overdrafts, and every bit of information that is obtainable. It is not at all complicated, and requires only an hour's time daily to make the entries. It gives us a splendid record of our borrowers and has saved us money many times."

In Mr. Bestor's opinion, no banker should overlook his credit department. The same duplicate credit file system is being installed in the Kellogg Savings Bank at Kellogg, which is owned by the same interests as the Jasper County Savings.

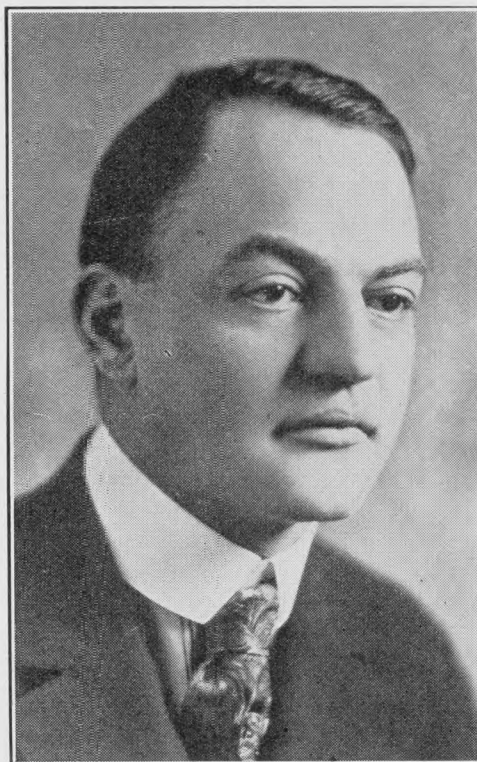
A study of the business methods of the Jasper County Savings is not complete without referring to its President, E. H. Maytag, and the Maytag interests,



The substantial home of the Jasper County Savings Bank at Newton

## A CREDIT FILE THAT PAYS

How the Jasper County Savings Bank assembles and files its credit information



E. H. MAYTAG

President of the Jasper County Savings Bank

which own the bank. The Maytag name is known in financial circles from coast to coast.

The methods employed by the bank are primarily Maytag methods, the same keen, business-like methods that have been used to develop the immense Maytag manufacturing interests. In fact, had Mr. Maytag chosen banking instead of manufacturing as his vocation, he would doubtless have risen to similar commanding heights in the banking world.

Vice President Bestor has this to say about the bank and general conditions:

"Farm sales here are picking up some. Clear real estate is a good thing when acquired at right prices. At the present time we are receiving more inquiries on farm lands from responsible operators than for years. Some of our renters have made

good money the past two or three years, have saved one or two thousand dollars and now want to pick up Iowa farms. Most of them want 160 acres or more, having found that with proper diversification, the larger farms, properly stocked, pay better than the smaller ones.

"So far as Newton is concerned, our factory prosperity has made our farm land comparatively high. Investors can often get just as good land at lower prices farther away. These days there is a more pronounced distinction between the good and bad farms than during the boom times, and land sales reflect that difference."

The Jasper County Savings now has deposits of \$2,671,594 and is carrying in cash and secondary reserve, \$1,267,514. It has around \$390,000 in bonds and more than \$300,000 in commercial paper. "All bonds and paper," says Mr. Bestor, "are short term stuff."

The bank officials report their loans in good shape, the excellent growth of Newton making many loans good that were once considered doubtful. All new loans amounting to more than \$500 made by this bank are passed upon by

(Continued on page 88)



# Ishpodar Broadcasts

some

## “DO’S and DON’T’S”

By ROSCOE MACY

(A continuation of the banking rules laid down by the spirit of Ishpodar, keeper of the royal counting house of the King of Shekem.)

1. And Ishpodar opened his mouth and spake again, saying,

2. Scorn not the widow’s mite, but send her unto the Savings Department; suffer her not to open a checking account with it.

3. Close thou thy bank to the check-casher at the appointed hour, but if the note-payer cometh and knocketh in the eventide, even at the eleventh hour, let thy door be opened unto him.

4. Be thou on thy toes if thy customer buyeth corn for future delivery upon the board of trade, and if he selleth it likewise, for he only layeth up misery for his creditors,

5. Take thou therefore a mortgage upon the beasts of his field and the fowls of his chicken-yard, and upon the 1927 and 1928 crop, and upon his vineyard, subject only to prior liens.

### Don’t Forget the Chickens

6. And in the covenant of mortgage, cover thou his ox and his ass, his bullock and his ram and his she-goat; yea, even his cock and his hen include thou them. For thou knowest that if thou includest part and omittest part, verily it shall come to pass that what thou includest shall die and wither away, but what thou omittest, it shall wax fat and be nourished abundantly.

7. Look not upon the Profits account when it is red; when it giveth its color to the rumor of insolvency, for the day of reckoning draweth nigh.

8. Go thou to the tabernacle on the Sabbath day, for thy director passeth the collection plate. Therefore, place thy shekel in the plate at the appointed time, and on the morrow he will bring to thy bank fifty shekels in nickels and pennies for thee to wrap.

9. Blaspheme not thy competitor, but take him unto thy bosom, for perchance he would like to work with thee instead of against thee. And the time will come when thou wilt have need of his services, even as he of thine.

10. It were meet that thou shouldst entertain thy directors in thy home on occasion, but set not before them the choicest viands and the sparkling wines. Let them eat rather of unleavened bread and pulse, and bitter herbs, that they may approve thine economy. Give thy bond-servants also the evening off, that thy wife may be gracious, yet fatigued withal.

### Means Salary Boost

11. Then, when the new year cometh, they are like to give ear to thy plea for a boost in salary.

12. Be ever diligent, and mindful of thy duty to thine employers; be thou especially diligent in November and December, for the sake of thy Christmas bonus.

13. Hearken not to the cavillings of him who kicketh on the service charge; let him weep, and wail, and gnash his teeth, but stick thou him for his fifty cents notwithstanding.

14. Nor yet hearken to thy new cus-

tomers who vaunteth the virtues of the cashier of the bank he has just left, and telleth thee that he could always get all the money he wanted there, and then striketh thee for an unsecured loan, yet objecteth to giving thee a financial statement,

15. For verily, I say unto thee, that ere the snow flieth, the virtuous cashier of whom he speaketh will run an attachment upon the crops of his former customer for ten talents of gold, and if thou hast made the loan, thou wilt be in the soup.

16. Woe unto him who overdraweth his account, and then casheth his next pay check at the cigar store.

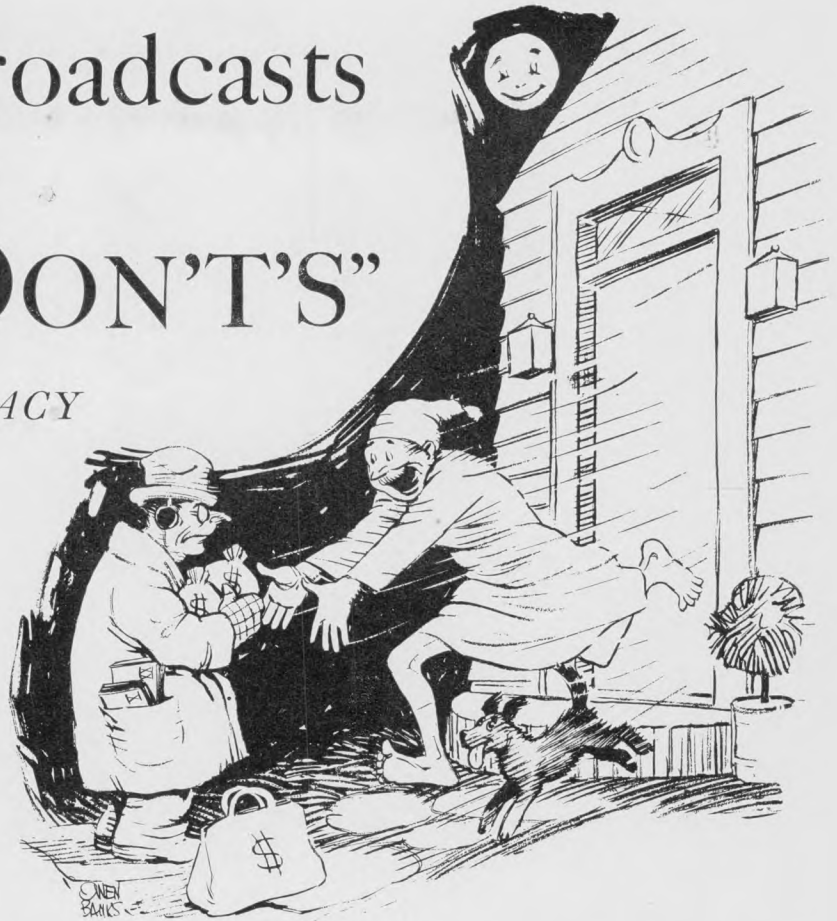
17. And woe unto him who borroweth an hundred shekels to buy a cow, and maketh a payment on the car therewith.

18. But blessed, thrice blessed, is he who rideth in an 1895 buggy behind a span of dun mules until he hath paid his debt to thee, even unto the uttermost farthing.

19. For he shall prosper in the days to come, and his daughter shall wear purple and fine linen, and his son shall play full-back at the agricultural college.

20. Renew the pen points on thy customers’ desk in due season, lest they rust and cleave to the holders, so that thou

(Continued on page 90)



Says Ishpodar: “Close thou thy bank to the check-casher at the appointed hour, but if the note payer cometh and knocketh in the eventide, even at the eleventh hour, let thy door be opened to him!”

# En Route to the Houston Convention



Top row, left, a charming cigarette vendor, in Rudolph Hecht's Tea Garden, at his summer home at Pass Christian, Mississippi, where four hundred bankers on the Falltonic Special were entertained enroute to the Houston convention. Center, Craig B. Hazlewood, Chicago, the new first vice president of the A. B. A. Mrs. Hazlewood on the left, and Mrs. Melvin A. Traylor, right. Right, top, Raymond McNally, vice president of the National Bank of the Republic, Chicago, and John G. Lonsdale, president, National Bank of Commerce, St. Louis, and second vice president of the A. B. A.

Center panel: Left, J. W. Milner, mayor Gulfport, Mississippi, and Edwin G. Foreman, Jr., vice president Foreman National Bank and Foreman Trust and Savings Bank, Chicago. Middle group, Mrs. Clifford DePuy, Des Moines, Mrs. Emil Webbles, Burlington, and Mrs. M. E. Tate, Keokuk. Right, Mr. and Mrs. Rudolph Hecht, of New Orleans.

Lower panel: Mr and Mrs. Fred A. Cuscaden, vice president, Northern Trust Co. of Chicago. Right, Thomas R. Preston, of Chattanooga, new A. B. A. president, Mrs. Preston and F. N. Shepherd, executive secretary of the A. B. A.

# Do Our Special Savings Clubs Pay?

Bankers of middle west differ in opinion of value of such clubs either directly or indirectly

**D**OES the special savings club pay? If it does pay is it directly profitable to the bank or do its beneficial results come indirectly?

These questions are always important to the banker and are of particular interest at this time of the year when the books are being closed on the 1927 Christmas Savings Clubs and plans are made for those of next year.

## Opinion Differs

There is considerable diversity of opinion among banker readers of this magazine on the above questions. "The Thrift Appeal," so far as the Christmas savings idea is concerned, is the real hub of the matter, according to John C. Bryant, cashier of the Red Oak Trust and Savings Bank, Red Oak, Iowa, who says this of their Christmas Savings Club:

"We have used for two years now a Christmas Savings Club. While the total amount of the deposit is not large the plan affords some educational value in getting the matter of savings before the people and saving for Christmas time seems to appeal strongly to quite a large number of people.

"We should say that the value is educational rather than financial.

"We use circulars in the mail, posters and newspaper space for advertising our campaign, which starts the first part of December.

"As by-products of this system we get a few deposits in regular savings accounts of the amounts saved by the club plan.

"We should say that the special club plan is an adjunct of the regular savings account and its principal value is in the advertising of something different. The literature, too, is attractive, being illuminated.

"We think enough of the plan to continue it."

## Promotes Regular Saving

The Merchants National Bank, of Fargo, North Dakota, is likewise pretty

well sold on the Christmas Savings Club idea, E. E. Simmons, cashier, making the following comment:

"We do not, as a general proposition, have anything special to stimulate savings here except our Christmas Savings Club, which has proven very successful with us. We give considerable publicity to the Club, and it is well patronized by our own customers, as well as customers of other banks. We have stressed the proposition that this method of saving provides funds for Christmas gifts, and we have also suggested in our advertising that a portion of the account be transferred to a regular savings account, which is quite generally done. Our Club is

an expression of judgment and not one of experience.

"A certain amount of money accumulated in the Christmas Savings Club is transferred to regular savings accounts and, in a few instances, club members have purchased securities, but the number is so small as to be negligible. The only advantage that a special savings club has over regular savings is that of incentive.

"Our experience indicates that various schemes for inducing people to save are rarely worth their cost; that people who want to save money will do so and that about the most a bank can do is to consistently and continuously present the general proposition of thrift, together with such advantages as the particular bank offers."

## School Savings Means Work

Another bank, this one in South Dakota, speaks of its school savings club, saying, "We have such a club and it keeps three clerks, one in each bank in town, pretty busy during the school season. We do not think it is profitable, but on the contrary, a very expensive way to build up deposits."

The First National Bank of Omaha, is inclined to look with disfavor on special savings clubs. Officers of that bank feel that they are not profitable, although the institution accepts Christmas savings deposits,

but does not attempt active solicitation of such accounts.

## Says They Do Pay

Robert J. Izant, manager of the business extension department of the Central National Bank, of Cleveland, writing in a recent issue of the *Savings Bank Journal*, is firmly convinced that special savings clubs pay. He says:

"Special purpose savings clubs do pay. The experimental stage long since has passed. Time was, and not so long ago, when we considered the thrift club as a part of the advertising program. It was designed to bring folk into the bank. In this respect it was parallel to a department store's display window. It helped"

(Continued on page 79)

## What They Say:

"The special club plan is an adjunct of the regular savings account and its principal value is in the advertising of something different."—An Iowa Banker.

"In view of the fact that it stimulates regular saving, there is no question but that it is profitable in the long run."—A North Dakota banker.

"Our experience indicates that various schemes for inducing people to save are rarely worth their cost."—An Illinois banker.

"We do not favor the special savings club idea."—A Nebraska banker.

growing in membership every year, and while it is not directly profitable in itself, the result is that it stimulates and furnishes a feeder for our Savings Department, and in view of the further fact that it stimulates a habit of regular savings, we think there is no question but that it is profitable in the long run."

## Differs in Incentive

One of the larger banks of the middle west brings out this idea:

"The Christmas Savings Club is the only one we have ever attempted to operate and that only after there was a considerable demand for it. Specifically there is no profit in the Club, nor do we believe there is a profit in travel or vacation clubs, though the latter is merely

*Northwestern Banker* December 1927

# NEWS AND VIEWS

## OF THE BANKING WORLD

By Clifford De Puy

J. M. Dinwiddie, president of the Cedar Rapids Savings Bank and Trust Company, sends us the following interesting paragraph: "A leading daily paper in Houston during the bankers' convention there had the following significant two-line heading in big type: 'Bankers Got Down to Business. Two People Shot Last Night.'

"The hotels, not to be outdone, and believing the public needed some warning to look out for the bankers, sent out a card containing the following: 'The traveling public is warned to avoid Houston, Oct. 23, 24 and 25, on account of bankers' convention—there will be many bankers here.'"

C. Howard Wolfe, cashier of the Philadelphia-Girard National Bank, has been elected president of the clearing house section of the American Bankers' Association. Mr. Wolfe's activities in this section of the Association are well known to bankers throughout the United States, and his election was in recognition of the fine work he has done.

Mr. Wolfe was a member of the preliminary organization committee of the Federal Reserve Board, in which connection he prepared and organized the gold settlement fund at Washington and made the first two clearings in that city.

Rudolph Hecht, president of the Hibernia Bank and Trust Company, New Orleans, greatly increased his popularity on the Falltonic trip because of the delightful entertainment furnished in the beautiful Japanese tea garden of his summer home at Pass Christian. Mr. and Mrs. Hecht were unanimously voted the perfect host and hostess.

Evans Woollen, president of the Fletcher Savings and Trust Company of Indianapolis, gave the report of the economic policy commission at the Houston convention, which had to do with a plan for reducing bank failures.

"The bank failure situation can be corrected in part," said Mr. Wollen, "by increased capital requirement and more completely by the limitation of new charters to the needs of the community for additional banks.

"In the supremely important matter of safety, the recent record of the American system of independent unit banking, has been conspicuously satisfactory."

Independent initiative and independent

Northwestern Banker December 1927

thought in every line of endeavor in the United States, have helped to make this nation what it is today, and this certainly applies to the banking business. The bankers of America have been forward-looking and forward-thinking, and it is due to them in no small degree that American business has made the rapid strides it has during the last half century.

A. P. Gianinni, chairman of the advisory committee of the Bank of Italy of San Francisco, in an interview with newspaper men at Houston, said that bankers "play too much golf." He does not see how bankers can spend half their time on the golf links and still make a success of their institutions.

Both sides of this question are thoroughly discussed in this issue of the NORTHWESTERN BANKER.

Personally, I think that there is a happy medium which bankers should follow in their golfing activities, which will help to give them a sufficient amount of exercise which in turn will help to keep them in better physical trim and thus make them better and more successful bankers.

Craig B. Hazlewood, vice president of the Union Trust Company of Chicago, tells us this one: Tourist—Can you cash this check for me? Village Banker—I haven't that much but I'll take you over to the filling station and introduce you.

Comparing reports of such organizations as the American Bankers Association, the National Association of Credit Men, and others, it is estimated that during last year Americans were swindled out of one and a half million dollars, which represents an increase of fifty per cent over the losses of the previous year. The associations named above, with the help of the New York Stock Exchange and several other powerful bodies, are making an exhaustive investigation of the conditions leading to such an enormous annual loss.

The various forms of fraud entering the grand total are in reality "get rich quick" schemes.

It is to be hoped that eventually before investment in securities is made, investors will get the advice of reputable bankers or experienced business men and thus reduce this "million dollar swindle."

Two fashion notes that have recently come to our attention are as follows: "Women who wear Realsilk hosiery habitually," confides the manufacturer, have that mysterious poise which comes, of course, from knowing that they will pass without hesitation the most critical inspection." Someone has asked, "But why spoil the mystery?"

"Van Heusen may make better collars, but you can't beat Arrow for the beauty of the boys who wear theirs in the advertisements."

Basil I. Peterson, vice president of the Stock Yards National Bank of Chicago, who is quite a poet himself, has reprinted "The Master Stockman," by Alvin H. Sanders, and sent it out to his banker friends. The poem is as follows:

"With glad acclaim and bearing garlands  
bright and wreaths of bay  
We sing the glories of the fecund fields where  
herdsmen-shepherds, hold their gentle  
sway!

In pastures green, by running brooks; in  
bosky dells, in grassy nooks,  
The distant mellow jangling of sweet bells  
proclaim the peaceful paths  
Of lowing herds and fleecy flocks, the gifts  
supreme of husbandry!  
Blessed be the lands on which they graze!  
and blessed those who guide them on  
their ways.

Wielders of power that verges on the Infinite  
itself!  
Dreamers of dreams who live to see their  
dreams come true!  
Workers of miracles in a world that's all  
their own!  
Keepers of keys to life's most hidden mys-  
teries!  
Let kings and lords of lesser human realms  
make way,  
While all the nations from the depths of  
grateful hearts  
Unite to crown the master stockman master  
of the art of arts!

The American Association of Land Grant Colleges and Universities, has spent six months in an endeavor to work out some definite conclusions regarding emergency relief for the agricultural communities. They have come to the conclusion that no single relief act is equal to solving the problem.

Two of the main suggestions which this committee of economists and educators have made, are:

1. No further development of land for agricultural use and development of a far-sighted land policy.

2. Control of surplusses through adjustments in acreage and numbers of livestock. Withhold new lands from cultivation. Greater use of storage facilities. Sound marketing organizations and unified action in handling such parts of commodities as may prove burdensome as well as through favorable and sound types of legislation.

(Continued on page 89)

# "NO MORE *Guessing* ON CREDIT"

—*Say Nebraska Bankers*

**A**PPROVED by the Comptroller of Currency in Washington and by the Nebraska Banking Department, sanctioned by the American Bankers' Association, and receiving the hearty endorsement of leading banking officials throughout the country, the First Nebraska Bankers' Credit Clearing House Association has started its existence with the backing of practically the entire banking fraternity. Most of the details necessary to its operation have all been worked out, and the Association is now functioning smoothly toward the beneficial results which its members know they will obtain.

## Is 'Father' of Plan

Dan V. Stephens, president of the Fremont State Bank at Fremont, Nebraska, might well be called father of this Credit Clearing House plan, for it has been largely through his untiring efforts that its organization has been attained. Mr. Stephens is a member of the State Banking division of the American Bankers' Association, and it was through this connection that he first got his idea. A year ago the A. B. A. appointed a committee to investigate and make a study of the duplicate borrowers situation as it existed, and to suggest any plans for improvement at which it might arrive. The plan which Mr. Stephens was instrumental in inaugurating in Nebraska is the one offered by the A. B. A. Committee as the best remedy to offset the disastrous effects of duplicate borrowing and also to improve banking conditions generally. Mr. Stephens has recently met with the heads of banking departments of four different states, and their reaction was decidedly in favor of the plan, so much so that they are now taking steps toward its adoption under their own jurisdiction.

The First Nebraska Bankers' Credit Clearing House Association membership is composed of the banks of Dodge, Saunders, Washington, Douglas, and Sarpy counties, Nebraska. There are seventy-two banks in these five counties, the territory having been assigned by the Nebraska Commission of Trade and Commerce. As seventy-two banks make an average allotment for one examiner to handle, the territory included is practically perfect from an efficiency stand-

point. Fremont, in Dodge county, is centrally located in these five counties, and the headquarters for the association will be located in this city.

Mr. Stephens, in speaking of the objects to be attained, says:

"The object of such an association is primarily and briefly to protect the banks and the public from loss by promoting efficient banking.

"Clearing Houses ordinarily are for the clearance of checks and the transaction of ordinary business among the banks of a certain community. This is an ordinary function readily agreed upon by all banks and it is separate and distinct from the idea of a Credit Clearing House with an examiner as proposed in this plan."

There will of course be a great deal of detail work in the operation of an Association of this kind. As stated before, a central office will be maintained in Fremont, with a competent man in charge.

Each member bank has already sent into the headquarters office a complete list of all borrowers from his institution, together with the amounts of each loan. This information, from seventy-two banks, is properly indexed and filed. As can be imagined, there will at the start be



L. C. SORENSON



DAN V. STEPHENS

a number of duplicate borrowers, and it is quite likely some of the banks will get some eye-opening information.

The first thing to do will be to get these duplications adjusted. Then, after the operation of the Credit Association gets into full swing, every member bank will each week forward to the manager's office a complete list of all loans consummated the week previous, giving the names and addresses of the borrowers, and the amount of the loan.

## Will Give Complete Record

When a prospective borrower makes application for a loan, the bank immediately gets in touch with the Credit Association office. If the individual has money borrowed from any other bank in the Association, the card file will give a complete record, and the bank can act accordingly.

It is well to mention here that the manager of the Credit Association office accumulates information which has to do only with duplicate borrowers. His record tells only the number of banks from which any certain individual may have made loans. It has absolutely nothing to do with the credit rating of that individual, nor does the office make any effort to obtain such information. Such findings are up to the bank making the loan.

Another, and perhaps the most important, feature of the First Nebraska Bankers' Credit Clearing House Association, is the fact that the same examiner will have charge of the five counties in the Association, and will confine all his activities to the banks in that district alone.

(Continued on page 103)

*Northwestern Banker* December 1927



Left—Iowa farmers “go to school” and learn new facts about small grain raising. Right—The 1927 state corn husking championship at Gowrie, Iowa

## Iowa Land Buying Company Begins Actual Work

TWO men were seated in a day coach riding through Iowa. They were criticizing the state. Land values had become demoralized they said—the state was in bad shape—the farmers were bankrupt and nothing seemed to be really right with the greatest agricultural spot on the globe.

Back of these two “boosters” sat a man who believed in Iowa. He had been brought up in Iowa. He had been educated there. He had made his money there. The longer these two men in the front seat talked, the more he “boiled.” He knew that what they said was not the prevailing opinion of the citizens of Iowa. So when Burt J. Thompson, attorney of Forest City, alighted from the train in Des Moines he decided to do something to counteract the adverse opinions which these men had expressed about farm lands in the Hawkeye state.

Out of his desire to really accomplish something which would be constructive, Mr. Thompson has been instrumental in assisting in the organization plans of the Iowa Farms Corporation, which will have a capital of \$5,000,000, one million dollars of which will be raised in Iowa and \$4,000,000 in the East. This corporation proposes to buy and operate hundreds of acres of good Iowa farm land, which can now be purchased at the present low prices.

Many of the most influential business men of the state are back of this movement. These men believe that it is a real opportunity for those interested in the future welfare of Iowa to become stockholders in this corporation, which can do more than any individual could, to stabilize land prices in the agricultural heart of America.

### Iowa Has Resources

Nothing that has transpired in the last five years has changed in any way the fertility of Iowa soil. The products which

these fertile farms produce are still in demand to help feed the world. Many men with keen business judgment are quietly buying farms here and there throughout the state, which can now be purchased at reasonable prices, knowing full well that the time will soon come when these same farms can be sold at a very fine profit.

“The greatest thing Iowa needs now,” according to Burt J. Thompson, who is the executive head of the Iowa Farms Corporation, “is a cheer-leader; someone who will organize the grandstand so that it will cheer in unison for its own home team. This is exactly what the Iowa Farms Corporation intends to do, and is doing.”

The market price of any product is established by the demand for that product. With a greater demand for Iowa farms will come a better price for these farms and thus benefit every farm owner in the state.

The Iowa Farms Corporation movement is for the benefit of all the state, and not for a few individuals. The claim that this organization is to benefit the rich is absurd, because if a better market is created for Iowa farm lands it will help those in distress by making it possible for them to either hold on to the farm they have or to sell them and save *something*. This cannot be accomplished if no market is created for Iowa farms at any price.

Good tenants will also be benefited because the Iowa Farms Corporation will be able to sell them farms if they make a small down payment and pay the balance over a long period of time at a low rate of interest.

The real beginning of the organization was made last month at a special meeting of business men from all parts of Iowa, held in Des Moines. At this meeting several leading financiers pledge contributions of several thousand dollars as “expense” money, to form the skeleton of an

organization through which it is proposed to sell, first of all, a million dollars worth of stock among Iowa business men, as their pledge of faith in the proposition. Later it is planned to market the remaining four million dollars worth of stock in the East.

Getting back to fundamentals for a moment, the primary object of the proposed farm corporation, to buy up and operate Iowa farm land, is to secure a safe and profitable investment to those who purchase its stock. It is in no sense a charitable enterprise, nor is it intended to relieve any bank or business of the burden of carrying on their books any excess land holdings. Its advocates are thoroughly confident that it will create a renewed and much needed confidence in Iowa business, banks, mercantile establishments, factories and normal investments, and that it will have a beneficent effect on the psychology of Iowa people as a whole. The latter effect has already been noticed, several bankers reporting increased land sales in their communities a few days following the Des Moines meeting of the corporation’s organizers.

The organizers contend that Iowa farm land always has and always will be a safe and secure type of investment. Based on present low prices they contend it is even more than that. What is needed, they say, is some tangible evidence, to the world at large, that Iowa business men have sufficient confidence in Iowa’s resources, and fertility of land, to invest their own money in Iowa land. The proposed corporation is their answer to this challenge.

### Will It Be Profitable?

They ask and answer these questions: First, is there any sound basis for a belief in a general advance in farm land values? Yes, there is national agitation for legislation that will benefit agriculture. Ultimately this will succeed, it will

benefit agriculture and land values should respond to this stimulant.

Second, is farm overhead decreasing so that increased profit is made possible? Yes, there is a constant increase in farm efficiency, methods of production, in machinery, power and tools. Cost of production is therefore being constantly lessened.

Third, has the intrinsic value of Iowa farm land been decreased during the past few years of depression? No, not at all. Iowa has the same climate, same fertility, freedom from crop failure, the same soil, and still ranks at the top of the farm states in America in wealth per capita, value of farm lands, value of farm products, value of live stock, value of catt'e and hogs and proportionate amount of tillable soil.

As stated before, it is proposed to capitalize the corporation at five million dollars, one million of which will be subscribed in Iowa, the other four million among outside investors. There is to be no sales promotion expense, since its organizers are determined to make it as clean a business proposition as was ever conceived. Already a group of interested Iowa business men have divided Iowa into a dozen territorial units, will hold meetings in each area and secure the stock subscriptions of each area in that way. The larger cities will be asked to subscribe according to their size, Des Moines' quota being around a quarter of a million, etc.

The following list of Iowa business men have been named to head the organization's activities: Burt J. Thompson, attorney, Forest City, chairman; C. H. McNider, president First National Bank, Mason City; Frederick C. Hubbell, capitalist, Des Moines; C. E. Perkins, director C., B. & Q. Ry., Burlington; F. F. Everest, president First National Bank, Council Bluffs; Clyde E. Brenton, vice president Iowa National Bank, Des Moines; L. H. Henry, vice president First National Bank, Sioux City; Col. G. W. French, manufacturer, Davenport; E. W. Miller, president Commercial National Bank, Waterloo; Glenn M. Averill, president

#### IOWA'S GOVERNOR SAYS:

"There are no impoverished sections within the borders of Iowa. The universal attractiveness of her landscape is unexcelled. Her productive resources are marvelous. Her citizenship is distinguished by the lowest percentage of illiteracy of any state in the Union. The state is situated in the center of the greatest agricultural area on the globe, which has become a matter of world-wide recognition.

"I believe it is no exaggeration to claim that the best farming portions of all the surrounding states are located opposite the boundaries of Iowa.

"With the natural conditions as they are, Iowa's real estate cannot help but be of real value. Land is about the only asset that produces any new wealth at the present time. In my judgment the lands of Iowa are worth much more and will bring returns on a much higher valuation than they are now selling for. We need faith in our lands.

"This corporation in my judgment will be a sustaining influence in returning confidence to Iowa and thus stabilize her land values. I have faith in Iowa lands, in the men who are back of this corporation and believe they are moved by motives that are of the highest order and in the interest of the people of our State."

Cedar Rapids National Bank, Cedar Rapids; Herbert Horton, secretary for committee, vice president Des Moines National Bank, Des Moines; H. H. Stipp, attorney for committee, Des Moines.

#### What They Say

Just how does the representative business man of Iowa feel toward the purposes and probable effect of the organization and functioning of such a corporation? In an effort to ascertain this, the NORTHWESTERN BANKER has compiled statements from a number of leading Hawkeye financiers. Almost without exception they say, "Yes, it is a splendid idea, a practical one and we will back it with our money."

Some individual comment follows:

"The plan for the Iowa Land Corporation," says Charles H. McNider, Mason City banker, "is to raise in Iowa the sum of \$1,000,000 as evidence of our faith in our own state and then proceed to go East and borrow the remaining \$4,000,000 and after that to go into the communities and pick up the land that is forced on the market on which the prices that banks and others have been realizing on them have absolutely demoralized farm land values.

"We believe this sort of proposition, whether it takes more form than the effort or not, is going to be a wonderful thing psychologically for the state. We already see some results from the agitation and if the company can be put forward and some investments made, in my judgment Iowa will come back to her own farm values in very short order.

"I believe in this entirely. I have been buying a considerable number of farms myself for my personal use, which are not for sale and which I regard simply as good an investment as I could make."

#### Will Stabilize Values

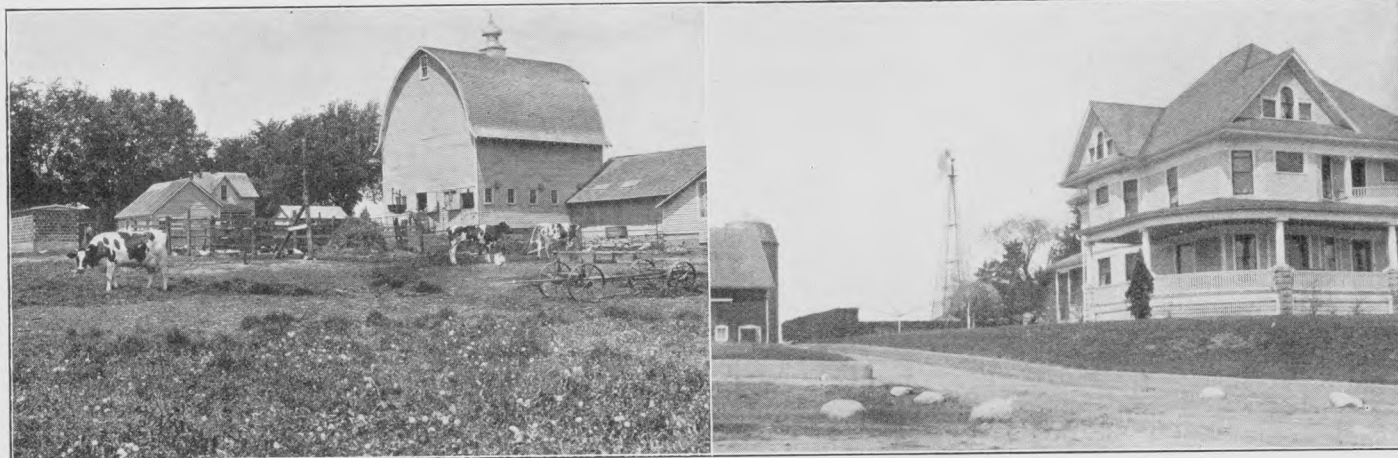
Says T. A. Murphy, assistant treasurer of the Merchants Life Insurance Company, Des Moines:

"The amount of money to be invested by the proposed five million dollar corporation will not have any appreciable affect upon land values in the state, but the fact that men of judgment, intelligence and financial means are willing to back their judgment with their dollars to buy even a small number of farms will be of immense help in stabilizing land values.

"There is no logical reasoning that will show the value of Iowa farms, based upon their productive returns, to be less at this time than they were in 1917, but the attitude of a great many people is that they are not worth anything like what they were at that time.

"There are tenants who have saved some money in the last few years, retired farmers with some means, and speculators without number, all sitting around like vultures, waiting for the time when some farm that is in distress to be thrown on the market at a price way below its value; then they are willing to buy. One of the worst features of the present slump in land values is that there does not seem to be any one who has a definite idea of the value of farms, and the people who would be willing to invest their money in these farms are waiting for the bottom price and do not recognize the bottom price when it has arrived.

"I believe the plans, as outlined, for the



Above—Two typical Iowa homesteads with new and comfortable buildings

establishment of this five million dollar corporation is an excellent one and will result in stabilizing and improving to a considerable extent the sale value of Iowa farms. The productive value of the land is just as good now as it was from 1913 to 1917 and there is no reason why farms should not sell for as good a price as they did during that period, which was before the so-called boom."

### Bargains Await Buyers

Frank C. Waples, president of the Midland Mortgage Co. of Cedar Rapids, a past president of the Mortgage Bankers Association of America, says:

"I think that Iowa farm land or mid-western farm land today can be bought at less prices than it will be bought in many

years to come and that it is a distinct bargain at today's prices, and that money can be made by the purchase of such land and the holding of it, in the meantime farming it from an intelligent standpoint that will keep up the fertility of the soil.

"Such farms in the future, I believe, will bring considerable more money than they can be bought for today, and I am satisfied  
(Continued on page 55)

## Reveals Plans for New Merger

**P**LANS for the consolidation of the Chicago Trust Company and the National Bank of Commerce under the name of the Chicago Trust Company, with total resources of about \$44,000,000, deposits of \$36,000,000, and surplus and undivided profits of about \$2,300,000, have been disclosed by Lucius Teter, president of the Chicago Trust Company. The business of the combined organizations will be carried on from the Chicago Trust's location, Monroe and Clark Streets. The merger becomes effective December 1.

As a part of the merger plan, the stock of the Chicago Trust Company will be increased from \$2,000,000 to \$2,400,000, the increased capital being used for an exchange of one-half share of Chicago Trust for each share of National Bank of Commerce stock. Stockholders of the latter institution also will receive approximately \$50 a share in cash for each share they hold.

### Absorbs Commerce Trust Bank

The stock of the Commerce Trust and Savings Bank, located in the South Water market, which formerly had been held in trust for the benefit of stockholders of the National Bank of Commerce, will also be distributed simultaneously with the closing of the merger on the basis of one-quarter share for one. The quarter share at present market has a value of \$37.50. In the future that institution will operate separately as an independent bank.

Stockholders of the Chicago Trust Company will meet December 20 to confirm the action of directors of that bank.

"The fundamental reason for the consolidation," said Mr. Teter, "is based on the desire on the part of the directors and officers of the National Bank of Commerce to secure a fuller and more complete banking service for their customers than they alone were able to give."

### Wagner Becomes Vice President

Edwin L. Wagner, president of the National Bank of Commerce, will become a vice president and director of Chicago Trust Company. Charles W. Higley, one of the incorporators, and a member of the board of directors of the Commerce bank, also will become a director of the Chi-

cago Trust Company. Ralph N. Ballou, vice president and cashier, and H. B. Ahrensfield, assistant cashier of the National Bank of Commerce, will become vice president and assistant cashier, respectively, of the Chicago Trust Company. The entire remaining staff of the Commerce Bank will also be affiliated with the Chicago Trust Company.

The National Bank of Commerce in Chicago was organized in the fall of 1907 as the National Produce Bank of Chicago and opened for business at the corner of

tal was again increased from \$500,000 to \$600,000, and on May 25, 1926, the capital was increased from \$600,000 to \$800,000. In 1918 it moved from the Ogden building to the Ashland block, located at the northeast corner of Clark and Randolph Streets, where the business has steadily increased to total deposits of about \$6,000,000.

### Organized Outlying Banks

Edwin L. Wagner, its president, and one of its original incorporators, previously to the organization of the National Bank of Commerce, was assistant cashier of the old American Trust and Savings Bank, later merged with the Continental and Commercial Bank. Ralph N. Ballou, vice president of the Commerce Bank, and also one of its incorporators, during the past twenty years, has been prominently identified with Mr. Wagner in the organization of a large number of outlying banks, many of which have grown to positions of dominance in their territories.

Chicago Trust Company opened its doors for business May 1, 1902, as the Chicago Savings Bank, with a capital of \$250,000. In 1904 the bank changed its name to Chicago Savings Bank and Trust Company and its capital was increased from \$250,000 to \$500,000. The full credit loan functions of a commercial banking organization were assumed in 1907. The capital was again doubled in 1911 to \$1,000,000. In 1919 the corporate name was changed to its final form, "Chicago Trust Company," and two years later the capital was increased to \$1,500,000.

During 1905 it moved to a location on the southwest corner of State and Madison Streets. Here it built itself into Chicago's history and remained until early in the fall of 1923, when it moved into its present quarters, southeast corner of Monroe and Clark Streets, with deposits of \$15,976,386.79 and total resources of \$20,066,855.23. Its deposits at the time of the last bank call, October 10, 1927, were \$27,904,282.52, and its resources \$34,267,149.60. Lucius Teter was one of the organizers of the bank and became its president in January, 1908, which office he continues to hold.



LUCIUS TETER

Clark and Lake Streets with a capital of \$250,000 and surplus of \$50,000. The bank shortly afterwards moved from temporary offices on the North side of Lake Street to the Ogden building at the southwest corner of Clark and Lake Streets, where it remained for ten years and in the interim increased its capital from \$250,000 to \$300,000 with a stock increase of 20 per cent.

On October 19, 1917, the bank increased its capital from \$300,000 to \$500,000, and on November 12, 1919, the capi-





## THE INVESTMENT BANKING HOUSE OF SERVICE

*You Must Have Been Impressed!*

**Y**OU, the officers of the banking institutions in this territory, must have been impressed—as we in the investment business are—with the changes that have, in the past several years, occurred in the field of selling and buying investment securities.

This development is reflected, not only in the large increase in the volume of sound securities purchased and owned by your banks, but more strikingly in the changed attitude of the average American Citizen toward investment securities and their relation to his financial success.

With this development has come a definite responsibility to the banks. Investors and future investors—look to your bank for

DEPENDABLE SECURITIES

and

INTELLIGENT COUNSEL

In meeting this important situation the bank clients of The White-Phillips Company have had the advantage of a service which has gained for this institution the name of "The Investment Banking House of Service."

This service includes not only a diversified list of sound securities but also quotations and information service—individual investment analysis of the holdings of banks and investors, and definite co-operation between the issuing house and the banks, extended by alert and experienced representatives of this company.

Let us explain our service to YOU.

*The* **WHITE PHILLIPS COMPANY**  
INVESTMENT BANKERS  
DAVENPORT—IOWA

DES MOINES—DUBUQUE—CHICAGO—OMAHA

*Northwestern Banker* December 1927



# LEADERSHIP

*in Banking*

## MEANS—

1. *Knowledge*
2. *Accuracy*
3. *Promptness*
4. *Resourcefulness*

—these important factors, together with courtesy and efficiency, have made *The Omaha National Bank* known as the institution where your banking service is both complete and satisfactory.



# THE OMAHA NATIONAL BANK

*WALTER W. HEAD, President*

OMAHA, NEBRASKA

# HERE *and* THERE in NEBRASKA

*As seen from an editorial trip  
through the Cornhusker state*

By *H. H. HAYNES*

*Associate Manager  
NORTHWESTERN BANKER*

WITH a bumper wheat crop to its credit, with corn in most cases running well above the average yield, and with winter wheat going into the cold weather in excellent condition, Nebraska bankers this year have every reason to feel optimistic, and they do. From Fremont down through the Platte River Valley to Lexington, and back through Minden, Hastings, Lincoln, and Nebraska City, everyone is happy.

It has been during recent years that the fertile land on the Platte River bottoms came under cultivation. For many years it was covered with acre after acre of wild hay, and had never felt the plow. There is still some wild hay left here and there, but for the most part corn and small grains now contribute from this valley their share of the state's vast wealth.

The banks of **Fremont** all report conditions as being excellent, with plenty of money on hand to take care of all legitimate loans. The same report comes from Schuyler. Colfax county, in which Schuyler is located, will feed considerable livestock this winter.

**Chas. C. McEndree**, president of the Farmers State Bank at Central City, reports conditions in that vicinity as being in fine shape. He feels that crops and livestock, if prices hold up to what they should, will pay farmers a nice profit this year. The Farmers State, under careful management during the past several years of inflation, has come through the period of depression with flying colors. Mr. McEndree says his institution is considering nationalization in the near future.

The corn around **Columbus** is husking out about fifty bushels to the acre, and good farm land selling from \$185 to \$225 per acre, according to **William Bucher**, president of the Farmers State Bank of that city. The Farmers State is comparatively a new institution, as banks go, being organized but ten years ago. It is peculiar to note that the days after the bank opened in 1917, a call was issued, and the assets of the Farmers State were listed on this first report at \$60,000. Today the bank has assets of \$1,060,000, just a million more than it had ten years ago.

There are but four stockholders in the Farmers State, and Mr. Bucher owns

the majority of the stock. He also is the owner of several thousand acres of excellent farm land near Columbus, besides other business interests in the city.

The banks of Columbus, of which there are five, have combined deposits of more than eight million dollars.

**I. B. Alter**, president of the First National Bank of Grand Island, in commenting on the business outlook in that vicinity says:

"Conditions in this territory are excellent, especially from the farm standpoint. We had a big corn crop, and there will be more cattle fed here this coming winter than for many years past. Our short crop for several years past has cleaned most of the cattle out of the country, and I look for cattle prices to hold up well for the next three or four years, as it will take about that long for the farms to become restocked to a normal basis. While most banks are carrying considerable cash, I believe the

cattle financing demand will absorb a large part of our surplus funds."

Bankers of **Hastings** report the outlook as very favorable. There is not quite so much cattle feeding in the Hastings territory as there is farther north, but the bankers there do not anticipate having any trouble in placing their surplus funds locally.

Other Grand Island banks also make favorable reports. **A. J. Guendel**, president of the Nebraska State Bank, is quite optimistic. He heads one of the fastest growing banks in Nebraska, and while his increase in business has been secured through no unusual methods, it is nevertheless a substantial and steadily-growing institution. The use of direct mail letters has been the Nebraska state's biggest business getter, soliciting deposits through their conservative policy. The slogan of the bank is "A Conservative Bank for Conservative People."

## Hold Harvest Party



Members of the Fellowship Club, Guardian National Bank of Chicago, at their "Harvest" party

THE Fellowship Club of the Guardian National Bank of Chicago, consisting of employees, held a harvest and Halloween party in the main banking room recently, at which the officers and directors were guests.

The room was artistically decorated in keeping with the season. Dinner was served in an adjoining room, followed by entertainment. Everyone there reported a thoroughly enjoyable time, and the employees were voted real hosts.

*Northwestern Banker* December 1927

With a bumper crop this year, and if prices are at all favorable, farmers this year should realize a good profit, is the opinion of **Elmer Williams**, president of the Commercial State Bank. Mr. Williams also reports plenty of cash on hand, with some cattle financing.

**J. H. Lohmann**, cashier of the Nebraska National at Hastings, says that his institution has plenty of money, and that they are financing a few cattle. He contrasts this year to last, when it was necessary to ship in corn for feed. Now there is an abundance.

Deposits are making a steady and con-

sistent gain at the First National according to **A. D. Marvel**, vice president of that institution. Conditions this year are much better than last, and good farm land is selling around \$125 to \$150 per acre.

"Farmers are showing an inclination to pay off their debts," stated **O. A. Riley**, cashier of the State Bank of Hastings. "It is natural that they should, for we had wonderful crops in this section this year. There is going to be some money made in livestock this coming winter and spring, but there is not as much cattle feeding in this part of the state as other localities. Feeding here mostly runs to hogs, which, of course, are more

liquid as far as assets are concerned than cattle."

"Our deposits are holding steady, and we have a nice local demand for money which we can easily meet. We, of course, buy bonds with a part of our surplus fund."

**L. P. Sornson**, president of the City State Bank at Sutton, reports but few cattle in his territory, but says there are more coming in every day. They had an exceptional wheat crop this year, and the fall planting is looking good. Money in the vicinity of Sutton is easy, and what funds are not absorbed locally the City State is investing in bonds.

Business conditions in the vicinity of Grafton are good, states **Thomas N. Burke**, president of the Grafton State Bank. Mr. Burke enjoys the reputation of being one of the shrewdest bond buyers in the state when it comes to the investment of his surplus funds. His bank, as are the other banks in Fillmore county, has reduced the interest rates on time and savings deposits to three per cent, which gives him a chance to make some profit. The Grafton State pays one per cent on demand deposits for six months, and two per cent on demand deposits for one year.

"Farm land is not moving very rapidly here in York county," said **J. R. McCloud**, cashier of the First National Bank of York. "Farm conditions, however, are excellent, and the corn here will easily average more than forty bushels to the acre. There are a few cattle being fed, but the most of this corn crop will go into hogs. In any event, we have plenty of money to finance our farmers, and for any other worthy business enterprise.

**Bankers of Nebraska City** also report everything moving in nice shape. The soil and climate around Nebraska City seems to be especially adapted to horticulture, and here are located acre after acre of orchards, all contributing in no small measure to the wealth of Otoe county. Many carloads of apples are shipped from this section every season.

The outlook visioned by these several bankers might be considered a cross-section of conditions as they exist generally throughout Nebraska. Things are booming, but there is no inflation. The fact that there is plenty of ready money everywhere is not going to anyone's head. While it is true that conditions are much more prosperous than they have been for several years past, it is a stabilized prosperity, and a condition that has come to stay. As one banker puts it, "Crops are good; prices are fair, and everyone is happy."



## A dividend record uninterrupted for 47 years

**T**HROUGH almost a complete half century, *A. T. & T.* and its predecessor have paid dividends regularly. Its earnings—increasing each year—provide an ample margin of safety above dividend requirements, thus increasing the stockholder's equity.

*Vital facts for investors to know about A. T. & T.:*

Bell System service has ever kept pace with the nation's development. ☐ Its management is far-sighted, conservative, and yet progressive. ☐ Its laboratories employ 3,500 trained workers, searching for means to bring the nation's telephone service nearer to perfection. ☐ Its plant investment of \$3,000,000,000 includes telephone and central office equipment costing over \$1,000,000,000, over 54,000,000 miles of wire, 16,000,000 poles and 2,000 owned buildings. ☐ A. T. & T. owns over 91% of the combined common stocks of the operating companies of the Bell System. ☐ Its stock can be bought in the open market to secure a good return. Write for booklet, "Some Financial Facts."

### BELL TELEPHONE SECURITIES CO. Inc.

195 Broadway



New York City

**T**HE year of 1928 will mark the fifty-eighth anniversary of the American Commercial and Savings Bank.

Since 1869 this institution has been serving a constantly expanding territory and has maintained a record of personal service and loyalty to customers and correspondent banks.

The years have brought many friends and a wonderful growth.

The past year saw with the merging of the American Commercial and Savings Bank and its neighbor the Iowa National Bank, the realization of an ideal long possessed by the officers of this institution.

There has been created—Davenport and Iowa's largest bank with total resources of over \$30,000,000.00 and an official organization known throughout this great territory for their knowledge, experience and spirit of cooperation.

Today—as was true yesterday and will be even more true tomorrow—we are anxious to serve you.

*Capital \$1,500,000.00*

*Surplus and Profits \$1,500,000.00*



**OFFICERS**

ED. KAUFMANN.....President  
 RAY NYEMASTER.....Vice Pres.  
 H. P. OETZMANN.....Vice Pres.  
 FRANK B. YETTER.....Vice Pres.  
 LOUIS G. BEIN.....Cashier  
 F. C. KROEGER.....Assist. Cashier  
 F. A. JOHNSON.....Assist. Cashier  
 J. D. BROCKMANN...Assist. Cashier  
 A. H. HIEGEL.....Assist. Cashier  
 HERMAN STAAK.....Assist. Cashier

# AMERICAN COMMERCIAL *and* SAVINGS BANK DAVENPORT IOWA

*Northwestern Banker December 1927*



## A Specialized Service

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

**THE FIRST NATIONAL BANK OF CHICAGO**

and

**THE FIRST TRUST and SAVINGS BANK**

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

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

Combined Resources  
Exceed \$450,000,000

# Personal Paragraphs

Lucius Teter, President of Chicago Trust Company, spoke before the Chicago Mortgage Bankers' Association recently at the Union League Club, Chicago, using as his subject, "The Attitude and Relationship of Banking Institutions Toward the Real Estate Mortgage Field."

Announcement is made of the election of Walter L. Dunham as president, and James H. Doherty as vice president, of the Detroit Savings Bank. Until recently Mr. Dunham held the office of vice president of the First National Bank of Detroit.

Francis H. Sisson, vice president of the Guaranty Trust Company, New York, said in a recent address concerning future business, that the outlook is for the continuance of trade and industry at a rate comparable with that of the early part of this year.

Leroy A. Goddard, chairman of the board of the State Bank of Chicago, has been elected vice president of the Chicago Clearing House Association to fill the vacancy caused by the death of Ralph Van Vechten.

Eugene M. Stevens, president of the Illinois Merchants Trust Company, was elected a member of the clearing house committee to fill the vacancy caused by the death of John J. Mitchell.

W. B. Geery, governor, and John R.

Mitchell reserve agent, of the Minneapolis Federal Reserve Bank, returned recently from Washington where they were in attendance upon the conference of governors and reserve agents with the Federal Reserve Board.

A. E. Phipps, Toronto, general manager of the Imperial Bank of Canada, was recently elected president of the Canadian Bankers' Association, succeeding C. E. Neill, who retires after two years' occupancy of the chair.

Charles F. Pfister, prominent Wisconsin banker, died recently at the home of his daughter in Milwaukee. Mr. Pfister was a director of the First Wisconsin National in Milwaukee, as well as one of the bank's largest stockholders.

A great character, founded on the living rock of principle, is, in fact, not a solitary phenomenon, to be at once perceived, limited, and described. It is a dispensation of Providence, designed to have, not only an immediate, but a continuous, progressive, and never-ending agency.—Everett.

The philosopher is the lover of wisdom and truth. To be a sage, is to avoid the senseless and the depraved. The philosopher therefore should live only among philosophers.—Voltaire.

In general, pride is at the bottom of all great mistakes.—Ruskin.

## Lawrence Stern and Company

231 South La Salle Street · Chicago

### BOARD OF DIRECTORS

WILLIAM WRIGLEY, JR., Chairman of the Board of William Wrigley Jr. Company

ALBERT D. LASKER, Chairman of the Board of Lord & Thomas and Logan

STUYVESANT PEABODY, President of Peabody Coal Company

CHARLES A. McCULLOCH, President of The Parmelee Company

JOHN HERTZ, Chairman of the Board of Yellow Truck & Coach Manufacturing Co.

HERBERT L. STERN, President of Balaban & Katz Corporation

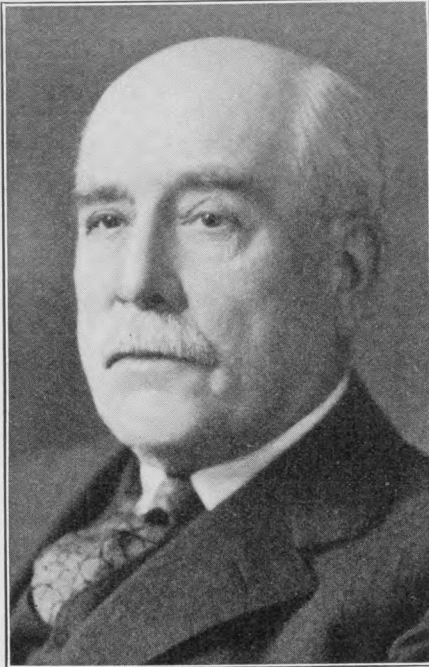
ALFRED ETTLINGER, Vice President

JOSEPH J. RICE, Vice President

LAWRENCE STERN, President

This company conducts a general securities business, originating and participating in high-grade investment issues

# Death of John J. Mitchell



JOHN J. MITCHELL  
Nov. 1853—Oct. 1927

THE business world suffered a tremendous loss last month in the accidental death of John J. Mitchell, chairman of the board of the Illinois Merchants' Trust Company of Chicago, who was killed, together with his wife, when their automobile turned over near Libertyville, Ill., for Mr. Mitchell was an international figure in the financial world.

His career was a romance in itself. Most of his boyhood was spent in Alton, Ill., and he became assistant cashier of the Illinois Trust and Savings Bank in 1878. An institution with half a million dollars capital, and a small office, it became financially embarrassed, and only through an intelligent plan of refinancing, produced from Mr. Mitchell's fertile mind, was the institution preserved. Two years later in recognition of his plan, he was made president.

The history of Mr. Mitchell's rise in the banking world during later years is a matter of history.

A building of its own was erected in 1897. A consolidation was effected in 1923. The Illinois Trust and Savings Bank, the Merchants Loan and Trust Company, and the Corn Exchange National Bank were united into the Illinois Merchants Trust Company. Growth continued, and the bank today represents nearly a billion dollars of wealth, in point of capital invested, savings and commercial deposits held and trust funds in its charge. It has the largest savings deposits of any bank west of New York and is

one of the imposing financial institutions of the United States.

In the panic of 1893 Mr. Mitchell got his first test under fire. The failure of a bank in Milwaukee of which the president was a John Mitchell, who had no relationship or other connection with the Chicago banker, engendered a heavy run on Illinois Trust and Savings Bank. John J. Mitchell laid down the policy that every demand should be met and only after paying out nearly a million dollars to depositors carried his bank through the crisis.

In 1907 another panic came, and this time he sat in the councils of the greatest monetary powers in the country, to carry

the banks and their customers through the emergency. In 1913 when the federal reserve system was being formulated John J. Mitchell was consulted by the Washington administration, as to the theories and policies upon which the banking scheme would be established. When the reserve system was firmly established he was called upon to assist in its guidance. He was a member of the advisory council of the system and for a time represented the middle west in the deliberations with the federal reserve board.

Mr. Mitchell sat on the directorates of big corporations, with long lives behind them and conservative managements directing them. These included the Pullman Company, the Commonwealth Edison Company, the International Harvester Company, the Pittsburgh, Fort Wayne



## Personal Service

OUR wide facilities, not only here, but in more than 100 foreign countries, make this an ideal connection for you—one characterized by the personal note which is never lacking at this friendly big bank.

**The Foreman National Bank**  
**The Foreman Trust and Savings Bank**

La Salle and Washington Streets, Chicago

RESOURCES EXCEED 100 MILLION DOLLARS

& Chicago Railway, the Illinois Bell Telephone Company, the Peoples Gas Light and Coke Company, the Chase National Bank of New York, and also the Chicago & Alton Railway Company. He was a trustee and member of the advisory committee of the American Surety Company and a trustee of the Mutual Life Insurance Company. His civic interest was represented by his association with the Chicago Civic Opera Company and the Art Institute of Chicago.

#### Wanted to Retire

For some years Mr. Mitchell had the ambition to retire from active business

but his associates and friends would not permit it. At the time of the consolidation of his bank with two others he was preparing to relinquish active management of the enlarged institution. The man selected for president, Edmund D. Hulbert, died and Mr. Mitchell was pressed back into service. He served as president until early this year when Ernest A. Hamill, chairman of the board, also passed to the great beyond.

Mr. Mitchell seized the opportunity and turned active direction of the bank over to Eugene M. Stevens, who became president last February, and Mr. Mitchell was made chairman of the board. He was guiding Mr. Stevens through his early responsibilities when he became seriously ill. His clean and active life carried him through, however, and he returned to the bank to

again take up the reins. His family and friends importuned him, however, and in the last four months he had been gradually freeing himself of all detail so that he first might have more leisure and that the organization of the bank might be adjusted to just such a contingency as occurred. Mr. Mitchell wanted his business house in order.

#### ARE WE PLAYING TOO MUCH GOLF?

(Continued from page 15)

to year. However, it seems to me it would take a genius or a juggler to maintain a fair standard of living, pay the going prices for farm machinery and equipment and guess at all accurately on what his lot will be a year hence.

"I believe that a reasonable amount of

## We Appreciate Our Friends

*Who had faith in  
South Dakota*



Though they have gone through many trying days during the past few years, South Dakota banks never once lost faith in their ability to "come back" quickly with a return of normal conditions.

#### NOTE THE FOLLOWING:

With more normal conditions prevailing now, including a normal crop:

1. Bank deposits have already increased \$17,000,000 (Oct. 10), or an average of \$40,000 per bank.
2. Further increases are yet to come in the big corn and hog territory of South Dakota during the winter and early spring months.
3. Banks uniformly have a greatly improved reserve condition, and generally are diversifying their loans by carrying secondary reserves in bonds.
4. There will be a great decrease in the delinquent tax list.
5. While farmers as a whole do not have much immediate working capital left after reducing their bills payable, yet—
6. They are optimistic for the future, in that there is a lively demand for farms and as a whole the improved farms have been taken by tenants for next season.
7. Banks are more uniformly charging for services rendered, charging on unprofitable checking accounts and sticking more closely to banking lines, and—
8. Bank patrons are generally taking more kindly to these changes in banking practices.

*All the foregoing imply a return of  
public confidence.*

**South Dakota Has Faith  
in Herself**



**South Dakota Bankers Assn.  
Huron, S. Dak.**

#### SHORT TERM INVESTMENTS FOR BANKS



**UR** *short term  
obligations have been pur-  
chased by more than 5,000  
banks in the United States.*



## GENERAL MOTORS ACCEPTANCE CORPORATION

*Executive Office • 250 WEST 57<sup>TH</sup> ST. • New York City*

*Capital, Surplus & Undivided  
Profits • \$50,626,000*



recreation is one of the essentials of a well rounded out, well balanced career, and know there will be some who spend more time at this than they should, and others spend less than they should, but do not believe the golf course should be criticized for folks going to either extreme.

"I also believe that stabilization of agricultural prices within a reasonable range will go a long ways toward correcting agricultural troubles, and believe we are only side stepping the question when we talk about the farmers not working."

**"Mr. Giannini Is Right!"**

W. Z. Sharp, president of the Security

National Bank of Sioux Falls, fee's that the California banker is right in his views. He says:

"I think the farmer has to work out his own situation the same as any other business, as farming now is a business in itself. When a merchant gets into trouble, financially or otherwise, he has his own situation to work out. That is true of the banker, the grain man and all other lines of business.

"I think there is absolutely too much money spent on sports—not only money spent but time lost. We are overrun with football, base ball, golf, prize fights and wrestling matches. Compared with

twenty years ago we are spending fifteen to twenty times as much on the above mentioned sports. I think this is something for the more conservative people to think about and give a little attention to."

#### Some Play Very Necessary

"Just what do you mean by 'golf' " asks Walter W. Head, president of the Omaha National Bank, who goes on to say:

"In my judgment it all depends upon the use which is made of golf—using this term to cover a multitude of virtues and vices as the case may be. If golf means wholesale recreation, there is not too much of it. If golf means excessive dis-

## Your Bank's Problems Are Transferred to Us

It is our daily duty and pleasure to be of personal service to our correspondent banks and their customers. Every day we serve in some way . . . making some task easier for our patrons.

Our relationship with some banks has existed more than half a century. We have served our customers faithfully and have their confidence in return.



## A Complete Banking Service

We have every possible banking service in addition to our personal service. You may take advantage of every department. Our officers are always glad to welcome you as well as your business.

F. H. DAVIS  
President

# First National Bank of Omaha

C. T. KOUNTZE  
Vice President  
and Chairman



## CHICAGO TRUST COMPANY

# We Invite

banks and bankers with Chicago problems to make a connection with us.

Severe demands are a welcome test of a service which we think has something additional in care and exactness.

## CHICAGO TRUST COMPANY

Lucius Teter    John W. O'Leary  
President      Vice-President

CHICAGO

K-20

traction from more serious tasks of life, there is too much of it. Work, hard work, and plenty of it, is absolutely essential if a man is to achieve real success. On the other hand, work without play is very likely to result in inability to enjoy the fruits of success."

### Farmers Not "Overgolfed"

Lack of industry cannot be charged against the farmer, is the frank statement made by one of agriculture's staunchest defenders, J. M. Dinwiddie, president of the Cedar Rapids Savings Bank and Trust Company, who says pointedly:

"No doubt Mr. G. who wrote that or had that interview is a great financier, but he does not live with the Mid-west Farmer, nor come into close contact with him, hence, is hardly the person to speak for him. He is, in his way no doubt, a hard worker, but when he intimates that the farmer is not, or that that is about all he needs in the way of relief, he simply expresses the average opinion of the over-rich. If the farmer can live long enough to overcome his almost forced deflation somewhat assisted by the severe demands of the Federal Reserve as to his liquidation, and in a hazardous time at that, he may come out of it as it were, but the way along will be strewn with corpses that with a little effort or restraint on the part of those who forced untimely liquidation might have been with us today to help on through. While the party interviewed is unreasonable in his general charge against the farmer, his charge of laziness is grossly unfounded—he does not try later to qualify. I hardly see just why anyone should take time to write concerning something said without due thought, and said by a party who

lives a long way from the scenes that he is supposed to be talking about.

"Of course, hard work anywhere must precede success, however well the plans may be laid, but my observation is that both the farmer, his wife and his children do work, but the extreme between what he secures for his work and the overhead to produce it have been such as to discourage him. The farmer asks no charity—he does ask an even break. His is the biggest business in the world, and, of course, unorganized. The very nature of his business makes it so. He pays what he is asked for what he buys, he cannot help himself. He sells what those who buy of him tell him he must take from them for what he raises, and cannot help himself. I do not believe the Government should go into the farming business, but I am firmly convinced there can be much more done to assist the farmer in equalizing his unequal load, and that that can be done better by the Government than by any other Agency. It is the monotony of life in Rural Communities that at times make it almost unbearable, in places at least. That some source of amusement, some pleasure long denied should be theirs while they, like an imprisoned bird perhaps, are now beating their wings against the cage waiting for it, and when it comes to them perhaps some go beyond the limit sometimes, but I do not believe any more so than any other class of people. The auto, radio and other like relief from the monotony of the morning to night, day in and day out grind is perhaps more of a blessing after all than the man interviewed would make of it a curse. I will venture that

(Continued on page 53)

## Ready for Winter?

(Little Talks on Tiling No. 30)

THERE are always a great many things to think about in preparation for winter. The banker asks his farmer customer, "seed all ready for spring planting? Fall plowing finished? How many horses are you wintering?" There is another important question that the banker is interested in, and that is, "what will your land produce next year?" To determine that you must know the

condition of the land, IS IT TILE DRAINED? If you have a tiling system ready to go to work for you with the first thaw of spring, then you are ready for winter. A county wide corn yield contest has proven year after year that tiling pays. Every plot that yielded over 100 bushels per acre was tile drained. Ask your farmer customers if they are ready for winter.

It saves a year if tile is laid in the fall.  
Don't advise waiting until spring.

## Mason City Brick and Tile Co.

312 Denison Bldg.      Mason City, Iowa

# The Holder of a Draft

## When a Bank Fails

By the  
Legal Department

IN THE last few years especially, the holders of drafts secured from the issuing bank, that were honored upon presentation, have caused the holder thereof to make diligent inquiry as to his rights to recover the amount of the draft from the issuing bank that has failed and closed its doors. It is a usual custom in daily transactions in the financial world of today for a customer of a bank to secure a draft therefrom which is payable at a bank in one of the large trade centers. The draft secured, is then many times sent to this trade center to settle some obligation. In case, the issuing bank fails and the bank on which the draft is drawn, does not have sufficient funds on deposit belonging to the issuing bank and are subject to prior claims, the holder of the draft may be placed in position to suffer a heavy loss.

A bank known as the Traders Bank in a western city was in financial distress. Its correspondent bank, in Chicago, was the Drovers Bank and against its account in this bank, the Traders Bank had drawn drafts in excess of its amount of credit. To meet this situation, the Traders Bank purchased from the National Bank in the same city, a draft drawn by this National Bank and payable to the Traders Bank for \$5,000. This draft was drawn by the National Bank on its Chicago correspondent, the Riverside Bank of Chicago.

The Traders Bank immediately forwarded this draft so purchased to its Chicago correspondent, the Drovers Bank and the draft was cleared through the clearing house on its receipt and the Drovers Bank received the proceeds therefrom. On the next day, after the Traders Bank had received this draft from the National Bank, a receiver was appointed for the Traders Bank. All correspondents were immediately notified and advised not to honor any outstanding drafts issued by the Traders Bank, and on such notice the Drovers Bank had on hand to the credit of the Traders Bank, \$10,333.00 which included the \$5,000.00 received by it on the draft issued by the National Bank. The Drovers Bank remitted to the receiver of the Traders Bank, the sum of \$10,333.00 so the \$5,000.00 represented

by the draft issued by the National Bank is now in the hands of a receiver of the Traders Bank. To pay for the draft thus purchased by the Traders Bank, from the National Bank, the Traders Bank issued to the National Bank, a draft upon the Stockman's Bank of Omaha. This draft was issued on the same day as the other one, but was never paid, although presented.

At the time the Traders Bank issued the \$5,000.00 draft to the National Bank drawn on the Stockman's Bank, the Trader's Bank did not have funds on deposit with the Omaha Bank to meet this draft.

The National Bank filed a claim with the receiver of the Traders Bank asking that it be allowed to receive as a preferred claim, the amount of this draft.

~~~~~  
 "If a bank sells a draft and receives therefor a draft drawn by the applicant on a bank in which it had insufficient funds, it is entitled to preference of its claim for the amount against the receiver of the applicant.

~~~~~  
 "The drawing and delivery of a draft carries a representation that the drawer has funds or credits in drawee bank. Issuing a draft upon a bank in which the drawer has insufficient funds, perpetuates a fraud on payee bank!"  
 ~~~~~

The question is whether, under this state of facts, the National Bank is entitled to and its claim allowed against the receiver as a preferred claim? The first question for determination is, what is the effect of the drawing and delivering of a draft? Does it carry with it any implications, and, if so, what?

In considering this matter, a somewhat similar situation might exist where a bank has sold a draft to a customer when there is no funds in the correspondent bank upon which it is drawn at the time. When the bank takes the money of its customer for the draft which is known to be worthless, and which there is no assurance would be honored when presented for payment, would, without doubt, be as wrong in law as it is reprehensible in morals. The money given to the bank is not a deposit or a loan. It is received upon the implied representation that the bank had

such moneys or credit with its corresponding bank, that, upon presentation of the draft, a like sum would be paid to the owner of the draft. That representation the bank knew to be untrue at the time of issuing the draft and must be held to have received the money wrongfully, and to hold it in trust for the person who paid it to the bank.

It seems to be quite well settled that the drawing and delivery of a check or draft carries with it the representation that the drawer has funds or credits in the bank against which it is drawn.

In criminal proceedings, it has been held that the giving of a check is a representation that the drawer has money or credit with the bank and it is sufficient to make the drawer guilty of obtaining the money under false pretenses if he has no money in the bank or credit with the bank, and intends to defraud.

The signature of a bank to a draft is a representation by it to all subsequent holders of the draft that it had sufficient funds on deposit with the drawee to pay it and that drawee would accept the draft when presented and pay it.

Consequently, it is reasonable to conclude that when the Traders Bank issued its draft to the National Bank, drawn on the Stockman's Bank, the law holds that it thereby represented to the National Bank

that it had funds or credits with the Stockman's Bank, sufficient to meet the call of the draft, and that said bank knew or should have known that the funds in the Stockman's Bank were insufficient to meet the draft thus issued against it, and by so doing, the Traders Bank perpetuated a fraud upon the National Bank.

Fraud may arise from facts and circumstances and may be presumed from circumstances and conditions of the parties contracting. Fraud is so various in form, and color, that it is difficult, if not impossible, to confine it within the limits of any practice definition.

The fertility of man's invention in devising new schemes of fraud is so great that the courts have declined to define it or to define undue influence, which is one of its many varieties, reserving to

(Continued on page 53)

### THE CAUSES OF BANK FAILURES AND SOME REMEDIES

(Continued from page 13)

it is certain that no community can hope to enjoy the benefits of safety in banking if the business is organized in units so numerous as to exceed the available supply of competent officers and responsible directors, and with insufficient earning power to be able to absorb inevitable losses. Ample evidence of the unhappy consequences of excessive numbers and inadequate size in banking is clearly to be found in the geographical distribution of the failures of the last six years.

In the three Federal Reserve districts,

of Boston, New York, and Philadelphia, there were but forty failures during these years. It is an area of 150,000 square miles with a population of 33,000,000, and was served at the close of 1926 by less than 3,300 banks (3,265). The Chicago district, with a slightly larger area of 190,000 square miles but with a population of only 17,000,000 is provided with 2,000 more banks (5,268), and had a record of 437 failures between 1921 and 1926. Again the Minneapolis district, it is true with a much greater area, 414,010 square miles, but with a population of only 5,500,000 still had 2,780 banks in operation after 999 failures.

Comparison by states tells the same

story only the more forcibly. The 11,000,000 people of the state of New York with an area of 47,000 square miles managed very comfortably with 1,065 banks in 1920, and there were eight failures in the six subsequent years, while the slightly less than 2,500,000 occupying an area of 55,000 square miles in Iowa was served by 1,763 banks, of which 263 failed. North Dakota supplies an even more extreme example of the over-development of banks and its inevitable sequel; 317 failures among 898 banks having been established to meet the needs of a population of about 650,000 on an area of 70,000 square miles.

No community can possibly provide, adequate resources, competent officers and



## Beauty—That Endures and Attracts Bank Interiors of Distinction—

*We Welcome  
without obligation to  
you, any inquiry  
you may have.*

*The Fisher Co.*  
**BANK FIXTURE HEADQUARTERS**

*Charles City, Ia.*

experienced directors for one bank to every 750 of its inhabitants as in North Dakota, or to 1,400 as in Iowa. Banking troubles were inevitable with the advent of adverse conditions, and for the severity of these conditions the unwise use of credit administered by an inordinate multiplicity of banks is in no small degree responsible. And as may be seen from the table on this page, the situation in these states was not exceptional.

#### Limitation of Bank Charters

A long and essential first step toward the attainment of safety in banking will have been taken when the number of banks chartered is limited to the needs of the community, based upon clear recognition that development of every community is best served by strong banks that employ conservative standards in the extension of credit.

An increase in minimum capital requirements would do much to hold the number of banks within safe limits. When account is taken of improved means of transportation and the general advance in prices of the last decade, a minimum capital of \$25,000 surely, and presumably of \$50,000, would not deprive any community of adequate banking facilities. But capital requirements alone are too mechanical and rigid to be made the sole factor in the determination of the desirable number of banking institutions in a locality. Needed elasticity in the granting of charters requires that approval shall be made contingent upon evidence of a community need for additional banking facilities.

A provision of this character has already been adopted by a number of states, and the most comprehensive of these requirements, that of Wisconsin enacted in 1923, is here presented, preceded for purposes of comparison by the conspicuously inadequate provisions of the Iowa Law.

IOWA: "Incorporation—articles—contents. State banks may be hereafter organized by not less than five persons of lawful age, who shall, prior to the commencement of business, sign and acknowledge articles of incorporation before some officer authorized to take acknowledgments of deeds.

"Commencement of business—certificate of authority. No such association shall have the right to commence business until its officers or its stockholders shall have furnished to the superintendent of banking a sworn statement of the paid-up capital, and, when the said superintendent is satisfied as to that fact, he shall issue to such association a certificate authorizing it to commence business."

WISCONSIN: "Any number of adult persons, citizens of Wisconsin, not less than seven nor more than twenty, desiring to associate for the purpose of organizing a banking corporation under this chapter, shall make application to the commissioner of banking in such manner as may be prescribed on a form furnished by him. . . .

"Upon receipt of proof of publication, the commissioner of banking shall there-

## An Announcement of Consolidation

The Continental and Commercial National Bank of Chicago and its affiliated state bank, the Continental and Commercial Trust and Savings Bank, are now consolidated under the title, *Continental National Bank and Trust Company of Chicago*. This bank has capital of 35 million dollars, surplus of 30 million and undivided profits of more than 3 million. Deposits are upwards of 500 million dollars and resources exceed 600 million dollars

### CONTINENTAL NATIONAL BANK & TRUST COMPANY OF CHICAGO

CHICAGO'S LARGEST BANK

upon ascertain from the best sources of information at his command, and by such investigation as he may deem necessary, whether the character, responsibility, and general fitness of the persons named in such application are such as to command confidence and to warrant the belief that the business of the proposed corporation will be honestly and efficiently conducted in accordance with the intent and purpose of this chapter; and whether public convenience and advantage will be prompted by allowing such bank to organize; and he shall investigate the character and experience of the proposed officers, the adequacy of existing banking facilities, and the need of further banking capital; the outlook for the growth and development of the city, town, or village in which such bank is to be located, and the surrounding territory from which patronage would be drawn; the methods and banking practices of the existing bank or banks; the interest rate which they charge to borrowers; the character of the service which they render

the community, and the prospects for the success of the proposed bank if efficiently managed. Such investigation shall be completed within 90 days from the filing in the office of the commissioner of banking of proof of publication and the making of the deposit herein required, but in the event a majority of the applicants and the commissioner of banking mutually agree to it, the time may be extended an additional period of 60 days."

This Wisconsin statute serves to indicate the variety of considerations that may properly be given weight in the determination of community advantage from the establishment or additional banks. Precise tests are lacking. Judgments must be exercised, and it is therefore to be presumed that little will be accomplished through legislation of this character unless those entrusted with its execution are supported by a public

opinion that clearly and permanently recognizes the damaging consequences of an excessive number of banks.

The problem is further complicated by the presence of two charter-granting authorities, the national and the state, which may be played off one against the other in doubtful cases by eager bank organizers. Both Federal and state officials charged with the administration of the banking laws not unnaturally become imbued with the desire that the system of banks under their jurisdiction shall exhibit both absolute and relative growth. Many banks have unquestionably been chartered in the belief that a refusal would be followed by a more favorable response in the other quarter. It is clearly not advisable that in this matter national and state authorities should work in a spirit of close and friendly cooperation, neither, except in the most unusual instances, granting a charter that has been refused by the other authority.

#### Responsibilities of Directors

The organization of unnecessary banks, would be a far less easy matter, and the management of banks would be subjected to more steady and effective supervision, if the responsibilities involved in the acceptance of the position of director were more generally realized. The risks that are incurred are clearly set forth in the following statement which has been prepared for the Commission by an experienced bank officer of legal antecedents:

"A director of either a national or a state bank, by accepting election as such, assumes definite legal liabilities and what is often more important, moral obligations, which he cannot evade if he is to maintain his self respect and position in the community in which the bank is located.

"The legal liabilities assumed by a bank director by his act of accepting election as such, are of two kinds: express statutory liabilities imposed by the national bank act or by the laws of the state under which the bank is chartered; and the general legal liability imposed by the common law upon every director in any corporation for losses to the stockholders or the creditors of the corporation, caused by his misconduct or negligence.

"The first class of legal liabilities generally relate to excessive loans, wrongful certification of checks, investments of a kind forbidden by law, guarantees by the bank of the credit of some third person. Their exact nature depends upon the terms of the law under which the bank is organized.

"The second sort of legal liability which no bank director can escape, is the general liability assumed by every director and every officer of all corporations to use ordinary care and diligence in following the affairs of the corporation and seeing that improper conditions are corrected. It is



## Have you ever had occasion

to write to your city correspondent thus:

"It might interest you to know that since we adopted your Advertising and New Business Service two weeks ago, we have secured close to five hundred new Savings Accounts."

The above is quoted from a letter recently received from one of our Mid-Western correspondents. This is not a mere "happenstance," nor is it the result of an unusual situation. It is merely further evidence of the extent to which we go to be of real and constructive service to our correspondents. An inquiry addressed to our Service Department will bring detailed information on how we can assist you to increase your business and step-up earnings.



**The National Bank of the  
REPUBLIC  
OF CHICAGO**



Office of New York Representative, No. 1 Wall St.

Office of Pacific Coast Representative, Citizens National Bank Bldg., Los Angeles

JOHN A. LYNCH, Chairman of the Board

DAVID R. FORGAN, Vice-Chairman    GEORGE WOODRUFF, Vice-Chairman

H. E. OTTE, President

© N. B. R. 1927

more difficult to pin negligence of this sort on a bank director in such a way as to make him responsible financially to the depositors than it is to convict him of approving a loan or an investment which the bank is specifically forbidden to make. But there are cases in which directors have been held accountable for negligence in following the affairs of their bank and many cases in which they have been held responsible financially for their assent to direct violations of the act under which the bank is organized. And for every case that reaches the courts, there are a dozen in which settlements involving the payment of money by directors have been made out of court, to avoid suit.

"Directors of banks are frequently, perhaps generally, asked from time to time, to give guarantees or bonds in connection with the bank's business. There is no legal obligation, of course, for a director to give such guarantees or bonds. Such guarantees by directors are generally given to secure the deposit of public moneys in the bank. They are frequently given on the borrowings of the bank from its city correspondent. The directors may be asked to go on the official bond of a public official, who in return, promises to keep public money in the bank. In any of such events, a failure of the bank is practically certain to convert the guarantee or bond into a real liability. And the existence of such contingent liabilities on the part of directors, which become very real and direct liabilities in the event of failure, is perhaps the main reason why in case after case, directors have paid or underwritten voluntary assessments and contributions far in excess of any double liability on their stock, to keep banks open.

"The moral obligation assumed by a director of a bank differs, of course, from community to community, and with the moral standards of the director himself. A bank directorship in most communities is regarded as an honor. If the bank fails, that honor is generally converted into a disgrace. The community expects a bank director, even at personal financial sacrifice, to keep his bank from failing. This is quite apart from any legal liability of the director. And in the case of thousands of small banks that have suffered severe losses, the directors have, at great personal sacrifice, put in new money in an effort to protect depositors and without any hope of recovery. The average farmer or small town director of country banks is entitled to a degree of credit for meeting the moral obligations of his position, that the general public does not give him, particularly, if his sacrifices and those of his fellow di-

**1928** Reed  
Master-mass  
Plan



# The Investor's Confidence

## —Our Most Valuable Asset

The wise investor deals with a house to which good will is an important asset. He realizes that never, knowingly, will it jeopardize so great a value to make a temporary profit.

To earn and hold the confidence of investors is a great responsibility and likewise a great asset. To us it is invaluable.

A request for information on your investment problems will bring a quick response. You will get our best judgment, exercised in your interest, without obligation.

## W. D. Hanna and Company

(SUCCESSORS TO HANNA - SHREVES CO.)

BONDS FOR INVESTMENT

BURLINGTON, IOWA

Pioneer National Bank Bldg.  
Waterloo, Iowa

Federal Trust Building  
Lincoln, Nebraska

The Laurel Building  
Muscatine, Iowa

New Home of the  
State Bank of Chicago



The symbol of forty-eight years of banking progress and an assurance of even broader and more complete banking service in the future. To be ready for occupancy April, 1928

## A New Landmark —on La Salle Street

Our new home—located in the center of Chicago's financial district—will be representative of the most modern developments in bank architecture. Commodious banking rooms and more comprehensive facilities will enable the State Bank of Chicago to render a broader service to correspondent banks. An invitation is extended to out-of-town bankers to inspect our new home and to make full use of the following departments: commercial, credit, trust, real estate loan, bond and foreign.

HENRY A. HAUGAN  
Chairman Board of Directors

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 AND UNDIVIDED PROFITS OVER \$13,000,000

rectors do not eventually save the bank from failure."

In banking, as in other branches of business, the character and policies of the organization will commonly be largely determined by some one individual, but in banking and especially in the case of the smaller banks, the supervision of an active board of directors is peculiarly necessary. In many instances, the bank is by no means the most important business interest of its chief officers. There is consequent danger that an undue proportion of the funds of the bank may be employed in undertakings in which officers and perhaps some of the directors are deeply engaged. As an effective means of enabling all directors to become more fully conversant with the condition of their respective banks, this Commission strongly recommends that the American Bankers Association undertake to work out model forms for the presentation of business at meetings of the boards of directors of the banks.

### Government Supervision

Restraint in granting charters together with somewhat higher minimum capital requirements, and more regular and careful supervision by directors will do much to strengthen our unit banking system, but by no means all that is needed to afford adequate protection for the depositor. Among the thousands of banks, large and small, throughout the country, wide differences in the skill and competence of management are inevitable. Dishonesty and the employment of an unduly large proportion of the funds of banks in the other undertakings of officers and directors subject the solvency of banks of small or of modest size to risks from which large banks are practically immune. And it is also perhaps pertinent to observe that the qualities required to handle successfully a small bank, where there is little local diversity in loans and an intense demand for credit, are not more common than the qualities that are needed in the management of much larger city institutions.

To meet these managerial elements of weakness in a system of unit banking reliance hitherto, outside a few cities, has been placed almost exclusively upon legislation covering the details of banking operations and upon government supervision through periodic examinations. It will not be questioned that both legislation and supervision have been necessary and serviceable. It is evident, however, that they have fallen far short of the accomplishment of their primary purpose—the prevention of numerous bank failures. While this commission is convinced that something more than government action is needed, and that little or no advantage can be anticipated from additional restrictive legislation, it is at the same time confident that unsound tendencies in many banks would be checked under im-



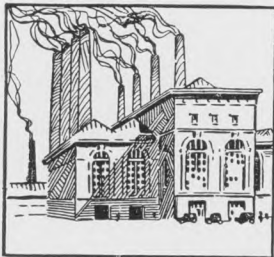
proved methods of supervision and a somewhat more immediate enforcement of those provisions of existing statutes which deal with operations that undermine the solvency of the banks.

In reaching its conclusion that additional legislation at the present time is inadvisable, at least in the case of the national law and of those of most of the states, the commission has been influenced by three considerations. It has noted that when allowance is made for differences in location and size, the number of national banks that have failed, banks subject to the most restrictive of our banking laws, has been relatively not

appreciably less than the number of defunct state institutions. Again, a widening of the range of restrictions will ordinarily increase the number of instances in which determination of a failure to comply with the law involves the exercise of judgment. Numerous situations of this nature breed dissatisfaction with the statute and work against the effective enforcement of the law by administrative authorities.

And, finally, it should be evident that in any event legislation can never include within its scope all of the operations that may prove disastrous to a bank. It can only deal with large classes of loans that

are usually undesirable. It cannot take account of difference in time or place, or go very far in prescribing well-balanced proportion between various classes of loans and investments. Loans that may be unwise at one time may be entirely satisfactory at another: or for one bank and not for another. Much must be left to the discretion of management, and the unwise use of this discretion cannot be adequately checked by government supervision which is mainly concerned with the enforcement of statutory requirements. In many jurisdictions, moreover, the salaries of examiners as well as those of bank commissioners have been far



## Public Utility Bonds

*Electricity is a necessity. The demand for light and power has increased from year to year. Bonds of electric light and power companies constitute one of the stable forms of investment.*

We recommend for Bank investment:

# SAC COUNTY ELECTRIC CO.

First Mortgage Five Year 5½% Bonds  
Due November 1, 1932  
Price 100 and accrued interest

AN IOWA ELECTRIC LIGHT AND POWER COMPANY.  
A FIRST MORTGAGE OBLIGATION.  
FIVE YEAR MATURITY.  
YIELD 5.50%.

*Write us for descriptive circular.*

## PRIESTER • QUAIL & CUNDY • INC.



BONDS FOR INVESTMENT

First National Bank Bldg.

DAVENPORT, IOWA

too meager to secure and retain men with proper qualifications for the responsible and difficult work of bank supervision. The better men speedily find more remunerative employment elsewhere.

**Clearing House Examinations**

Recognizing the limitations of government examinations and supervision, the

banks of thirty-three cities, already organized in clearing houses, have set up their own system of examination, and in general with highly satisfactory results. This experience serves to indicate the large possibilities of improvement in banking practice that can be brought about through associated action on the part of the banks themselves. For such

associated action, however, it is not necessary to adopt exactly similar arrangements everywhere. The one essential is definite recognition by bankers that active participation in banking supervision is necessary in order to furnish adequate protection to depositors.

In the larger cities, where the clearing house is an indispensable adjunct of banking, a more complete system of examination and supervision can be established than is perhaps feasible elsewhere. Through the clearing house, arrangements favored by a majority of the members can be adopted. In the case of country banks, the initial difficulty is encountered that an organization for the specific purpose of supervision must be created, and the burden of additional expense presents an evident further difficulty. It is also important to note that the clearing house system of supervision does not include within its scope all of the banks of the cities in which it has been established. Some banks are unwilling to submit themselves to examination on account of the burden of expense or for other reasons. In reserve bank cities little or no pressure can be exerted to secure the adherence of these banks since clearing facilities are unfortunately available through the reserve banks. The admission of others is withheld on account of their unsatisfactory condition.

The clearing house examination system is not only initially selective; it also includes the power of expulsion from the group if criticisms of the examiner are persistently unheeded. By the assumption of these powers of selection and exclusion, the banks accepting the arrangement practically place themselves in the position of guarantors against loss to the depositors in any bank that is a member of the group. If insolvency is allowed to involve loss to depositors, public confidence in the system is weakened, and its permanence is seriously threatened.

With all its unquestioned merits, then, the clearing house system of examination has limitations which must always interfere with its adoption by all of the banks of the country. There are cities in which it might now be established with every promise of decided advantage to the community, and the system may well be considered a goal ultimately to be reached everywhere. The adoption of the system in any locality would, however, be most inexpedient at a time when there were a considerable number of banks in a weak condition, since exclusion of these banks might precipitate failures while their inclusion would endanger the successful working of the plan itself.

**Regional Organizations**

In view of these obstacles to the general adoption of an additional system of examination of the clearing house pat-

**National Bank of Commerce  
in New York**

Established 1839

*Statement of Condition, October 10, 1927*

**RESOURCES**

|                                             |                  |
|---------------------------------------------|------------------|
| Loans and Discounts.....                    | \$336,729,584.13 |
| United States Securities.....               | 64,778,922.77    |
| Other Bonds and Securities.....             | 27,166,390.40    |
| Stock of Federal Reserve Bank.....          | 1,950,000.00     |
| Banking House .....                         | 4,000,000.00     |
| Cash in Vault and in Federal Reserve Bank.. | 43,463,806.94    |
| Due from Banks and Bankers.....             | 110,526,838.25   |
| Interest Accrued .....                      | 1,694,848.81     |
| Customers' Liability under Acceptances..... | 40,936,012.36    |
|                                             | \$631,246,403.66 |

**LIABILITIES**

|                                                                                |                  |
|--------------------------------------------------------------------------------|------------------|
| Capital.....                                                                   | \$25,000,000.00  |
| Surplus .....                                                                  | 40,000,000.00    |
| Undivided Profits.....                                                         | 4,197,459.03     |
| Deposits .....                                                                 | 467,799,425.03   |
| Bills Payable .....                                                            | 5,000,000.00     |
| Reserved for Interest, Taxes and other Purposes .....                          | 7,259,219.60     |
| Unearned Discount .....                                                        | 1,090,213.64     |
| Liability as Acceptor, Endorser or Maker on Acceptances and Foreign Bills..... | 80,900,086.36    |
|                                                                                | \$631,246,403.66 |

*Chairman of the Board*  
JAMES S. ALEXANDER

*President*  
STEVENSON E. WARD

**Directors**

|                    |                     |                     |
|--------------------|---------------------|---------------------|
| JAMES S. ALEXANDER |                     | VALENTINE P. SNYDER |
| JOHN W. DAVIS      | CHARLES E. DUNLAP   | HARRY B. THAYER     |
| HENRY W. de FOREST | ANGUS D. McDONALD   | JAMES TIMPSON       |
| JOHN T. DORRANCE   | GEORGE E. ROOSEVELT | STEVENSON E. WARD   |
| EDWARD D. DUFFIELD | CHARLES B. SEGER    | THOMAS WILLIAMS     |

tern, this commission has examined alternative suggestions and finds large promise in a less ambitious plan, which would subject the banks to no appreciable expense, is flexible, and involves no implication of a guaranty against loss to depositors. The basic feature of this proposal is the organization of all banks, both state and national, in regional groups of from fifty to one hundred banks for the purpose of improving and making more effective use of the present system of state and national examiners. While there are doubtless large possibilities of improvement in these examinations, we believe that, aside from a few instances of exceptionally skillful dishonesty, and the special situation presented by chains of banks, successive examinations preceding failure have regularly disclosed an increasingly unsatisfactory condition. More immediate and effective use of the information secured through examinations is certainly not less important than improvements in the examinations themselves.

To improve and make more effective use of the examinations, it is essential that examiners should be assigned for a period of at least two to three years to the banks of a definite area, by the banking departments of the states, and that reports of examinations should be considered with the directors of the banks before they are forwarded to the office of the bank commissioner. These are two essential features of the clearing house examination system, and to them much of its benefit may properly be attributed. A permanent examiner of the state banks, working with the cooperation of the national examiners, with intimate knowledge of local conditions and personalities, would be in position to exert a potent influence, corrective of unsound banking policies.

Under this territorial organization of government examinations, much might be accomplished even without a corresponding regional organization of the banks. But the benefit is small in comparison with that which may be anticipated if the examiner is supported by the banks organized for this definite purpose. The moral support thus afforded would be a factor of large significance, and perhaps initially to attempt more would be inadvisable. The commission believes, however, again following clearing house experience, that a carefully chosen committee of the regional organization should be authorized to receive representations from the examiner regarding unsatisfactory conditions in a bank that have not been corrected at his suggestion by its officers and directors.

It is important to note the proposed organization would not assume the responsibility of excluding or of expelling any bank from the association. The ex-

ercise of such power implies some measure of responsibility for the solvency of the banks, a responsibility which cannot be too explicitly disavowed. The public should understand that the organization includes all banks, the weak as well as the strong, and that its sole purpose is to bring about a gradual but permanent improvement in banking standards, and by this means reduce the hazards to which the depositor is now exposed.

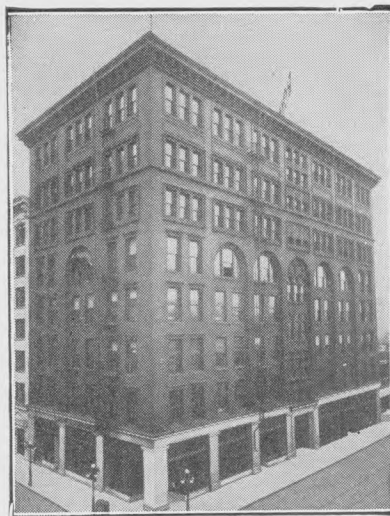
The difficulties that may be anticipated in securing general assent among the bankers of a locality to enter a regional organization are by no means inconsiderable, and the commission is, therefore, gratified to be able to report that in one instance these difficulties have already been surmounted. During the last few months the banks of eastern Nebraska have worked out the details and completed the organization of the Fremont

District Credit Clearing House Association, and it is significant to note that, with a single exception, all of the seventy state banks of the area have become members, membership of national banks being temporarily deferred. An examiner has been assigned to the territory, who with the hearty approval of the State Bank Commissioner, is to cooperate with the association to reduce losses and in general to improve banking standards and practice. The operation of this pioneer organization will be watched with keen interest, since it may well prove to be the beginning of an improvement of vast consequence in the conduct of banking throughout the country.

Life, upon the whole, is far more pleasurable than painful, otherwise we should not feel pain so impatiently when it comes.—Hunt.

## ROYAL UNION LIFE INSURANCE COMPANY

DES MOINES, IOWA



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

### A Christmas Policy

Properly presented, our Juvenile policies have a wonderful appeal at this time of the year. Royal Union agents are suggesting Juvenile policies as practical Christmas gifts for the children. There is available no finer exemplification of the Christmas spirit. For a little boy or girl, a policy for his or her "very own" is an enduring gift.

These bustling days leading up to Christmas are finding our agents devoting their time almost exclusively to the sale of our children's policy forms.

## Royal Union Life Insurance Company

Des Moines, Iowa

A. C. TUCKER, President



# BONDS AND INVESTMENTS

## Developing a Bank Bond Department in a Medium Sized Community

By *ALFRED HOWELL*

*Manager, Bond Department, Woodlawn Trust and Savings Bank, Chicago*

*Speech delivered before the Investment Departmental, Twelfth Annual Convention Financial Advertisers Association, West Baden, Indiana*

THAT a bank in a medium size community should have a Bond Department is, in my opinion, above question. The advent of the commercial banker into the investment field is welcome news to the large houses of issue, for they appreciate he has the confidence of his community and that whatever bonds are sold in his new department will go to the private investor. Indeed, I would say that, ultimately, the banker in medium size communities will take the place now occupied by the smaller bond houses as a retailer in his locality, for the field is naturally his; all it awaits is his initiative. There is nothing unethical, nothing that scatters conservatism or banking policies to the four winds, through adding this important department to a bank's activities.

The bond business is highly specialized, tremendous in its scope. It may be said to be an elaboration of the loaning department of a commercial bank. Instead, however, it loans to nationally and internationally known corporations and to countries the world over. Its operations make for growth, development, employment; it brings distant countries to our doors. To keep abreast of the times, to be able to define and discuss different bonds intelligently, to render an intelligent and specialized service, it is necessary that a Bond Department be headed by a trained bond man. I am referring throughout to Corporation Bonds, which so overwhelmingly constitute the investment field.

### Securing the Merchandise

It is next necessary to secure the merchandise for sale. Contacts should be made with the large houses which syndicate and wholesale bonds, and in dealing with them it is vitally necessary that good will be builded—I mean by this a sincere effort to place bonds with the

private investor instead of throwing them back on the market at a slight profit. These houses are in position to know when these bonds go back on the market within a comparatively short time after purchase, and continuation of such practice by a banker sounds the death knell of his Bond Department.

The Bond Department is in its infancy when the sale is made. Its growth to manly proportions will result from careful nursing by sensible service—advice when profitable trading possibilities present themselves, when bonds are called for payment prior to maturity, unbiased analyses of other offerings, how to make out ownership certificates and the like.

When it comes to selling the products of the bond market, the commercial banker has a tremendous advantage over the bond house—an advantage that he may not appreciate. The banker occupies a peculiar position as the temporary custodian of the wealth of his community. His contact is direct, and he is voluntarily sought for advice as to whether securities or realty should be bought, what his legal slant is on this or that, what to give the baby for internal disorders, why gentlemen prefer blondes, and so on. In other words, he is the financial, medical, legal and domestic adviser of his depositors. To the head of no bond house are such private matters brought, and bringing them to the banker is the highest compliment of the esteem in which he is held. It is no strain to visualize what capital can be made of this contact in building up a bond department.

Every man that comes to the railing for advice concerning securities is a very live prospect. He has the desire—the earliest kind of a sale. The bond man must prescribe his diet from his own merchandise.

Business transactions are as frequently

closed in banks as in law offices, and here again is a prospective investor, for all the purchase money isn't going to stay in the bank by any means.

### Are Minor Advantages

All these, however, are minor advantages. The major ones stand out boldly. A heavy bank account is always a real prospect, for some time the possessor may decide to invest on advice of friends and withdraw his funds. I am acquainted with instances where, regularly in January, and July, bond salesmen walk in with customers savings accounts, which are withdrawn for bond purchases.

It is fair to assume that every safety deposit box holder is the possessor of some securities, and regular solicitation of these afford an excellent field for exploitation. One form of solicitation could be a circular letter calling attention to the service which the bond department can render by reviewing securities free of charge, suggesting that, since purchase, holdings may have been affected one way or another. Another suggestion is that the Bond Department will be glad to watch one's investments if listed with it. In this way the Department at once possesses a list of the investor's holdings—an invaluable asset—knows what kind of securities are purchased and, what is more, their due date. The latter, of course, is very important because it indicates when the investor will, of necessity, be in the market.

When a depositor presents a bond as collateral, the banker is immediately placed in contact with an actual buyer and, of course, immediately knows what specific bond he owns. Here is a security holder telling you, voluntarily, what he has. Then his acquaintance should be fostered so that the next time he buys, his banker may be able to fill his wants.

(Continued on page 68)

*Northwestern Banker December 1927*

# Thirtieth Year for a Kansas Bond House



Since March, 1926, when THE NORTHWESTERN BANKER announced the opening of the Des Moines Office of The Brown-Crummer Company, there has been an increasing interest in this institution and in securities of Southwestern municipalities. A visit in their home offices at Wichita is convincing evidence of the vast economic development which has made their growth possible.

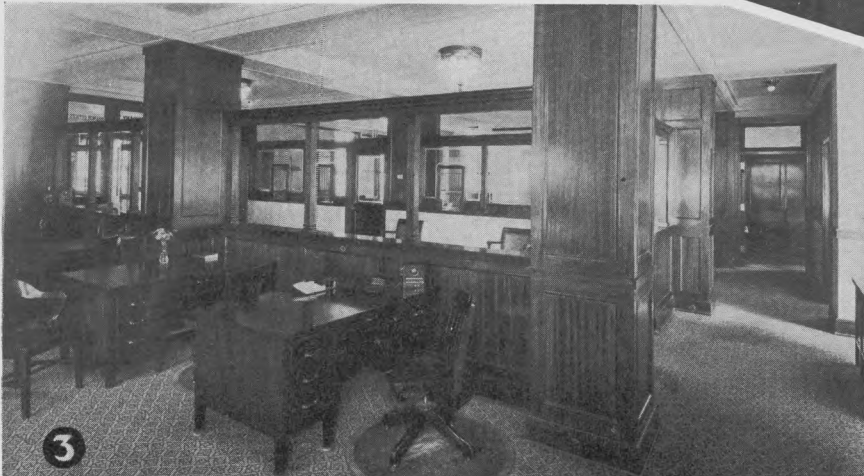
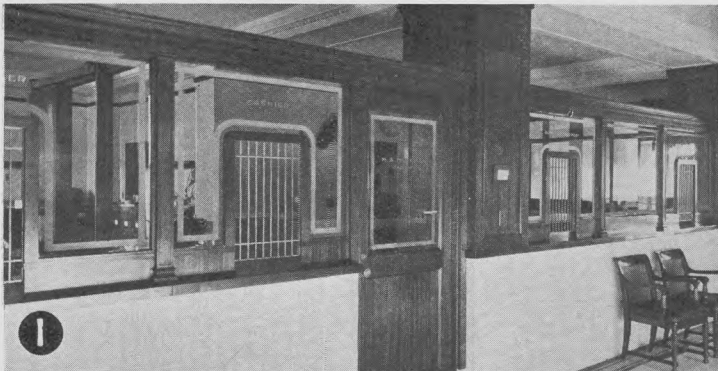
THE Brown-Crummer Company, of Wichita, Kansas, was organized in 1897 and consisted of one man in a single-room office in a town which had, only a few years before, stepped out of "chaps" and sombrero into urban dress. But the town and the man exemplified the spirit of the West. The "wild and woolly" cattle towns of Kansas, Nebraska, Oklahoma and Texas were turning toward civic development and an underwriter who had faith in their future was needed. The infant organization had that faith and it has grown with its beloved west.

From the single room of thirty years ago has emerged a national institution with offices in principal cities throughout the country and an organization which has originated and distributed hundreds of millions in securities of southern and middle western municipalities. There is romance in such a history—the romance of a well-grounded faith.

**BELOW:**

In the Brown-Crummer offices in Wichita. 1. The cage in the Bond Department. 2. One of the offices in the suite of five rooms occupied by the Legal Department. 3. The general office and communicating aisles. 4. A corner of the main lobby.

Above: Warren E. Brown, President  
 Left: Roy E. Crummer, Vice-President and General Manager  
 Right: James W. Gillespie, Vice-President and Operating Manager



## *A Bond Aid for Bankers*

**T**HE banker of today must necessarily be in close touch with investments and their markets.

But most often he is too busy to devote adequate time. To care for his needs we have developed an Investment Correspondent Department to supplement his personal services. Each month we issue the *Investment Digest* with a review of current business and investment conditions and giving practical ideas and helps in developing an investment service for busy bankers. If you are not receiving the *Digest* send us your name.

At all times we are able to quote and give up-to-date information promptly on all outstanding issues. Inquiries by mail, telephone or telegraph will receive our immediate attention.

*Bond Department*

**KRENN & DATO, Inc.**

*Exclusive Agent for Edith Rockefeller McCormick Trust*

111 Broadway  
NEW YORK

39 So. La Salle Street  
CHICAGO

916 Walnut Street  
KANSAS CITY

# The Principles of Bank Investment

By *H. C. NICHOLSON*

*Vice President Packers National Bank, Omaha, and the Packers National Company*

*From an address before the 53d A. B. A. Convention*

**I**N DISCUSSING Bank Investments, no attempt will be made to do more than roughly outline some of the fundamental principles, and even these can only be treated in a general way.

Formerly cash and strictly commercial loans were recognized as the only good

bank assets. Today there is found in the portfolio of nearly every banker a round amount of purchased investments. By this name, we shall know call money, acceptances, commercial paper and bonds. And to them, this discussion will be limited. The aim is to establish them as

prudent and profitable channels for investment, notwithstanding they deviate somewhat from former banking practice.

## Recent Changes

In recent times, the position of a commercial bank has undergone some change. Ten years ago 93% of the deposits were payable on demand. Today more than one-quarter are on time. Today there is at our command the rediscount privilege of the Federal Reserve System. The necessity for quick assets in such a large ratio has passed. National legislation has recognized the changed conditions, and has materially reduced legal reserve requirements. Idle funds must go to work. Such funds may be loaned to our worthy borrowing customers, or they may purchase investment securities. The customer's loan needs little comment, as it constitutes the primary function of banking. The prosperity of the bank depends upon the good will of its customers, and they must be served. However, the experience of the past few years has taught that there is safety and stability in the diversification of the class of our loans and investments. We build up our defenses as weak places appear in our financial structure. Thus has developed the so-called secondary reserve. It is the investment of surplus funds in high grade, quickly marketable bonds, and in short time, self-liquidating paper that is eligible for rediscount. Such investments occupy a midway position—both in interest return and liquid character. Conceding something of one virtue for benefit in the other. And the safety of the investment and its stabilizing influence is entirely compensating. The exact amount of this secondary reserve, and its proper ratio to local loans, varies with geographical location and seasonable conditions. The answer can only be obtained by a careful analysis of the individual bank. It has been suggested it should at all times at least equal the legal reserve requirement.

Call loans, acceptances and commercial paper have some advantages over bonds, namely, comparative nonchalance in making the individual selection, and relative freedom from attention during the life of the investment. They suffer no loss from depreciation. In call loans and acceptances, the loss occasioned by default has been negligible. The average annual loss in commercial paper is less than one-fiftieth of one percent. These

## Making the Most of Your Bank's Reserves to Improve Net Profit

Government Municipal Farm Loan **BONDS TO FIT THE INVESTOR** Public Utility Real Estate Industrial

**I**N these days of low interest and high operating expense, the average bank must keep its reserves employed to best advantage to make a fair profit. And still it must keep liquid for any probable demand which may be made upon it.

That problem varies in every bank and must be worked out differently. Some banks need to increase their earnings; others need to improve their liquid condition.

The merit of a properly constituted bond reserve is that it permits of either or both of these things. It serves to offset excessive local commitments by its ready marketability and it also serves to average up income unduly depressed by too large a primary reserve.

A properly graduated bond reserve is thus a flexible buffer between too heavy a local commitment, on the one hand, and too high a liquid reserve, on the other. Over a period of years it serves to stabilize a bank's income. It is the modern way of equalizing conditions.

*The value of a bond reserve depends very much upon the experience and skill with which it is constructed. For years we have specialized in this banking problem, working with hundreds of different banks, dealing with all kinds of conditions. This enables us to apply the experience of a parallel situation to every case.*

## HALSEY, STUART & CO.

INCORPORATED

CHICAGO 201 S. La Salle St. NEW YORK 14 Wall St.

PHILADELPHIA 111 South 15th St. DETROIT 601 Griswold St. CLEVELAND 925 Euclid Ave.

ST. LOUIS 319 North 4th St. BOSTON 85 Devonshire St. MILWAUKEE 425 East Water St.

PITTSBURGH 307 Fifth Ave. MINNEAPOLIS 608 Second Ave., S.





*Exempt from  
All Federal  
Income Taxes*

# Safe Municipal Bonds

*Backed by the Faith and Credit  
of Sound, Prosperous Communities*

We own and offer for the consideration of conservative investors the following carefully selected municipal bonds:

| Security                                                              | Maturity              | Per Cent<br>Yield About |
|-----------------------------------------------------------------------|-----------------------|-------------------------|
| Chicago So. Park Commissioners 4's                                    | Aug. 1, 1944          | 3.90                    |
| State of Oregon, 3 <sup>3</sup> / <sub>4</sub> 's . . . . .           | Oct. 1, 1952          | 3.90                    |
| West Chicago Pk. Commissioners 4's                                    | 1940-1941             | 3.95                    |
| State of Oregon 4's and 4 <sup>1</sup> / <sub>4</sub> 's . . . . .    | Apr. & Oct. 1, 1952   | 3.95                    |
| City of Toledo, Ohio, 4 <sup>1</sup> / <sub>2</sub> 's . . . . .      | 1940-1948             | 3.95                    |
| City of Detroit, Mich., 4's . . . . .                                 | May 15, 1956          | 4.00                    |
| City of Detroit, Mich., 4 <sup>1</sup> / <sub>2</sub> 's . . . . .    | 1949-1957             | 4.05                    |
| State of North Carolina 4 <sup>1</sup> / <sub>2</sub> 's . . . . .    | Jan. 1, 1948          | 4.05                    |
| Ashtabula, Ohio, 6's . . . . .                                        | Mar. 1, 1931          | 4.10                    |
| State of Arkansas 4 <sup>1</sup> / <sub>2</sub> 's . . . . .          | 1947-1948             | 4.10                    |
| Lanlade County, Wis., 4 <sup>1</sup> / <sub>2</sub> 's . . . . .      | Mar. 1, 1942          | 4.10                    |
| City of New Orleans, La., 4's . . . . .                               | July 1, 1950 Opt. '42 | 4.10                    |
| City of Memphis, Tenn., 4's . . . . .                                 | 1947-1948             | 4.15                    |
| Memphis, Tenn., 4 <sup>1</sup> / <sub>2</sub> 's . . . . .            | Sept. 1, 1934         | 4.15                    |
| City of Shreveport, La., 4 <sup>1</sup> / <sub>2</sub> 's . . . . .   | 1949-1963             | 4.15                    |
| City of Raleigh, N. C., 4 <sup>1</sup> / <sub>2</sub> 's . . . . .    | 1933-1967             | 4.15-4.20               |
| Berea Village Sch. Dist., Ohio, 4 <sup>1</sup> / <sub>2</sub> 's      | April 1, 1934         | 4.20                    |
| Harris County, Tex., Nav. Dist. 4 <sup>1</sup> / <sub>2</sub> 's      | 1931-1946             | 4.20-4.30               |
| City of Durham, N. C., 5's . . . . .                                  | Jan. 1, 1940-41       | 4.25                    |
| Spartanburg County, S. C., 4 <sup>1</sup> / <sub>2</sub> 's . . . . . | 1935-1946             | 4.25                    |
| Henderson County, N. C., 4 <sup>3</sup> / <sub>4</sub> 's . . . . .   | 1948-1957             | 4.35                    |
| Moore County, N. C., 4 <sup>3</sup> / <sub>4</sub> 's . . . . .       | 1952-1961             | 4.35                    |
| St. Petersburg, Fla., 5 <sup>1</sup> / <sub>2</sub> 's . . . . .      | Jan. 1, 1957          | 4.90                    |

*Descriptive Circulars Sent Upon Request*

## Ames, Emerich & Co.

105 South La Salle Street, Chicago

New York Philadelphia St. Louis Milwaukee Los Angeles San Francisco

three classes of investments will be treated briefly.

Funds put on the call money market are well protected by highly negotiable collateral, and by their very nature are extremely liquid. At a 4% interest rate they net 3.80 return.

Trade and bankers acceptances enjoy a wide market, have sound security, are admitted to discount by Federal Reserve Banks within ninety days of their maturity, and at present yield about  $3\frac{1}{4}\%$  discount. They are two-name paper, and are exempt from the limitations of the act prohibiting national banks from loaning in excess of ten per cent to any one

person or firm. They are an excellent medium of investment, though their merits are not universally appreciated.

The purchase of commercial paper has become sound banking practice, because it fulfills several fundamental requirements.

It is a safe, self-liquidating form of short-term investment.

The return is fixed and definite and is in the form of discount.

It is rediscountable in the Federal Reserve Bank.

Its face value does not fluctuate.

Records show if all commercial paper names were purchased indiscriminately

without credit investigation, buying banks would have lost only 20 cents on each \$1,000.00 purchased. The commercial paper market has had a great development in the past twenty years. The panic of 1907 established such paper as a desirable investment.

So much for the short-term paper. Each class qualifies without reservation as an excellent medium for the employment of surplus funds and in the maintenance of a secondary reserve.

#### The Ideal Investment

The ideal investment is recognized by certain characteristics: security of principal; equitable income return, and wide, active marketability. It should be acceptable for rediscount and collateral purposes; be exempt from direct taxation and have a good chance for appreciation. Bonds possess these qualities in varying degrees. Obviously they cannot exist to a high degree in the same investment. A bond that is thoroughly safe will not return a high rate of interest, and at the same time have a broad market. Consequently, such investments should be arranged so that these qualities are combined in proper proportion. The bond which fulfills more of the requirements than any other investment security, naturally stand in a class by itself. It is the obligation of the United States government. It typifies the utmost in safety. It commands a broad market. It is the only bond acceptable for collateral purposes in the Federal Reserve Banks. It enjoys certain tax exemptions. It has shown some remarkable price appreciation in the past, and it is an easy assumption that the remote maturities will show compensating appreciation in the future. The interest return on such an outstanding type of investment is, inevitably the lowest of any bond. The ideal foundation for any investment fund is the Liberty Bond and the Treasury Certificate.

Municipal bonds differ as do the magnitude of the stars. For which reason, a discussion of them will necessarily be very brief. They are generally tax exempt, which is their outstanding characteristic. Their income return will vary inversely with their security and their marketability.

Foreign dollar bonds enjoy some popularity on account of the differential in yield between them and domestic bonds of comparable security. Foreign government bonds are alike in one respect; the bondholder enjoys no real security, except the good faith of the borrowing nation. The performance of a domestic corporation may be enforced by legal procedure, but against a foreign government, such remedy is not available. Two factors then determine the credit rating of a nation—its will to pay and its ability to pay. It should have a stable form of



## Four Offices to Serve You

**W**E MAINTAIN four offices in this immediate territory—just a few of the hundreds now serving investing America.

To be of service to you is one step toward being of service to your customers for in this territory are thousands of investors owning securities sold by Henry L. Doherty & Co.

They form a part of the great family of 300,000 Cities Service Investors located in every state and 38 foreign countries.

The securities offered by this organization combine safety, high yield and marketability—They are ideal investments for your bank—and your customers.

Four offices to serve you.

## HENRY L. DOHERTY & CO.

### DIVISIONAL OFFICES

Des Moines  
318 Liberty Building

Davenport  
721 First National Bank Building  
Sioux City  
221 Francis Building

government and be likely to so continue. It should be free from internal and external conflict. It should balance its budget. It should have a currency based on a metal, preferably gold. Its debt record should be good. Our own economic conditions since the World War have led us into foreign investing on a large scale. We have changed from the world's greatest debtor to its leading creditor. This new policy requires careful study to judge accurately the individual foreign credit position. The obligations of those countries with a good credit record, and a prospect for peaceful prosperity, constitute a bank investment that is safe and otherwise desirable.

Corporation bonds may be divided into three classes. Railroads, public utilities and industrials.

Thanks to efficient management, railroad bonds have returned to public favor. Twenty years ago the bulk of publicly owned securities were rails. Financial pyramiding, incompetent management and other abuses did not entirely destroy faith in the essential value of these securities. Transportation is a prime necessity. Railroads are permanent. They operate on a cash basis. They show relatively good earnings. So, despite the event of many defaults and receiverships, railroad bonds are a favorite medium for conservative investment. This is indicated by the fact they are included with governments and municipals as the permitted investment for trust funds in those states whose laws are restrictive. An analysis to determine the investment position of rails would take into consideration the capital structure; valuations; physical condition; location and earnings. Through governmental requirement, there is sufficient available data supplemented with frequent published reports, to make such analysis possible; and through recent federal legislation, investors in railroad securities are afforded an added protection. The principle of the transportation act of 1920 practically assures a fair return upon capital investment.

Telephone and telegraph; gas; water; electric light; power and traction are the public utilities. They possess characteristics which make the industry a desirable field for investment. They provide a service indispensable to modern living. They are usually non-competitive. They are on a cash basis. They are little affected by commercial fluctuations. They enjoy a remarkable stability of business and the trend of their earnings is constantly upward.

There are certain tests which might be

applied to public utility bonds to determine their soundness as a desirable medium for investing. The utility should operate without competition and should satisfactorily serve its community. It should have a suitable franchise, which should exceed the life of the bond by at least five years. The bonded debt should not exceed one and one-half times the capital stock nor two-thirds the property value. The interest requirement should be earned at least twice for the past five year period. The bonds should be secured by senior mortgages. The issue should be of sufficient size to insure something of an active market. Utility bonds

which possess these underlying elements have found much favor with discriminating investors.

#### Industrial Bonds

Industrial bonds involve a greater element of risk than governments, municipals, rails or utilities. There is a hazard in business and there is an absence of governmental regulation and protection. The prudent investor will, therefore, select those companies which are engaged in industries, whose earning power is inherently stable. He will prefer a corporation with a large fixed capital investment compared to its funded debt. He

## INSURED FIRST MORTGAGE GOLD BONDS



### High Yield Bonds with Payment of Principal and Interest Guaranteed

The trend among investors is to the high grade 6% first mortgage bond—INSURED—with payment of principal and interest guaranteed by responsible guarantors.

#### PROVIDENT STATE SECURITIES CO

134 North La Salle Street  
CHICAGO, ILL.



SEND for full particulars of Provident Bonds outlined in booklet mailed upon request.

19 RMP by PMR 28

will choose securities based on essentials rather than non-essentials. He will do well to study production and commerce for usually prices move upward as trade becomes prosperous and conversely. Few industrial corporations can demonstrate the stability of earning power that a good railroad or public utility enjoys. For which reason, the investor should include fewer industrial in his holdings than the other types of bonds, and they should compensate with a higher interest return.

There are two distinct types of bond investors; the one is chiefly concerned with investing for security, the other with investing for profit. The investor for safety will choose only such bonds

as have the highest security behind them and consequently he will take a low yield. He will diversify his investments both as to industries and according to their geographical location. He will insist on a ready and a broad market for his securities, so if need be he can dispose of his holdings without delay. He will buy only when he is in funds, regardless of business cycles or trade barometers. He is satisfied with his coupon so long as the quality of his bond does not decline. The investor for profit, while giving full consideration to the question what to buy, is also influenced by when to buy. He knows the theory of the business cycle, which has been developed by learned

economists. He knows it consist of four main periods. First, steady expansion of business; second, prosperity; third, liquidation; fourth, depression. Broadly speaking, securities begin their advance in time of depression and continue until the latter part of the period of prosperity, when the downward movement commences and lasts nearly through the period of prosperity, when the downward movement commences and lasts nearly through the period of liquidation. The investor who recognizes these cycles may profit from year to year by changing from term bonds to short maturities and back again, and at the same time enjoy a high measure of safety.

The present market condition shows that bonds are higher today than any time since 1913. Before the war, we annually absorbed only 2½ billion of the new securities and now we take 8 billion. There is a shortage of new issues and it is likely to continue. There is so much capital for investment that good bond issues are quickly over-subscribed. The money market today has all the earmarks of distinct ease and gives clear promise of remaining in that condition for some time to come. Cheap money means high priced bonds. Each day brings forth a new crop of investors with ever increasing purchasing powers. We have acquired as a basis of our credit a stock of gold equal to half the world's visible supply. Each and every existing condition promises a continued upward trend of bond prices, subject only to minor reactions.

In the formulation of an investment program, the investor might well keep in mind certain general fundamental principles. The higher the rate, the lower the security, is applicable to bonds as to other types of investment. If large interest returns are required, you must forego something of safety or something of marketability, etc. Your investments might prudently be a compromise between the desire for income and the necessity for other fundamental qualities.

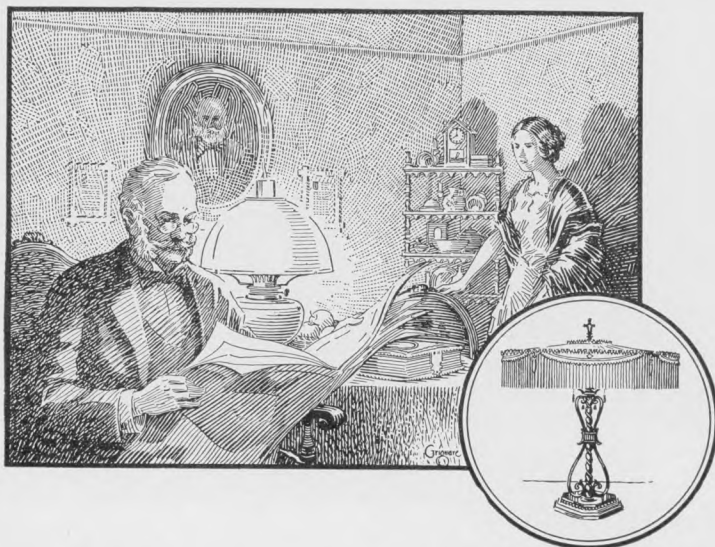
#### Diversification

Don't keep your eggs in one basket. While diversification affords no substitute for the use of intelligence in selecting securities, it does, in a measure, protect against the consequence of unforeseen misfortune in business. Distribute your commitments as to the type of bond, the geographical location, and the maturities.

A bond may be known by the company it keeps. Reputable high grade investment houses carry their responsibilities to their customers very seriously. Their advice and recommendations are entitled to considerable weight. You must have confidence in the opinions of some financial experts. Choose them with care.

Don't guess when investing. Analyze

This is Number Five of a series of advertisements bearing the general title, "Before the Age of Electricity"



**O**DOROUS, inconvenient, unclean, dangerous—the kerosene lamp of other days passed into oblivion before the efficiency and safety of its successor—the electric light bulb. The Age of Electricity brought light into dark corners.



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-43, please.

An Electric Power and Light Company furnishes some needed service to every person in a community where it operates. All contribute, directly or indirectly, to its growth and add to the income which makes its bonds safe investments.

## THOMPSON ROSS & Co.

ESTABLISHED 1912  
INVESTMENT SECURITIES

29 S. La Salle St. - Bank Floor

CHICAGO

Telephone Randolph 6380

SAN FRANCISCO

NEW YORK

BOSTON

Copyright 1927 T. R. & Co., Inc.

the relative merits of a bond. Scratch the surface and see just what is behind it. Scrutinize the company's past record; investigate its present management; try to visualize its future welfare. Don't try to guess the exact month to buy nor the exact month to sell. Business trends and price swings are not confined to single months, nor to single seasons. Don't try to speculate. It is entirely outside the province of banking.

Without further recapitulation, the statement might be made that because there is available today such an abundance of vital information concerning investments, the investor can, with reasonable certainty, keep his funds profitably and prudently employed.

### "ARE WE PLAYING TOO MUCH GOLF?"

(Continued from page 34)

while the party referred to is a great organizer, he has even more autos, yes, more pleasures than may be good for him even, and he, no doubt, has his Chauffeur to look after him, a luxury he seems willing to criticize in others. I am sure quite as many of those whom fortune favors are distracted by wealth as he says the farmer may be, also, and though he may be able to "boss and hire" his work done, he is perhaps a load, in a certain way, that helps to keep the farmer down. But, with all, he has given the farmer a new partner in the golf addict, against whom, however, he is just as positive. That, of itself, is refreshing. Then he goes a long way from home to example a Government that created idleness through a charity. No farmer in this country has ever asked for it. Why not be fair, use some thought before making charges that cannot be made a verity without unfair treatment?"

#### Agrees with California Banker

J. L. Mitchell, president of the First National Bank of Sioux City, Iowa, is inclined to agree with the sentiments expressed by Mr. Giannini. He says:

"We acknowledge receipt of the reprint of the article by Mr. Giannini. I read this article with a great deal of interest and concur in the sentiments expressed therein.

"As to the particular subject of Golf, the way I look at it is that the majority of men who play golf, play too much; and some of those who are attentive to business do not play enough.

"It is especially embarrassing to those who play little, to play with those who play too much, and who are in practice.

"The saying that 'All work and no play makes Jack a dull boy,' might carry an addenda that 'All play and no work makes poor business.'"

### THE HOLDER OF A DRAFT

(Continued from page 35)

themselves the liberty to deal with it under whatever form it may present itself. The law declares fraud may consist of omissions, or commissions, in violation of some legal or equitable duty, trust, or confidence whereby another is injured.

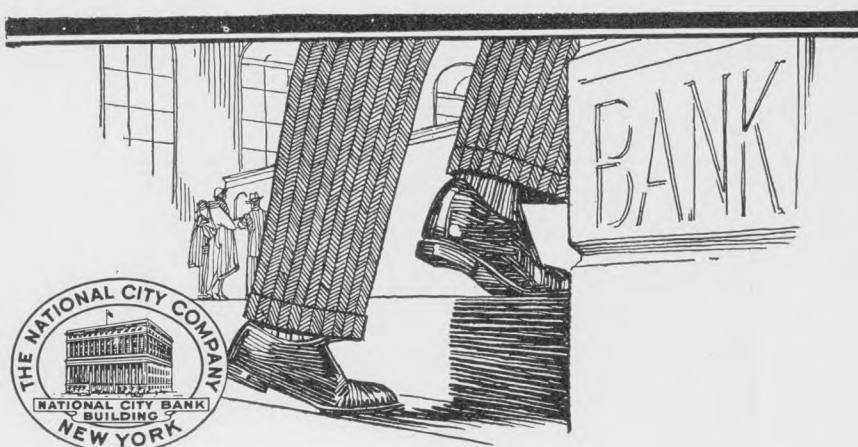
It is apparent, therefore, that the \$5,000.00 in the hands of the receiver of the Traders Bank was fraudulently procured from the National Bank, and if it were fraudulently procured, the title never passed to the receiver, so they were held in trust by the receiver for the benefit of the rightful owner, the First National Bank. While the funds, in one sense, are in the hands of the receiver—they still rightfully belong to the Na-

tional Bank—having traced the funds to the hands of the receiver and as the receiver has no title thereto, it must follow that the National Bank should have a preference on its claim.

If a bank sells a draft and receives therefor a draft drawn by the applicant on a bank in which it had insufficient funds, it is entitled to preference of its claim for the amount against the receiver of the applicant.

The drawing and delivery of a draft carries a representation that the drawer has funds or credits in drawee bank. Issuing a draft upon a bank in which the drawer has insufficient funds perpetuates a fraud on payee bank.

Every man admires a clever person, especially himself.



## Good Bonds for Banks

OUR monthly investment lists include a broad selection of good bonds, foreign and domestic, suitable for widely-varying needs. Each issue listed is a good investment in its class.

We will gladly mail these offerings each month to bankers and others who may want them.

### The National City Company

National City Bank Building, New York

Offices in more than 50 leading cities throughout the world

BONDS ✓ SHORT TERM NOTES ✓ ACCEPTANCES

Northwestern Banker December 1927

# The Changing World and Industrial Growth

By *HARRY M. HARRIS*

*Manager Des Moines Office, Continental and Commercial Co., of Chicago*

**T**HE total income of the people of the United States from agriculture for the year 1870 was larger than the total income from other industries, manufacturing and trade, but for the year 1925 total income from agriculture was reported as approximately \$17,000,000,000, while total income from manufac-

turing and trade for the same year is estimated at \$60,000,000,000, with \$5,000,000,000 added from mining; so we are decidedly an industrial nation.

The standard of living of practically the whole world has risen since the World War, and people having had a taste of better things will, no doubt, con-

tinue to keep our industries busy. They will dance as long as they can pay or otherwise satisfy the fiddler.

## Greatest Factor

The greatest of all factors in the present prosperity of our wage earners is found in the fact that the American worker has more mechanical horsepower at his elbow than the worker of any other industrial nation. It is estimated that one mechanical horsepower properly directed will do the work of eight men, and in America we have some 9,000,000 workers in industry and over 30,000,000 of developed horsepower, so if we assume that this force is properly directed, one man's effort in America is multiplied over twenty-five times.

We have twice as much developed horsepower per worker in industry as England, and four times as much as Japan. Wages in America are approximately twice the English wage, and four times the Japanese wage. Doesn't it strike you that there is a very logical connection in these factors?

Germany has always been a great industrial nation. Her rise as a world power was coincident with the discovery and development of the steam engine, which she applied to produce goods and to furnish power to ships with which she replaced the slower moving vessels, and rapidly built up a trade with the entire world. Germany is now rapidly developing her electrical properties and rehabilitating her shipping. Her people are industrious and intelligent and will know how to properly direct her mechanical horsepower and thereby multiply the efforts of her workers. In my judgment that is the answer to the way she will pay her debts and indemnities.

James A. Patten in his biographical story, "In the Wheat Pit," claims that more power is expended on the task of turning the soil once each year than is used in all the factories of the country. "There are over eight miles of furrow in a single acre. It costs farmers, who make a sound use of mechanical power far less to produce wheat or cotton or corn. With power on our farms a smaller proportion of our population is able to produce so much food that we have a surplus to export. In George Washington's day 90 per cent of the people worked on the land. In Russia today 85 per cent are still living on the land."

Supply and demand rule the world, and our farm problem is bound up with our surplus production, and Mr. Patton says that engine power has created that surplus. Cheap power is revolutionizing life in the city and country, and we must adapt ourselves to these changing conditions.

It is said that a nation which is predominately industrial creates and ac-

## Conservative Securities

### NO FUNDS

A greeting often accorded the visiting Investment House Representative, and one that in the light of subsequent developments, has time and again proven to be one of the costliest.

### Some of the Most Profitable Bond Transactions Are Made with "No Funds"

Ask your representatives for current information, including market quotations, concerning your bond holdings. It may prove profitable.

## BARTLETT & GORDON

INCORPORATED

FIRST NATIONAL BANK BUILDING  
CHICAGO

FIRST WISCONSIN NATIONAL BANK BUILDING  
MILWAUKEE

cumulates wealth so rapidly that it is soon difficult to employ it all profitably within that nation. That should mean better prices for everything in America worth possessing before extensive investments are made abroad. However, money like water seeks its level, so we will no doubt be picking up the bargains in investments abroad while our own values go higher. We have already become almost over night a great creditor nation, and increased trade will follow our loans to other countries if they are properly made. Truly this is a changing world and competition in all lines of endeavor will be increasingly keen.

#### IOWA LAND BUYING COMPANY BEGINS WORK

(Continued from page 24)

that Iowa farm land today is a better investment than investment bonds for the reason that the best type of bonds cannot pay over 3½ to 4 per cent on today's market and Iowa farm land, purchased at today's prices, will make an absolutely safe investment with a moderate rate and the speculative chance of an increase in value.

"As to any corporation or any institution that will be formed to purchase Iowa farm land, now is the logical time to form such a corporation, as within the next twelve months it looks as if a distinct advance over present prices would be made. If such a corporation is formed with a distinct purpose only of using its funds for the immediate purchase of land that can be bought at bargain prices and an advantage is taken immediately of present prices, then it should pay good returns. Its success will depend entirely upon the intelligent management and purchase of the lands and of keeping its capital profitably employed in that respect.

"There is no question but what bargains can be purchased and there is no question but what those bargains are becoming fewer each month, and that investments made now in land, if made at right prices, should pay good returns. If a five million dollar corporation is formed and starts to purchase Iowa farm land, there is no question but what it will have an influence on land values in many communities."

#### Everyone Will Benefit

W. H. Brenton, Dallas Center banker, and manager of the Brenton farms which include several thousand acres in Iowa and Minnesota, says:

"Referring to your inquiry regarding the general effect of the proposed Iowa Farm Corporation which will buy \$5,000,000.00 worth of land in Iowa, it is my opinion that the effect will be beneficial to all classes of business within the state.

"It is a notorious fact that in certain distressed communities many farms are selling for practically half their value. It is certain that many investors have funds which they are willing to put into land if once the price becomes stabilized. This corporation will certainly have the effect of encouraging this class of buyers who are now buying government and municipal securities at from 3¼ to 4 per cent yields.

"It is my opinion that the functioning of this corporation will be one of the greatest helps that has come to Iowa in many years. It will stabilize farm prices to such an extent that all classes of people will

realize that Iowa farms have value. It will encourage those with investment funds to buy Iowa land, which is the foundation of our wealth."

#### A "Boom" Justified

F. A. O'Connor, Dubuque attorney, has this comment to make:

"For some time I have thought a group of 'speculators' outside the state would start a boom on Iowa land and realize large profits on the venture. The situation has been such, in my opinion, to justify such a program.

"Iowa land has been going 'a-beggin',' with practically no market. The initial and basic investment would have more intrinsic worth than the great Florida movement a few years ago, as well as many other ventures.

"I am, therefore, profoundly convinced that the plan, as now outlined by business men of all classes, interested primarily in the general welfare and incidentally in profits, is thoroughly sound and practicable. If carried through successfully it cannot help but stabilize land values and result in a widespread purchasing of land by actual land owners and workers. It is a crime to see these wonderfully improved and wonderfully productive Iowa farms sacrificed as many of them have been. The only explanation is a broken morale of spirit among Iowa farmers and business men. In my opinion, we will wake up very shortly and realize our lost opportunity.

"Iowa land is the most fertile and productive land in the United States and can be bought now, in the opinion of men of unquestioned judgment for \$25.00 to \$50.00 per acre less than its real value. In this

## Supplying a Necessity

### Community Water Service Company

The business of the Community Water Service Company and of its subsidiaries is based on the sale of a universal necessity—water. Regardless of prosperity or depression, the demand for water continues in undiminished volume, representing as it does an extremely small obligation for each user.

The subsidiaries of the Community Water Service Company serve a population of 680,000 living in well established municipalities in the East and Middle West—for example, Peoria, (Ill.), Lexington, (Ky.), and suburbs of New York City, Pittsburgh and Saint Louis.

The nature of the business, the stability of earnings, conservative financing and the experience and responsibility of the management make the bonds of the Community Water Service Company and its subsidiaries highly desirable investments. Inquiries are invited regarding these attractive securities which are now selling on a basis to yield up to 6%.



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

115 W. Adams Street  
CHICAGO

42 Cedar Street  
NEW YORK

opinion I concur. Why then should not Iowa men put up a million dollars alongside of four million offered outside the state and put Iowa land and Iowa again where she belongs—as this movement successfully completed will do—in the very forefront of the states in agriculture and industry?"

#### Need Faith

The business men and bankers of the state must first feel the soundness and importance of this enterprise.

If they are indifferent; if they refuse to co-operate in the movement; if they remain doubtful about the future of our farm lands, what else can be expected from the farmers and citizens of Iowa as a whole?

What we need is faith in the fundamental basis of all wealth and credit—and faith, like charity, begins at home!

Pride meets with provocations and disturbances upon almost every occasion.—*Franklin.*

#### The Stock Market

The speculation in securities is readjusting itself and, looked at broadly, rampant speculation has been confined to specialties and not to the whole list. A very large number of listed stocks are selling at lower prices than at the first of the year (or as low as then), and some

of them lower than in January, 1926. As a class, the situation in oils illustrates this, and packing, fertilizers and textiles have had more or less of a bear market.

A list of 100 reputable stocks, most of them active stocks, published recently by the *Wall Street Journal*, shows declines in the last 18 months of from 16½ to 128¼ points. Trade conditions in particular groups have been responsible for many of the declines. In the present break some stocks which did not participate in the speculative upturns have held steady and even advanced while the list was declining. Such stocks had previously completed their readjustment.

The present break in stock prices looks like a corrective reaction which has been long expected and which, on account of the extended speculation preceding it, may take some little time before completion is accomplished. In its final phases it should afford new opportunities for investment selection.—*From The Bache Review.*

#### Hold Housewarming

The many friends and clients of the First Wisconsin Company, of Milwaukee, joined with them in a housewarming recently, to celebrate the opening of their new offices on the second floor of the Trust Company building. These quarters were formerly occupied by the First Wisconsin Trust Company, another one of the three affiliated institutions which constitute the First Wisconsin group. It has been entirely renovated and remade to fit the requirements of the personnel and patrons of the investment company. The attractive lobby, the comfortable conference rooms and roomy working quarters have been designed to expedite the work of the various departments of this rapidly expanding organization.

Though the First Wisconsin Company has existed as such since 1920, its predecessor companies have served Wisconsin investors for many years. To trace its growth, one must go back a quarter of a century to the day when the old Milwaukee Trust Company, (which later became the First Trust Company) and the Wisconsin Trust Company operated bond departments. Many of the men who were directors for those companies are serving in that capacity for the First Wisconsin Company today.

From 1902 until 1920, the history of this company could be followed through various mergers and consolidations of bond houses, trust companies and banks; then, on Jan. 17, 1920, this significant announcement appeared in the local papers: "The officers and directors of the First Wisconsin National Bank and the First Wisconsin Trust Company of Milwaukee, Wisconsin, announce that hereafter the investment business of the bond departments of both institutions

## Illinois Local Improvement Bonds

### Exempt From All Federal Income Tax

Illinois local improvement bonds are payable from a special tax which is levied against the property benefiting by the improvement, constituting a tax lien that is co-equal with the general taxes and prior to any first mortgage or civil lien.

We own and offer subject to prior sale a choice list of bonds of this type, among which are:

#### City of Harvey

**Water 6% Bonds due each December 1, 1929 to 1937**  
(Denominations \$500, \$200 and \$100)

#### Village of Mt. Prospect

**Water 6% Bonds due each November 1, 1929 to 1937**  
(Denominations \$1000, \$500, \$200 and \$100)

**Price 100 to Yield 6%**  
*Less Bank Concession*

Harvey, Illinois is one of the largest of the Chicago manufacturing and residential suburbs south of Chicago, and is located 19 miles from the loop on the main line of the Illinois Central Railroad. It has a present officially estimated population of 19,000, and is rapidly becoming one of the most prominent manufacturing cities in Northern Illinois. There are approximately 45 manufacturing industries located there. The value of the city property is estimated at \$60,000,000, with a general bonded debt of less than \$10,000, which is due in December of this year.

Mt. Prospect, Illinois, with an estimated present population of 1,500, is 7 miles from the northwest city limits of Chicago, on the line of the Chicago & Northwestern Railroad. It is a well located suburban community; is growing rapidly; has an adequate modern school system and many new beautiful homes.

*Descriptive circular will be sent on request.*

**TRUE-WEBBER & CO.**  
INVESTMENT BONDS

231 S. LA SALLE ST.

CHICAGO

PHONE CENTRAL 6556

BOSTON



CEDAR RAPIDS

LOS ANGELES



will be conducted by the newly organized First Wisconsin Company.

Thus came into being the newest member of the First Wisconsin group, which was the outgrowth of the consolidations of the First Wisconsin National and the First National Banks, the First Trust and the Wisconsin Trust Companies.

The First Wisconsin Company is responsible for the financing not only of many Wisconsin bond issues, but is frequently associated with other well known Chicago and New York underwriters in

the national distribution of bond issues. The progressiveness of this company has always been tempered with conservatism.

A glance at the list of officers and directors who are responsible for the affairs of this company reveals the names of many men outstanding in the big business of Milwaukee. Mr. Robert W. Baird is president of the First Wisconsin Company. Mr. Hugh W. Grove is senior vice president. Mr. Grove was recently elected vice president of the Investment Bankers Association of America.

The "optimistic" man says might as well sing your grief as cry it; don't be a "grouch."—James E. Newburn.

In all holiest and most unselfish love, friendship is the purest element of the affection. No love in any relation of life can be at its best if the element of friendship be lacking. And no love can transcend, in its possibilities of noble and ennobling exaltation, a love that is pure friendship.—Trumbull.

## Insured Bonds Attract Investors

By *J. KENNETH EDLIN*  
President Provident State Securities Co., Chicago

**T**HERE is a marked change taking place in the investor's viewpoint toward bonds, particularly from a standpoint of the safety of these securities.

Years ago, the mere fact that a security was a bond was in itself sufficient evidence of its safety—bonds as a class of securities were generally regarded as the most conservative and safest of all investments.

In recent years, industrial expansion and real estate promotions on a large scale never before experienced in American financing, together with the effectiveness of highly trained bond selling organizations, have been responsible for many unsatisfactory experiences among investors who now demand more than bonds—who demand bonds guaranteed safe, payment of principal and interest positively assured.

This new type of security, the insured bond, has made its appearance at a psychological time when investors more than ever before are demanding positive safeguards of their invested funds. The insured bond has exactly met this demand. Its quick acceptance among bankers, dealers and investors has been a natural outcome. To bankers, the insured bond meets the exacting requirements of conservative investments for their own capital and surplus and for resale to depositors. To dealers, the insured feature supplies safeguards that establishes confidence in the safety of the securities, eliminating selling resistance and permitting dealers to establish a profitable volume among conservative investors.

The investing public took quickly to the insured bond. Insurance is universally understood, accepted and appreciated for soundness of its principles; for benefits it confers and the safe protection it affords. Confidence in insurance is en-



J. KENNETH EDLIN

trenched deeply in the minds of the public—the great insurance organizations of the nation by their record of performance have well earned and fully deserve this confidence. The public requires no education as to the safe value of insurance or what it insures.

### Other Things Insured

Today, it is customary by almost everyone, everywhere, to insure their lives, motor cars, homes, factories—in fact any and everything of any value.

It is but natural that the public should insure their most valuable possessions—their invested funds.

Our company has taken a leading part in the development of insured bonds, believing that the time is not far distant when the truly conservative and safe

investment will be a bond with its principal and interest guaranteed and reinsured.

This is reasonable to believe because bonds additionally safeguarded by insurance are not dependent upon the insurance feature alone. Because they must measure up to the most rigid requirements before surety companies will accept them for insurance they must be more carefully selected than if they were not insured.

It is also natural to expect that insured bonds should take the form of first mortgage bonds—first mortgages are one of the oldest forms of investment known to man—first mortgages enjoy a record of safety not equaled by any other security yielding an equally attractive return.

And when to the inherent safety of first mortgages (none of our loans exceed 60% of the value of the property) is supplied the additional safeguard of insured principal and interest by one or more surety companies accepted by the United States treasury as guarantors, no form of security could possibly offer greater safety. Besides the current yield of 6% is most satisfactory.

The insurance safeguard is made a part of the bond—the insurance clause is noncancelable and it remains in full, unchanged operation safeguarding the principal and interest until the last dollar due on the bond is paid to the bond holders.

The fact that only the choicest issues are eligible for insured bonds, in addition to the realization among investors that the necessity of investigation of the insured issue is not necessary, promises that insured bonds are certain to popularize themselves with those investors who insist on thorough protection of principal and interest yet securities providing a satisfactory yield.

*Northwestern Banker* December 1927

# The Theory and Practices of Leasehold Bonds

By *CARROLL S. FELTNER*

*Manager Wholesale Bond Department, Robert S. Strauss & Co., Chicago*

THE following is not written from the legal point of view, but in an effort to set forth the theory and practice of leasehold real estate bond issues in the language of the bond dealer.

The leasehold idea as a basis for security is relatively new, except in a very few localities. The leasehold method of financing real estate construction is con-

tinually growing in popularity and has many points of advantage over the more familiar method of mortgage loans secured on the fee. For this reason, we believe, the subject is timely and worthy of due consideration.

## Fee and Leasehold Titles

The title of real estate may be based

upon outright ownership of land and buildings or it may be based upon the right of the use of such property in consideration of a rental. Everyone is familiar with the ordinary short term lease which covers the use of residence property, such as homes and apartments. As such leases generally run for a short period, they are more a matter of convenience or protection than of having any value as they are strictly temporary.

It must, however, be conceivable to any one that the same lease, sufficiently lengthened, gives in effect a right to use the property which may be practically as desirable as owning the fee. The majority of ground leases are for 99 years, which far exceeds the life of any average tenant and in fact the life of any building from the standpoint of investment value. For this reason, the right to occupy property, whether in the form of land or

*MORE than 2,000 banks of the United States purchase these notes for prime, short-term investment.*

*Checkings available in any financial center and complete credit data on request.*

## Industrial Acceptance Corporation

FINANCING STUDEBAKER



DEALERS EXCLUSIVELY

## Collateral Trust Gold Notes

(THE NATIONAL CITY BANK OF NEW YORK, TRUSTEE)

### *Executive Offices*

GRAYBAR BUILDING, NEW YORK

[Lexington Avenue at 43rd Street]

### *Commercial Paper Offices*

NEW YORK ✓ ST. LOUIS ✓ DALLAS ✓ SAN FRANCISCO

CHICAGO ✓ 105 South La Salle Street

MINNEAPOLIS ✓ First National Soo Line Building



CARROLL S. FELTNER

building or both for a period of 99 years is for all general purposes, ownership. The land in the loop section of Chicago, as far as land goes, is no better or probably not as good from a dirt standpoint, as thousands of acres of farm land in any state. But the reason that it is so valuable is on account of its location. In a 99 year lease, the lessee controls and has

the use of the location or the value for 99 years. So what difference does it make whether one owns this location by virtue of deed or lease except for the payment of a fixed rent? The purpose of the foregoing is to establish the idea that long term leasehold titles and fee titles accomplish much and the same purpose, for the occupant of the premises.

#### Advantages of Leasehold Titles

The growing tendency toward leases rather than outright purchases in large transfers of real estate is based upon practical conditions according to the benefits of both the owners of the property who become the lessors, and the tenant, who becomes the lessee. This subject is most easily appreciated when we start from the standpoint of the owner of the property.

Assume that an individual owns a valuable piece of vacant property which he desires to sell for a million dollars. It is sometimes difficult to find a buyer with one million in cash to invest, and even if such a transaction takes place, the owner is immediately faced with a problem of reinvesting the proceeds of this sale. At this point, he is approached by a reliable real estate operator who offers to pay him \$200,000 cash and a rental for 99 years of \$40,000 a year.

The offer to pay a fixed rental for a long period is usually quite attractive to the owner for several reasons, he does not have to seek new investment for the \$800,000, furthermore, a sale of the land at a high price may involve the payment of a very substantial income tax, especially if the land has materially advanced in price from his original purchase.

It is thus evident that the owner of the land may be just as well off with a long term lease on his property as he would

## Metcalf, Cowgill & Co.

### *Investment Securities*

DES MOINES  
EQUITABLE BLDG.  
Market 275

SIOUX CITY  
DAVIDSON BLDG.  
Auto. 57488

## FOREIGN BONDS FOR BANKS

Well selected foreign bonds have a much merited place in your bank's investment structure.

Diversification can not be complete without this profitable type of securities being included.

Reference to any careful survey of the foreign market for the past five years will show a decided investment advantage offered by sound foreign obligations.

National banks reporting to the Federal Reserve show combined holdings of approximately five hundred millions in foreign securities.

*We maintain a special service  
in foreign securities for banks.*



## BAKER, KELLOGG & CO., Inc.

111 West Monroe Street  
CHICAGO

NEW YORK  
LONDON

Telephone Randolph 0415

DETROIT  
BUENOS AIRES

## Emery, Peck & Rockwood Company

ESTABLISHED 1910

*Investment  
Securities*

Continental and Commercial  
Bank Building  
CHICAGO  
441 Broadway  
MILWAUKEE



be through a direct sale, also it is important to note that the party who leases the property almost invariably does so with the intention of putting a building or improvements upon it, which, of course, adds to its value by the amount which goes into the improvement.

Now, consider the position of the lessee. This party desires the use of the land in order to construct a building and naturally prefers paying an annual rent rather than putting up the full purchase price in cash. The advantage of such an arrangement to the lessee is obvious and need not be elaborated, except to say that the full amount of cash which he has available can be used for construction or improvements.

#### Valuation of Leases

Before considering the method of mortgaging a lease and the extent of security

for such a mortgage, it is necessary to understand the ordinary rules for placing valuation on leases. To illustrate this point, go back to our original proposition that the land under consideration is worth one million dollars. The lessee paid \$200,000 in cash, leaving \$800,000 on which he pays five per cent or \$40,000 a year. This would mean that his lease was worth \$200,000. Then assume that the lessee constructs upon this property, a building costing \$2,000,000. The ordinary lease entitles the lessee to the use of the land and all improvements so that upon the construction of the building, the lessee is entitled to the use of the property with a total value of \$3,000,000, in return for the rentals which represent the income at five per cent on only \$800,000. Obviously the value of his leasehold interest, or "Leasehold Estate," as it is generally called, is the difference between

the total value of \$3,000,000 and the amount of \$800,000 on which he pays rental resulting in a net value of \$2,000,000.

We are here using a case in which the value of the leasehold equity lies just in the building and the original purchase of \$200,000 lease. It is quite possible, and in fact it most frequently happens, that the lease may have still further values.

Still, assume that the rental paid on is the basis of \$800,000. Then suppose that in a few years thereafter, the land increased to a valuation of \$2,000,000 on which there has been no increase in rent paid the lessor. The lessee receives the full benefit of such increases because in reality he is getting a million dollars worth of land for nothing, or to express it differently, he has the use of \$2,000,000 worth of property for the rental price on \$800,000. This condition usually applies to relatively old leases; in other words, the point that we want to bring out is on a 99 year lease on a fixed rental, the value of the lessor's interest or fee estate cannot increase in value, for any increase in value of the land naturally goes to the lessee, because for all purposes, he controls and has the use of the property for 99 years. There are many old leases in existence today that are far more valuable than the fee estate from whom they were leased.

#### Financing a Lease

A leasehold bond is a bond issued by the lessee and secured on his leasehold interest in the property. You can see from the foregoing that the lease is just as mortgageable as the real estate itself, and that it has a value which can be established by the method shown above, and is just as good for collateral if properly set up as the fee.

In the issuing of a leasehold bond, the lessee pledges his lease as security. This having been done, he is freed with the necessity of making the property earn enough to pay his charges and still show him a profit. The value of a leasehold bond depends quite largely on the ratio of earnings levied from the property as compared with the total charges for rentals (usually called "Ground Rent"), taxes, insurance and other expenses. You will also appreciate that any increase in the value of the land, as it all goes to the lessee, shows a much greater ratio of increase of security than if the bond covered also the fee. Another way of putting this more plainly is to take our original example where the lease is worth \$200,000 and the building \$2,000,000 or a total value of \$2,200,000 a 60 per cent loan would be \$1,320,000. Now suppose, for example, without any bonds being retired, the value of the land has increased to \$2,000,000 which would mean



FIDELITY · MEANS · KEEPING · FAITH

## Milestones

The miles that represent a bank's relations with its patrons are marked with milestones of definite services. Among the important services which a progressive bank must render is impartial advice regarding securities.

Fidelity First Mortgage 6½% Bonds adequately fill the requirements of a well balanced investment and to many investors, are stepping stones in their path and milestones in their progress to financial independence. Many Fidelity Bond owners got their start through their banker's recommendations.

If you are not acquainted with Fidelity Bonds, our booklet, "The House Behind the Bonds," will serve as an admirable introduction. Allow us to send it.

**FIDELITY**  
BOND AND MORTGAGE CO.

J. U. MENTEER, President INCORPORATED 1913

1182 New York Life Bldg., Chicago  
St. Louis—Denver

LR253

FIDELITY · GUARANTEES · EVERY · BOND

a loan of \$1,320,000 against a total valuation of \$3,200,000 or 41 per cent loan. The same loan against the fee and building which would be an original value of \$3,000,000 with a 60 per cent loan, would be \$1,800,000. If the property increased a million the total value would be \$4,000,000 with a loan of \$1,800,000 or 45 per cent. Of course, we do not consider it good practice to issue bonds unless a definite amount is being paid off yearly, out of the earnings of the building. You can readily appreciate, that the ratio would be the same in either case as the above is set up in that manner to make the explanation clearer.

Still another way of putting it, take the lease and fee exclusive of the building. In the first instance, the \$200,000 lease advanced to \$1,200,000, or an increase of 500 per cent, while in the second \$1,000,000 fee increases to \$2,000,000 or only 100 per cent.

A mortgage on the fee dated later than the lease is said to be subject to the lease, which means that the rights of the lessee must be recognized, when the mortgage is created. The security of the leasehold bond is not effective in any way by the existence of such mortgage, as it has no bearing on the leases, as in reality, such mortgage is against the rental paid by the lessee. You can readily see that it makes no difference to the lessee to whom the rent is paid as long as the terms of the lease cannot be changed.

#### With National Park Bank

The National Park Bank, New York, announces the election of Mr. James Bruce as a vice president.

Mr. Bruce was born in Baltimore, December, 1892. He graduated from Gilman school in 1910 and from Princeton University in 1914. He then took a law course, graduating from the University of Maryland law school in 1916, and served as private secretary to Thomas Nelson Page, ambassador to Italy, 1916-1917.

During the war he was in the Second Division and on the staff of the First Army from 1917 to 1920.

He became vice president of the Baltimore Trust Company in 1921, remaining there until 1926, when he became vice president of the International Acceptance Bank, Inc., New York. He comes from this position to the National Park Bank.

Mr. Bruce expects to assume his duties on December 15th.

All great discoveries are made by men whose feelings run ahead of their thinking.—Parkhurst.

Friendship is the great chain of human society.—Howell.

## The Standard of Safety—

Unless a bond issue measures up to these ten standards of safety it cannot be a Robert S. Strauss & Co., issue:

- 1 *Ownership*—The ownership of the land must be firmly established, and a Title Guaranty Co. of repute must guarantee that the title is clear of all claims.
- 2 *Owner*—The owner or owners who are also the borrowers must be persons of good character and financial responsibility.
- 3 *Location*—The location must be studied carefully by experts to determine present and future value.
- 4 *Building*—The building to improve the land must be an income producer and must be adaptable to the location. If a construction loan, a completion bond guaranteeing; 1—completion of the building; 2—that the building will be free of all mechanics' liens; 3—complete in accordance with plans and specifications and completion date, must be furnished by a reputable Fidelity and Guarantee Company.
- 5 *Appraisal*—Well-known, competent independent appraisers must appraise the property and building to be erected and no first mortgage of over 60% of a fair valuation can be made.
- 6 *Trustee*—The Trustee must be a responsible trust company who will certify to the authenticity of each bond.
- 7 *A Serial Amortization*—The bonds must be in "serial maturities;" thereby increasing the proportion of security for the investor year by year as the mortgage is gradually reduced.
- 8 *Income*—The net income from the property must be in excess of the largest annual interest and retirement requirement.
- 9 *Sinking Fund*—The borrower must pay the trustee monthly one-twelfth of the total annual fixed charges of the issue.
- 10 *Insurance*—The property securing a bond issue must be thoroughly protected by insurance from destruction by the elements.

Current list of sound securities yielding 6%—6½% sent upon request

### ROBERT S. STRAUSS & Co.

INCORPORATED  
Telephone Randolph 1331  
105 West Monroe Street  
CHICAGO

# The Work-and-Save Bond as a Supplement to Savings

By C. C. CHILDS

Vice President, The Toy National Bank, Sioux City, Iowa

Speech delivered before the Savings Departmental Session, Twelfth Annual Convention of the Financial Advertisers Association, West Baden, Indiana

FIRST, let us understand the Work and Save Bond, its origin and its possibilities. The Work and Save Bond is the child of the brain of Mr. Franz Shenkberg, vice president of the Toy National Bank and the Farmers Loan and Trust Company, affiliated institutions in Sioux City, Iowa, hence, the name,

Shenkberg's Work and Save Bonds. It not only derives its name from this Mr. Shenkberg but also from his father, Mr. C. Shenkberg, a prominent wholesale grocer in that city for many years, now deceased. Mr. Shenkberg's plan was to offer to the laboring, business and professional classes an investment opportunity which could be adapted to the needs of all. He believed that the small saver or investor was entitled to a rate of interest better than that which the savings department paid in the event that the money be left undisturbed for a longer period of time. This bond is issued for a five-year period with a semi-annual interest coupon attached, is nonnegotiable, and is offered in various denominations, the smallest \$5.00 and the largest \$1,000.00, with several intermediates, so no matter what amount is desired, denominations are available which can be adapted to meet the particular investment ability of the customer.

As to the possibilities, it was thought by our executive officers that the Work and Save Bond could never be made very popular because of the comparatively low rate paid upon it. We also thought that if it did become popular it would work a severe hardship on our regular savings department. But this, apparently, is not the case, for the plan has not only become popular, but has, to all appearances, proved no detriment to our regular savings. Perhaps it has proved a stimulant. Who knows? At least since the institution of the bond plan, our savings deposits and increases have kept pace with those of other similar institutions, which shows that the amateur investor appreciates an intermediate depository for his surplus funds no matter how small the amount may be. Intermediate because the Work and Save Bond takes its place between the savings account and the usual securities offered by our investment department. And we call these investors amateurs because that class which is interested and will buy the Work and Save Bond is, as a rule, inexperienced in handling investments.

## Does Thrift "Satisfy"?

The emphasis, the accent, of our savings advertising has been based upon "Thrift," which is as it should be, and

## BROKAW AND COMPANY

105 South La Salle Street, Chicago

Direct Wire to Edward B. Smith & Co.  
New York : Philadelphia

General Trading Department  
Specializing in Packing House,  
Canadian, Equipment Trust  
and Pacific Coast Securities.

*Special Bond Service to Banks*

IOWA REPRESENTATIVES  
Edward J. Kelly and Maurice F. Leahy



well enough up to a certain point, but does it satisfy the savings depositor that he is, in fact, thrifty because he has a savings account? I question whether or not it does. There seems to be a connotation about the term thrift that causes the small investor to feel poverty stricken. The fact that, to get ahead, he must place his surplus into a savings account makes him feel diminutive. He wishes to be an investor, to be in a position to buy securities which heretofore, with us, has been impossible except by the installment plan, or by building a savings account for the purpose, as the ordinary bonds are in denominations usually so large as to discourage the average individual. Here the Work and Save Bond coincides with his desire, for while it can be obtained in a denomination within his means, it still has the dignity of an investment.

It has become the custom of savings depositors, and they are being so educated, to "Save to Spend." There seems, now, to be but little thought of the savings account as a means of accumulating a competence or as an investment. As Mr. Arthur D. Welton says in his recent article, "The Changing Style of Saving:" "The new generation does not subscribe to the old custom of accumulating, and the bankers, obedient to the decree of fashion, now urge their banks as safe and convenient places for the accumulation of money which is being gathered for a definite purpose."

Again, the satisfaction derived from clipping the coupons semi-annually from a Work and Save Bond gives as much pleasure to its possessor as a similar act gives to the opulent. As Mr. Shenkberg puts it, "It is like the itch—feels so good to scratch." The Work and Save Bond combines two usually adverse characteristics, in that it is an investment for surplus funds in something not subject to market fluctuations, but it still possesses a usually immediate market. This market is made by our bank, in that Work and Save Bonds are cashed at the savings or certificate interest rate before maturity.

It need not be said that human nature is materialistic; that is demonstrated in every human endeavor. It believes only what it sees and comes in contact with. The purchase of securities on the installment plan has proved, from our experience, and I think from the experience of others, to be inconceivable to the average individual. He will buy a piece of furniture, a radio, a piano, or an automobile upon installments because they are tangible. He can see them, feel them, use them, but to every week or month sink



## Conservative and Reliable Offerings for Bank Investment

Municipal  
Government  
Railroad  
Industrial  
Public Utility  
Institutional  
Foreign

# BONDS



## HARRY H. POLK & Co.

INCORPORATED

*Investment Securities*

Des Moines, Iowa

Equitable Building

Phone Walnut 55, 56, 57

# Financing Automobile Sales

The Iowa Guarantee Mortgage Corporation issues **Collateral Gold Notes**, backed by ample security, based on automobile sales. These bonds have an ample yield, are of short maturity and are an ideal investment for banks.

JULIUS D. ADELMAN, President

## IOWA GUARANTEE MORTGAGE CORPORATION



**Shops Building**  
**DES MOINES, IOWA**

his surplus into an intangible, invisible something is beyond his comprehension. The Work and Save Bond has combined tangibility with a price so small that it need not exceed the average installment payment.

Further, as to its acceptability, the Work and Save Bond is to the small or inexperienced investor what an attractive carton is to a purchaser of consumable goods. The attractiveness of staple groceries, for instance, is due not to their intrinsic value but to their skillful packaging. The Work and Save Bond may be likened to a consumption article. It is attractive in denomination, in convenience, in redemption and in appearance.

### Something Lacking

It is difficult to market an ugly article, no matter what its intrinsic worth or value may be. Therefore, the savings account and the installment receipt are not so easily sold. What man, woman or child of ordinary vision sees any great, enduring possibilities or derives such satisfaction from the figures in a pass book? There is something lacking in the transaction; the book does not even represent value; it is merely a memorandum. The bond has value as a piece of paper money is valuable—it actually stands for the money.

A few moments ago I spoke of the possibilities of the Work and Save Bond. I should go farther by saying that we do not really know what the possibilities are. We are practically allowed to do its own advertising. Not only has it done that, but we think it has furnished considerable publicity generally for regular savings deposits and other departments because of its circulation and the additional traffic it has made. Surely, every Work and Save Bond buyer is a potential customer for a savings account, and, also, for a safety box. He buys the Work and Save Bond as an investment so he needs a savings account in which to gather funds for some other purpose, and now that he is an investor, he should have a safe place to keep his investments and a handy room in which to clip the interest coupons. We see this demonstrated nearly every day in our institution. It is my opinion that the possibilities of the Work and Save Bond have scarcely been touched. It requires but little vision to imagine its future. As before stated, it has, to a large extent, been allowed to advertise itself, resting almost solely upon its merits and praised only by satisfied holders. So far as our institution is concerned, I believe that an extensive campaign in any good advertising medium would double the amount outstanding in a short period of time. There are many correlations which have heretofore not been realized. The idea of accumulation of savings for the pur-



chase of Work and Save Bonds could be, I think, very effectively incorporated in advertising copy. The education of school children as investors is another thought. There are several others but each economic division of the country will suggest its own.

There is no question in my mind but what the Work and Save Bond has its particular place in connection with the business of every bank that has savings accounts of any consequence. It can be successfully sold to so many different classes of people and to the many types in the various classes, that it is without doubt, *the package* with which to supplement savings.

It is attractive to the individual who has the urge to accumulate; to the saver who wants the higher rate of interest and is willing to leave the funds undisturbed for the longer period to obtain the additional rate; to the savings customer who feels that he should have some graduate work in accumulating; to the thrifty man who does not have the gambling instinct developed to make him seek speculative investments of any kind; to the investor who will accept the lower rate because he is inexperienced and knows it; and even to the habitual installment buyer it is attractive, because he gets a bond every time he pays without the aroma of the "dead horse" that he is accustomed to, but which he has learned to so dislike.

I hope I have demonstrated in this brief address that the Work and Save Bond is a supplement to savings; that it is to savings what the term implies, "that which serves to complete or make perfect that to which it is added."

#### Receives Honor at Yale

Word has been received in Des Moines that Harry H. Harris, Jr., is one of two Iowa boys at Yale University to be ranked as a "scholar of high rank" with a general average of 85-89. He is a son of Harry M. Harris, manager of the Des Moines office of the Continental and Commercial Company of Chicago. Young Harris is a sophomore in the university and a member of the naval unit there.

#### Fixing the Blame

There was a fearful crash as the train struck the car. A few seconds later Mr. and Mrs. Pickens crawled out of the wreckage. Mrs. Pickens opened her mouth to say something, but her husband stopped her.

"Never mind talking!" he snapped. "I got my end of the car across. You were driving the back seat and if you let it get hit it's no fault of mine!"

There is no solemnity so deep, to a right-thinking creature, as that of dawn.  
—Ruskin.

## Bonds That "Fit"

If you buy a new suit of clothes, you don't buy simply because the material is good. You require that the style and fit are correct for your purposes.

The same idea is entirely applicable to bond purchases. Because a bond has strong security, it does not necessarily fit for your purposes at the time of purchase.

We offer our assistance for the "fitting."

### The Cummins & Morrison Company

INVESTMENT SECURITIES

503-4 Equitable Building Des Moines, Iowa

## IOWA—

### Fortunate Commonwealth!

Wealth springs from the soil. Wealth has come to Iowa this year because it has produced *another* great crop.

It is a fortunate commonwealth that can claim for its own this great stretch of fertile territory.

But it should not be forgotten that the farm mortgage banker has made possible the great development of farming areas!

In Iowa the Stanley-Henderson Company possesses an enviable record for service to the farming industry and to banks who, in their mortgage financing, appreciate prompt closings, reasonable rates, with personal interest added to satisfying service.

We will gladly serve YOU.

### Stanley-Henderson Co., Inc.

I. C. STANLEY, President

Farm Mortgage Bankers

CEDAR RAPIDS

## Questionable Stock Certificates Help Unscrupulous Promoter

Certificates of stock in questionable enterprises, but closely resembling bona fide stock certificates were revealed as the favorite tools of promoters when the results of a survey by the financial section of the National Better Business Bureau into current promotional trends were made public recently.

Based upon 553 inquiries which came to the Bureau from individuals in all sections of the country regarding hundreds of companies, the survey extended over the period of three and one-half months from May 1 to August 15 of this year. The inquiries were made by organizations and individuals of widely varying interests including school teachers, local Better Business Bureaus, news-

papers, chambers of commerce, stock exchange members, and wage earners.

Among the findings of the survey are the following: Offerings by principals occur four times as often as those by brokers or other agents; mining promotions are most popular among operators with oil production and real estate offers coming second and third; the mails afford the chief avenue of approach to the prospective customer; 30 per cent of all promotional offerings are sold to a restricted group of which stockholders in previous duds and the inveterate purchaser of questionable stocks, business firms, and subscribers to doubtful publications and financial services each make up 10 per cent, and the city dweller is better informed as to the sources of reliable information on current promotions than is the rural investor.

Interesting sidelights on the survey

are that ten times as many inquiries were made on stocks as on bonds, while miscellaneous offerings, inclusive of real estate, were nearly as common as the sale of stocks. Four times as many inquiries were addressed to the National Bureau by city residents as by dwellers in the country.

As percentages of the total number of inquiries the eight leading types of promotional offerings as indicated by the survey are listed below.

|                                                                                                    |          |
|----------------------------------------------------------------------------------------------------|----------|
| Mining .....                                                                                       | 20 %     |
| Oil production.....                                                                                | 12 1/2 % |
| Real estate.....                                                                                   | 10 %     |
| General securities dealers<br>mostly mail "put and call"<br>and installment plan specialists ..... | 8 1/3 %  |
| Oil royalty.....                                                                                   | 7 %      |
| Manufacturing .....                                                                                | 7 %      |
| Business service firms.....                                                                        | 1/2 %    |
| Automotive .....                                                                                   | 2 1/2 %  |

Presenting tangible evidence of the activities and methods of promoters, the survey is of added value because its scope was nation wide. High pressure promoters, it is shown, use such up-to-date selling stimulants as the radio, sky writing, elaborately faked industrial exhibits, typster sheets, and gaudy direct-by-mail advertising. But the fact that newspapers have found caution necessary doubtless accounts for the lack of questionable promotion advertising in their columns.

All things considered, however, it has not been necessary for the promoter to call upon his ingenuity to any extent in finding new fields in which he may issue fake stock certificates.

### Gas Industry Still Developing

With the vast development of the electric light and power industry in recent years, the idea has grown in the minds of some that the gas industry must, perforce, have entered a period of decline. Much of the work now accomplished by electricity was formerly considered a field for the use of gas. The greater publicity which has been given electric light and power development has, perhaps, caused many to lose sight of progress in the manufacture, distribution and sale of the older utility product. During the past twenty years consumption of manufactured gas has increased four-fold, and the use of natural gas reserves has shown a similar rate of increase.

Natural gas projects usually are limited to a territory within about 300 miles of the gas fields, and although today about three times as much natural gas as manufactured gas is consumed, the industry does not touch closely the whole population of the country. Investments in this division of the gas industry are also usually dependent for their ultimate

## MUNICIPAL BONDS Are Highly Desirable for Bank Investments

We offer a superior service to banks desiring conservative paper, through our specialization in the municipal bond field. Write today for descriptive circulars.

**CARLETON D. BEH Co.**

*Investment Securities*

Liberty Building

Des Moines, Iowa

## Fischers Madison-Appleton Theatres Co.

Guaranteed as to Principal and Interest by  
FISCHERS PARAMOUNT THEATRES, INC.

First Mortgage 6% Gold  
Notes

Dated October 1, 1927

October 1, 1929-1930

Priced to Yield 6%

THESE notes are secured by a closed first mortgage on three valuable sites—two in Madison and one in Appleton, Wisconsin—and the three completed and successfully operated theatres thereon, including all permanent fixtures owned by the Company. The fair cash market value of these properties, as independently appraised by the Manufacturers' Appraisal Company, is over 210 per cent of these first mortgage notes. The principal and interest of this issue are, furthermore, unconditionally guaranteed by Fischers Paramount Theatres, Inc., controlling a chain of eleven theatres in the states of Wisconsin and Illinois. Earnings of the guarantor company average 5.44 times maximum interest requirements on these first mortgage notes.

*Inquiries Invited*

**E. H. OTTMAN & COMPANY, Inc.**

Bankers Building INVESTMENT BANKERS 105 W. Adams Street  
CHICAGO

Northwestern Banker December 1927

security on the permanence of a single producing field, or section of the country. It would seem therefore that the important developments of the future, affecting the largest population centers, will be in the manufactured gas industry. What is the prospect here?

**Subject to Same Economic Laws**

The economic factors governing the manufactured gas industry are for the most part identical with those found in the electric utility field. It may be expected that their development will be similar. The outstanding characteristic of electric utility development has, almost from the first, been consolidation. As yet this has not been as dominant an influence in gas. Among several reasons for this, a primary one is the fact that economies derived from large scale production of gas are not nearly so large as those obtained by increasing the size of electric plants. In fact, in gas production labor cost is the major operating expense that can be reduced. The original capital investment per unit produced is substantially less in the large plant than in the small. As the capacity of a small plant becomes taxed it is the tendency to make additions to some larger plant nearby which is designed eventually to serve the entire surrounding territory. It is therefore usually not profitable to dismantle small plants which, however, might not have been built in the light of present day methods. This condition has not retarded development in the thickly populated districts. Here large scale production and distribution have been secured with a resulting saving in labor costs, and, more important, a better serving of customers.

**Mine-Mouth Gas Production Problematical**

This has led some to suggest that with modern methods of high pressure transmission of gas it may become feasible to construct gas plants at the mouths of coal mines and thus save hauling charges on the coal used. One would hesitate to say that this was forever impossible. Certain objections present themselves which make it seem more a horizon possibility than a project of the near future. To mention only a few; although coal is widely distributed throughout Illinois, for instance, it is not of a character particularly adapted for the manufacture of gas. It is actually cheaper to import coal from West Virginia for Chicago's gas needs. When gas is made from coal (which is the cheapest method of artificial production) numerous bulky by-products result, the market for which is generally in the city. Transportation charges become necessary after all. Mine-mouth production of gas may be economically possible some day. However,



**THE DETROIT COMPANY**  
*Affiliated with*  
**DETROIT TRUST COMPANY**

*We own and offer subject to prior sale and change in price:*

|                                                | Due     | Yield      |
|------------------------------------------------|---------|------------|
| St. Louis, Missouri Improvement . . . 4's      | 1932-47 | 3.80-3.85% |
| Pittsburgh, Pa. Improvement . . . 4¼'s         | 1940-47 | 3.85%      |
| State of Mississippi Hospital . . . . . 4½'s   | 1942/32 | 4.00%      |
| Detroit, Michigan Improvement . . . 4¼'s       | 1937-57 | 4.05%      |
| Harris County, Texas Navigation Dist. . . 4½'s | 1934-57 | 4.25-4.30% |
| Sampson County, N. C. School . . . . . 5's     | 1932-57 | 4.25-4.35% |

**137 South La Salle Street**  
**CHICAGO**

**Attractive Utility Bonds**

|                                   | Rate | Due  | Yield about |
|-----------------------------------|------|------|-------------|
| Consol. Tel. of Wisconsin 1st . . | 5½s  | 1942 | 5.75%       |
| West Texas Utilities Co. 1st . .  | 5s   | 1957 | 5.15%       |
| Southwest Utility Ice Co. 1st . . | 6s   | 1941 | 6.25%       |
| Electric Public Utilities Co. . . | 6s   | 1942 | 6.25%       |

*Circulars on Request*

**HOAGLAND, ALLUM & CO.**

INCORPORATED

14 S. La Salle St.  
 CHICAGO

34 Pine St.  
 NEW YORK



**strongly Safeguarded Investment Trusts**

The United States Shares Corporation manages five investment trusts. In each the underlying securities are deposited with a bank which acts as trustee. The trustee collects the income on the underlying securities and twice each year pays, as dividends, the accumulated distributable income to the shareholders.

Every security in the portfolios of these various trusts is readily marketable and pays income regularly. Substitutions may be made to maintain high quality, but are restricted by rigid trust agreements.

*Circular U.75 on Request*

**United States Shares Corporation**  
50 Broadway, New York

## SHORT TERM PUBLIC UTILITY NOTES

We offer limited amounts of these short term public utility securities which we believe should be of interest to banks and institutions at this time. Circulars will be sent upon request.

Keystone Telephone Co.  
of Philadelphia  
3-Year 5% Gold Notes  
Due Oct. 1, 1930; yielding  
**5.70%**

Federated Utilities, Inc.  
3-Year 5½% Gold Notes  
Due Nov. 1, 1930; yielding  
**5.90%**

Southern United Gas Co.  
2-Year 5½% Gold Notes  
Due April 1, 1929; yielding  
**6.05%**

United Public Service Co.  
2-Year 6% Gold Notes  
Due April 1, 1929; yielding  
**6.20%**

## DE WOLF & COMPANY, INC.

*Investment Bonds - Established 1889*

CHICAGO

MILWAUKEE

gas engineers feel that there are other opportunities for developments of more immediate benefit to consumers and investors in the industry.

### More Gas for Each Consumer

Stated simply, the problem of the gas company, like that of the electric utility, is to increase the consumption per meter. This does not mean that the two services are in direct competition. There is a natural line of cleavage, and the discovery of what functions each is best suited to perform will leave vast fields of development open for both. Of primary importance in increasing the revenue load per meter is an improved rate structure which will give fair consideration to the value of each class of service to the company. House heating, for instance, increases volume materially, but at the same time results in a varying seasonal and hourly demand. It has been found that this class of service can be taken on to the extent of 40% of total sales, with a steady improvement in the hourly load factor. Complementary demands may be developed in water heating, refrigeration, and various industrial uses. It is not generally realized, perhaps, that with cooking, the principal present day use for gas, peaks of home demand come on Sundays, holidays, etc., with Thanksgiving and Christmas marking the peaks for the year. This leaves during the middle of the ordinary business day a period when demand for cooking is relatively small and facilities are, in part, unused. Here the industrial load may be taken on at rates which give a wide economic use for gas as a fuel.

### Developments the Future May Witness

It is estimated that one-fifth of the soft coal now consumed, largely that used in homes and railroad shops, could economically be replaced by gas. Three-quarters of the hard coal used in both homes and industry could, it is claimed, give way to gas, as well as 75% of the oil now used for house heating and industrial heat treating processes. With the eventual depletion of many of the natural gas fields, manufactured gas may be called on for greater production. It is believed that there is, or will be, a potential market for the artificial product equal to about sixteen times the total present output.

### DEVELOPING A BOND DEPARTMENT IN A MEDIUM SIZED COMMUNITY

(Continued from page 45)

Next comes the Collection Teller. To him matured bonds are often presented for collection, and a suggestion from him that the Bond Department may be able

to facilitate its handling, may mean a new customer. Of course, the Bond man can quickly ascertain if reinvestment is contemplated, and in such a case, the bond can be taken in at once and a new buyer is yours.

And Mr. Collection Teller cashes coupons; and every coupon means a real buyer. Of course, the Bond man doesn't say, "I know you are a buyer because you cash coupons," but he can instantly approach the prospect with an offering of securities and so save a lot of waste motion.

After a while it is very necessary that salesmen be put on, for telephone calls, letters and circulars lack the human element of a personal call. The banker should not lose sight of the fact that, with all the foregoing in his possession, he is going after the investor who has made friends with bond salesmen who have called on him, in the past, and it is personal contact only, plus good service, that can bring the buyer to you.

Of course, circulars, little leaflets on building an estate, on the wonders of compound interest, on consulting the banker, have their place in sales promotion. They all reach the investor you may know. But how about the investor you don't know? The way to reach that person is by sensible financial advertising through a financial advertising man,

newspaper display, or by pamphlet. The cost is not great, the results perhaps slow at first but sure. Here is the specialist in the greatest field of all—finance—don't forget that, and what he gives you is the result of extensive research and investigation adapted to your own specific needs.

In conclusion, the establishment of a Bond Department means that the bank can buy, for its own investment account, on a more profitable basis than otherwise, and, too, that in due course, the Bond Department can assist in building up your Trust Department by having investors turn over their securities to it.

Bonds  
*for*  
Investment

Metcalf, Cowgill & Co.

*Investment Securities*

DES MOINES

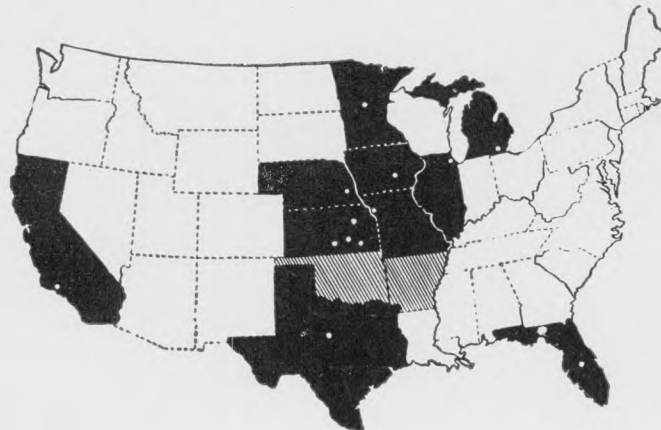
DES MOINES  
Equitable Building  
Market 275

SIOUX CITY  
Davason Building  
A. No. 57488

## National Distributors of Municipalities

### 13 Offices

Chicago  
Dallas  
Des Moines  
Detroit  
El Dorado  
Kansas City  
Los Angeles  
Omaha  
Orlando  
Peabody  
St. Paul  
Topeka  
Wichita



### In 12 States

Arkansas  
California  
Florida  
Illinois  
Iowa  
Kansas  
Michigan  
Minnesota  
Missouri  
Nebraska  
Oklahoma  
Texas

**THE BROWN-CRUMMER COMPANY**  
WICHITA KANSAS



Established 1897

Des Moines Office

L. H. DAVIS, Mgr.

200 Equitable Bldg



# Neighbors!

**Y**OU have to get close to people to understand their problems and their needs. Situated here in the great Middle West we are close enough to do that. Our years of caring for the casualty insurance and surety needs in this great field have proved this. And we carry on—soliciting your confidence and patronage.

## Federal Surety Company

**W. L. TAYLOR**  
Vice-President and General Manager

HOME OFFICE      DAVENPORT, IOWA

*Casualty Insurance — Surety Bonds*

### European Stability Now 95.3 Per Cent

Europe now has an economic stability of 95.3 per cent, as measured by the stability of foreign exchange of its principal nations, excluding Russia, according to data just prepared by Ames, Emerich & Co., investment brokers. This is a new postwar high mark and compares with a stability of only 58.1 per cent in 1922, and 85 per cent in 1926, as shown in "Economic Briefs of Europe," one of the latest books on European affairs, which has just been privately published by these bankers.

The book discusses this growing stability as the outstanding recent development in the field of international economics. "Indications," say the bankers, "are found in the increasing strength of the financial position of the central banks, in the growing volume of foreign trade, and in the increasing quantity of manufactured goods produced and consumed. But Europe's recovery is most strikingly revealed in the ever-growing stability of the foreign exchanges of these nations, for, determined as this index is by all the various factors which affect the economic position of the country, it is probably the best single test of such position."

The volume which has been widely distributed to executives in banks and bond houses was prepared under the direction of the publishing bankers' economist, Dr. Paul M. Atkins, sometime specialist on the American Commission to Negotiate Peace. It was designed from the point of view of the investment banker and not only contains a review of recent changes, but traces economic developments in Europe since the World War, and reveals the remarkable economic progress which has been made during that period. It contains individual chapters on every country of Europe except Russia and Albania, as well as chapters on factors in foreign credit, foreign investments and foreign trade, the economic features of the League of Nations and the Dawes Plan and Reparations,—these last of particular interest in the light of the recent report of S. Parker Gilbert.

Written in an easy, readable style, provided with four large color maps of Europe, and including many tables of significant statistics, the book has found a very cordial welcome among banks, security dealers and large private investors in foreign securities.

It is the privilege of every human work which is well done to invest the doer with a certain haughtiness.—Emerson.

The heart to conceive, the understanding to direct, or the hand to execute.—Junius.

# Insurance

## Why Endowment Insurance Is a "Finished Product"

By JOHN L. SHUFF

Cincinnati, Ohio

I FEEL that the most neglected problem of salesmanship with the average agent is his antipathy against Endowment Insurance as an investment. Of course, you know the old story of larger amount of protection that can be purchased for a fixed sum of money. But I insist that a completed sale is either a short term Endowment policy that fits many cases or a long term Endowment that will fit any case or any subject.

When you are told by the purchaser that Endowment Insurance is not a good investment and you do not resent it you have not a vision of the complete sale because, if your applicant is unselfish enough to purchase for his wife and children or those who may be dependent upon him, why not carry it one step farther and take care of this same unselfish man when he reaches a mature age where his earning powers are absolutely, if not completely gone, declining rapidly? Under the present contracts of all companies he is not necessarily required to take those funds but may leave them with the companies at from 4 per cent to 5 per cent and always have the only genuine quick asset he possesses.

### Available Any Day

The average purchaser of a bond buys a bond maturing at some later date but one of these matured Endowments with any of our companies is available any day for the purchaser, both as a loan or as a cash value.

The children of the average man of fifty-five years of age are usually grown and out of the way, and why not have father and mother have something which they can mutually enjoy the balance of their lives, and the deposit required is only a trifle larger? Let's take, for instance, a young man twenty years of age and sell him a Forty Year Endowment. Of course, this matures at age sixty, a most interesting time in any man's career. The average cost in any company, assuming he took his dividends from the mutual or paid a net cost from the non-participating companies, would be \$15 to \$16 per \$1,000, his total deposits \$600 plus, and he would have had his insurance for forty years and 60 per cent more



JOHN L. SHUFF

money than he had deposited at the end of the time. Assuming he had a Life Policy, we would not make many sales if we told the average young man age twenty that he would be compelled to pay until he was age ninety-six provided he lived. Hence, why not take the burden off of his back at a given time? That is what I call a finished product.

Suppose we go to age thirty on a Thirty Year Endowment. The average deposit per \$1,000 would be between \$22 and \$23, certainly less than \$25 and he has had this magnificent protection. His total payments would be less than \$750 for which he would receive 33 1/3 per cent more than he had paid in. Or you might suggest to him Endowment at age sixty-five on which the average cost would be less than \$20 and his total payments would not greatly exceed \$700. Or even Endowment at age seventy because we are living longer, and the average cost would be between \$16 and \$18 per \$1,000.

Take age thirty-five, Endowment at age sixty, average cost of between \$28 and \$30 per \$1,000, or Endowment at age sixty-five, average cost of \$23 to \$24

per \$1,000. His Endowment will always mature for more than 30 per cent greater than the deposits. Even a Twenty Year Endowment at age thirty-five will average a deposit around \$37 and \$38, and he still has the more than 30 per cent margin of profit.

### No Chance of Loss

The best part of this contract is the fact that a man's first deposit buys him a matured, dependable bond, and he has no chance whatever of loss. It does not require his man-power, care or thought as to the future. He has purchased a 100 per cent investment scientifically guaranteeing a fixed return and the only one known that can be purchased on the installment plan that does not cost more money than if purchased in one sum, taking into consideration, of course, the compound interest.

In my opinion one of the greatest services that can be rendered by Endowment Insurance of all kinds is to be taken by officers of corporations or partners, creating a Sinking Fund which is dependable and invaluable for any emergency in the way of immediate loans or permanent dependable investments.

### Talk to Your Prospect About Himself

Remember that all of the people whose names are in the paper are clutching feverishly at the paper for the honest pleasure of seeing how their names look in print.

People experience a thrill of delight on seeing their names in the paper. The reproduction of their photographs is the last word in publicity and people who aspire to that dizzy height are not content with only one copy of the newspaper.

If the day passés and no one remarks on having seen the name or the picture in the paper, they are bitterly disappointed.

No prospect is going to throw a man out of his office who casually remarks to him that he noticed "such and such" an item concerning "you" in the morning paper.

We must forget ourselves and remember only the prospect.—(How to Hold Interest)—*Pan-American Life Review*,

*Northwestern Banker* December 1927

## Sen. Capper, of Kansas, on A Way to Wipe Out Farm Debt

THE farm mortgage debt of the United States is estimated by representatives of the Bureau of the Census and of the Bureau of Agricultural Economics to be in excess of eight billion dollars. It has increased more than four-fold in the last 35 years.

There is no way of shifting this debt. No way of funding it. The Government cannot take it over. There is no magic way of abolishing it. But I believe there is a way in which it can be eliminated, or practically so, within a generation.

Business men have formed the practice of covering their indebtedness with life insurance. It would be possible to cover the farm mortgage debt with life insurance. The mortgage would be cancelled with the maturity of the policy. The average farm mortgage debt is approximately \$4,000. An ordinary life policy, taken at age 35 would average approximately \$70 a year if carried during the average expectancy, 32 years, of a man that age.

There are few farmers who could not put forth the extra effort to meet payments on a policy that would leave their farms clear to their families. An extra litter of pigs, a hundred hens properly managed, the produce from a good milk cow or two, an acre or two in a special crop, a few ewes, or an odd job or two during the slack season would provide the necessary funds.

Another plan would be to place the mortgage under the land bank system and in that way the difference in interest would practically meet the life insurance protection.

On the whole I believe the life insurance plan of eliminating the farm mortgage debt is feasible, practicable. A total coverage, of course, would be an ideal which likely will not be attained, but so much of the debt can be protected in that way that mortgages no longer will be a menace to agriculture and rural institutions.

—R. & R. Service. Arthur Capper  
in *Capper's Weekly* (October).

## NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY Minneapolis, Minn.

### Board of Directors

|                        |                                                      |
|------------------------|------------------------------------------------------|
| F. A. Chamberlain..... | .....Chmn. Ex. Com. First Nat'l Bank                 |
| E. W. Decker.....      | .....Pres. Northwestern Nat'l Bank                   |
| C. T. Jaffray.....     | .....Pres. "Soo" Railway                             |
| Theodore Wold.....     | .....Vice-Pres. Northwestern Nat'l Bk.               |
| E. L. Carpenter.....   | .....Pres. Shevlin-Carpenter-Clarke Co.              |
| B. F. Nelson.....      | .....Pres. Hennepin Paper Co.                        |
| A. F. Pillsbury.....   | .....Treas. Pillsbury Flour Mills Co.                |
| T. F. Wallace.....     | .....Sec'y-Treas. Farmers and Mechanics Savings Bank |
| O. J. Arnold.....      | .....Pres. Northwestern National Life                |

### Quick Benefits

Albert R. Blattner of Atlantic, Iowa, a policyholder of the Northwestern Mutual Life Company, secured his insurance on September 29 and was accidentally shot and seriously injured the next day while hunting. Mr. Blattner was covered by his insurance since he had paid for his policy at the time of application.

J. J. Hughes, general agent for the Northwestern Mutual Life at Des Moines relates this story.

### Establishes Welfare Fund

Henry B. Hawley, veteran president of the Great Western Insurance Company, has recently established the Hawley Welfare Foundation, the object of which is to provide a permanent field for carrying on public welfare work in Iowa.

### Sixteen Qualify

Sixteen agents of the Equitable Life of Iowa recently completed qualification for membership in the Twenty-a-Month Club, which is a gain of 77 per cent over last year at this time. Qualification for membership in this club requires \$7,200 in cash premiums.

Seventy agents of the company met requirements for membership in the Ten-a-Month Club, a gain of 62 per cent over the corresponding period last year. The requirement for this club is \$3,600 in cash premiums.

### A Guide for a Busy Life

He who every morning plans the transactions of the day, and follows out that plan, carries a thread that will guide him through the labyrinth of the most busy life. The orderly management of his time is like a ray of life which darts itself through all his occupation. But where no plan is laid, where

the disposal of time is surrendered merely to the chance of incidents, all things lie huddled together in one chaos, which admits of neither distribution nor review.—(Mental Attitude)—Victor Hugo.

### Carry Enough

Otto Y. Schnering, president of the Curtiss Candy Company, of Chicago, which makes the well known "Baby Ruth" candy bars, recently advocated the carrying of large amounts of life insurance by successful business men in an address. Mr. Schnering carries \$2,500,000 life insurance himself.

"Life insurance is as vital in the average executive's business calculations as sales volume, overhead and production costs," said Mr. Schnering. "He must protect his company against loss of his leadership through death or accident much the same as he protects its physical assets including buildings, stocks and records against fire, theft, or flood.

"The bigger a man's business and its dependence on his personal direction, the more important it is for him to guard the future by carrying adequate life insurance. Necessity of protecting one's home and family by insurance is a well established axiom. But extension of this idea into a man's business, so that his company and the associates who follow him in its control are protected against his death is one of the industry's newer evolutions."

### With Northwestern Mutual

R. W. Baumgartner, for several years with the National Clay Works of Mason City, Iowa, has now become associated with the Northwestern Mutual Life Insurance Company in Mason City as special agent. M. H. Sims is the general agent for that territory.

## Carbon Monoxide Dangers!

NOW is the time, with the approach of cold weather, for Underwriters to spread the WARNINGS in regard to the fatal dangers from Carbon Monoxide Gas.

### Even in warm weather this gas gets in its deadly work

—A Worcester (Mass.) dispatch, of August 6, tells of a young man overcome while repairing his automobile with the engine running. This was in an open yard, the victim inhaling in close proximity to the exhaust, with no breeze stirring to dissipate it, and no odor to warn of the deadly gas which acts so quickly and so imperceptibly. *Had this happened in a garage with closed doors, death would have been almost certain.*

### 682 deaths from Carbon Monoxide Gas poisoning

were reported in newspaper accounts kept by the John Hancock Company within the twelve months' period from July, 1926, to July, 1927.

### Gas heaters also cause trouble

—Just recently a Norwalk (Conn.) dentist was overcome by Carbon Monoxide Gas generated by a gas heater in a bathroom. Gas companies now installing gas heaters for domestic use insist upon funnels to carry off the gas fumes.

### People should be informed on these points

The whole subject is treated in a booklet issued by this Company entitled "Carbon Monoxide Gas." Write Inquiry Bureau, enclosing 2c postage.





## Heads American Life Convention

O. J. Arnold, president of the Northwestern National Life Insurance Company, of Minneapolis, Minn., was unanimously elected president of the American Life Convention at the closing session of the organization held at Dallas, Texas.

The convention also voted to hold its 1928 meeting in St. Louis, Mo.

Herbert M. Woollen, president of the American Central Life Insurance Company, Indianapolis, Ind., the retiring president of the organization was elected to a two-year term on the executive board, while Dan Boone, president of the Midland Life Insurance Company, of Kansas City, Mo., was elected to the place



O. J. ARNOLD

on the executive committee held for the past two years by George Graham, vice president of the Central States Life Insurance Company of St. Louis.

C. B. Robbins, president and general counsel of the Cedar Rapids Life Insurance Company of Cedar Rapids, Iowa, was re-elected to the committee.

The hold over members of the executive committee: H. B. Arnold, president and general counsel Midland Mutual Life Insurance Company, Columbus, Ohio; O. J. Arnold, Clarence L. Ayres, president American Life Insurance Company, Detroit, Mich., and Charles W. Gold, vice president and treasurer, Jefferson Standard Life Insurance Company, Greensboro, N. C.

Mr. Arnold, the new president, has long been one of the outstanding figures of the middle west in life insurance circles. He was, for many years, secretary and actuary of the Illinois Life Insurance Company, of Chicago, from which position he retired two years ago to become

president of the Northwestern National Life of Minneapolis. He continues as a director of the Illinois Life Insurance Company and is also a director of several leading business institutions of Chicago, notably the La Salle Hotel Company and Charles A. Stevens and Bros.

Mr. Arnold has been prominent in actuarial circles for many years, being a past president of the American Institute of Actuaries, and is an acknowledged authority on technical insurance legislation. He rendered important service to the life insurance interests a few years ago on the special committee of the American Life Convention which in conjunction with representatives of eastern and western companies secured uniform legislation in the various states in fixing the method of calculating the policy reserve liability of life insurance companies. This removed what had been for many years

a source of friction between the eastern and western states and their companies.

At a meeting of the Executive Council of the American Bankers Association for the organization of the new council for the coming association year, T. R. Preston, president of the Hamilton National Bank, Chattanooga, Tennessee, newly elected president of the association, announced the appointment of the following members of the Executive Council at large: A. P. Gianinni, chairman of the advisory committee, Bank of Italy, San Francisco; Thornton Cooke, president, Columbia National Bank, Kansas City, Mo.; F. M. Law, vice president, First National Bank, Houston, Texas; Harry J. Haas, vice president, First National Bank, Philadelphia, and J. Elwood Cox, president Commercial National Bank, High Point, North Carolina.

# ROYAL UNION LIFE INSURANCE COMPANY

DES MOINES, IOWA



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

## A Christmas Policy

Properly presented, our Juvenile policies have a wonderful appeal at this time of the year. Royal Union agents are suggesting Juvenile policies as practical Christmas gifts for the children. There is available no finer exemplification of the Christmas spirit. For a little boy or girl, a policy for his or her "very own" is an enduring gift.

These bustling days leading up to Christmas are finding our agents devoting their time almost exclusively to the sale of our children's policy forms.

## Royal Union Life Insurance Company

Des Moines, Iowa

A. C. TUCKER, President

# Worthy of Your Recommendation

THE steady, consistent growth of the Iowa National Fire is a splendid testimonial to its unselfish service and prompt settlement of claims, established over a period of eleven years. Good judgment dictates the advisability of your recommending this service to your clients.



*The Tall Grown  
Company  
in the  
Tall Corn State*



## Chase National Lays Cornerstone

Amid the tattoo of riveters' hammers and the clang of huge steel girders swinging into place, the cornerstone of the new 38-story home of the Chase National Bank of New York, now rising at the corner of Pine and Nassau streets, was formally laid at a private ceremony attended by senior officers of the bank and the Chase Securities Corporation.

In the absence of Albert H. Wiggin, chairman of the board of directors of the bank, who is abroad, Reeve Schley, vice president, and James T. Lee, of New York, to whom the board of directors has entrusted the planning and erection of the building, placed in the cornerstone a copper box containing important records and documents dealing with the history of the bank during its fifty years of existence.

Following the laying of the stone, officials of the bank inspected the construction work now in progress, observing the massive steel structure which will support a vast pyramid of stone and brick towering above the historic Sub-Treasury building in the heart of the financial district.

Ground for the new building was broken early in 1927—a notable year in the history of the Chase National Bank in that it marks the fiftieth anniversary of its founding and the growth of its resources to more than a billion dollars. The structure is scheduled for completion next May.

Among the interesting items which were sealed in the cornerstone today were the following:

First report of the Chase National Bank of the city of New York, dated December 27, 1877.

Comparative statement, 1877-1927.

Last report to the Comptroller of the Currency at the close of business, October 10, 1927.

Report of the chairman of the Board of Directors at the Fiftieth Annual Meeting of shareholders January 11, 1927.

Statement of condition of the Chase Securities Corporation at the close of business, December 31, 1926.

The 1877-1922 history of the Chase National Bank.

A full set of coins minted in 1927 (one cent to one dollar).

Trade dollar bearing date, 1877, which was the year in which the bank was organized.

One sheet of four Chase National Bank five dollar notes containing facsimile signatures of John McHugh, president of the bank, W. P. Holly, cashier, Series of 1902, A. B, C, D, all bearing the Serial number 323444, Charter number 2370.

A reproduction of the original etching by Anton Schutz showing the proposed new building.

Certificate of laying of cornerstone to which seal of bank was attached.

Facsimile signatures of the officers of the bank.

#### Will Increase Capital Stock

The Guaranty Life Insurance Company, Davenport, Iowa, has completed arrangements for a \$100,000 increase in capital stock, it is announced by L. J. Dougherty, vice president and general manager of the company.

#### Goes to Council Bluffs

E. W. Stryker, who has been connected with the Equitable Life of Iowa as Agency Manager of the Boone Agency, has been made Agency Manager at Council Bluffs. Mr. Stryker entered the life insurance business in 1913 as an agent for the Oklahoma National Life. He remained with this company three years and resigned to represent the National Fidelity Life in Sioux City. In 1920 he became General Agent for the Columbian National Life in Sioux City, and remained with that company until 1924, when he became associated with the Equitable Life of Iowa as Field Supervisor. While in Sioux City Mr. Stryker was president of the Underwriters Association of that city. V. P. Laustrup, former Agency Manager, desirous of devoting his entire time to personal production, will remain in Council Bluffs as Special Representative.

#### Meet at Waterloo

Sixty-five agents attended the annual conference of the district Prudential Life Insurance Company, with headquarters at Waterloo, Iowa, recently. Fred W. Newhouse, district superintendent, was in charge of the meeting.

The district is composed of thirty counties, with sub-district offices at Mason City, Cedar Rapids, Dubuque and Galena, Ill.

The mind of an educated man is greater than the knowledge it possesses; it is like the vault of heaven, encompassing the earth which lives and flourishes beneath it; but the mind of an educated and learned man is like a caoutchouc band, with an everlasting spirit of contraction in it, fastening together papers which it cannot open, and keeps others from opening.—*Exchange*.

A mother has, perhaps, the hardest earthly lot; and yet no mother worthy of the name ever gave herself thoroughly for her child who did not feel that, after all, she reaped what she had sown.—*Beecher*.

I have seen the day of wrong through the little hole of discretion.—*Shakespeare*.

## 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.

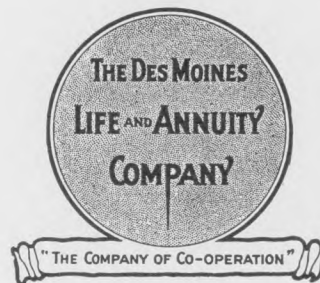
|            |            |              |
|------------|------------|--------------|
| Alabama    | Illinois   | North Dakota |
| Arizona    | Indiana    | Oklahoma     |
| Arkansas   | Iowa       | Pennsylvania |
| California | Kansas     | South Dakota |
| Colorado   | Kentucky   | Tennessee    |
| Florida    | Michigan   | Texas        |
| Georgia    | Missouri   | Washington   |
| Idaho      | Nebraska   | Wyoming      |
|            | New Mexico |              |

For full particulars address

Agency Department

## National Life Association

Home Office: Des Moines, Iowa



## 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

# 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.



**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, Northwestern Banker—Indef.

**Bank Man** 34 years old, single, good record, 6 years experience wants assistant cashiership in country town bank. Iowa preferred. Reference furnished. Now employed but desire change. Address Northwestern Banker—No. 3000—11-12.

**For Sale At a Sacrifice** on account of owner's disability, a complete set of abstract books in one of the best counties in Northwestern Iowa. Only one other set in county and owner's insurance, loan and law business will be sold if desired. Wonderful opportunity for competent man. Immediate possession given. Address Box 417, Cherokee Iowa.—12.

**Wanted**—A position in country bank as Assistant Cashier by married man. About 8 years banking experience, now employed but desires change. Can furnish best of reference. Address Northwestern Banker—No. 3006—Indef.

**Wanted**—An Assistant Cashiership in a country bank. Four years' bank experience and two years in a real estate and bond office. Age 26; married; two years' college education. Write No. 3012 Northwestern Banker.—12.

## Accountants

Oldest firm in Des Moines  
Call us for certified work  
**MUEHLE, REAM & McCLAIN**  
1106 Commonwealth Building

**KALAMAZOO**  
LOOSE-LEAF DEVICES AND  
ACCOUNTING SYSTEMS

Sold in Iowa by  
**J. H. WELCH PRINTING CO.**

1166-68-70 Sixth Ave., Des Moines.  
Printers, Binders, Mfg. Stationers.

## Steel and Copper Engraved

STATIONERY, BUSINESS  
ANNOUNCEMENTS AND CARDS

For quality work address

**The Homestead Company, Des Moines**

**Wanted**—Position as cashier of a small bank, or assistant cashier of a large bank, by an experienced man. Nine years of both large and small banking experience. Familiar with farm loans, fire and life insurance writing, clerking sales, typewriter, adding machine, posting machine, bookkeeping and shorthand. Thirty-three years of age and married. Protestant. Can give excellent reference. At present employed, but could accept position on thirty-day notice. Address Northwestern Banker, No. 2997—Indef.

**Speeches, Special Papers**, articles for busy bankers. Prompt service skillfully rendered on financial industrial and economic topics. Address Northwestern Banker—No. 3003—Indf.

**Bookkeeper**—Competent young man wants work before the first of the year. One year bank experience. Two years college education. Good mixer. Single, 22 years of age. At present employed and have never been discharged from any employment. Best of references. Address Northwestern Banker. No. 3007—12.

**Nearly New \$25,000 Brick Hotel**—Two story building, in good live town, in exchange for bank stock. Address Northwestern Banker. No. 3008—Indef.

**Wanted**—Position as cashier or assistant cashier in fair sized bank. Nine years of good banking experience, serving eight years as assistant cashier with good bank. Familiar with farm loans, fire and life insurance, typist, adding and posting machine and bookkeeping; good education; Protestant; 29 years old, married. Speak German and English fluently. Can give excellent reference. At present employed but desire change with a good future. Can invest. Address Northwestern Banker. No. 3009—Indef.

**Wanted**—Position of assistant cashier. Have had nearly 3 years' experience in general country banking as bookkeeper; 25 years of age, single, good health and habits; am at present employed in a country bank; have good reasons for making the change. Good reference. Address Northwestern Banker. No. 3010—Indef.

**A Fine Set of Bank Fixtures** made by The Artmetal Mfg. Co., of Jamestown, New York. Steel doors, steel cabinets and drawers under counters. Marble fronts to counters an ornament to any bank. Have photographs. Address Northwestern Banker No. 2993—Indef.

**Wanted**—Working interest, carrying cashiership in a good country bank. Young man with over ten years' banking experience. Will invest up to \$5,000.00. Address No. 3014 Northwestern Banker.—12.

**Wanted**—Position as Cashier of small bank or Assistant Cashier of large bank, by an experienced man. At present employed but can make change on short notice. Familiar with all lines of banking. Have had 6 years of general banking experience. Protestant, 30 years old, married. Can furnish excellent references. Address Northwestern Banker—No. 3001—11-12.

**Position as Assistant Cashier** of a fair sized bank wanted. Eleven years of Banking experience. Familiar with Insurance work, posting machine and typewriter and bookkeeping. Twenty-eight years old, single, Scandinavian. Can give best of reference. At present employed. Address Northwestern Banker—No. 2999—11-12.

**Young Man Wanted**—Bank in small town, wants a young man as bookkeeper and stenographer with some experience. Correspondence is invited and all details should be supplied in first letter, such as age, experience, church affiliations, salary, including references. Address No. 3015 Northwestern Banker.—12.

**Wanted**—Lady bookkeeper, experienced in banking or knowledge of loan work, desired by a large mortgage company. Give full information, experience and references in first letter. Address No. 3016, Northwestern Banker—Indef.

**Wanted**—Position as Cashier or Assistant Cashier in good country bank. Seven years of good banking experience. Familiar with all lines of country banking. Conservative Banker. Twenty-six years of age and married. Protestant. Best of references available. Presently employed but desire change. Address Northwestern Banker—No. 3002—11-12.

**Wanted Connection in Good Iowa Bank.** Experienced. Good education and best of references. Address No. 2972, Northwestern Banker—Indef.

Like a great poet, Nature produces the greatest results with the simplest means. These are simply a sun, flowers, water, and love. Of course, if the spectator be without the last, the whole will present but a pitiful appearance; and, in that case, the sun is merely so many miles in diameter, the trees are good for fuel, the flowers are classified by stamens, and the water is simply wet.—Heine.

Give me just enough hard luck to make me change from a weathervane to a lightning rod, then bring on the Storm and Thunder.—*The Silent Partner.*



HARRY M. GRIFFITH  
President

## South Dakota Bank News

### Officers South Dakota Bankers Association

President.....Harry M. Griffith  
Gettysburg

Vice President.....R. E. Driscoll  
Lead

Secretary.....Geo. A. Starring  
Huron

Treasurer.....J. C. Bassett  
Aberdeen



GEO. A. STARRING  
Secretary

## Prosperity Is Returning

What South Dakota faced by a combination of deflating circumstances not likely to be repeated again in a century, during 1926, has "in the first ten months of 1927 come back so strongly that the whole commercial and banking world is amazed," is the statement of L. N. Crill, state secretary of agriculture.

"Many people are unable to understand how the financial conditions of South Dakota could improve so rapidly after a period that seemed discouraging to the greatest extent of our farming population," Mr. Crill said. "A combination of circumstances, such as will not likely occur again in a century, culminated in 1926. The farmers had suffered from the effects of the deflation of the post-war period, upsetting land values and doubling their obligations as measured in the products which they raised.

"This not only crippled the farmers of South Dakota, but those in every other agricultural state.

"Following this came the disaster of bank failures tying up millions of dollars on deposits, and worse yet, shattering the credit system of every industry and farmers especially were obliged to sell cows and growing livestock—to part with the real substantial basis of farm profits—under the dire necessity of meeting obligations and providing a living.

"On top of deflations, loss of bank deposits and shattering of credit, came the crop failure of 1926.

"Yet, in the face of these disasters, South Dakota, in the first ten months of 1927 has come back so strongly that the commercial and banking world is amazed.

"Those who knew South Dakota did not expect anything else.

"Our great agricultural resources, the great productive power of the state, gave us the assurance that soon conditions could be righted.

"An instance demonstrating the facts to be true, is cited from the state banking department. One bank in the northern part of the state, in the year 1926, was

forced to suspend because of inability to liquidate its assets as rapidly as deposits were demanded. This particular bank was reorganized through the agency of the banking department and in the reorganization procedure the assets that were not worth their full face value were not permitted to be taken over by the reorganized bank and were charged and placed in a separate account, to be handled by trustees for the benefit of creditors. Among the assets thus charged out was a line of paper aggregating approximately \$7,000. The maker of the paper was the owner of an unusually large acreage of land.

"Due to conditions affecting agriculture, however, the notes were considered to be of questionable value. The territory had had poor crops and the cost of carrying the land was in excess of what the owner could raise. It appeared that there was probability that the owner would lose title to the land. Hence the \$7,000 line of paper was considered doubtful enough that it was not acceptable to the banking department as an asset. The owner of the land, however, put in a crop of wheat in the spring of 1927 and this fall harvested a crop as the result of which he was able to pay the note which a year previously had been considered worthless or doubtful, and had, in addition to paying the note, enough money left to make a deposit of approximately \$26,000.00."

### New Bank

Articles of incorporation were filed with the secretary of state recently for the Bank of Veblen, at Veblen, South Dakota. The capital stock of the new institution was given as \$20,000. The incorporators were: L. J. Schmizt, C. E. Peterson, E. W. Schouweiler, B. W. Schouweiler and G. A. Klefstad.

### Killed While Hunting

E. J. Gebbie, vice president of the State Bank of Bryant, South Dakota, was killed recently by the accidental discharge of

his shotgun while he was hunting pheasants.

His body was found beside his car, with a shot through the breast, and his gun was hanging by the trigger guard on the handle of the car door.

It is believed the gun caught on the door handle as Mr. Gebbie stepped out of the machine.

Mr. Gebbie was 43 years old and leaves a widow and three sons. He was a banker at Bryant for 16 years.

### New Building Finished

The fine building erected by the Farmers and Merchants Bank of Britton, South Dakota, to replace the one destroyed by fire, is ready for occupancy. The new building is of steel and concrete construction making it practically fire-proof. The lobby, with its terraza floor, white marble wainscote and fixtures with green verde marble trimming, presents a most attractive appearance. The banking room has mahogany trimming and beamed ceiling.

The second floor contains three modern apartments which are already occupied. The basement will be furnished for rental and an office fitted up in the rear of the first floor.

### Suit Dismissed

Dismissal of the suit for \$150,000 brought by John J. Large, of Sioux City, Iowa, against John McHugh, New York banker, in federal court, has been ordered by Judge James D. Elliott. The motion for dismissal was made by Mr. Large through his attorney.

Mr. Large was ordered to pay the costs of the suit. He was the only witness called. Mr. Large had sought to collect damages on an alleged oral contract with Mr. McHugh.

The dismissal was made directly after Mr. McHugh's attorneys had completed cross examination of Mr. Large, who had been on the witness stand the greater part of two days. Mr. Large's attorneys informed the court that the evidence showed that Mr. Large had no case.

### Einar Johnson Dead

Einar Johnson, 66 years old, pioneer banker of Volin, South Dakota, died at a hospital in Sioux Falls recently, after an illness of three weeks.

Mr. Johnson was president of the South Dakota Bankers Association in 1926.

He came to this country from Norway in 1882 when 21 years old, and went directly to Yankton where he lived for several years. He then went to Volin and engaged in the banking business.

Taking ill about six months ago, his condition grew critical and he was brought to a hospital in Sioux Falls, where he underwent an operation.

*Northwestern Banker December 1927*

### Resigns

Roy Willy, special counsel for the South Dakota state department of banks and banking, has resigned his position to open an office in Sioux Falls. T. B. Thoreson, of the Kimball law firm of Heck & Thoreson, has been appointed by F. R. Smith, superintendent of banks, by and with the approval of Buell F. Jones, attorney general, to succeed Mr. Willy.

### Buy Hail Warrants

Three hundred thousand dollars in hail insurance revenue warrants of the state of South Dakota have been purchased by the Aberdeen National Bank, agent for South Dakota Bank Syndicate, at par  $4\frac{1}{2}$  per cent interest payable at maturity, July 15, 1928.

The warrants, which are dated November 15, 1927, were sold, A. J. Moodie, state treasurer, explained, to cover payment of

hail losses for the current year, which come in the first half of the year and before the bulk of receipts to the hail insurance department come in next May.

### Tax Action Pending

Hundreds of thousands of dollars of taxes are involved in actions now pending before the South Dakota state supreme court, in the matter of applications by banks in the state for abatement or refund of taxes. The actions have grown out of the conflicting provisions of federal and state laws relative to the taxing of capital stock and will have a direct effect on Minnehaha county tax receipts if the banks' contentions are upheld.

The state law required that personal property be taxed at a rate of 39.17 mills on the dollar but provides a four-mill tax on moneys and credits. The banks claim that their capital stock is moneys and

credits and not personal property as is listed by the assessors.

A federal law requires that a state tax national bank money at a greater rate than money in competition with it. In other words, if privately owned money which is loaned and invested in competition with the money in banks is taxed at the four-mill rate, the capital stock, if considered money and credits, shall be taxed at the same rate. This ruling has been taken up by the state banks and they claim that the state law is discriminatory against state banks and therefore unconstitutional.

The law provides that application for refund shall first be presented to the city commission and with its approval to the county commission. The county commission has full power to take action. In some cases it has allowed an abatement but no refunds. The action is based on opinions of the attorney general and the tax commission. All banks in the state will be affected by a supreme court ruling and if the banks' contentions are upheld, it will mean a considerable reduction in tax returns.

### Prosperous

As an evidence of prosperity in the locality of Hot Springs, South Dakota, the Bank of Hot Springs, according to its recently published statement, has increased its loans in the past six months from \$466,000 to \$455,000, while its deposits have increased in the same time from \$680,000 to \$737,000.

### Named Special Counsel

Ted Thorson has recently received the appointment as special counsel for the South Dakota State Banking Department, South Dakota State Banking Department, with headquarters at Pierre.

High school, and the law department of the University of South Dakota, where he received his degree six years ago. He has been practicing law at Kimball and served two terms as state's attorney of Brule county.

### Conditions Improved

Financial conditions in South Dakota are steadily improving, as is shown by the fact that deposits in Watertown banks have increased approximately \$1,000,000 during the past two months.

The increase is largely due to cash received in the district in payment for grain shipments sent to market during the two months. The shipments of grain and other products are continuing, and will continue for a good part of the winter, assuring further increases of several millions of dollars in the bank deposits of the Watertown banks and those in other cities and towns of the district.

**Investigations and reports  
on all phases of business  
in the surrounding territory,  
especially in the Chicago  
district, are cheerfully and  
painstakingly made by this  
bank for its correspondents**



## **THE NORTHERN TRUST COMPANY**

*Capital, Surplus and Undivided  
Profits, over \$7,500,000*

Northwest Corner La Salle and Monroe Streets

**CHICAGO**

## DO SPECIAL SAVINGS CLUBS PAY?

(Continued from page 19)

to merchandise our services. For these reasons it was thought extravagant, and correctly so, for if we advertised our thrift clubs, we were actually advertising our advertising.

"Then came an increase in depositors and a great increase in deposits; and each of the big news-gathering agencies at Christmas time began to tell the world how many millions of dollars the country had saved in Christmas Savings Clubs during the 50 weeks preceding. That interesting item of news reaches page one today, and not the fact that the Mammoth National Bank of the Metropolis has added another billion dollars in resources."

Mr. Izant makes these observations regarding the analysis of special savings club accounts:

"Next came our analysis that the gross income of the special purpose savings division was sufficient to pay the salaries of tellers and bookkeepers, and this in turn gave us incentive to trace the journey and transactions of special purpose depositors. Observing that lump sums from thrift club checks would be placed on deposit in regular savings accounts; finding them buying bonds; discovering to our pleasure more regularity in reducing mortgage loans, bankers the country over at last have realized how important this mode of saving really is, and justify the added expense of initial outlay without any debate.

"And so at Christmas time we send out many advertising dollars into the highways and hedges to attract new depositors. In fact, we have studied the mode so assiduously as to introduce various off-shoots such as the \$1,000 clubs, the Fortune Founder, the Financial Independence Fund Plan, and so on. Frankly, though, we are experiencing no little resistance in promoting these off-shoots.

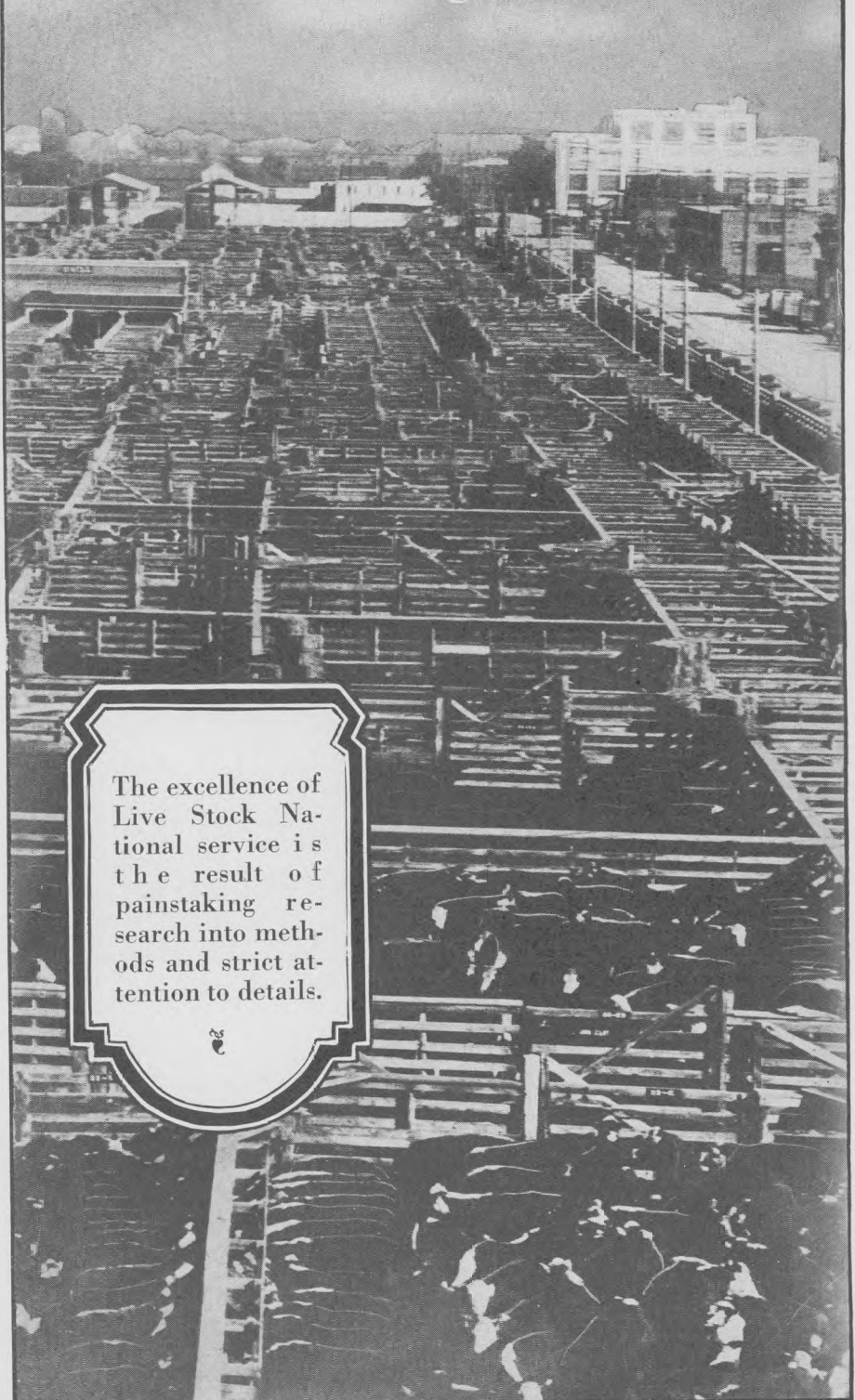
### Scholarship Fund Practically Subscribed

More than \$445,000 of the half-million-dollar goal for the Educational Foundation Fund of the American Bankers Association to be used in establishing scholarships in institutions of higher learning in the various states, have been paid or definitely pledged, according to the reports of the Foundation Trustees. Only \$60,542.75 is lacking to complete necessary funds to found these scholarships and two months still remain to secure this amount.

At the fiftieth anniversary meeting of the American Bankers Association held in Atlantic City two years ago, the fiftieth anniversary committee announced plans for forming this Educational Foundation. In order to secure the \$500,000, personal pledges were secured for about half of that amount and the balance was allocated to the various states to be apportioned among their respective banks. The plans provided for the fund to be completed by January 1, 1928.

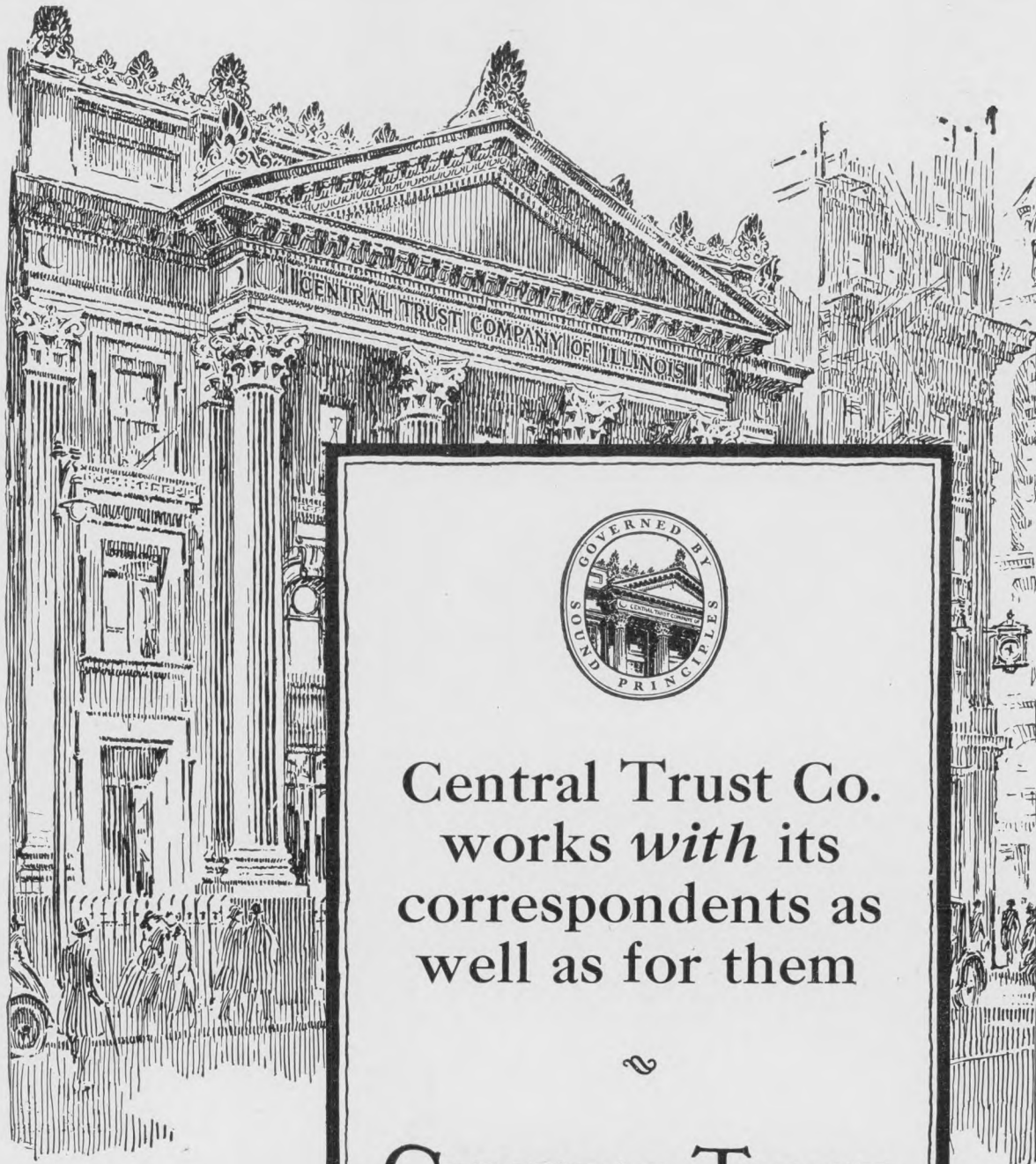
# The Live Stock National Bank

## Sioux City, Iowa



The excellence of Live Stock National service is the result of painstaking research into methods and strict attention to details.

*The only Bank located at the Stock Yards!*



Central Trust Co.  
works *with* its  
correspondents as  
well as for them



**CENTRAL TRUST**  
COMPANY OF ILLINOIS  
125 W. Monroe Street at La Salle  
CHICAGO



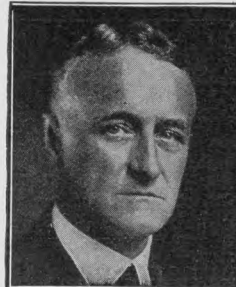
# Nebraska Bank News

Officers Nebraska Bankers Association



C. A. SMITH  
President

President.....C. A. Smith  
Tilden  
Chairman of the Executive  
Council.....Fred R. Haggart  
St. Paul  
Secretary.....W. B. Hughes  
Omaha  
Treasurer.....Frank Boyd  
Omaha  
General Counsel.....J. P. Palmer  
Omaha



WM. B. HUGHES  
Secretary

## Goes to Lincoln

William Crossland, cashier at the State Bank at Laurel, Nebraska, for a number of years, has gone to Lincoln to take up his new duties as a member of the state banking department.

## New Bank at Kearney

Formation of a new national bank to take the place of the City National Bank, in Kearney, Nebraska, has been announced. It will be in the hands of stockholders of the former bank.

The new institution will have a capital of not less than \$100,000 with a surplus of not less than \$20,000. It will purchase from the receiver of the former bank a considerable sum of the assets in order that a substantial dividend can be made to the depositors soon after the new concern opens.

## Remodeling

A complete change of interior is planned for the First National Bank of Randolph, Nebraska, and work began when the safety deposit boxes were changed to old vault and big safe moved to the new vault.

The change includes an entrance on the east side instead of the west corner, the work room will be to the west and the lobby to the east. A new asbestos cement floor will be laid, a new counter installed, a directors' room and a private room provided for the vice president.

These changes and perhaps some others will make for the better convenience of the bank's customers and the working force.

## Clearings Gain

Bank clearings in Omaha for October, 1927, totaled \$12,000,000 more than that of October, 1926, figures compiled by the Omaha Clearing House Association show.

Clearings for October, 1927, totaled \$197,629,081, while October, 1926, totaled \$185,590,710.

The only month in 1927 to compare closely with October was March, with \$193,502,966. March of 1926, however,

had larger clearings with more than \$208,000,000.

The bank clearings for the first 10 months of the year totaled \$1,750,473,090, while the clearings of 1926 totaled \$1,760,559,500 or a decrease of \$10,000,000. This is attributed by Omaha bankers to the small clearings the first six months of the year.

## Bankers Meet

The annual meeting of the Bankers Association of Richardson county was held recently at Falls City, Nebraska.

Otto Kotouc of Humboldt was elected president of the organization during the business session. Other officers elected were Chas. Wier of Verdon, vice president; W. L. Evans of Shubert, secretary; R. A. Tynan of Stella, and Dan J. Riley of Dawson, advisory board.

The meeting was attended by about 25 members including the following from Falls City: George S. Lyon, Wm. Uhlig, B. K. Baker, Frank Schaible, Ingram Cain, C. W. Thornton, J. R. Biles and L. P. Wirth.

## Show Big Gain

The five commercial banks and savings institution at Omaha reporting to the Federal Reserve Bank had \$433,334 more on deposit on October 1, 1927, than on deposit October 1, 1926.

On October 1, 1927, there was \$8,134,982, while on October 1, 1926, deposits totaled but \$7,701,648. Deposits at the five banks on September 1, 1927, totaled \$989,154.

## Enlarge Space

A building in Columbus, Nebraska, is being remodeled and will be occupied by the First National Bank about January 1st, or as soon as the remodeling is completed. The inside walls between the present bank building and the vacant room will be removed and both buildings used for the bank business. This will give the bank a space 40 by 88 feet.

Under the plan or rearrangement the tellers cages will be in the center of the room near the front of the building, with

the lobby extending on three sides. Toward the rear a vault for safety deposit boxes will be built. The present vault will be used by the bank itself. Still farther back will be rest rooms for both men and women and office rooms for bank officers and directors.

The front entrance to the building will be through the present door into the bank.

## To Open Bank

O. J. Frey of Sheldon, Nebraska, and R. H. Griffen of Doon, are planning organizing a state bank in Sheldon.

The capital stock is to be \$50,000 and surplus \$15,000. About half the necessary stock and surplus have been subscribed.

Mr. Frey and Mr. Griffen are desirous of opening a second bank in Sheldon providing they are convinced that there is demand for such an institution.

## Nationalized

The Commercial State Bank of Ainsworth, Nebraska, recently received a national charter, and will now do business under the name of the Commercial National Bank.

No change was made in the management or organization of the bank, except that it will operate under a national charter. This bank has been under the same management for fourteen years, and is a strong financial institution.

## Install Clock

The First National Bank of Fullerton, Nebraska, installed a master chime clock at corner of the bank building. Mr. Holton, of the O. B. McClintock Co., is installing the clock.

The clock, which is in a position easily seen from many directions, will strike four notes of the Westminster chimes at the first quarter-hour, at the half-hour the Cathedral peal will sound, at the three-quarter hour, the Reveille and at the full hour the chimes ring sixteen notes, the full Westminster chime.

## Charter Filed

H. S. Clarks, Jr., of Omaha, has filed application for a charter to organize the First National Bank of Bennington, Nebraska, with a capitalization of \$255,000.

## Purchase Safe

Burglar proof equipment and a safe has been purchased for the Nebraska State Bank of Milford, Nebraska. The safe will be placed in the vault and encased in steel reinforced concrete. Enclosing the safe in concrete will prevent its being tipped over as was the case when the bank was looted a short time ago. Before a burglar could drill a hole through the safe he would have to clear away almost two feet of solid concrete and steel, and to drill a hole into the safe from the front

Northwestern Banker December 1927



## Large Corn Crop Creates Heavy Feeding Demand

May we assist you in handling

## FEEDER LOANS?

### Live Stock National Bank Union Stock Yards—Omaha

W. P. Adkins, President  
Alvin E. Johnson, Vice President  
R. H. Kroeger, Assistant Cashier  
Howard O. Wilson, Cashier  
L. V. Pulliam, Assistant Cashier  
W. S. Hogue, Assistant Cashier



WE OF this bank realize that no transaction can be considered a success unless both parties to it derive a benefit.

In consequence, we constantly strive to make our relations with every single banker who favors us with his patronage mutually advantageous, and if our growing list of customers is any indication, it is a policy that is meeting with general approval.

*While Attending the "International," Make  
This Bank Your Headquarters. You'll  
Be Most Welcome*

**THE STOCK YARDS NATIONAL BANK**  
AND  
**THE STOCK YARDS TRUST & SAVINGS BANK**  
of CHICAGO

would be a long task as the door is almost 16 inches thick. Burglar proof attachments will be fitted on the vault door.

#### New Banks

Following the sale of the building, fixtures and assets of the old First State Bank of Pawnee City, Nebraska, to a group of local men, the state trade and commerce department recently issued a charter to the purchasers for a new bank to be opened there immediately, under the name of Citizens' State Bank.

Those named as directors of the new institution are J. D. Barr of Pawnee City; A. H. Wherry and A. C. Paili, also of Pawnee City. They are the principal stockholders. The new bank is capitalized at \$25,000, and has put up \$1,000 additional as its guaranty fund reserve.

#### School Savings

Approximately one thousand pupils of the city schools are participating in the North Platte, Nebraska, Schools Savings System, and at the bank, which are the depositories for the funds, it was said that the number of these pupil-depositors is constantly increasing. While a majority of these boys and girls withdraw their deposits at the end or beginning of the school year, it is learned that a certain percentage allow their savings to accumulate. In some instances the individual bank balance reaches and exceeds a hundred dollars, and there are cases where the heaviest depositors come from families where the earning capacity is light. Deposits draw four per cent interest.

The semiannual meeting of the bankers of Colfax County, Neb., was held at Clarkson, Nov. 18. Every bank but one in the county was represented, and all expressed themselves as anticipating improved conditions following this year's good harvest, to last during next year. Emil Peterson of Clarkson was toastmaster, and talks were given by E. F. Folda and R. T. Anderson, of Omaha.

C. A. Smith of Tilden, president of the Nebraska State Bankers Association, was the principal speaker at the semi-annual meeting of Platte County Bankers Association, at Monroe, in mid-November.

Mr. Smith discussed particularly the county clearing house and credit association of the Dodge county banks, recently inaugurated under the plan proposed by Dan Stephens, and he congratulated the Platte county bankers on their cooperation in banking. Forty bankers were present at the principal meeting, which was presided over by S. E. Pearson, Monroe banker, president of the county association. G. H. Gray, Columbus, responded to the welcoming address, and served as toastmaster at the banquet.

The Columbus, Neb., bankers were represented by H. A. Viergutz, Commercial National Bank; A. F. Plagemann, A. J. Phillips, Miss Elsie Kent and Miss Mary Walter, Central National Bank; M. Brugger, V. H. Weaver and Miss Edna Lenhouts, Columbus State Bank; G. H. Gray, W. H. Luers, P. A. Peterson, J. L. Brunken and Miss Dora Neumeister, First National Bank.

**Dan V. Stephens**, president of the Fremont State Bank, and one of the leaders among Nebraska bankers, a former congressman from the third Nebraska district, is being prominently mentioned for appointment to the interstate commerce commission by President Coolidge. He has the endorsement of Governor McMullen, of Nebraska, and other western leaders for the post, but as far as he himself is concerned, he has announced that the move to name him to the place has been a complete surprise, and appointment would seriously interfere with his private plans and business.

Subscriptions were being taken in November for capital stock in the reorganized First State Bank of Murphy, Neb., in the hope of launching the bank again into business on a sound basis. The bank was taken over and is being operated by the guaranty fund commission, pending the result of the drive for new stock. L. W. Weikel, president and J. R. Nelson, vice president of the bank, called a meeting of the people in the vicinity of Murphy, to discuss reorganization plans, and met with encouraging response. G. R. Buckner, assistant secretary of the guaranty fund commission, is assisting. The plan calls for subscription of \$15,000 dollars in new stock, to take up an equal amount of "slow paper," and greatly strengthening the bank. Farmers and business men in the Murphy community have joined generally in the movement to reform the old bank, as new bank charters are not being granted in the smaller towns of Nebraska.

**Walter W. Head**, president of the Omaha National Bank, and president of the Omaha Y. M. C. A., has been elected a member of the general board of the national council of the Y. M. C. A.

#### Conditions Improved

The 867 state banks of Nebraska, for the three months ending September 30th, showed a gain in deposits of over eight million dollars, an increase in cash reserve of over \$3,600,000, and a reduction

## EFFICIENCY

A bank organization that can handle over 150,000 items daily must be efficient. The constant 24-hour attention in receiving and dispatching this great volume of business by transit and collection departments in continuous operation means much to our correspondents.

We are confident that few banks can equal, and none surpass, the service which this institution offers banks requiring a thoroughly equipped commercial city correspondent.

Efficiency is not a slogan with us. It is a cold, hard business necessity.

All items received at par.

No charge for telegraphic transfers.

## THE PHILADELPHIA-GIRARD NATIONAL BANK

PHILADELPHIA, PA.

Capital, Surplus and Profits . . . \$29,000 000

**1928** Reed  
Master-mass  
Plan

in loans of \$3,500,000. The showing is taken in part, at least, as reflection of the unusually good crop conditions in the state this year.

The total deposits of the banks on September 30th, were \$285,365,603; compared to \$275,133,998 on June 30th preceding. This increase represents the farmers' pro-

ceeds from wheat and oats sales, as the corn harvest proceeds were not in cash on September 30th.

Loans fell from \$211,642,982, in June, to \$208,047,022, in September. This again is taken as an indication that the farmers have been greatly reducing their loans and new indebtedness is not being contracted in the same proportion as the old loans.

September 30th cash reserves averaged 19 per cent of deposits. The reserves included \$9,764,000 cash on hand and \$42,642,000 of reserve deposits in other banks. The gain in reserve since June was \$3,612,808.

There were four fewer banks September 30th than in the preceding June and their capital was \$164,000 less and surplus fell off \$105,000. Undivided profits showed an increase of \$604,986.

#### From Nebraska

The following persons from Nebraska attended the recent A. B. A. convention in Houston:

\*Baumann, J. T., president, West Point National Bank, West Point; Rice.

\*Brownell, R. O., cashier, Schuyler State State Bank, wife and daughter, Schuyler; O. S. T. Camp.

\*Cain, J. R., Jr., vice president, Peters National Bank, Omaha; Rice

\*Jensen, Arthur, vice president, Minden State Bank, and wife, Minden; Milby. Kirchman, W. H., cashier, Saunders County National Bank, Wahoo; Rice.

\*Larned, Wm. H., cashier, State Bank of Haigler, Haigler; Ben Milam.

\*Ley, Rollie, president, State Bank of Wayne, and wife, Wayne; Wm. Penn.

McConnell, L. W., guest of W. G. Springs, First National Bank, McCook; Ben Milam.

\*Menck, C. H., vice president, Commercial State Bank, Grand Island; Macatee.

\*Nicholson, H. C., vice president, Packers National Bank, Omaha; Sam Houston.

\*Ormsby, Ernest, cashier, Farmers' Exchange, and wife, Trumbull; Brazos.

Pennell, F. A., director, First National Bank, McCook; Ben Milam.

\*Petermichel, Jul, vice president, Oak Creek Valley Bank, Valparaiso; Rice.

\*Pettygrove, W. T., director, Security State Bank, and wife, Oxford.

\*Springer, W. G., cashier, First National Bank, and wife, McCook.

\*Stephens, Dan V., president, Fremont State Bank, Fremont; Rice.

Tegelberg, O. B., vice president, Nebraska State Savings Bank, Wahoo; Rice.

Waite, H. P., vice president, First National Bank, McCook; Ben Milam.

\*Walsh, P., president, McCook National Bank, and L. W. McConnell, McCook; Ben Milam.

\*Weston, W. S., vice president, Peters Trust Co., and wife, Omaha; Rice.

\*Yates, Gwyer H., vice president and cashier, The United States National Bank, Omaha; Rice.

\*Delegate.

Any man starting out with his shoes buttoned up on the inside playing both sides of the road never gets anywhere. "Start right and succeed."—James E. Newburn.

## Complete Financial Service

**U. S. National Bank  
Trust Company**

Omaha

## The National Park Bank of New York

214 Broadway

*Uptown Offices*

PARK AVENUE and 46th STREET  
SEVENTH AVENUE and 32nd STREET

RICHARD DELAFIELD  
Chairman of the Board

CHARLES S. McCAIN  
President

CHARLES SCRIBNER  
Vice President

MAURICE H. EWER  
Vice President

H. E. SCHEUERMANN  
Vice President

RALPH L. CERERO  
Vice President

JAY D. RISING  
Vice President

HAROLD W. VANDERPOEL  
Vice President

JAMES BRUCE  
Vice President

FREDERICK O. FOXCROFT  
Cashier

WILLIAM A. MAIN  
Asst. Vice President

CLAUDE H. BEATY  
Asst. Vice President

WALTER S. JELLIFFE  
Asst. Vice President

WILLIAM C. MACAVOY  
Asst. Vice President

JOHN MATTHEWS, JR.  
Asst. Vice President

LOUIS H. OHLROGGE  
Asst. Vice President

R. J. WHITFIELD  
Asst. Vice President

HENRY L. SPARKS  
Assistant Cashier

BYRON P. ROBBINS  
Assistant Cashier

WILLIAM E. DOUGLAS  
Assistant Cashier

JOSEPH E. SILLIMAN  
Assistant Cashier

STANLEY F. KETCHAM  
Assistant Cashier

JOHN B. HEINRICHS  
Assistant Cashier


HAROLD M. TRUSLOW  
Assistant Cashier

GEORGE C. BRADEN  
Assistant Cashier

KENLY SAVILLE  
Assistant Cashier

WILLIAM F. LATUS  
Assistant Cashier

CAPITAL, SURPLUS AND UNDIVIDED PROFITS, \$34,000,000



# Minnesota Bank News

**Officers Minnesota Bankers  
Association**

President.....A. G. Wedge  
Park Rapids

Vice President.....I. E. Hansen  
St. Paul

Treasurer.....A. M. Schaefer  
Jordan

Secretary.....F. P. Fellows  
St. Paul



A. G. WEDGE  
President

F. P. FELLOWS  
Secretary

**Nash Buys Interest**

T. E. Nash of Pipestone, Minnesota, formerly with the Marshall State Bank, has returned to take over the management of that institution. Guy Evarts, who has been vice president of the bank for the last four years, sold his interest to Mr. Nash, J. V. Williams, L. H. Powell, and Dr. F. D. Gray. Mr. Nash will assume management at once.

The new head of the Marshall State is well known in that territory having resided there for several years before taking the position of cashier of the First National Bank at Pipestone from which he has now resigned.

**New in Minneapolis**

The Fifth Northwestern National Bank at Minneapolis organized to serve the Hennepin and Lake street districts was officially opened recently.

The bank has a capital of \$100,000 and a \$10,000 surplus. The charter was granted by the treasury department at Washington. Directors of the bank include a number of business men of the Hennepin and Lake street district and the bank is affiliated with the Northwestern National Bank which owns the capital investment of the Fifth Northwestern National with the exception of qualifying shares owned by the directors.

Clarence E. Hill, vice president of the Northwestern National Bank will be president of the Fifth Northwestern, with Harry H. Sivright, manager and vice president, and Charles R. Sheridan of the Northwestern National Bank as cashier.

**Apply for Charter**

A charter has been applied for to start a new bank in Redwood Falls, Minnesota, by the following: W. W. Klingman, A. V. Ott, A. W. Thompson and H. B. Robertson. If the charter is granted the proposed name of the bank is to be Citizens State Bank of Redwood Falls, and the bank will be located in the former First National Bank building.

**Consolidation**

The First National and the State Bank

of Bricelyn, Minnesota, recently announced their consolidation with a capital stock of \$20,000, a surplus of \$20,000, and deposits of \$485,000.

The consolidated banks will retain the name of State Bank of Bricelyn.

This bank, the directors believe, will be the largest financial institution in Fairbault county and they expect deposits to reach \$550,000 by January 1.

E. O. Lund, now president of the First National, will be president of the new bank. P. J. Flo, now cashier at the First National, will be cashier. W. E. C. Ross of Blue Earth will be chairman of the board of directors and H. N. Chadbourn of Minneapolis a member of the board.

Stockholders will continue to hold their proportionate amounts of stock.

**Celebrates Anniversary**

The State Bank of New Prague, Minnesota, celebrated its 44th birthday anniversary recently.

The State Bank opened for business on November 1, 1883, with Joseph Maertz as president and Michael Schreiner as cashier, and it has grown from deposits of only a few thousand dollars to nearly \$800,000.

**Let There Be Light**

The Minneapolis Federal Reserve Bank, built without a single light opening in its exterior walls, now is to have windows. The openings are being cut through the solid stone wall on the second story of the Fifth street frontage to give natural light to the governor's and federal reserve agent's offices.

The building was designed by Cass Gilbert, famous New York architect, and the late John H. Rich, as chairman of the board, insisted that it be made bomb-proof and otherwise impregnable to anything but a large armed force supported by artillery. For this reason, no exterior windows were included in the plan. The side walls, however, are merely screens of solid stone, 60 feet high, with a space 17 feet wide between them and the interior bank walls. The interior walls have plenty of windows, affording natural

light inside. At the front the offices are lighted only by electricity.

Enclosed scaffoldings have been built where the new windows are being cut and the stone is being taken out piece by piece and lowered to the sidewalk. There will be four windows, each five by 11 feet, placed in pairs. They will not weaken the strong box structure of the bank.

**Pioneer Dies**

Hon. Charles S. Crandall of Owatonna, Minnesota, died recently at the age of 87 years.

He was well known in St. Cloud, where he often visited his daughter, Mrs. C. L. Atwood, and was associated with Mr. Atwood in some business enterprises, being for several years vice president of the Security State Bank before its merger with the American National.

Senator Crandall was one of the real pioneers of Minnesota, a very able man, with outspoken courage, patriotic loyalty, strict integrity and high character.

He was born in Erie county, Ohio, 1840, and came to Minnesota in 1857. He was postmaster of Owatonna for eight years, editor of the *Owatonna Journal* for many years, member of the legislature in 1874, and state senator in 1886 and 1890, serving eight years, and was one of the recognized leaders of a senate noted for its able members.

**County Bankers Meet**

The annual meeting of the Mille Lacs County Bankers Association held recently at Milaca, Minnesota, in the rooms of the First National Bank, was well attended. Representatives from practically all of the banks in the county were present.

A fine lunch was served in the early part of the evening and a brief business session followed with a smoker and social time. The new officers elected to serve during the coming year were: W. H. Smith, of Princeton, president; W. A. Benzie, of Onamia, vice president; and Dan Sundberg, Jr., of Bock, secretary and treasurer.

**MIDLAND  
NATIONAL BANK**

and

**TRUST COMPANY**

Resources \$25,000,000.00

**MINNEAPOLIS**

Digitized for FRASER  
<https://fraser.stlouisfed.org>  
 Federal Reserve Bank of St. Louis

### Banker Dead

Frank A. Dahl, president of the Farmers State Bank of Chisago City, Minnesota, since 1909, died at his home recently following an illness of several months. He was 68 years old.

Mr. Dahl, who was mayor of that city for several years, came here in 1891 from Spring Lake, Minn., and founded the Dahl house, one of the well known summer resort hotels in the state. He is survived by his widow and two daughters.

### Heads Committee

John W. Barton, vice president of the Metropolitan National Bank of Minne-

apolis, has been appointed as chairman of the committee on non-cash items of the American Bankers Association, one of the important groups of the national organization of bank executives. This was announced recently at the association's headquarters in New York by President Thomas R. Preston of Chattanooga, Tenn. Members and heads of the 19 major subgroups of the association were also announced. Other northwest bankers given recognition in preparing the list were Burton M. Smith, president of the Bank of North Lake, Wis., who was named chairman of the agricultural commission, and J. H. Puelicher, president of the Marshall

& Illsley Bank, Milwaukee, who heads the public education commission.

### Bankers Meet

Members of the Chippewa County Bankers Association held a business meeting recently at the Security National Bank at Montevideo, Minnesota. This was the occasion of their annual meeting and election of officers. W. D. Grashus of Clara City was re-elected president and F. P. Schulte of Maynard was re-elected secretary of the association for the ensuing year.

After the business meeting the bankers adjourned to the Riverside Hotel where a banquet was enjoyed.

Maynard banks were represented by O. A. Dahleen, L. S. Martinson, F. I. Frendine and F. P. Schulte.

### Reduction in Rate

The Federal Intermediate Credit Bank of St. Paul recently announced a reduction of one-quarter of 1 per cent in its rediscount rate, effective immediately. This marks the third rate reduction since the bank was organized in 1923, according to J. A. Rieckert, vice president. The new rate is 4½ per cent.

The former rate of 4¾ per cent has been in effect since July, 1926. When the bank was opened in 1923 a rate of 5½ per cent on rediscounts prevailed. In November, 1925, the first reduction was made when the rate was lowered to 5 per cent.

The new rate reduction, according to Mr. Rieckert, means that the interest rates charged to the borrower will be limited to 7 per cent as the regulations provide that discounting agencies which operate between the credit bank and the borrower charge not more than 2½ per cent.

The ability of the bank to refinance maturing debentures at a lower rate was given as the cause for the reduction. The Federal Intermediate Credit bank now has outstanding loans of \$7,600,000, an increase of \$3,000,000 in the past year. Since its formation in 1923, the bank has advanced to farmers marketing co-operatives and individual farmers for agricultural purposes more than \$25,000,000.

### From Minnesota

The following persons from Minnesota attended the recent A. B. A. convention in Houston:

- \*Chapman, C. A., president, First National Bank, Rochester; Rice.
- \*Dabelstein, C. F., president, Olmsted County Bank & Trust Co., and wife, Rochester; with Dr. Marcus.
- \*Fellows, Fred P., secretary, Minnesota Bankers Association, Minneapolis; Rice.
- \*Haven, G. A., president, First State Bank, and wife, Chatfield; Sam Houston.
- \*Hechtman, A. P., cashier, Farmers State Bank, Osseo; Macatee.
- \*Humason, H. B., vice president and cashier, American National Bank, St. Paul; Rice.



A stop at the Hotel Chase will assure you that quiet refinement which is invariably attached to homes of distinction.

Located in the heart of fashionable St. Louis, overlooking beautiful Forest Park. Five hundred rooms each with its own bath.

Unexcelled as a Convention Hotel.



## HOTEL CHASE

ST. LOUIS

Lindell at Forest Park

Geo. T. Thompson  
Frederic C. Skillman  
Managing Directors



## 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.

- \*Ingwersen, J. H., vice president, First National Bank, Duluth; Rice.
- \*Kingman, Henry S., assistant to treasurer, Farmers & Mechanics Savings Bank, Minneapolis; Rice.
- Lillibridge, Robert C., auditor, First National Bank, St. Paul; Ben Milam.
- \*Maloney, J. J., cashier, Farmers State Bank, Heron Lake; Rice.
- \*Pomeroy, Julius S., vice president, First National Bank, Minneapolis; Rice.
- \*Rose, James A., assistant cashier, Northwestern National Bank, and wife, Minneapolis; Plaza.
- \*Rotering, Victor F., cashier, First Minneapolis Trust Co., Minneapolis; Rice.

\*Delegate.

**Consolidation Ratified**

Stockholders of the Continental and Commercial Banks of Chicago, at a special meeting last month, approved the consolidation of the Continental and Commercial Trust and Savings Bank with the Continental and Commercial National Bank of Chicago, under the title, Continental National Bank and Trust Company of Chicago.

Issuance of a 40 per cent stock dividend, to stockholders of record November 20, was authorized.

Present officials of the two banks were elected to take office in the consolidated bank December 1, 1927, the date the consolidation becomes effective.

The name of the Continental and Commercial Company, the investment securities company affiliated with the Continental and Commercial Banks, was changed to Continental National Company.

The name of the Continental and Commercial Safe Deposit Company was changed to Continental National Safe Deposit Company.

The capital of the consolidated bank will be 35 million dollars, surplus will be 30 million and undivided profits will exceed 3 million.

The stock ownership of the two banks was identical and the managements were interrelated. The action of the stockholders today is the last step in the complete unification of the two commonly owned banks.

You know it is not my interest to pay the principal; nor is it my principle to pay the interest.—Sheridan.



# The Chase National Bank

of the City of New York

57 BROADWAY

|                                       |                  |
|---------------------------------------|------------------|
| Capital . . . . .                     | \$ 40,000,000.00 |
| Surplus and Profits . . . . .         | 40,811,628.63    |
| Deposits (October 10, 1927) . . . . . | 877,085,350.06   |

**OFFICERS**

ALBERT H. WIGGIN  
*Chairman of the Board*

JOHN McHUGH  
*President*

ROBERT L. CLARKSON  
*Vice Chairman of the Board*

*Vice Presidents*

|                    |                   |                    |
|--------------------|-------------------|--------------------|
| SAMUEL H. MILLER   | ALFRED C. ANDREWS | FRANK O. ROE       |
| CARL J. SCHMIDLAPP | ROBERT I. BARR    | HARRY H. POND      |
| REEVE SCHLEY       | GEORGE E. WARREN  | SAMUEL S. CAMPBELL |
| SHERRILL SMITH     | GEORGE D. GRAVES  | WILLIAM E. LAKE    |
| HENRY OLLESEHEIMER |                   | M. G. B. WHELPLEY  |

*Vice President and Cashier*  
WILLIAM P. HOLLY

*Second Vice Presidents*

|                    |                    |                   |
|--------------------|--------------------|-------------------|
| FREDERICK W. GEHLE | M. HADDEN HOWELL   | JOS. PULVERMACHER |
| EDWIN A. LEE       | ALFRED W. HUDSON   | LEON H. JOHNSTON  |
| WILLIAM E. PURDY   | JAMES L. MILLER    | FRANKLIN H. GATES |
| GEORGE H. SAYLOR   | JOSEPH C. ROVENSKY | ARTHUR M. AIKEN   |
|                    | BENJAMIN E. SMYTHE |                   |

*Comptroller*  
THOMAS RITCHIE

**Foreign and Trust Department Facilities**

## A CREDIT FILE THAT PAYS

(Continued from page 16)

at least two members of the loan committee besides the official making the loan.

The farm situation in Jasper County, they say, is fairly good. The farmer who is as well capitalized as the ordinary business man, is doing fairly well. The efficient tenant is doing well. Crops are about average. Farm relief agitation has largely developed into a very reasonable demand that the present conditions be stabilized and that the farmer be insured so far as possible against a return to the ruinous conditions which existed for several years past. The more radical demands, still heard occasionally, come mostly from operating farmers so heavily in debt from buying their farms at boom prices that relief can come only through extraordinary prices, and from landlords asking for rental returns on similar valuations.

Concerning methods of obtaining and holding new accounts, the bank's officers say: "Every banker is continually using every known method of obtaining new accounts. Iowa bankers everywhere spoiled their customers years ago, entreating them to come and be served free of charge. The customer got the idea that the banker must be making something every time a check was cashed. It

was entirely the banker's fault and we are paying the price for our mistake. A bank should not be a free service proposition and it behooves us to carefully eliminate such suggestions from our advertising."

To illustrate this point, Mr. Bestor tells about a customer who told him he supposed he was doing the bank a favor by letting them cash his cream checks.

The Jasper County Savings carefully analyze each account to determine the profitable and unprofitable ones. In addition, each teller has a list of customers with such notations as "Accept no deposits," "Habitual overdrafts," "Watch," etc. The bank is determined to run its business profitably. In fact, out of more than three thousand accounts, officers say there are less than forty that give them trouble. "Many times we have asked a persistent overdrawer to close his account, whereas it wouldn't have occurred to us to do that ten years ago," they say.

As stated before, the Jasper County Savings Bank is the oldest bank in Jasper County. It was organized in 1869 as a private bank by General James Wilson and Albert Lufkin. In 1880 J. M. Woodrow became cashier and was president from 1890 to 1919, the year of his death. It was incorporated as a savings bank in 1908. The Maytag interests bought control of the bank in 1925 and took over the

Clark National Bank in the following year.

At the present time, F. L. Maytag is chairman; E. H. Maytag, president; L. B. Maytag, vice president; F. P. Ross, vice president; P. H. Bestor, vice president; A. E. Hindorff, cashier, and Lee E. Brown, assistant cashier. Cashier Hindorff, who has been with the bank for twenty-five years, is well known for his State Association activities, having been treasurer in 1925-1926.

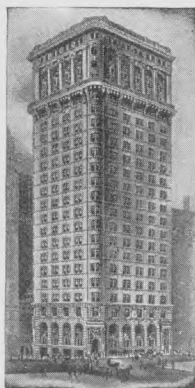
### Estate Tax Ruling

"One point I wish to get across is that there is no inheritance tax on insurance paid for by the beneficiary. That has been settled by the unanimous decision of the United States Supreme Court. When a wife as beneficiary buys insurance on her husband, she is protecting an interest with just as perfect a right as she protects her house against fire."—John M. Bruce in *John Hancock "Signature."*

Pride is founded not on the sense of happiness, but on the sense of power.—Hazlitt.

Of pleasure those which occur most rarely give the greatest delight.—Epicurus.

## THE HANOVER NATIONAL BANK OF THE CITY OF NEW YORK Established 1851



Capital . . . \$5,000,000  
Surplus and Profits . \$26,000,000



## Bureau of Canadian Information

The Canadian Pacific Railway through its Bureau of Canadian Information, will furnish you with the latest reliable information on every phase of industrial and agricultural development in Canada. In our Reference Library at Montreal is complete data on natural resources, climate, labor, transportation, business openings, etc. Additional data is constantly being added.

## Development Branch

If you are interested in the mining wealth and industry of Canada or in the development or supply of industrial raw materials available from resources along the Canadian Pacific Railway, you are invited to consult this Branch. An expert staff is maintained to investigate information relative to these resources and examine deposits in the field. Practical information is available as to special opportunities for development, use of by-products and markets, industrial crops, prospecting and mining.

"Ask the Canadian Pacific about Canada" is not a mere advertising slogan. It is an intimation of service—without charge or obligation—that the information is available and will be promptly forthcoming to those who desire it.


## CANADIAN PACIFIC RAILWAY CO.

Department of Colonization and Development

J. S. DENNIS  
Chief Commissioner

Windsor Station  
Montreal, Can.



|                                                                                   |                                                                                    |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <b>North Dakota<br/>Bank News</b>                                                 |                                                                                    |
| <b>Officers North Dakota Bankers<br/>Association</b>                              |                                                                                    |
|  |  |
| President.....G. H. Leick                                                         | Vice President and Chairman Executive Council.....M. C. Bacheller<br>Grand Forks   |
| Treasurer.....J. I. Hegge<br>Maddock                                              | Secretary.....W. C. Macfadden<br>Fargo                                             |
| G. H. LEICK<br>President                                                          | W. C. MACFADDEN<br>Secretary                                                       |

### North Dakota News

**Beatrice E. West** has been appointed bookkeeper of the Farmers State Bank of Mandan.

**Wm. G. Schucht** has been elected cashier of the Farmers State Bank, Drake.

**H. H. Ekeland** has been elected president, and Ernest V. Pooley, vice president of the Esmond State Bank.

**H. A. Gollnick** has been elected cashier of the Farmers State Bank, Great Bend.

**Anna Nelson** has been appointed bookkeeper of the Farmers State Bank, Harvey.

**Ruth Malone** has been appointed bookkeeper of the Moffit State Bank.

**Florence Bogen** has been appointed bookkeeper of the First State Bank, Reeder.

**John D. Wilson** has been appointed assistant cashier of the First State Bank of Regan.

#### Adds Savings Department

The Bottineau, North Dakota, National Bank has added a savings department to its business. The department has been added, it is said, because of the demand among customers of the institution.

#### No Exception

No exception was made by the legislature to the law that banking associations shall set aside ten per cent of their net profits as surplus until the surplus equals 20 per cent of the capital stock, Attorney General George F. Shafer has held in an opinion to Gilbert Semingson, state bank examiner for North Dakota.

Semingson inquired on behalf of a bank the stockholders of which had voluntarily subscribed \$1,000 in surplus upon its organization. In view of this voluntary subscription the bank wished to know

if it could not pay out all its net profits as dividends.

#### To Have New Bank

Alexander, North Dakota, without a bank since April 3, 1924, probably will have a new bank, according to C. E. Burdick, cashier of the First State Bank in Corinth, Williams county, who has announced that his bank has purchased the building formerly occupied by the First National Bank and plans to open a financial institution in Alexander. The charter of the Corinth Bank has been transferred to Alexander, Mr. Burdick declared.

#### To California

C. A. Jeglum, of Adams, North Dakota, well known in Walsh county banking circles, has moved with his family to San Diego, Cal., where they will make their future home.

Mr. Jeglum was first associated with a brother, C. J. Jeglum, in banking business at Adams. About fifteen years ago the latter moved to California, whereupon C. A. affiliated himself with the State Bank of Edinburg, first as assistant cashier and then as cashier. When the Edinburg Bank underwent a change in ownership, Mr. Jeglum returned to Adams and acted as cashier of one of the two banks until they merged their interests two years ago.

#### From North Dakota

The following persons from North Dakota attended the recent A. B. A. convention at Houston:

\*Irish, Fred A., vice president, First National, Fargo; Rice.

\*McFadden, W. C., secretary, North Dakota Bankers Association, Fargo; Rice.

\*Delegate.

#### From South Dakota

The following persons from South Dakota attended the recent A. B. A. convention at Houston:

\*Beebe, M. Plin, president, Bank of Ipswich, and wife, Ipswich; Rice.

\*Griffith, Harry M., president, South Da-

kota Bankers Association, Potter County Bank, Gettysburg; Rice.

\*Kopperud, A., president, Oldham National Bank, Oldham; Rice.

Starring, Geo. A., secretary, South Dakota Bankers Association, Huron; Rice.

\*Delegate.

### NEWS AND VIEWS

(Continued from page 20)

**Victor Smith**, assistant to the president of the Omaha National Bank, has sent us a definition of a specialist, which is especially appropriate in this day when we are surrounded by specialists in every line. "A specialist," according to Mr. Smith, "is a man who knows more and more about less and less until he knows everything about nothing."

**Lucius Teter**, president of the Chicago Trust Co., has announced the merger of the National Bank of Commerce with his institution, making the new capitalization of the Chicago Trust Company \$2,400,000.

Edwin L. Wagner, president of the National Bank of Commerce, will become vice president and a director of the Chicago Trust Company. Charles W. Higley, a director, will become a director in the Chicago Trust Company, and Ralph N. Ballou, vice president and cashier, and H. B. Ahrensfield, assistant cashier, will become vice president and assistant cashier, respectively, of the merged bank.

**The Exchange National Bank of Tulsa**, Oklahoma, which is known as "the oil well of America," believes that it is justly entitled to this name, as a steady flow of oil was discovered recently when workmen drilled through a layer of shale while excavating for the new 24-story addition to the Exchange National Bank building.

It has been suggested that when the new building is completed that a fountain located in the great connecting lobby will spout oil produced beneath the building.

**George J. Schaller**, president of the Iowa Bankers' Association, after his return from the American Bankers' convention, in making a comparison of agricultural conditions in the South with those in the Middlewest, said: "Everywhere you will find some complaint of price discrimination against the producer, especially of agricultural and farm products, but I believe it is being adjusted here as rapidly as anywhere and I have seen no place in the South where honest effort and close application brings any larger or surer returns than here in Iowa."

**One of the latest** of modern conveniences to be reported to us, is the private elevator leading direct to the new offices

*Northwestern Banker December 1927*

of the **P. W. Chapman & Co.** in the Bankers building, Chicago.

The offices occupy practically the entire third floor of the building.

**John G. Lonsdale**, president of the National Bank of Commerce of St. Louis, was elected second vice president of the American Bankers' Association at Houston, being unopposed, when W. C. Wilkinson of Charlotte, N. C., withdrew in his favor.

Mr. Lonsdale was formerly president of the national bank division of the association. Two years hence Mr. Lonsdale will be elected president of the American Bankers' Association.

### ISHPODAR BROADCASTS SOME DO'S AND DON'T'S

(Continued from page 17)

pricest thy finger when at last thou drawest them out, and blood-poison setteth in.

21. Woe unto him who teareth a deposit slip in small pieces and casteth it not into the waste-basket, but scattereth it about over the floor.

#### The Nicotine Curse

22. And woe unto the customer who cheweth tobacco, yet goeth not to the back door when occasion ariseth.

23. Blessed is he who payeth his note

when due, keepeth a goodly balance, hath confidence in his bank and praiseth it openly among his neighbors, doeth his banking in banking hours, and keepeth his stubs withal; for he is a man among ten thousand, and his banker shall sing loud hosannas in his name.

24. Keep thy books in balance and thy note-case clean, and thou shalt be reclassified by the bank examiner.

25. Let him who carrieth no overdrafts in his cash-box be the first to criticize his competitor's statement.

26. The favor thou grantest to the stranger by cashing his check shall be returned to thee with interest—in the form of protest fees.

## The Bank of Jonesville Buys Bonds

THE Bank of Jonesville is always buying bonds, for it has found a tremendous force for increased business in every department of its bank through selling bonds—not to mention the profit from the sale and resale of the securities themselves.

\* \* \*

There was a time when this bank did not feel the necessity of an investment service for its customers, but that was before investing in bonds had become popular.

Today the Bank feels that its bond sales are no small factor in its satisfactory growth and the constant widening of the territory it serves.

What one bank has done, other banks can do. In fact, other banks are doing it. The number of banks that are adding bond investments to their services to customers is fast increasing.

And today, bonds are being sold in every community. It follows that local banks are going to profit by taking advantage of this fact.

*We are giving particular attention to the needs of the bank that wishes to establish a profitable Bond Department. We invite you to write us about your situation.*



**DROVERS**  
**NATIONAL BANK**  
**TRUST & SAVINGS BANK**  
 Union Stock Yards • Chicago

# IOWA SECTION

## Officers Iowa Bankers Association



GEORGE J. SCHALLER  
President

President.....George J. Schaller  
Storm Lake  
Vice President...Chas. T. Schenck  
Red Oak  
Treasurer.....V. C. Bonesteel  
Sioux City  
Secretary.....Frank Warner  
Des Moines



FRANK WARNER  
Secretary

### Well Known Banker Dies

Mr. Dagobert A. Gehrig, president of the United State Bank, Dyersville, Iowa, passed away at his home after a lingering illness of a year's duration. Mr. Gehrig was one of the most widely known and popular business men of Dyersville and the news of his death was received with keen regret by Dyersville people and residents of that vicinity. He was 75 years of age.

Mr. Gehrig had not been in the best of health for some time, suffering from a complication of ailments. About a year ago he submitted to an operation in the hospital at Rochester, Minnesota, and for a time he appeared to be improving and there was hope of an ultimate recovery, but he later suffered a relapse and his condition has been critical for several weeks.

Under Mr. Gehrig's able management the United State Bank has developed into one of the most substantial banking institutions in eastern Iowa. After many years as cashier, the board in recognition of his untiring efforts in behalf of the institution elected him as president, in which capacity he continued until the time of his death. He was succeeded as cashier by Henry F. Kremer. Several years ago the bank erected the handsome new structure, which stands as a monument to the success and accomplishment of the bank's officers, in the activities of which Mr. Gehrig was the chief factor. The bank today has a business totalling over a million and a quarter.

### Elected President

Henry W. Huiskamp was elected president of the State Central Savings Bank at a recent meeting of the directors. He will succeed the late Judge William Logan. Mr. Huiskamp was the senior member of the board of directors of the bank.

Mr. Huiskamp is president of the Huiskamp Bros. Co., and is one of the influential business men of Keokuk. He is well versed in business and banking and his election as president of the bank will mean that he will bring to that office a wealth of experience gained in the years of his business connections in Keokuk.

### Howard Bankers Meet

The Howard County Bankers' Association held their meeting and annual election of officers recently at Cresco, Iowa.

A representative from every bank in the county, and six bankers from other counties, were in attendance.

At 6:30, a dinner was served at Johnny Mac's, after which the following officers were elected: President, J. B. Gray; cashier of the Exchange State Bank, Lime Springs; vice president, R. A. Moore, cashier of the People's Savings Bank, of Elma; secretary, Asa A. Farnsworth, assistant cashier of the Cresco State Bank, re-elected; treasurer, J. A. Dostal, Bohemian Savings Bank, Protivin.

Fred J. Figge, president of the Ossian State Bank, Elmer Rinigeon, cashier of the First State Bank, Ridgeway, Roy St. John, cashier of the First National Bank, Riceville, A. G. Dunton, assistant cashier of the First National Bank, of Riceville, C. F. Bartlett, president of the Riceville State Bank, and Charles Potier, cashier of the Riceville State Bank, were the guests.

### Cashier Resigns

C. E. Watts has resigned his position as cashier of the Commercial Savings Bank, Ames, Iowa, a position he has held for four years.

Although Mr. Watts makes no definite announcement of his plans, he is leaving Ames for a visit with his parents at his old home in Hedrick. Later he may go to Minnesota to superintend the cutting of timber on lands which he holds there.

### Becomes Cashier

R. C. Brogmus, formerly of Alta but lately with the Toy Bank at Sioux City, has removed to Fonda, Iowa, where he becomes cashier of the First National Bank, succeeding the late Irving Brubacher, whose death occurred recently. Mr. Brogmus was formerly auditor for the Toy system and has many friends in Storm Lake.

### Bankers Optimistic

A. C. Smith, president of the City National Bank of Clinton, Iowa, and for

three years a member of the executive council of the American Bankers Association, has recently returned from the annual meeting of the association at Houston, Texas. He says that he has found strong optimism among the bankers from all parts of the country.

They are especially optimistic on agriculture, as they think that the farmers will enjoy satisfactory crop returns this year, either through large yields or rising prices. The total agricultural income this year is expected to be above the average for recent years. The price levels are approaching the levels of other commodities, is the opinion of the bankers from the large agricultural centers.

It was the opinion at the meeting that the bond of union between the farmer and the banker cannot be too strong, and therefore the news that 1928 will be a most satisfactory year for farmers, excluding adverse weather conditions, was welcome.

It was brought out at the meeting that the farmer is using more business in his efforts and is gradually working out his own problems.

### Buys Buxton Bank

Announcement has been made by the Peoples Trust and Savings Bank of Oska-loosa, Iowa, that it has bought the assets and assumes the liabilities of the Buxton Savings Bank of Buxton, and will pay all depositors and stockholders in full.

Action of the smaller bank in selling its business has been brought about by reason of the slump in coal mining operations, the principal industry in the town in which the Buxton bank has done business.

### Cashier Resigns

A. H. Fortune has tendered his resignation as cashier of the Davis County Savings Bank of Bloomfield, Iowa. This has been in contemplation for some time, but has awaited the rearrangement of the working force of the bank. Mr. Fortune states that he has been in banking work for nearly thirty-three years, and has decided to take a rest. He began his bank work, associated with J. R. Wallace, in the State Bank, in 1895, and in 1900 was one of the organizers of the Savings Bank. He still remains one of the directors and retains his stock in the bank.

Mr. Fortune has been a Bloomfield business man continuously for the past fifty years.

### Honor Roll Bank

The Mitchell Savings Bank, of the town of Mitchell, Iowa, is distributing to its friends and patrons a statement folder showing membership on the roll of honor of American banks. To acquire place on the roll of honor, a bank must first have

*Northwestern Banker December 1927*

## Resources Exceed Eleven Million Dollars

Established 1874

Since 1874 this Bank has been keeping a pace with the growth of the great business territory it serves and today offers the most complete and satisfactory service in its entire history, together with the same absolute safety that has characterized it through all the years of its successful operation.



### OFFICERS

CHARLES E. PERKINS, Chairman of Board  
 E. WEBBLES, President  
 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  
 L. T. PANTHER, Cashier  
 S. R. GRANT, Assistant Cashier  
 L. P. RECKMAN, Assistant Cashier  
 J. S. STUBBLEFIELD, Assistant Cashier  
 RAY HUMPHREY, Manager Bond Department  
 H. A. HEIL, Trust Officer  
 T. H. WILSON, Auditor

# FIRST IOWA STATE BANK

TRUST & SAVINGS

MEMBER FEDERAL RESERVE SYSTEM BURLINGTON IA.

accumulated surplus and profits in excess of capital. The laws of the nation, and states as well, recognize that surplus is a protection to depositors, but the usual maximum imposed legally, is twenty per cent of the capital. Roll of honor banks have, through their own initiative, increased this maximum four times beyond the law's requirements.

### County Meeting

The Iowa County Bankers' Association met in North English, Iowa, recently, and elected the following officers: Henry Wahl, Victor, president; E. J. Johnson, Marengo, secretary; F. W. Franey, Marengo, treasurer. A. H. Evans of Williamsburg was chosen as a member of the advisory committee. Dinner was served at the Van Fleet hotel at 7:30, with the business sessions in the Masonic hall.

Those in attendance were: A. H. Jones, Ed Lewis, of Williamsburg; E. J. Johnson, Mr. Lindenmeyer, Ole Olson, E. J. Hoepner, of Marengo; Everett James, Conroy; Henry Wahl, J. J. Roushar, Miss Grace De Decker, J. M. Dusterhoff, Victor; V. P. Culen, Parnell; E. D. Baird, W. S. Baird, Vaughn Ellett, Hugh Harrington, W. C. Carson, S. S. Swain, R. S. Ferris, Fred Gilmore, E. G. Brown, North English.

### Bankers Elect

H. A. Bruns, cashier of the Beaver Savings Bank, was elected president of the Boone County Bankers' Association at their annual meeting in Boone recently. The business session was preceded by a supper held in one of the tea rooms there. G. C. Carlson of the Farmers Savings Bank of Madrid was elected to the executive committee.

The other officers and members of the executive committee elected were as follows:

Vice president—Claus Heldt, of Ogden.  
 Secretary and treasurer—T. R. Duckworth, Boone.

Executive committee—Carl Roberts, Boone; G. C. Carlson, Madrid; Walter Rosen, Ogden.

G. C. Carlson of Madrid was the outgoing president.

### At Lamont

Mr. Geo. L. Hanson of Waterloo is the new assistant bank cashier at the Farmers State Bank of Lamont, Iowa. Mr. Hanson is a former Oelwein boy, has had several years' experience in the banking business and comes highly recommended. He was formerly associated with the Savings Bank at Oran.

### Crawford Bankers Meet

The regular quarterly meeting of the Crawford County Bankers' Association was held recently at Schleswig, Iowa. J.

J. Miller and Geo. Sievert of the Commercial Bank, C. D. Saunders of the First National Bank, and H. E. Qualheim of the Crawford County Trust and Savings Bank, were those who attended from Denison. Twenty-five members representing nine of the banks of the county were at the meeting and all enjoyed a banquet at 6:30.

The meeting was addressed by Mr. Jacobs of the Bankers' Research Bureau of Des Moines, who gave an interesting and educational address.

#### New Bank

Emmet county, Iowa, is to have a new bank located at Estherville.

Stockholders of the bank met and elected the following directors: Henry W. Mahlum, A. J. Rhodes, L. L. Bingham, W. D. O'Brien, Wayne C. Currell, Charles C. Kuning, and N. H. McKerral.

Henry W. Mahlum is to be president, Wayne C. Currell, cashier, and N. H. McKerral, vice president.

The institution is to be known as the Emmet County State Bank, and will have a capital stock of \$50,000 and surplus of \$100,000. All of the stock has been subscribed for.

The new bank will be located on the corner of Lincoln and 7th streets, south of the Gardston hotel, and will open for business as soon as the room is redecorated, fixtures installed, and a substantial vault constructed.

#### A Second "Barney"

Fred Wray, cashier of the Pioneer National Bank, claims the Waterloo record for one day's drive by auto, which a short time ago was accredited to Mr. and Mrs. W. E. Florey, with their report of 458 miles in 14 hours.

Mr. Wray, accompanied by his son, Dale, drove to Minneapolis and returned the same day, via Albert Lea and Clear Lake, a total distance of 524 miles, in elapsed time of 18 hours and driving time of 14 hours.

Wray left Waterloo at 6 a. m. and returned at 12 midnight. He drove without relief.

#### Buys Farm Land

Peter Lamb and associates, of Mapleton, Iowa, recently purchased 14 farms, all involved in one transaction. The farms purchased by the Mapleton men are located mostly in Monona and Woodbury counties, and formerly were part of the extensive holdings of C. L. Voss, of Denison.

The Mapleton syndicate which bought 14 farms in one transaction feels confident that there is a turn for the better on farm lands and that the deal will result in both investment and speculative profits. Mr. Lamb is president of the First National Bank of Mapleton and has extensive individual holdings of land

which he regards as highly desirable property, regardless of temporary conditions in land prices.

#### Buys School Bonds

The Merchants National Bank of Cedar Rapids, Iowa, at a meeting of the Olin Consolidated school board held recently, purchased the school bonds for the erection of a new school building for the Olin Consolidated School District.

The amount of the bonds was \$110,000, the amount voted at the last bond election, and is divided into eleven bonds of \$1,000 each bearing four and a quarter per cent interest. The total amount is

divided into several payments at various times, but is all payable within 20 years.

#### I. B. A. Appointments

President George J. Schaller of the Iowa Bankers Association recently appointed three prominent Davenport bankers as chairmen of important committees of the state association and named three other local bankers as members of big committees.

Ed Kaufman, president of the American Commercial & Savings Bank, was appointed chairman of the publicity committee. Frank Yetter, vice president of the American Commercial, was named

DES MOINES, center for many of the social, political and commercial activities of the state, owes responsibilities to the people of Iowa to serve them well. As Des Moines correspondent for many financial institutions in this state, this bank undertakes its responsibilities with an intent and purpose to fulfill and meet them fully.



## BANKERS TRUST CO. BANK

Cor. 6th and Locust Sts., Des Moines  
Capital \$1,000,000.00 Surplus \$200,000.00



# 57 Years of Successful Conservative Banking



Statement of Condition  
of  
**THE CITY NATIONAL BANK**  
of Clinton, Iowa  
October 10, 1927

**RESOURCES**

|                                          |                       |
|------------------------------------------|-----------------------|
| Time and Demand Loans.....               | \$5,766,218.34        |
| U. S. Bonds.....                         | 381,944.25            |
| Stock in Federal Reserve Bank..          | 19,500.00             |
| Real Estate and Fixtures.....            | 92,913.02             |
| Cash and Due from Banks and<br>U. S..... | 1,096,946.08          |
|                                          | <b>\$7,357,521.69</b> |

**LIABILITIES**

|                        |                       |
|------------------------|-----------------------|
| Capital.....           | \$ 300,000.00         |
| Surplus.....           | 350,000.00            |
| Undivided Profits..... | 188,249.08            |
| Circulation.....       | 300,000.00            |
| Deposits.....          | 6,219,272.61          |
|                        | <b>\$7,357,521.69</b> |

Established  
1870



# The City National Bank CLINTON IOWA

Northwestern Banker December 1927

**DIRECTORS AND OFFICERS**

- ALFRED G. SMITH,  
Chairman
- ALFRED C. SMITH,  
President
- G. L. CURTIS,  
Vice President  
President, Curtis  
Companies, Inc.
- G. W. DULANY, JR.,  
President, Eclipse  
Lumber Co.  
President, Cimax  
Engineering Co.
- H. W. SEAMAN,  
Chairman Clinton Wire  
Cloth Co.
- M. J. GABRIEL,  
President Gabriel  
Lumber & Fuel Co.
- J. PETERSON,  
J. O. SHAFF,  
State Senator  
Farmer and Live Stock  
Dealer
- B. M. JACOBSEN,  
President  
Clinton Thrift Co.
- 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 & Hipes Co.
- O. P. PETTY, Cashier
- J. H. NISSEN,  
Assistant Cashier
- H. G. KRAMER,  
Assistant Cashier

head of the bank taxation committee and I. J. Green, cashier of the First National Bank, was appointed chairman of the agricultural committee for the fifth consecutive time.

A. F. Dawson, president of the First National, was appointed member of the bank analysis committee; Wm. Heuer, president of the Union Savings, member of the legislative committee, and Ray Nye-master, vice president of the American Commercial, member of the rivers development committee.

**Banker Dies**

C. A. Kendall, president of the Farmers State Bank, of Earlville, Iowa, died recently from heart trouble. Besides being president of the bank at that place, Mr. Kendall was a member of the board of directors of several other banking institutions and also was head of the Kendall drug store. He is survived by his widow, his aged mother, one daughter and two brothers.

**Elected to Board**

F. C. Hubbell, Des Moines capitalist and member of the civil service commission, was recently named to the board of directors of the Iowa National Bank and the Des Moines Savings Bank and Trust Company. The election took place at the regular meeting of the directory board.

The Hubbell interests recently purchased a block of 700 shares of Iowa National stock for \$100,000 or about \$143 a share, according to reports in business circles.

**Merger**

A merger was effected in Crawfordsville, Iowa, recently, whereby the Peoples Savings Bank takes over the business of the First Savings Bank and the business of the two banks will be transacted in the future from the Peoples' Savings Bank building.

All the help that was employed in both banks will be retained for the present.

**Represents Northern Trust**

The Northern Trust Company of Chicago has announced the appointment of Robert Root as its bond department representative for the state of Iowa. His office will be located in the Insurance Exchange building, Des Moines.

Mr. Root was born in Iowa, attended the state university at Iowa City and for the last three years, he has made his home in Des Moines.

The Northern Trust Company is one of Chicago's oldest banks. It is prominent in the commercial banking field, and is one of the largest retail distributors of investment bonds in the middle west, particular emphasis being laid on municipal bonds.

MEMBER  
FEDERAL RESERVE



ORGANIZED  
1877

## Our Constant Aim!

To serve better, with more than ordinary *personal interest*, our correspondent banks has long been the aim of the Cedar Rapids National official organization.

And it is these same aims, backed by a strong, stable institution, that accounts for our satisfied list of correspondents.

### OFFICERS

Glenn M. Averill, Pres.  
E. M. Scott, Vice Pres.  
C. C. Kuning, V. P. and  
Cashier  
Van Vechten Shaffer,  
Vice Pres.  
Geo. F. Miller, V. P.  
and Trust Officer  
Frank Filip, Vice Pres.  
Assistant Cashiers  
Peter Bailey  
Marvin R. Selden  
Bertha M. Wolf  
Geo. W. Swab  
Maud W. Carpenter  
Walter Allison  
R. D. Brown  
O. K. Kearney

**Cedar Rapids National Bank**  
Cedar Rapids, Iowa

**The Bond Market**

The bond market continues to respond to the strength of investment demand. Legal rails, railroad bonds once regarded as second-grade, industrials, foreign bonds and municipals all have shared in the steady upward creep of prices which have been little affected by firm call money, heavy brokers' loans, and stock market uncertainty.

Of some importance in connection with the investment market is the bettered position of farmers in the wheat and corn states and in the cotton belt. While it is doubtful whether the gains made have been as great as is popularly believed in non-agricultural circles, there is no question that things are better. This improvement will to some extent be reflected in

consumption, but it is likely that its main effect will be a reduction of the farm debt by paying off to banks obligations not secured by mortgage, by payment of amounts delinquent on mortgages, and to some extent by anticipation of future installments on mortgages, where this can be done under the terms of the contract. While the amount out of the aggregate of funds thus released which will seek other channels of employment may not be relatively large, it may well be enough to make itself felt in the investment markets.

—From Bulletin, National Bank of Commerce, New York.



**Business Vastly Improved**

Chas. Shade, president of the First National Bank of Rock Rapids, Iowa, has the following to say regarding business conditions in his section of the state:

"Business in northwestern Iowa during the last sixty days has showed a very marked change for the better. In 1926 it was a hard proposition, but we managed to struggle through. We harvested this year a splendid crop of small grain, and we are now picking corn which I think will average from 40 to 50 bushels per acre here in northwest Iowa. I am hopeful that corn will sell from 70c to 75c a bushel. This will put the banks in our section of the state in good financial condition."

**Meet in Boone**

The Boone County Farm Bureau were hosts recently to a most interesting Farmer-Banker-Press meeting held at the Elks home in Boone, Iowa. The meeting was attended by about two hundred people comprising the bankers and newspaper men, in and around Boone county, the Boone county officers, the Farm Bureau officers and both the county and township leaders.

The keynote of the meeting was expressed in the slogan on the program "If we all pull together we can win," and the whole spirit of the meeting was one of cooperation between all Iowa people in an effort to forward agriculture interests.

**Goes with Hart-Parr**

Glenn Satterlee, assistant cashier of the Security Trust & Savings Bank, Charles City, Iowa, has resigned, effective November 1st, to take a position in the credit and collection department of Hart-Parr Company.

In January, 1920, he began working for the bank as a bookkeeper, progressing through the various stages until in January, 1924, he was elected assistant cashier, which position he has held ever since. His bank training equips him for his new position in the Hart-Parr organization.

Humility is often a feigned submission which we employ to supplant others. It is one of the devices of pride to lower us to raise us; and truly pride transforms itself in a thousand ways, and it is never so well disguised and more able to deceive than when it hides itself under the form of humility.—*La Rochefoucauld.*

The sea remembers nothing; it is feline. It licks your feet—its huge flanks purr very pleasantly for you; but it will crack your bones and eat you, for all that, and wipe the crimsoned foam from its jaws as if nothing had happened.—*Holmes.*

**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  
 C. J. BODE, Cashier  
 G. N. DUERKOP, Asst. Cashier  
 W. A. LOGAN, Vice President  
 L. J. WOLFE, Asst. Cashier  
 E. A. EBERSOLE, Asst. Cashier  
**ACCOUNTS OF BANKS AND BANKERS INVITED**

**BANK ENVELOPES**

We specialize on high grade Kraft and Leatheroid envelopes for Banks and Investment Houses.

We invite your inquiries for envelopes of all kinds, including everything from small passbook jackets to the larger size envelopes for mailing or filing.

**Quality Park Envelope Co.**

Midway St. Paul, Minn.

At your service—

in Eastern Iowa  
and  
Western Illinois



**Peoples Trust & Savings Bank**  
CLINTON, IOWA.

Remember it this way—"PEOPLES TRUST"

Northwestern Banker December 1927



**New Building**


On November 10th contracts were let for the building of a practically new First National Bank, according to announcement made recently by J. A. Bradley, head of the First National, and also the Iowa Trust and Savings Banks of Centerville, Iowa.

The new bank on the north side of the square that will take the place of the present First National is being built with a view to anticipating the needs of the city for 20 years. It is to be the last word in bank construction and will be equipped with the finest obtainable vaults and safety deposit facilities with room for 2,000 24-inch safety deposit boxes.

The face of the bank is to be of beautifully carved Bedford stone extending two stories in height. The floor of the bank, which is now above sidewalk level, will be lowered and a basement and two-story addition will be added to the structure, making it 100 feet in length instead of the present 80 feet. A mezzanine floor will be added to the interior of the bank proper. Offices on the second floor of the bank building will remain much as they are at the present time.

**Will Not Merge**

Winterset, Iowa, will not have a "Citizens and Madison County National Bank" as advertised some time ago. The merger



## A Record Of Accomplishment

Ten Years Ago One Office  
Today Our Own Building  
And Branch Sales Offices  
In Seven Cities

We Control and Manage  
Public Utilities  
Supplying Electricity And Gas  
In  
Prosperous Communities  
We Also  
Finance And Distribute  
The Securities Of  
Good Industrial Companies  
After Thorough Investigation

*"For Over Ten Years—All Your Money—All The Time—On Time"*

# W.B. FOSHAY CO.



INCORPORATED AUGUST 31, 1917  
Controlling And Managing Public Utilities  
Financing Industrials  
Selling Securities Of Both

Foshay Building  
MINNEAPOLIS

New York  
Boston

Portland, Oregon  
San Francisco  
Denver

Chicago  
St. Paul



## Sioux City Service

We invite the business of  
Banks and Bankers who  
seek particular care and  
attention in their Sioux  
City connection.

**Officers**

J. L. Mitchell, President  
L. H. Henry, Vice Pres.  
and Chairman of the  
Board  
H. A. Gooch, Vice Pres.  
O. D. Pettit, Cashier  
Frank R. Kirk, Asst.  
Cashier  
John P. Hainer, Asst.  
Cashier  
L. M. Ashley, Asst.  
Cashier  
Geo. J. N. Smith, Asst.  
Cashier

**Capital**  
**\$1,000,000.00**



# A Heritage

*that guides our service*

On February 26th, 1863, one day after Abraham Lincoln signed the National Bank Act, an application for a charter for the FIRST NATIONAL BANK of DAVENPORT reached the Treasury Department in Washington.

On June 22d of that same year, the application was approved and on June 29th the FIRST NATIONAL BANK of DAVENPORT was opened for business.

It was the *first* National Bank opened in the United States. *And for two days it enjoyed the unique distinction of being the only bank in the whole country operating under the National Bank Act.*

This glorious heritage of being the *first* National Bank in the United States is a constant inspiration to us in our efforts to offer you a Banking Service, broader in vision, bigger in ideals, greater in purpose—progressive, alert, enterprising.

## First National Bank

Davenport, Iowa

of the two strong banks, the Citizens National and the Madison County State Bank, will not be consummated. The final statements of both banks were made before the proposed merger as required by the banking laws, and then when the day approached for the actual merger, the deal was called off.

### Banks Merged

Feeling that there is hardly room in Galva, Iowa, for two banks and that the community would be served better by one large institution, a merger was effected recently of the First National Bank and the Galva State Bank. The Galva State Bank takes over the accounts, notes and paper of the First National. At the last statement of the First National its resources were given as \$250,000 and the Galva State Bank showed \$350,000. The new institution will thus have about \$600,000 resources, \$83,000 in capital and surplus.

### New in Perry

At a meeting of the stockholders held recently at Perry, Iowa, a bank was formally organized under the name of the Perry State Bank.

J. C. Bryan, prominent Perry capitalist, will be the president; Edward P. Dills, of Perry, vice president and N. P. Black, of Minburn, cashier. The latter will move to Perry and assume active management of the new institution. He will retain his interests in the Dallas County Savings Bank and will act as a director. The officers named, together with Dr. W. A. Seidler of Jamaica, Hans Meier of Bouton and Edward Kausky, of near Perry, will compose the directory board.

The officers have leased the room and purchased the fixtures used by the Perry National Bank and will carry on the business of that location. The new bank will be capitalized at \$50,000, with \$10,000 surplus. The capital stock was oversubscribed some time ago.

### Charter Issued

A charter was issued recently to the First State Bank of Britt, Iowa, by the state banking department. C. H. MacNider is president, E. A. Couter, vice president, and Z. D. Koons, cashier.

The institution is capitalized at \$25,000 with a surplus of \$12,500.

### Heads Mahaska Bankers

E. W. Goddard of the New Sharon State Bank, New Sharon, Iowa, was elected president, and Leslie Jones of the Farmers National Bank of Oskaloosa, Iowa, secretary of the Mahaska County Bankers Association, at a meeting held recently.

Very optimistic reports come from all banks in the county and all expressed the

belief that 1928 will be the best year Iowa has had for several years.

#### Jasper Bankers Meet

Fifty members of the Jasper County Bankers Association met in Newton, Iowa, recently at the Newton Country Club for a business meeting and to hear R. H. Jackson, president of the Bankers Research Bureau of Des Moines, and others who gave interesting and instructive addresses on the various phases of banking.

The speaker also conducted an open forum which was of much interest and evident benefit to those present. Senator A. H. Bergman gave a talk. He spoke on the banking outlook of the county and state as well as the tax proposition which was up before the committee recently.

Ulrie Cleveninger of Monroe, told of the state shoot recently held in Des Moines and also described the national meet at Camp Perry, Ohio, which he attended. Mr. Cleveninger is a sharpshooter and a member of the Jasper vigilantes.

Short talks were also made by a number of others including Dr. Boyd of Colfax, Charles Burdick of Baxter, L. A. Russell of Newton, Bloom Ryan of Colfax and P. H. Bestor of Newton.

A three course chicken dinner was served to the bankers.

#### Mr. Banker~

Keep Your  
Christmas Cards  
out of the  
Waste Basket!



Chances are that 99% of all Christmas Greeting Cards sent to business firms, go into the waste basket the morning after Christmas. When you send a friendly greeting, you'd like to think it will last longer than the time it takes to remove it from its envelope.

The envelope it is received in, the card it is mounted on, both hit the waste basket, but the Crystal Gold finished calendar, goes on the customer's desk and remains there for the full twelve months.



Can be mailed complete, mounted on a Christmas card, in a seasonably decorated envelope for 1½¢ postage.

Write for prices and free sample.

**C. E. ERICKSON CO., Inc.**  
Des Moines, Iowa



# HELPFUL

and rapid banking service to Northern and Northeastern Iowa banks by a responsible and well-equipped financial institution.



#### OFFICERS

E. W. MILLER, President  
JAMES M. GRAHAM, Vice President  
H. W. WENTE, Cashier  
S. C. KIMM, Assistant Cashier  
R. L. PENNE, Assistant Cashier  
CHAS. S. MCKINSTRY, Assistant Cashier

**The COMMERCIAL  
NATIONAL BANK**  
CAPITAL & SURPLUS - ONE HALF MILLION DOLLARS  
**WATERLOO, IOWA.**

## SERVICE

From the very first day that this Bank first opened for business in 1913, our entire resources, all our facilities and every effort of each one of us have been centered upon one thing—

## SERVICE

Our large and ever growing patronage is the result of friendly service, conscientiously rendered.

# SECURITY STATE BANK

KEOKUK *Inviting Your Account Upon Our Record of Personal Service* IOWA  
 E. E. COOMBS, President M. E. TATE, Vice Pres.



**OFFICERS**

C. A. MARSH  
 President  
 A. M. PLACE  
 Vice President  
 H. A. MAINE  
 Vice President

**OFFICERS**

WILL A. LANE  
 Cashier  
 P. W. EIGHMEY  
 Assistant Cashier  
 L. R. SWENSON  
 Assistant Cashier

## Judging the Future by the Past!

The First National Bank of Waterloo has already celebrated its 60th Anniversary! Its present officers find a review of the past an inspiration for the coming years.

The "First" from the start has built solidly—It has not forced its growth. Today it is sound and growing.

Thoroughly seasoned by experience—this bank will continue to grow because of the momentum it has gathered from the confidence of its friends and customers. In their future the "First" is always intensely interested—and it will continue to seek its growth upon its record of "Service Rendered" and "Service to be Rendered."

# First National Bank Waterloo, Iowa

### Adopt Service Charge

A service charge of 50 cents per month on all checking accounts under \$50 was adopted by the Polk County Bankers Association at a recent meeting at the East Des Moines Club. The measure must be ratified by the individual members of the association before it will be put into effect.

B. F. Rothrock of the State Bank of Bondurant was elected president of the association for the coming year. Other officers named are vice president, Elmer Myhre, Farmers Savings Bank, Ankeny; secretary, N. E. Kelley, Altoona Savings Bank; treasurer, Blaine Gildea, Grimes Savings Bank.

Another measure considered by the association was the adoption of a service charge for handling legal papers. A committee was appointed to consider the proposal.

### Taken to Hospital

After consultation with his physician, Simon Casady, Des Moines banker, who has been ill for several months, has been removed from his home to Mercy hospital.

On behalf of the consultants, physicians said that Mr. Casady's removal was not the result of any serious change in his condition, but was effected to make available for him the more elaborate care and precautions of the hospital.

At the Casady home Mrs. Casady said that the invalid's condition was unaltered but that she felt his chances for recovery would be better at the hospital than at home.

### Condition Sound

Iowa banks under state supervision are in a generally sound condition, while deposits increased \$1,387,966.88 between June 30th and October 10th, indicates the consolidated statement of the condition of the banks at close of business on the latter date, issued recently by L. A. Andrew, state superintendent of banking.

During the same period, loans were increased \$4,689,568.92, and borrowings decreased \$544,394.83.

The increase in loans, the first shown within a year by a state bank call, is an indication of favorable banking conditions, Mr. Andrew said.

A reserve of 15.2 per cent, an average figure, was maintained, while the secondary reserves were increased \$165,201.08 through the purchase of United States securities.

### Elect New Officers

The Hardin County, Iowa, Bankers Association held their annual election of officers at Iowa Falls November 15th. A. P. Mason, president Union Savings Bank, Union, Iowa, president; E. H. Moon, cashier Providence State Bank, New Providence, Iowa, vice president; E.

S. Pitman, vice president State Bank of Buckeye, secretary and treasurer.

#### Insurance on Security

Wesley Johnson of Dayton, Iowa, secretary of the Scandinavian Mutual Insurance Association of Webster and adjoining counties, calls the attention of bankers to the following point relative to making loans on chattel mortgages:

"At this time of the year the banks of the northwest, especially the country banks, are making loans on chattel mortgages. As a rule they pay but little, if any, attention to the insurance on the property that is mortgaged as security for the loan. The property is usually insured, but nearly every policy of insurance has a clause similar to clause g, paragraph IV, section 9018, of the Code of Iowa, which will void the policy if the property insured becomes encumbered unless a rider is attached to the policy providing for such encumbrance.

"It is well known by the bankers that when loans are made on real estate an assignment or mortgage clause is attached to the insurance policy making loss on buildings, if any, payable to the mortgagee. It is of still greater importance that a mortgage clause be attached to the policy where loans are made on chattels than on real estate because on real estate there will be the land left, but on chattels all of the property mortgaged as security for the loan may be destroyed.

"Secretaries of insurance associations must keep their records up and are anxious to give real service and if they are notified by the bank making the loan on chattels they will see to it that the bank's interest in the insurance is protected, but unless the bankers see to it that the secretary of the association, or one of its agents, has due notice there is no liability on the part of the insurance association.

"I wish you would call the attention of the bankers to this matter as it will not only protect them, but will avoid misunderstanding and complications if a loss should be sustained on insured property that they hold a mortgage on."

#### They Were There

The following is a list of those persons attending the recent A. B. A. convention from Iowa:

- \*Andrew, L. A., president, Citizens Savings Bank, also superintendent of banking, and wife, Ottumwa; Rice.
- \*Bagley, W. G. C., vice president, First National Bank, and wife, Mason City; Rice.
- \*Bonesteel, V. C., vice president, Security National Bank, and wife, Sioux City; Sam Houston

**1928** Reed  
Master-mass  
Plan

## Metcalf, Cowgill & Co.

### Investment Securities

DES MOINES  
EQUITABLE BLDG.  
Market 275

SIoux CITY  
DAVIDSON BLDG  
Auto. 57488



**T**HE officers and directors of the Central State Bank invite the business of banks and financial houses who enjoy dealing with an organization that is not only sound in its traditions, but also alert to the requirements of modern banking.

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



# Iowa Lithographing Co.

DES MOINES



Founded by  
GEORGE H. RAGSDALE  
EDWIN G. RAGSDALE  
SECRETARY

- \*Burianek, John Jr., president, The Peoples Savings Bank, Cedar Rapids; Rice.
- \*Corey, A. R., director, Iowa Turst & Savings Bank, Des Moines.
- DePuy, Clifford, publisher Northwestern Banker, and wife, Des Moines; Sam Houston.
- \*Dinwiddie, J. M., president, Cedar Rapids Savings Bank & Trust Co., and wife, Cedar Rapids; Rice.
- \*Green, Irvin J., cashier, First National Bank, and wife, Davenport; Bender.
- \*Heuer, Wm., president, Union Savings Bank & Trust Co., Davenport; Rice.
- \*Jansen, John H., assistant cashier, Federal Bank & Trust Co., Dubuque; Cotton.
- \*Johnson, Elbert L., president, Leavitt & Johnson Trust Co., Waterloo; Rice.
- \*Lipton, Robt., private bank, Anderson, Lipton & Co., and wife, Ida Grove; Auditorium.
- \*Litteer, E. J., vice president, First National Bank, Gladbrook; Cotton.
- \*McKee, B. L., cashier, Muscatine State Bank, and wife, Muscatine; Sam Houston.
- \*McPherrin, Grant, president, Central State Bank, and wife, Des Moines; Rice.
- \*Mesmer, Carl W., assistant cashier, Peoples Savings Bank, and wife and son, Des Moines; Bender.
- \*Miller, E. W., president, Commercial National Bank, and wife, Waterloo; Rice.
- \*Miller, Geo. F., vice president, Cedar Rapids National Bank, and wife, Cedar Rapids; Auditorium, room 504.
- Mullen, J. P., director, Fairburn State Bank, Fonda; Victoria.
- \*Nyemaster, Ray, vice president, American Commercial & Savings Bank, Davenport; Rice.
- \*Pollard, H. L., vice president, Ottumwa Savings Bank, and wife, Ottumwa; Bender.
- \*Schaller, Geo. J., president, Iowa Bankers Association, and wife, Storm Lake; Rice.
- \*Sharp, Frank, assistant Clearing House Manager of Des Moines, Des Moines; Sam Houston.
- Sharpe, J. H., clearing house examiner, Des Moines Clearing House, Des Moines; Sam Houston.
- \*Sheldon, F. E., president, Mount Ayr State Bank, Mount Ayr.
- \*Smith, A. C., president, City National Bank, and wife, Clinton; Sam Houston.
- \*Tate, M. E., vice president and cashier, Security State Bank, and wife, Keokuk; Auditorium.
- Tschirgi, E. M., assistant cashier, Federal Bank & Trust Co., Dubuque; Cotton.
- \*Warner, Frank, secretary, Iowa Bankers Association, Des Moines; Rice.
- \*Webbles, E., president, First Iowa Trust & Savings Bank, and wife, Burlington; Sam Houston.
- \*Wegman, Leo J., cashier, American Savings Bank, and wife, Carroll; Sam Houston.
- \*Wohlenberg, Carl C., president, Merchants State Bank, and wife, Correctionville; Auditorium.
- \*Wohlenberg, C. J., president, Holstein Savings Bank, and wife, Holstein; Auditorium.

\*Delegate.

A modest confession of ignorance is the ripest and last attainment of philosophy.—Hitchcock.

Necessity never made a good bargain.—Franklin.

## "NO MORE GUESSING ON CREDIT"

(Continued from page 21)

### Will Be Examiner

The Association believes that it has secured in the person of Lyman C. Sorensen, who will be the examiner for this district, a man eminently fitted for the work which he will be called upon to do. Mr. Sorensen has had special training in this line of work. For two years he was a professor in the Department of Business of the University of Nebraska. He has also had considerable experience as a Federal bank examiner in the Tenth Reserve District, especially among the larger banks, and has more recently been with the Banking Department of Nebraska. This experience has put him in close touch with the methods of operation of Clearing Houses, and will make his services to the new Association doubly valuable. His headquarters will be in Fremont.

In his new duties, Mr. Sorensen will work directly under the Department of Trade and Commerce of the State of Nebraska, and will be directly responsible to the banking commissioner only. However, in this territory which he will now have as his personal charge, he will be practically the court of last appeals, and will be sort of a Superintendent of Banking himself.

As the only examiner in his district, and having it under his individual care, Mr. Sorensen will be able to make many helpful suggestions and recommendations to the member banks. He will be expected to do all he can to cooperate with them in every way within the law. He will not have credit information on every individual borrower, but will expect his bank or banks to supply him with such information when necessary.

In speaking of the importance of the examiner's duties, Mr. Stephens says:

"The examiner's entire attitude would be new and distinct from that of the attitude of the average examiner under the old regime. He would cease to be an ordinary censor, going into the bank acting without real responsibility in a manner that antagonizes the officer without producing results, but, on the contrary, would become a sympathizing advisor and director in the management of the bank, receiving the co-operation of the banker in carrying out the sound practices that the examiner believes would produce results. His attitude is vastly different from that of an examiner under the old order, who is here today and somewhere else tomorrow, and has no responsibility for the results of his actions. His reputation as a high class examiner is at stake. A bank failure is a disgrace.

"Certainly, under this plan, banks will become stronger, public confidence will



Valley Bank Building

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

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

## Valley National Bank AND Valley Savings Bank DES MOINES, IOWA

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

1876

1927

**T**HE Consolidated National Bank has behind it not only many years of valuable experience, but also the daily contacts which come with the handling of hundreds of correspondent items. That is why we believe we can be of real service to your institution.

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

## Consolidated National Bank

UNITED STATES DEPOSITORY  
DUBUQUE, IOWA

J. K. Deming, President

Geo. W. Myers, Vice President  
Jas. M. Burch, Vice President

Herman Eschen, Secretary  
Jos. W. Meyer, Cashier

improve and the losses will be tremendously reduced."

Nature is the master of talent; genius is the master of nature.—Holland.

**Some Good Sportsmanship**  
(Ohio State Journal)

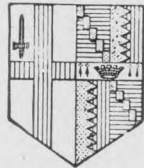
Good sportsmanship was shown by officials at Yale and Princeton in handling the case of Bruce Caldwell, star player

of the Yale football team. The fine spirit and courage shown there should be studied by patrons of sport in all lines. The country has been given an interesting illustration of the right way of doing things, the best method of meeting unexpected and annoying experiences.

Only a few days before the Yale-Princeton game a story was made public that Caldwell was ineligible to play with Yale, because he had played some freshman games while a student in another school, a fact not in the possession of the athletic officials before. Yale needed that player and Princeton men knew and understood the value he gave to their historic opponents.

Yale met the situation promptly and with fine spirit declared Caldwell ineligible under the rule affecting transfer of students. The Yale action brought one equally fine from Princeton, where the athletic officials and the president united in a letter to Yale offering to waive the ineligibility of Caldwell and permit him to have his part in the game.

It was fine, clean sportsmanship and real spirit on the part of Princeton, even if the plan suggested was not adopted. It is the sort of sportsmanship the country enjoys. It adds to the appeal of the game and brings to it a real luster. There was glory for both Yale and Princeton, a fine example shown of the best way of doing things, a great exhibition of the clean spirit that should be in evidence in all sports.



**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.

**MIDLAND BANK**  
LIMITED

HEAD OFFICE : 5 THREADNEEDLE STREET, LONDON, E.C. 2

Affiliated Banks : Belfast Banking Co. Ltd., Northern Ireland ; The Clydesdale Bank Ltd., and North of Scotland Bank Ltd., Scotland.



**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.

*"Unchanging Rates are Posted in Every Eppley Room"*

*Operated by Eppley Hotels Company*

**STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912,**

Of the *Northwestern Banker*, published monthly at Des Moines, Iowa, for October, 1, 1927.  
State of Iowa, }  
County of Polk } ss.

Before me, a Notary Public in and for the State and county aforesaid, personally appeared Clifford DePuy, who, having been duly sworn according to law, deposes and says that he is the publisher of the *Northwestern Banker* and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse side of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:

Publisher—Clifford DePuy, 555 7th Street, Des Moines, Iowa.

Editor—Ralph W. Moorhead, 555 7th Street, Des Moines, Iowa.

Business manager—Gerald A. Snider, 555 7th Street, Des Moines, Iowa.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one per cent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.)

Clifford DePuy, 555 7th Street, Des Moines, Iowa.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.)

None.

CLIFFORD DEPUY, Publisher.

Sworn to and subscribed before me this 8th day of October, 1927. EARL S. LINN.  
(My commission expires July 4, 1930.)



# IN THE DIRECTORS ROOM



## To the Swift

An old black man who had spent many years in a wheel chair wanted to go on one last coon hunt before he died. So he and his grandchildren, accompanied by several dogs, started out.

Hardly had they penetrated the swamps when they met a bear. All turned tail and ran, leaving grandpap to his fate.

As they came panting into the yard they called, "Oh, mammy, mammy, grandpap done got et up by a b'ar "

"Foolishment what yo' speaks, children. Yo' grandpap done come in ten minutes ago wid de dogs!"

## An Eye for an Eye

A colored lad met the white owner of a vicious bulldog on the street.

"Boss," he said complainingly, "dat big dawg o' yourn chased me dis mo'nin' an' tuk away de mos' usefulest part o' mah pants—"

"Ho, ho, ho!" roared the dog's owner. "Well, don't let that bother you, Sam. You can get a new pair of trousers, you know."

"Yassuh, Ah 'spec's Ah kin," returned Sam, his face clearing, "Jes' de same as yo' kin git a new dawg."

## Case Dismissed

The magistrate bent stern brows on the defendant.

"You are charged with exceeding the speed limit last night," he declaimed. "Are you guilty or not guilty?"

"Well, you can decide for yourself, Judge," replied the prisoner. "I was in that car you passed just before they pinched me."

## Daddy Not in Style

As a reward for being an especially good boy, little four-year-old Reynolds was allowed a peep at Mother after she was dressed for a party. He stood and eyed her solemnly, then said: "Is daddy going to undress, too?"

## So It Was

Traffic Cop—"What's your name?"

Truck Driver—"It's on th' side of me wagon."

Cop (trying to read name)—"It's obliterated."

Driver—"Yer a liar! It's O'Brien."

## Mistaken Identity

The story goes that a stranger in a certain neighborhood had been brought to a dance at the local deaf and dumb hospital.

"How on earth can I ask a deaf and dumb girl to dance?" he asked, a trifle anxiously.

"Just smile and bow to her," replied the doctor.

So the young man picked out a pretty girl and bowed and smiled, and she bowed and smiled, and away they danced.

They danced not only one dance that evening, but three, and he was on the point of asking her for another when a strange man approached his partner and said, soulfully:

"I say, darling, when are we going to have another dance? It's almost an hour since I had one with you."

"I know, dear," answered the girl, "but I don't know how to get away from this deaf and dumb fellow!"

## Can You "Beet" It?

This thrilling love letter was found in a basket of beans: "Dearest Sweet Pea: Do you carrot all for me. My heart beets for you, with your radish hair and your turnip nose; you are the apple of my eye. Give me a date. If we cantaloupe lettuce marry, anyway. I know we wou'd be a happy pear. LIMA BEAN."

## Economy

"Did you hear that the fire department fired their efficiency expert?"

"They did?"

"Yep, he went and put unbreakable glass in all the fire alarm boxes."

## Sweetly Mated

License was issued for the marriage of Ebenezer Sweet and Jane Lemon.

The inquiring reporter who got hold of the copy had a rhyming as well as inquiring instinct and he wrote it up:

"Behold how great extremes do meet  
In Jane and Ebenezer;

For Jane's no longer sour but sweet  
And Eb's a lemon squeezer."

## Her Masterpiece

Harry: "Gladys is the picture of health."

Virginia: "And she painted it herself, too."

## Took Part of Treatment

A Scotchman, not feeling so well as usual, called on his family doctor, who looked him over and gave him some pills to be taken at bedtime. Whiskey was also prescribed for his stomach's sake, a small glass to be taken after each meal.

Four days later Sandy again called on the doctor, stating he was feeling no better.

"Have you taken the medicine exactly as I instructed?" the doctor inquired.

"Well, doctor," replied the patient, "I may be a wee bit behint wi' tha pills, but I'm six weeks ahead wi' tha whusky."

## Knew Without Thinking

Teacher—"Now, Willie, if James gave you a dog and David gave you a dog, how many dogs would you have?"

Willie—"Four."

Teacher—"Now, dear, think hard. Would you have four if James and David each gave you one?"

Willie—"Yep. You see, I got two dogs at home now."

## Sympathy

A hungry dog once wandered  
Into a butcher's store;  
The butcher threw some sausage  
To the dog upon the floor.  
The butcher said, "Now eat it,"  
The dog said, "I decline,  
For in that link of sausage  
Is that Old Gal of Mine!"

## Unavoidable

Mary—"I hear that the shy Mr. Ruby was in an automobile accident."

Jane—"Yes, Betty Cuddle crowded him off a country road."

Mary—"I didn't know she drove a car."

Jane—"She doesn't. She went for a ride with him."—*Life*.

## Just Like 'Em

After slaving away for years the inventor had produced a machine that was a success. He opened a bank account, and went home to tell his wife of his success.

"At last, my dear," he cried, "you'll be able to buy some decent clothes!"

"I'll do nothing of the sort," came the sharp reply. "I'll get the same kind that other women are wearing!"

# Index To Advertisers

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>A</b></p> <p>American Com'l &amp; Savings Bank.... 29<br/>Ames-Emerich Co. .... 49</p> <p><b>B</b></p> <p>Baker, Kellogg &amp; Co., Inc..... 59<br/>Bankers Trust Co., Des Moines.... 93<br/>Bartlett &amp; Gordon..... 54<br/>Beh, Carleton, D..... 66<br/>Bell Telephone Securities Co..... 23<br/>Brokaw &amp; Co..... 62<br/>Brown-Crummer Co. .... 69</p> <p><b>C</b></p> <p>Camp, Thorne &amp; Co..... 44<br/>Canadian Pacific Railway..... 88<br/>C. R. Nat'l Bank..... 95<br/>Central State Bank, Des Moines.... 101<br/>Central Trust Co. of Ill..... 80<br/>Chapman, P. W. &amp; Co..... 55<br/>Chase Nat'l Bank..... 87<br/>Chicago Trust Co..... 34<br/>City Nat'l Bank..... 94<br/>Com'l Nat'l Bank..... 99<br/>Consolidated Nat'l Bank..... 103<br/>Cont'l &amp; Com'l Nat'l Bank..... 37<br/>Cummins, Morrison ..... 65</p> <p><b>D</b></p> <p>Des Moines Life &amp; Annuity Co..... 75<br/>Des Moines Nat'l Bank..... 107<br/>Detroit Co., The..... 67<br/>De Wolf &amp; Co., Inc..... 68<br/>Doherty, Henry L..... 50<br/>Drovers Nat'l Bank..... 90</p> <p><b>E</b></p> <p>Eppley Hotels ..... 104<br/>Emery, Peck &amp; Rockwood..... 59<br/>Erickson, C. E. &amp; Co..... 99</p> <p><b>F</b></p> <p>Federal Surety Co..... 70<br/>Fidelity Bond &amp; Mortgage Co..... 60<br/>First Iowa State Trust &amp; Sav. Bank 92<br/>First Nat'l Bank, Chicago..... 30<br/>First Nat'l Bank, Davenport..... 98<br/>First Nat'l Bank, Omaha..... 33<br/>First Nat'l Bank, Sioux City..... 97<br/>First Nat'l Bank, Waterloo..... 100<br/>Fisher Co..... 36<br/>Foreman Banks ..... 31<br/>Foshay Co. .... 97</p> | <p><b>G</b></p> <p>General Motors Acceptance Corp.... 32</p> <p><b>H</b></p> <p>Halsey-Stuart ..... 48<br/>Hanna, W. D. Co..... 39<br/>Hanover Nat'l Bank..... 83<br/>Hoagland, Allum &amp; Co..... 67<br/>Homestead Co..... 76<br/>Hotel Chase ..... 86</p> <p><b>I</b></p> <p>Illinois-Merchants Bank ..... 108<br/>Industrial Acceptance Corp..... 58<br/>International Harvester Co..... 107<br/>Iowa Guarantee Mortgage Corp.... 64<br/>Iowa Lithographing Co..... 102<br/>Iowa Nat'l Bank..... 4<br/>Iowa Nat'l Fire Ins. Co..... 74</p> <p><b>J</b></p> <p>John Hancock Mutual Life Ins. Co... 72</p> <p><b>K</b></p> <p>Krenn &amp; Dato..... 47</p> <p><b>L</b></p> <p>Live Stock Nat'l Bank, Omaha..... 82<br/>Live Stock Nat'l Bank, Sioux City... 79</p> <p><b>M</b></p> <p>McClintock Co..... 87<br/>McCormick-Deering ..... 6<br/>Mason City Brick &amp; Tile..... 34<br/>Merchants Nat'l Bank..... 5<br/>Metcalf, Cowgill &amp; Co..... 59-69-101<br/>Midland Bank, New York City..... 104<br/>Midland Nat'l Bank &amp; Trust Co..... 85<br/>Miller Hotel Co..... 76<br/>Morrison Hotel ..... 76<br/>Muehle, Ream &amp; McClain..... 76</p> <p><b>N</b></p> <p>Nat'l Bank of Commerce..... 42<br/>Nat'l Bank of the Republic..... 38<br/>Nat'l City Co..... 53<br/>Nat'l Life Association..... 75<br/>Nat'l Park Bank..... 84<br/>Northern Trust Co..... 78<br/>Northwestern Nat'l Bank, Minneapolis 2<br/>Northwestern Nat'l Life Ins. Co.... 72</p> | <p><b>O</b></p> <p>Omaha Nat'l Bank..... 26<br/>Ottman, E. H. &amp; Co..... 66</p> <p><b>P</b></p> <p>Peoples Trust &amp; Savings Bank..... 96<br/>Pearson Hotel ..... 86<br/>Philadelphia-Girard Nat'l Bank.... 83<br/>Polk, H. H. &amp; Co..... 63<br/>Priester, Quail &amp; Cundy, Inc..... 41<br/>Provident State Securities Co..... 51</p> <p><b>Q</b></p> <p>Quality Park Envelope Co..... 96</p> <p><b>R</b></p> <p>Reed, P. M. &amp; Banker Associates....<br/>..... 51, 63, 83, 96, 101<br/>Royal Union Life ..... 43, 73</p> <p><b>S</b></p> <p>Security State Bank..... 100<br/>Stanley-Henderson Co..... 65<br/>State Bank of Chicago..... 40<br/>State Central Savings Bank..... 96<br/>Stern, Lawrence &amp; Co..... 30<br/>South Dakota Bankers' Ass'n..... 32<br/>Stock Yards Nat'l Bank, Chicago.... 82<br/>Strauss &amp; Co., Robert..... 61</p> <p><b>T</b></p> <p>Thompson, Ross &amp; Co..... 52<br/>Todd Co. .... 7<br/>True-Webber Co. .... 56</p> <p><b>U</b></p> <p>United States Nat'l Bank..... 84<br/>U. S. Shares Corp..... 68</p> <p><b>V</b></p> <p>Valley Nat'l Bank..... 103</p> <p><b>W</b></p> <p>Welch Printing Co. .... 76<br/>White-Phillips Co. .... 25</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## THE NORTHWESTERN BANKER

PUBLISHED BY DEPUY PUBLISHING CO.  
555 Seventh Street, Des Moines



CLIFFORD DEPUY  
Publisher

G. A. SNIDER  
Associate Publisher

R. W. MOORHEAD  
Editor

H. H. HAYNES  
Associate Manager

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

## DE PUY PUBLICATIONS AND THEIR TERRITORY

Northwestern Banker  
Des Moines

Mid-Continent Banker  
St. Louis

Trans-Mississippi Banker  
Kansas City

Southwestern Banker  
Fort Worth

Iowa Bank Directory  
Des Moines

Underwriters Review  
Des Moines

Insurance Magazine  
Kansas City

Life Insurance Selling  
St. Louis



New York Office: Frank P. Syms, 25 West 45th St.  
Chicago Office: Wm. H. Maas, 1221 First National Bank Bldg., Phone Central 3591  
St. Louis Office: D. H. Clark, 408 Olive St., Phone Garfield 2138  
Kansas City Office: G. D. Mathews, 405 Ridge Bldg., Phone Victor 5254  
Fort Worth Office: Lawson Hetherwick, 409 Fort Worth National Bank Building, Phone 2-2513  
Minneapolis Office: Frank S. Lewis, 840 Lumber Exchange, Phone Main 3855



# Des Moines National Bank

## An Investment Service — *for Your Bank*

Many of our correspondent and other banks throughout Iowa find the services of the Bond Department of the Des Moines National Bank helpful in the investment of their funds.

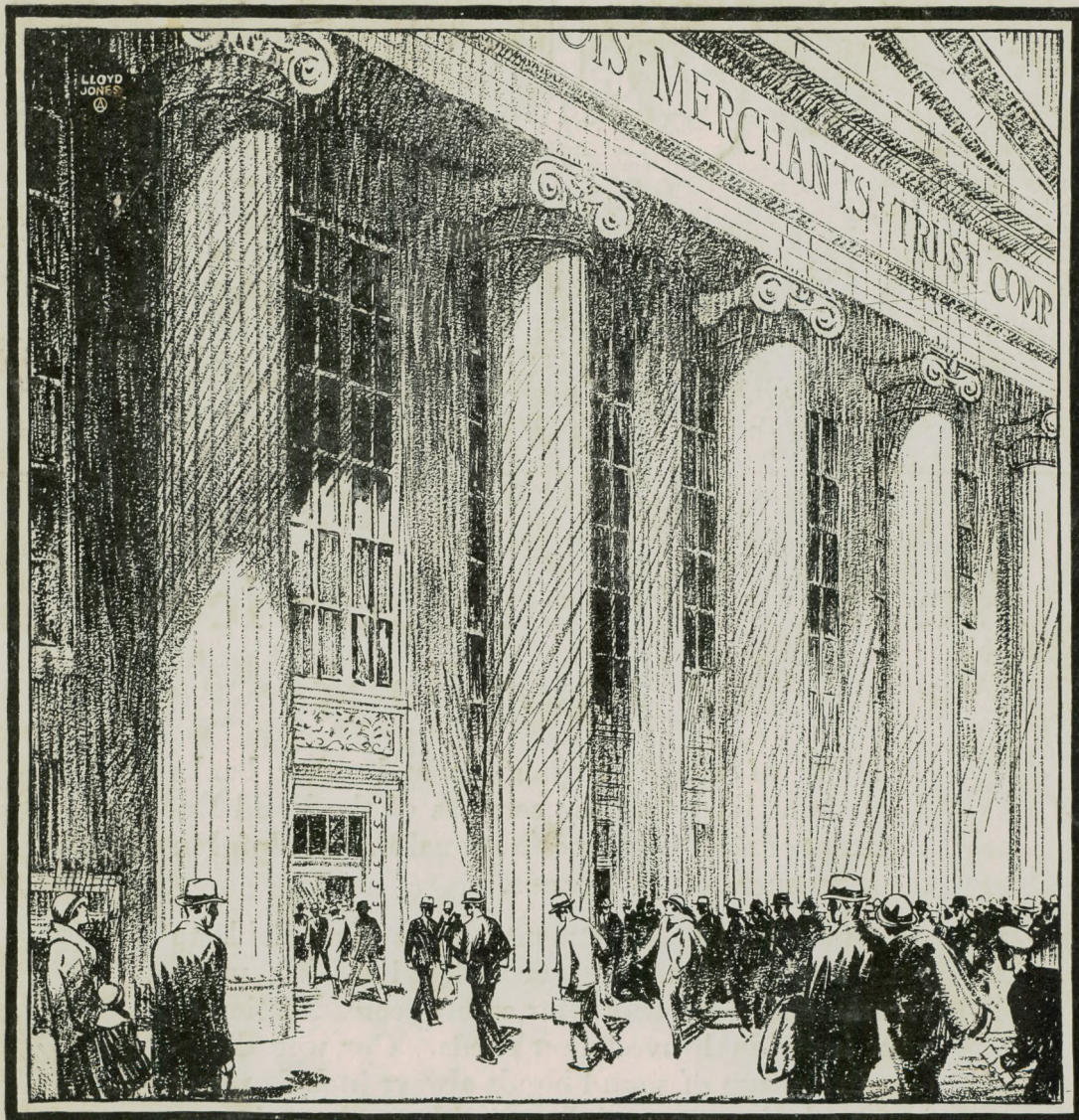
Our complete investment service is available to your bank without cost or obligation. We make recommendations only after careful consideration of your individual investment needs. Our well diversified offerings of sound bonds always include many issues which are especially suitable for bank investment.

We will be glad to give you detailed information on the types of bonds that will meet your particular needs.

#### OFFICERS

|                                 |                                    |
|---------------------------------|------------------------------------|
| LOUIS C. KURTZ, President       | E. F. BUCKLEY, Asst. V. P.         |
| ANDREW J. HUGLIN, Vice Pres.    | OWEN P. McDERMOTT, Asst. Cash.     |
| HERBERT L. HORTON, Vice Pres.   | LELAND J. ANDERHECK, Asst. Cash.   |
| GEORGE D. THOMPSON, Cashier     | CLYDE H. DOOLITTLE, Tr. Officer    |
| CLARENCE A. DIEHL, Asst. V. P.  | VICTOR H. PULIS, Asst. Tr. Officer |
| WALTER J. ROBERTS, Asst. V. P.  | DONALD J. McMURRAY,                |
| RICHARD H. COLLINS, Asst. V. P. | Mgr. Bond Dept.                    |

Capital \$ 1,000,000.00



## The open door to banking service

Individuals, commercial concerns and banks in all parts of the world, as well as our many thousands of customers here in Chicago, have come to recognize the great colonnaded entrance of the Illinois Merchants Trust Company as the open door to banking service.

The specialized facilities of this institution for commercial banking, foreign banking, investment banking, savings and trusts make the Illinois Merchants Trust Company an advantageous Chicago connection for banks or business concerns, wherever they may be located.

## ILLINOIS MERCHANTS TRUST COMPANY

*Capital & Surplus 45 Million Dollars*

CHICAGO