



"How To Figure Interest"
 (PAGE 14)

July 1928

Northwestern Banker

An Open Letter to Bankers, Chapter 3

The Importance of Marketable Reserve Assets

¶ *Marketability: Negotiability in the sense that a security can be sold promptly at a fair price.* ¶

SUCCESSFUL bankers today know by experience that bank reserves should consist of bonds that can be quickly marketed or used as collateral when the need arises. Their problem then is to construct and maintain an adequate reserve account that has the proper degree of marketability in relation to local conditions and needs.

Bankers have found that it is not always an easy matter to select bonds that combine ample security, satisfactory yield and assured marketability. The market for any security fundamentally is based upon demand either because of public interest in that security or because the underwriting house is making an effort to create and maintain an active demand through sales effort.

It is a fallacy to expect listing to guarantee an active market. Records

of the New York Stock Exchange show that many listed bonds are scarcely ever sold on the Exchange. Back of it all must exist a natural public demand or a demand stimulated by the underwriting house. The experienced banker who understands these market elements, buys his securities from institutions that have an established reputation in the investment field.

Depression in an industry or territory is reflected in a lessened demand for the securities of the companies affected. Intelligent diversification is marketability insurance.

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AFFILIATED WITH NORTHWESTERN NATIONAL BANK

READ THIS SUMMARY OF WHAT YOU'LL FIND
In This July Number

of the **Northwestern Banker**
Des Moines

Just Between Us

Just the Size We Like

Charles Shade, president of the First National Bank of Rock Rapids, Iowa, in a recent letter to us said: "I thank you very much for the first 1928 edition of the IOWA BANK DIRECTORY which reached me recently. This is a very handy pocket edition and is just the size we like to have on our desk."

Referring to the crop conditions in his territory, Mr. Shade says, "Crop conditions in northwestern Iowa are very much more favorable than a year ago. Small grain and corn was put into the ground in seasonable time and it looks as if we are going to mature a splendid crop."

Doing a Wonderful Work

In a letter received from A. J. Martin, vice president of the Union National Bank of Ames, Iowa, he says: "Dear Mr. DePuy: I always take a great deal of interest in reading the NORTHWESTERN BANKER because you are doing a very wonderful work for the banking fraternity."

A Splendid Paper

C. S. Rye, cashier of the Manly State Bank of Manly, Iowa, in a recent letter said: "Dear Mr. DePuy: We are enclosing herewith our check for \$3.00 in payment of renewal subscription to the NORTHWESTERN BANKER for another year."

"In common with all other bankers we of course could never get along without the NORTHWESTERN BANKER. We want to congratulate you upon your splendid magazine and upon your improvement which you are making in it from year to year."

A Splendid Issue

Grant McPherrin, president of the Central State Bank of Des Moines, in a letter addressed to the NORTHWESTERN BANKER, said: "I want to congratulate you on your very splendid June issue. It is certainly a credit to you and to every banker in the middle west."

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The Oldest Financial Journal West of the Mississippi
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Northwestern Banker July 1928

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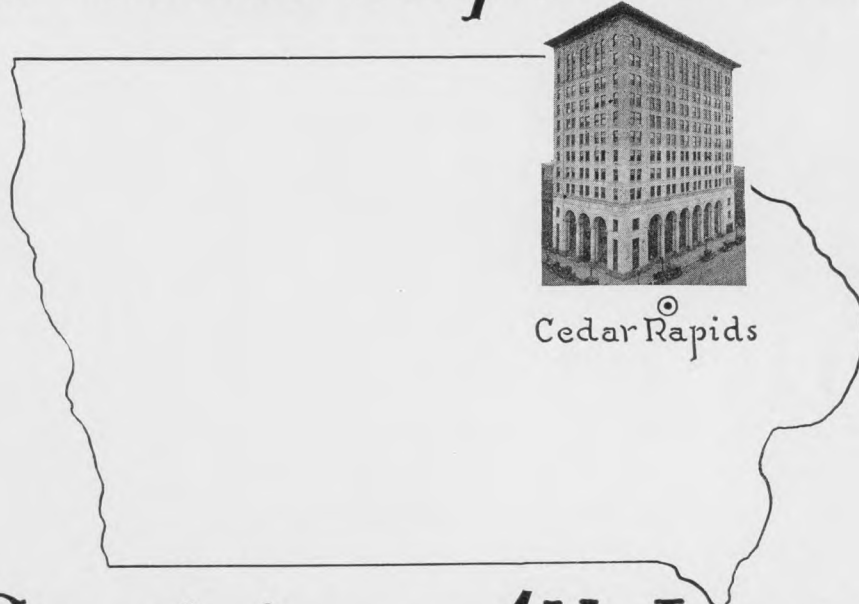
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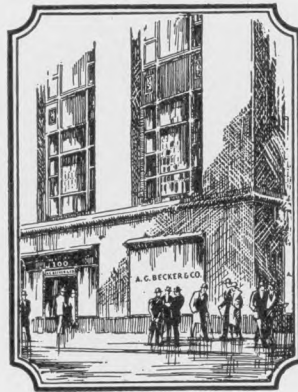
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Across the Desk from the Publisher

By Clifford DePuy

YOU and I have heard many speeches at conventions during the last month, some of which were good, some of which were poor, some of which were read laboriously from long manuscripts and one or two which were delivered eloquently and interestingly.

Classified under this latter description was a speech delivered by Fred R. Smith, Superintendent of Banks of the State of South Dakota at the Annual Convention at Sioux Falls last month.

Mr. Smith spoke on the "Motives of Banks." It was interesting, instructive, forcefully delivered and to the point. You will find the greater part of this very fine address reproduced elsewhere in this issue of the NORTHWESTERN BANKER.

Personally I simply want to make mention of one or two points which Mr. Smith developed.

Any banking system and especially our independent banking system in this country, Mr. Smith points out, must have the individual units correct or the system as a whole will be a failure.

How you as an individual banker conduct your business reflects upon the entire business of banking throughout the nation. If you are careful, progressively conservative, diversify your loans and follow the rules which are known to be successful in banking, then your institution as such will be a power in your community, a profit maker for your stockholders and continue to be a very important link in our independent banking system throughout the nation.

However, if the reverse is true, if slipshod methods are followed, if service charges are not installed when they should be, if your customers run your bank rather than running it yourself, you may sometime find the "Closed" sign tacked on your door, and your institution, as a link in this chain of banking through the country, will have become a negligible quantity.

What is the motive of your bank? What is your

motive in operating your institution? True, it is to make money. Certainly every bank should make money and make all the money that it can, legitimately and honestly, because the bank that cannot make money sooner or later must close its doors. But in order to do this successfully, you must keep and hold the public confidence.

Does a store and a bank differ very greatly? When you walk into a grocery store and buy merchandise, pay for it and walk out, assuming that the merchandise is satisfactory and of standard quality, you have completed your transaction and are satisfied. If that particular grocery store or a dozen other grocery stores should fail in your community, there would be no particular worry on your part. But if a bank fails, then the public confidence is undermined and an entirely different situation exists.

The bank is a reservoir of the community's resources. When anything is done which shakes that confidence on the part of the bank's customers, then that institution is in tremendous danger.

What are the motives of your directors? Are they directors simply because they believe that it adds prestige to their name to be a director of your bank? Are they giving you the careful advice and counsel which they should if they are successful business men in their communities?

Mr. Smith points out that directors in failed banks are usually very successful themselves, but they have failed to have the proper motives as bank directors.

It has been my observation that the average bank director does not give as much time and attention to the conduct of the bank's affairs as he should. To sit down at a directors' meeting and perfunctorily agree with whatever procedure is presented at the meeting without delving into the reason why things are being done as they are, is of no particular benefit to the bank nor to its customers.

A bank director who does not direct had better not be on your board.

Analyze the motives back of your institution. Study the motives of your directors, of your officers, of yourself. See that those motives are of the highest and the best so that your institution may always be a very important link in the greatest independent banking system ever devised by man.

The Small Borrower

In the June issue of the NORTHWESTERN BANKER we published an article entitled "Profit or Loss in Meeting the Small Borrower Half Way." This is a resume on opinions of middle western bankers of a plan recently enacted by the National City Bank of New York to make loans to salaried men and women, without collateral, these loans ranging in amounts from \$50.00 to \$1,000.00, at a discount of six per cent.

There may be some advantages to this plan from a banking standpoint, but in these days when banks are talking about making a charge for every possible service, when overhead has been increasing because of extra detail necessary in the transacting of banking business, it seems to us that larger banks will not as a rule wish to enter the Morris Plan bank business.

Of course the old argument is used that out of these accounts may develop some valuable accounts later on. If this is true, why not let the Morris Plan banks carry these customers along until such a time as they need greater banking facilities, and then the larger financial institutions can be of service to them.

One banker points out that when a borrower fails to pay, you then have recourse to the co-signers and if you follow through and make them pay or sue them, you have made enemies out of them rather than friends.

Personally, we cannot see the advantage of larger banks going into the Morris Plan business.

How Do You Buy Bonds?

We often wonder when banks buy bonds, if they have in mind the general investment program of their institution, or whether they simply buy them haphazardly without any thought to the general investment program of the bank.

A very fine diagram of an investment plan for banks was presented by G. F. Spaulding, Manager of the Bond Department of the Northern Trust Company of Chicago at a recent bankers' convention.

Under the subheading of "Marketability," Mr. Spaulding said that 45 per cent of the bonds purchased should be very active, 35 per cent active, and 20 per cent fairly active.

He also analyzed the types of bonds to purchase and the maturity. But we wish to emphasize the marketability feature of this program. If the bank's officers will keep their bond account in a marketable liquid condition, there will never come a time when there need be any fear about the condition of that bank as far as the bond purchases are concerned.

For five years all we have heard is frozen assets consisting mostly of real estate which could not be moved. Certainly this lesson should not have to be retaught again in the purchase of bonds. Analyze your bonds as to their marketability, as to the types purchased and as to their maturity dates. Give some thought to them as they relate to your entire amount of bond holdings. Don't buy bonds on a hit or miss basis. Have a program and stick to it.

"Under State Supervision"

We received a letter just recently from a subscriber to the NORTHWESTERN BANKER and underneath the name of the bank on the letterhead are the words "Under State Supervision." Underneath this phrase the writer of the letter had written in, in his own handwriting, "if that amounts to anything."

In other words, this banker tells the world that his institution is "Under State Supervision" yet he questions in his own mind in writing to us personally, whether it amounts to anything.

We certainly do believe that a bank under state supervision is better than a bank under no supervision. However, state supervision can mean much or little, it depends on the Superintendent of Banks and the kind of examiners he has and the amount of appropriation which is available for that purpose.

The state legislatures should strengthen the banking departments of the respective commonwealths by allowing the Superintendent of Banks an adequate staff, well paid.

Isn't it time to make the statement "Under State Supervision" amount to something? Let it stand for more than just idle words. Let it mean that each institution is carefully and thoroughly examined by the department. That the examination is made often enough so that that institution and the community it serves need have no fear that it is headed for trouble.



"TOWER CREEK"
(Yellowstone Park)

Northwestern Banker July 1928

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I BELIEVE it was Mark Twain who tells the story in *Huckleberry Finn* and Tom Sawyer about the boy being out in the back yard. There were a lot of tin cans scattered around and Tom suggested that they ought to clean up the tin cans. The other lad replied that the reason they left the old tin cans scattered around was because they wanted to have it appear like they had something to eat at their house. Then the other boy came back and said "you have nothing on us, for we have company at our house, and are living on the top shelf."

We are inclined to look about us to our neighbors in other lines of business who are prospering. We observe the big chain store organizations and the business men in other lines. We observe the Nebraska ranchmen with their ranches and the good prices now offered for live stock. When we do this, we sometimes envy the men in other activities because it appears to us that they are enjoying this *top shelf* prosperity.

There is not a single banker here who can give any good reason for thinking that his neighbor in other lines of business has any more opportunity than he has. The advantages now offered to the careful and conservative banker in Nebraska, are outstanding at this time. During the pioneer days of the state, when new towns were founded, the bank had its place in the progress of every community. If I have any message or thought to present to you at this time, I want to make it outstanding that the Nebraska banker who has stayed by his bank during all these times and tended to business, is still as necessary to the progress of these Nebraska towns as in the pioneer days, and the good banker will be rewarded for his faithful service with a modest portion of *top shelf* living.



CLARENCE G. BLISS

"Top-Shelf Banking"

How better management and efficient methods of operation will help the bank prosper and pay dividends

By CLARENCE G. BLISS

Nebraska Secretary of Trade and Commerce

(From address before Nebraska Group Meetings)

It is a long, long trail that has no turning. The story of the Nebraska banker who has stayed with his bank through the World War and the deflation period following, and used his personal means and the savings of his lifetime to take out losses and make good to his depositors, will probably never be told.

Hundreds of towns in Nebraska have one or more banks and these banks are going along from day to day with good reserves and taking care of the demands of their communities in a conservative, careful way, and will continue to do so.

Many Consolidations

If we pause at this time and look backward to consider the many consolidations and the decreases in the number of operating banks, we must admit that the same

thing is happening all over the state as took place a few years ago where several telephone companies were operating in the same town. These phone companies have all consolidated, more or less, and now operate with one central. Considering this consolidation and elimination, we must admit that the banking business has been improved by this process and that the time has arrived when we can anticipate the *top shelf* living theory to apply to banks.

You will be interested in the working plan of some of the activities of the Department. It is our custom to call in the bank examiners for a conference every two or three months, at which time we have a round table meeting and discuss the conditions arising in the different

districts of the different examiners. Each examiner reports the progress made in his district since the previous meeting. The first item we generally discuss is the reserve situation. Many of the examiners reported, at the last meeting, that their banks are now operating with a better reserve at this time, more liquid assets than they have for a long time in the past. This was very true, compared with the bad crop situation in 1926. The reports further disclose that these reserves are now being carried, not in their neighbor bank, but in depository banks having sufficient reserves so that whenever a bank writes a draft on their depository bank, they know the draft is going to be paid immediately. The subject of bank earnings is possibly one of our live topics, particularly in the smaller towns. Banks capitalizing under the Nebraska Statute and operating today with the necessary overhead expense covering taxes and other fixed charges, must have a necessary volume of business to

(Turn to page 28, please)

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J. V. HOLDAM

INTEREST in the above subject to most people builds around the idea "Methods of Reducing Interest Cost." There would seem to be a wide interest today on the part of most banks in effecting a saving in interest cost. Money rates have become lower, the best investments pay less and operating costs are higher. But most banks are so occupied with their affairs that in this instance they have failed to take the pains to find out just what other banks have done or are doing to effect a saving in interest cost. It would appear to be the opinion of each banker that every other bank figures interest just like his own. In many instances in answer to the question, "What method do you use in calculating interest?" the reply was made "The usual method." There is nothing more certain than that there is no such thing as a "usual method."

The information set out herewith was obtained from a questionnaire sent to eighty-four banks in seventy-nine cities. Some of the banks did not answer all of the questions asked—hence the variation in the totals as shown in the summary below.

It is generally the case that when a bank considers a saving in interest cost the first thought and often the only thought is to reduce the rate, but there is ample opportunity to bring about the desired result by a change in method of calculation rather than a reduction of rate and with obvious advantages. The public will make but one interpretation of a rate reduction, but there can be changes if method were logical and real justification can be advanced for the change, all acceptable to the bank's depositors. Thus it is that in this time of rate reduction the matter of method becomes such an interesting topic. Many points of interest were brought out in the questionnaire referred to. One bank was found which paid in-

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HOW TO PAY *and*

How banks in seventy-nine cities handle this important problem

terest on the largest balance of each month where no checks were drawn. It goes without saying that that method holds out quite an inducement to depositors. Another bank was found where the belief obtained that interest had to be figured by the officers. If you want to stir up some enthusiasm just advance that theory to the personnel of your savings department and see how readily it is accepted.

On the opposite page is a table showing the summary of results obtained from the survey, and at this point it may be mentioned that of the seventy-nine cities circularized, eleven were reducing their rate of interest. If your bank or city is at all interested in reducing, you will be interested in the various methods as outlined, which in most cases hold out more

culuation. In such matters every bank should have bent its efforts to discovering the shortest and most accurate system for making the thousands of calculations necessary, but it may pay you to look at your system with the thought in mind of eliminating anything in the way of unnecessary calculations. Just as an instance—one bank was discovered which in calculating interest at 4 per cent on minimum monthly balances, added these balances together for six months and multiplied the total by two, then divided that product by six; when a division of the first total by three would have accomplished the same result with one-half the figuring. That may sound like a small saving of work, but it means on ten thousand accounts the saving of ten thousand calculations each interest period. But the primary object of this discussion is not so much the method with which you make the actual calculations as it is the basis on which you make the calculations.

Summary

84 banks in 79 cities consulted.
 65 were State banks, 19 National.
 1 bank pays 4½%—49 banks pay 4%.
 8 banks pay 3½%—26 banks pay 3%.
 55 cities credit interest semi-annually.
 14 cities credit interest quarterly.
 22 cities use minimum monthly method.
 47 cities use other methods.
 31 cities deduct all checks from first balance.
 10 cities use minimum quarterly basis.
 10 cities use minimum semi-annually basis.
 11 cities pay interest only after three months.
 7 cities allow interest from first on deposits by 3rd.
 22 cities allow interest from first on deposits by 5th.
 11 cities are reducing the rate on savings.

possibilities of saving than rate reduction. It has been found that the interest cost to banks paying the same rate varies from one-quarter to three-quarters per cent less than the rate paid. This is equivalent to a variation of from one-sixteenth to three-sixteenths of the interest paid annually. If you pay savings depositors in interest \$50,000 a year and could save one-half of one per cent by a change of method, that would amount to two-sixteenths of \$50,000, or \$6,250.

Methods

It should not be necessary in an article of this kind, meant to be read by bankers, to discuss the mere detail of interest cal-

Minimum Monthly Balances

The most liberal method in general use is that of paying interest on the minimum balance of each calendar month. The interest may be credited quarterly or semi-annually. Whatever additions or reductions a depositor may make in his account during the interest period he receives full credit for each calendar month. One variation in this system is to deduct the total checks drawn each month from the first balance of the month instead of deducting such checks from any deposits which have been made previously in the month.

Refer to figure 3. The minimum balance in January is \$480.00, whereas under the method of deducting checks from the first balance, the withdrawals of the 27th and 30th would be deducted from the \$480.00 and the depositor would receive interest for one month on \$380.00. Banks using this method argue that if the two withdrawals mentioned were to be offset against the deposit of the fifteenth it would amount in effect to paying interest on a checking account because the depositor has deposited and withdrawn the same month from the same funds and has still received interest on his balance. It is also usually possible in savings bank rules where it is stated that no interest is allowed on withdrawals, or where no interest is paid on amounts deposited after the 3rd, to apply this rule. Thus the deposit of \$120.00 being received after the 3rd cannot be taken into consideration, so the two amounts being withdrawn are de-

Figure Interest

By J. V. HOLDAM

Assistant Trust Officer, Chattanooga Savings
Bank and Trust Company

ducted from the original balance. It rather depends upon what you have been in the habit of thinking as to whether or not you can see this argument.

Minimum Quarterly Balances

Another method in quite general use is to calculate interest on what is known as the minimum quarterly balance, or the lowest balance occurring during a calendar quarter. In such a case the interest may be credited either quarterly or, as is sometimes done, semiannually. This method also is subject to variations. The method referred to above of deducting checks from the original balance may or may not be applied. It is quite customary where interest is figured on minimum quarterly balances to allow from ten to fifteen days at the beginning of the quarter during which time all deposits will earn interest from the first instead of the usual one to three days allowed on calendar monthly balances. Some banks using the minimum quarterly basis allow the depositor the advantage of interest on deposits made after the minimum balance occurs. This is not done nearly so often when interest calculations are made on the quarterly basis, as when they are made on the semiannual basis, which will be explained next.

Minimum Semiannual Balances

Of course it is clear that where a bank pays interest on the lowest balance occurring during a six months' period the bank receives a decided advantage from

No. 3				No. 4			
DATE	Checks	Deposits	Balance	DATE	Checks	Deposits	Balance
Jan. 1	Balance		\$480	Jan. 1	Balance		\$480
Jan. 15		\$120	600	Jan. 3		\$20	500
Jan. 27	\$60		540	Feb. 2		20	520
Jan. 30	40		500	Mar. 3		20	540
Feb. 10		70	570	Apr. 1		40	580
Feb. 20	80		490	May 1		20	600
Feb. 23		80	570	June 1		20	620
Mar. 1	40		530				
Mar. 3		60	590				
Mar. 22		90	680				
Mar. 29	60		620				

Interest at 4% on above account:

Minimum Monthly Balance.....	\$5.20
Minimum Quarterly Balance.....	4.80
Deducting all Checks for period.....	3.50
Deducting all Checks by month.....	4.43

Interest at 4% on above account:

Minimum Semi-Annual Balance.....	\$10.00
Minimum Semi-Annual Balance plus increases.....	11.20
Minimum Monthly Balances.....	11.20
Deducting all Checks.....	No difference
Minimum Quarterly Balance.....	10.80
Minimum Quarterly Balance plus increases.....	11.20

any reductions in the account before the minimum balance or from any additions in the account after the minimum balance. By referring to the summary it will be shown just how many banks of those circularized use this method as also the others mentioned. It has been found to be quite customary where the minimum semiannual balance is used to allow the depositor the advantage in interest on the deposits he makes after the occurrence of the minimum balance. Refer to figure No. 2. On the strictly minimum balance method this account would receive six months interest on \$330.00 which at 4 per cent would be \$6.60, but where interest is allowed on the increases after the minimum balance, interest would be figured for three months on the April deposit, for two months on the May deposit, and for one month on the June deposit, which would bring the interest up to \$10.06, or an advantage to the depositor of \$3.46. The saving to the bank under either of these two methods over the minimum monthly balance method is obtained through the advantage of all withdrawals through January, February and March. As will be seen under the liberal monthly balance method this account would earn \$12.10 as against \$6.60 on the strictly minimum semiannual balance.

Deducting Checks from the First Balance

Figure 1 is a good simple illustration of the effect of deducting checks from the first balance. It is seen that the lowest balance occurring on this account is \$1,000, which at 4 per cent for six months earns \$20.00 interest. Figured on the quarterly basis the interest is the same. Figured on the liberal minimum monthly balance basis the deposit of March 1st would earn interest for March and the deposit of May 1st would earn interest for May, which would increase the cost of this account to the bank \$3.30. But the item of most interest is the result obtained by applying the rule of deducting checks from the original balance. Adding together the withdrawals of April 3rd and June 3rd and deducting them from the first balance there is no balance left. This account would draw no interest at all unless the provision obtained allowing interest on subsequent deposits. In this case the \$400.00 deposit earns four months interest and the \$600.00 deposit two months, making the interest total \$9.33. The most liberal method allows this depositor \$23.33 interest. The less liberal method, that of deducting all checks from the first balance, allows only \$9.33, or a variation on this account of \$14.00.

Figure No. 3 is an illustration of a reasonably active account and shows the difference in interest cost with various methods.

Figure No. 4 shows the account of a real saver and how little effect the various methods have on his account. The most rigorous restriction effects him not at all, which brings very clearly to mind the fact that THE FULL FORCE OF ALL THESE RESTRICTIONS IS AGAINST THE FELLOW WHO MAKES THE MOST WITHDRAWALS AGAINST HIS ACCOUNT.

Restrictions

Altogether there is a clear tendency on the part of banks to make savings accounts ACCOUNTS FOR SAVERS. Various conditions previously mentioned make (Turn to page 34, please)

Northwestern Banker July 1928

No. 1				No. 2			
DATE	Checks	Deposits	Balance	DATE	Checks	Deposits	Balance
Jan. 1	Balance		\$1000	Jan. 1	Balance		\$1000
Mar. 1		\$400	1400	Jan. 14	\$80		920
Apr. 3	\$400		1000	Jan. 27	60		860
May 1		600	1600	Feb. 10	320		540
June 3	600		1000	Mar. 5	210		330
				Apr. 1		\$100	430
				May 1		220	650
				June 2		200	850

Interest at 4% on above account:

Minimum Monthly Balance.....	\$23.00
Minimum Semi-Annual Balance.....	20.00
Minimum Quarterly Balance.....	20.00
Deducting all Checks Semi-annual plus increases.....	9.33
Deducting all Checks Quarterly.....	15.33

Interest at 4% on above account:

Minimum Monthly Balance.....	\$12.10
Minimum Semi-Annual Balance.....	6.60
Minimum Semi-Annual Balance plus increases.....	10.06
Minimum Quarterly Balance.....	7.60
Minimum Quarterly Balance plus increases.....	9.73

A LADY rented in her own name from the Central Savings Bank, a safe deposit box. The name of this lady was Mrs. Ruth Gentleman. A few months after renting this box, a sister of this lady, Mrs. Marjorie Blaine, who resided in California, visited her. The two sisters during this visit went to the bank and Mrs. Gentleman relinquished the key to the box which she had rented and she and her sister jointly rented another box from the bank.

The following agreement was entered into at the time between the sisters and the bank:

Rhineland, Wisconsin,
March 29th, 1923.

"I this day associate with me, Mrs. Marjorie Blaine, as a joint owner in box numbered 999. Either of us may enter same. In the event of the death of either, the survivor may continue to enter the box without any responsibility on the part of the Central Savings Bank."

This agreement was signed by each of the sisters, and was left in the custody of the bank, at the same time a key to the safety deposit box was delivered to each of them.

While still in Rhineland on the extended visit to her sister, Mrs. Blaine accompanied Mrs. Gentleman upon two or more occasions when they visited and opened their joint box, but it is not known whether Mrs. Blaine ever actually deposited any of her belongings in the box. Later, Mrs. Blaine returned to her home in California, still having in her possession, the key to the deposit box.

Two Years Later

Two years later, in the month of November, Mrs. Gentleman was taken to a hospital in Rhineland. While in the hospital and on the 19th day of November, she sent to an officer of the bank, the following note:

Rhineland, Wisconsin,
November 19, 1925.

"Mr. Roth,

"President of the Central Sav. Bank:

"I hereby order you to take my vault key to my box and before the bearer, Mrs. Mae Lovett take charge of the whole of my bonds as you gave Mrs. Lovett the right to take charge of those four yesterday. They will not let me out of here now, and this is my last request of you. I would have things different if I could now."

Mrs. Ruth Gentleman.

Mrs. Lovett, the lady referred to in the note, had been, by mutual agreement given custody of certain bonds taken from the box for the purpose of bearing the expense it was thought would be incurred

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The Bank's Liability on the Safe Deposit Box

What happens in case of an agreement allowing access to the safe deposit box?

By the Legal Department

by Mrs. Gentleman while in the hospital. It may be inferred from the note as a whole that the writer not only suspected that she would not leave the hospital alive, but had some indefinable idea about changing the custody or location of the bonds that were in the box. While she expresses the wish to "have things different if I could now," there is nothing to indicate how she would have changed the situation, but, on the contrary, it seems to have been her idea that she could not then have changed the situation if she tried.

The original agreement was between the bank, herself and her sister, each with the other two, and plainly she recognized the fact that she and the bank alone could not change the existing agreement between the three without the assent of her sister who was then in California. Clearly, therefore, the bank, even if this note might be interpreted as a warning of any kind, had no power without increasing its liability to Mrs. Blaine, to modify or change the existing agreement between the three in any respect, or to change the custody or location of the contents of the box.

Accordingly the bank declined to open the box, or modify the existing status.

Mrs. Gentleman died in the hospital on the 4th day of December, 1925, and at that time there were Liberty Bonds valued at \$6,000.00 in the box and some few personal trinkets of small value. A telegram was sent to her sister, Mrs. Marjorie Blaine on the day of her death and on the 8th day of December, she arrived in Rhineland.

On the 11th day of December, Mrs. Blaine, Mrs. Lovett, and an attorney employed by Mrs. Blaine, together with another who had agreed, at their suggestion, to qualify as administrator, went to the

Central Savings Bank after conference with a judge of the state court, to look over the papers in the box and ascertain whether or not Mrs. Gentleman had left a will. Mrs. Blaine had her key, and signed the register and under the contract she was given access to the box, which was opened, and its contents gone over by the four who were present. Mrs. Blaine, at this time, took out of

the box, the \$6,000.00 in Liberty Bonds and the remaining contents thereof and kept them in her possession.

At that time there had been no administration upon the estate, but two days thereafter, the party who agreed to act, qualified as administrator of Mrs. Gentleman's estate, and was appointed by the court as administrator of the estate.

Brought Action

The administrator brought an action against the Central Savings Bank seeking to recover the value of the contents of the box from the bank, upon the theory that the writing signed by Mrs. Gentleman and Mrs. Blaine, in so far as it gave to the latter access to the box, after the death of Mrs. Gentleman, was null and void, contrary to public policy, and in violation of the rights of creditors; and that the bank, in permitting Mrs. Blaine access to

the box after the death of Mrs. Gentleman, acted without authority, and was grossly negligent. The claim was made that all the contents of the box belonged to Mrs. Gentleman and that such fact was known to the officers of the bank, and that after Mrs. Gentleman's death, the bank had no right to permit any other than her personal representatives access to the box.

The bank relied upon the contract originally made between the two sisters as a complete protection from any liability.

The contract between the three was clear, explicit, and not subject to misinterpretation. The two women, who were sisters, and the bank constituted the contracting parties; they were each contracting with the other two, the two sisters expressly provided for joint access to the box, each agreeing with the other, and the bank agreeing with them both, that they should have such access, and they were each given keys to the box in accordance

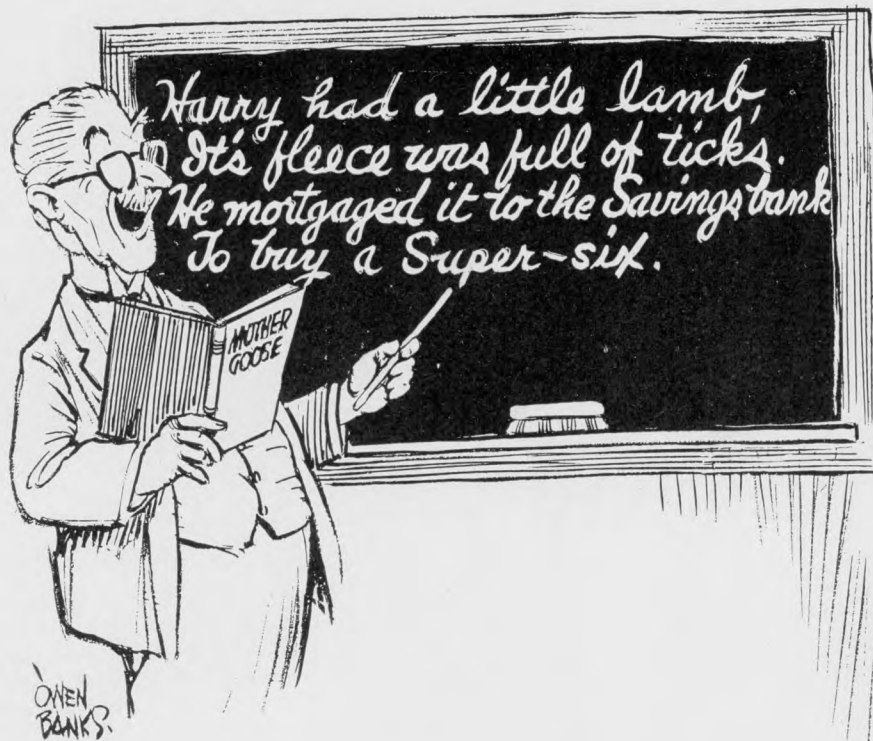
(Turn to page 56, please)

Permits Great Freedom

"It is the general policy of the law to permit great freedom of contract between individuals and private transactions involved in such contracts will not be declared invalid as against public policy, in the absence of some apparent injury to the public welfare."

Teaching Willie to be a Banker

By
ROSCOE MACY



Foreword—Every good banker wants his son to follow in his steps. It is the desire of his heart to see his little boy grow up to be an obsequious teller, or an under-fed cashier, with squinty eyes and a personal financial statement which is in need of first aid treatment. The principal difficulty has been that banking is popularly supposed to be a prosaic, unromantic profession. No one has yet written the "Saga of the Security Savings Bank and Trust Company Safe Deposit Boxes for Rent," nor has any poet ever put into words the Bank Borrower's Ballade, entitled, "A Statement They Want Me to Make, tra-la!"

Naturally, there has been no juvenile literature dealing with banking, and it has consequently been very difficult to interest young boys in the intricacies of the profession. Two years ago, when my own son was six, I instituted the practice of lecturing to him for an hour each evening on some such subject as "Account Analysis," or "Methods of Bank Management." I had a cherished vision of my son, Willie, at the age of twenty-one, assuming his stance and licking his thumb, preparatory to dealing out five new ones in exchange for a customer's dilapidated five-dollar bill. In my more sanguine moments I could even imagine him, by a dexterous mis-deal, getting the five for four ones.

Then, two or three months ago, it

dawned upon me that there was a tendency in Willie to grow restive before the conclusion of my evening lecture. At first I could hardly believe my own senses, until one evening there came, like a bolt from the blue, the statement from his own lips that he'd like to be an engineer when he grew up! My dream world was shattered. For days I went about as one in a trance. My own son—a railroad engineer! Drawing down a miserly six hundred a month, and depositing it in the bank with some dirty remark about the possibility of losing it next time the examiner comes around! It was more than I could stand!

I began to analyze the situation, and with my usual clarity of vision, I perceived almost immediately where the difficulty lay, and set about remedying it by supplying a bit of literature on banking for boys.

I modelled my work after the children's books with which I was familiar, and it has now been in use in my own household for several weeks. The results have been marvelous. Just the other day Willie came to me and told me that instead of an engineer he had decided to be a barber when he got big. Just think: *I am within two letters of my goal!*

In order that every banker-father may see for himself the excellence of this work, a few selections from it are printed

below. Try them out on your own son, or if you do not yet have a son, a grandfather or a second cousin will do just as well. All right, professor, strike up a few bars!

It Was Harry Had the Little Lamb

Harry had a little lamb;
Its fleece was full of ticks.
He mortgaged it to the savings bank
To buy a Super-Six.

The fleece he sold to buy some gas;
The lamb he had to bury.
The Super-Six can make the grade—
Can't say as much for Harry.

Wee Willie Winkie

William Winkie, Cashier,
Runs through the town
Upstairs and downstairs,
In his nightgown.
Rapping at the windows,
Rousting out the men.
"Hear that blarsted bank-alarm?
Dam thing's on again."

(Turn to page 84, please)

Northwestern Banker July 1928

"Three changes I would like to see effected by our next legislative session: (1) Amend the law whereby the Guarantee Fund Commission can pay depositors in failed banks with receivers' certificates without interest. (2) Put the banking department under some kind of civil service so that it can be relieved of being a political football. (3) Exempt the surplus of all banks from taxation up to the amount of the capital stock."

How I Would Change *our* GUARANTY LAW

By CLAUDE F. ANDERSON

Assistant to the President, State Bank of Omaha

(From address before Nebraska Group Meetings)



CLAUDE F. ANDERSON

tional tax burden, or, what they may think will ultimately result in additional taxes.

Furthermore, I am not in favor of any plan which contemplates the issuance of receivers' certificates or debentures that bear *any rate of interest*. Gentlemen, it just will not work. The tremendous interest item was the principal factor which caused the law to fail in all other states that had the guaranty law in effect. In our own state it is estimated by good authority that the total amount yet to be paid to depositors will total probably \$20,000,000. While about \$10,000,000 of this amount will ultimately be realized from liquidation of assets, yet that will require several years to accomplish and in the meantime, if debentures or certificates are sold in order to obtain funds to clear the slate, we would be paying interest right at the beginning on the full \$20,000,000, which at even as low a rate as 4 per cent will amount to over half the amount collected annually from assessments and the bankers of Nebraska would be paying the maximum of .06 of 1 per cent on their deposits for years to come before the obligation would be paid. I do not believe the solvent banks of Nebraska or even the good people and customers of these banks would want to tie this millstone to the bankers who have fought this thing through so successfully all these stormy and costly years.

As I read the guaranty law, I do not interpret it as contemplating the guaranty of any interest but it specifically says *the deposit*, which, of course, is the principal sum that went into the bank at the time the deposit was made and only guarantees the actual amount as shown by the books of the bank at the time it was closed. The intent of the law was to *guarantee the principal* and not the interest. It we should line up one hundred

(Turn to page 61, please)

THE Nebraska guaranty law was enacted by the Nebraska legislature in 1909, and is therefore eighteen years old and has been in operation for over sixteen years. It provided how yearly assessments were to be made upon the going state banks to establish and maintain the guaranty fund and which in normal times was sufficient to meet all demands upon it. Those that framed the law back in 1909 never realized that we would pass through such a period of depression and deflation as we did following the World War, resulting in the guaranty fund paying to depositors of failed banks the colossal sum of over \$42,000,000, of which about \$16,000,000 was from assessments made against the going banks and the balance from assets of failed banks.

The law as it now stands merely recites how the department of trade and commerce shall draw against the guaranty fund for cash with which to pay depositors in any failed bank, but it does not state what to do or how to pay when there is no money in the fund. In other words—the law was never finished. As many plans and remedies have been proposed as there were colors in Joseph's coat. It is not what we want, or what we would like to have, but in view of existing conditions, what can we get and which plan is workable?

Some advocate repeal of the guaranty law. This would require a referendum vote of the people and anyone knows that the people are friendly and favor-

able to the law which has protected their deposits and returned over \$42,000,000 to them during the past sixteen years and they would certainly never vote for such a repeal of the law at this time. If this is true, then it is futile to even discuss the matter. I want to say, however, that if a repeal of the law can be put over, I assure you the bank I am associated with will be happy indeed, as we never did build our bank back of the skirts of the guaranty law and it would save us about \$40,000 each year in cold cash profits.

Quite recently a few men proposed a plan which contemplates that the state "underwrite" or guarantee the present and anticipated deficit for a period of three to ten years by issuing receivers' certificates payable in installments over a certain period of time, such certificates to bear the guarantee of the state and to bear a rate of probably 3 or 4 per cent interest, thereby enabling the guaranty fund commission to pay off depositors immediately in all failed banks or those that are to be closed within the near future. These certificates or debentures to be retired annually from usual assessments against going banks and from realization from assets in failed banks. I do not believe this plan is feasible for the same reasons I gave as to why the law could not be repealed in its entirety; that is—this plan would require a referendum vote of the people as well as confirmation by the next legislature and the people are not going to vote for any law or amendment which contemplates addi-

"The task of determining and preserving the proper motive—is not an individual task, alone. Cooperation is demanded between members of the banking system and in the attainment of that goal the South Dakota Bankers Association has accomplished wonderful results."

MOTIVES *of* BANKING and BANKERS

THERE are four phases to the motives of banking. The first of these is the motive to the public. Without the cooperation and confidence of the public the bank cannot exist. The history of the development in banking is a history of the motive to the public. The man on the street who seldom has banking business to transact, the man in Sioux Falls who never transacts banking business in Rapid City are a part of the public with which the Rapid City bank deals. To that public the bank, and the banking system owe service. That service must be one of assistance, of aid in development. No banking institution can successfully withdraw from social, commercial and financial intercourse with the rest of the world. It must serve. It can be frankly admitted that it is not an easy task for any banker to successfully distinguish between the calls for assistance that may be made by proper sources for aid in development of a community, by enterprises that are worthy and that have assured prospects of success and self maintenance from those that may be saturated with elements of chance that the banker should not take. It is because the task is hard that only those who have been trained to analyze, to see with some degree of success the future, should attempt or should be permitted to engage in the banking business. It is because it is hard that you who are here tonight, whose experience during the past years of unfortunate conditions surrounding agriculture have been attended by success are honored in your communities and throughout the state in a measure beyond that accorded to most men.

The Second Phase

The second phase of a bank motive concerns its own customers. There are two classes of customers, creditors and debtors. The fact that one man may be both does not at all detract from his position as a component part of each class. There are two classes of creditors, those who patronize the bank for the purpose of maintaining an easy method of transfer of credits, and those who patronize the

By FRED R. SMITH

South Dakota Superintendent of Banks

(From address before South Dakota state convention)

bank for the purpose of the investment of funds. To the first class the bank owes a prompt, accurate, thorough and efficient operation. Unless its motive is to give what it should, it fails to perform its true function. But it is not proper motive to render that service without commensurate compensation. To provide the service mentioned without returns, therefore, places both banker and customer in just as unsatisfactory a position as would be both of them should they happen to meet in a bakery on the way home to dinner and the banker insist upon purchasing the bread for the table of the customer. Habit, for which the bank is responsible, has prevented the customer from seeing the situation in its true light perchance, but an evil habit need not be maintained.

To the creditor who looks to the bank for an investment, the bank's motive must be safety and adaptability. In an effort to meet the requirements of a customer for a high return, the bank agrees to pay a rate of interest upon time deposits or savings accounts that entails a loss in the account, there is an improper motive, for safety cannot prevail if a bank loses money. If the adaptability of the simple investment in an interest bearing account does not offset the disadvantages of a lower rate, then it should be the motive of the bank to find the investor a different type of in-

vestment that may command better rates. In so doing there is, the experience of every well managed bank that has tried the experiment reveals, more profit and more satisfaction than in bulling the market in the payment of rates of interest that mean loss to the bank. We have learned, not alone in South Dakota, but throughout all of the world's banking circles, that vast totals of which boast is made, are, when not in proper relation to the bank's profit account, evidences of weakness rather than of strength, prophets of crises and danger, creators of sleepless nights and graying hair.

When will men realize that the proper motive of banking is safety and reasonable profit, not volume of business alone? Of many banks it can be positively said

that failure was due almost entirely to business contracted solely for the purpose of creating larger volumes. Bankers of South Dakota, safety and reasonable profit alone are the measure of your success. Volume alone is as treacherous as the lure of the Lorelei.

But there is a customer that borrows. Is there a proper and improper motive in dealing with him? It must be conceded that a bank must find investment for its funds. It must make loans. It would, I

believe, be safe to say that among the pleas that are made by debtors of closed banks to liquidating agents of the banks for compromise privileges, that most frequently made is supported by a statement something like this, "I did not want to buy that piece of land or that herd of cattle. The banker talked me into it, and offered to let me have the money as long as

Mutual Problems

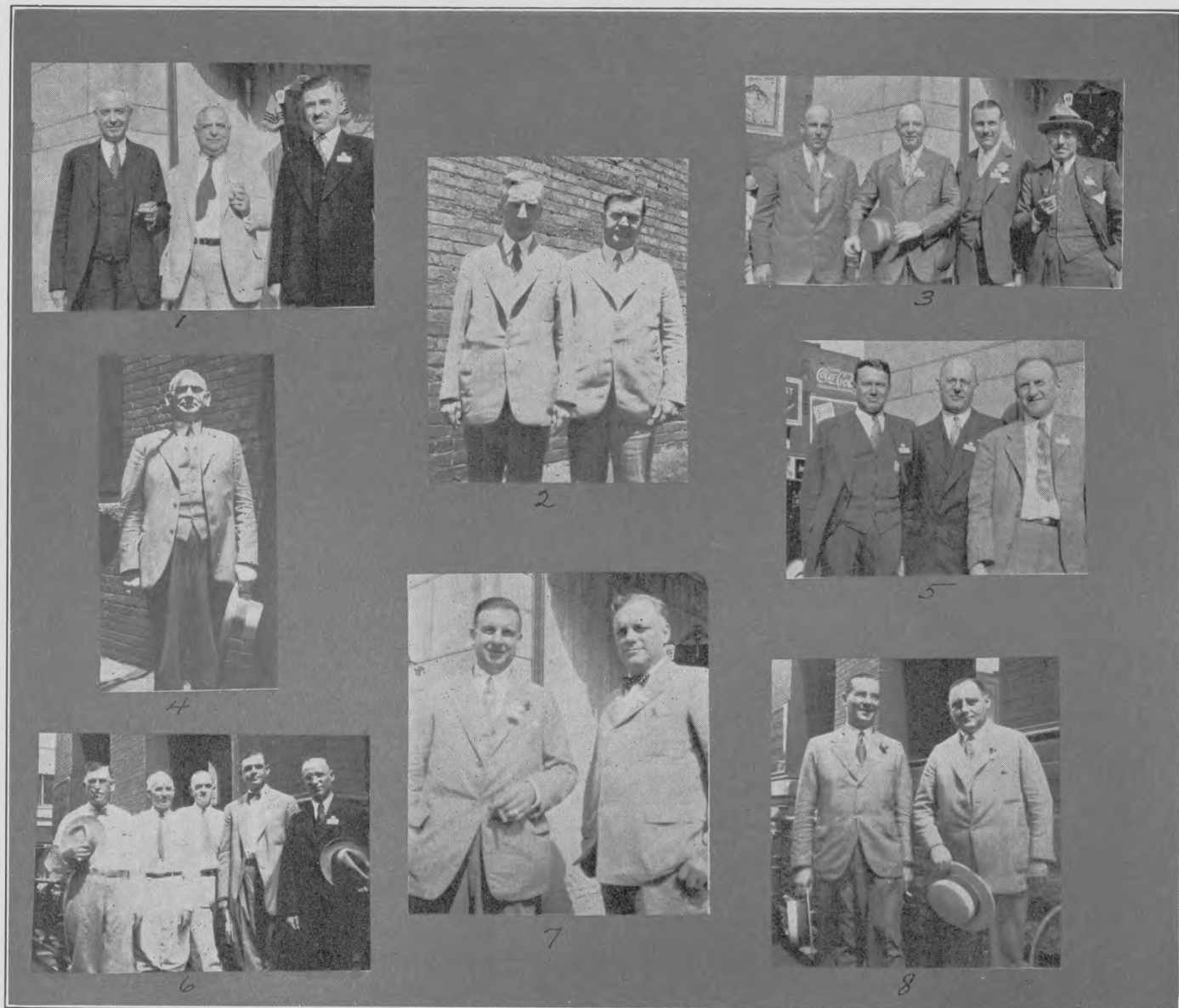
"Cooperation is necessary between towns and cities, within the county organizations and within the group. The problems of one are in most instances the problems of the other and while I think it would be unfortunate if the members of a county organization or a group organization were to underwrite, either materially or psychologically the liabilities of other members of the group, yet I am firmly convinced that by direction of motive much trouble may be avoided."

I wanted it or needed it. I could have taken care of all my obligations if I had not taken on that last load. And now when everything is tough and I cannot raise any money, you insist upon the payment of the loan that I was to have as long as I wanted it." The improper motive prevailed when that loan was made. Necessity for investment outlet, dire as it may be, can never justify urging a man to use credit beyond his power to maintain. Not only the small village banker

has been guilty of the practice mentioned. Rare indeed during the prosperous times in agricultural life was the bank that was innocent. Correspondent banks in reserve centers begged for rediscounts, pleaded for the creation of larger herds, and more complete equipment on the farms of the village bank customers, urging borrowing beyond the ability of the borrower to maintain when deflation came. I know of one instance of a call upon a village bank by a vice president of a large

city bank, in which the village bank was urged to borrow, was shown the tremendous margin of profit that it was losing in the difference between the local rate and the rediscount rate. In reply to the inquiry of the village banker as to the proper amount to be borrowed, the city banker made this very significant statement, "Our limit is \$250,000.00." It may be conceded that much of this evil arose during an entirely unusual period in our
(Turn to page 64, please)

With the Camera Man at Cedar Rapids



Reading from left to right: 1. E. Webbles, Pres. First Iowa State Trust & Savings Bank, Burlington, Ia.; E. H. Furrow, Vice Pres. Merchants National Bank, Cedar Rapids Ia.; Leo D. Kelly, Vice Pres. The National Bank of Commerce, St. Louis Mo. 2. Thos. E. Preston, Pres. American Bankers Association; Ray Nyemaster, Pres. Iowa Bankers Association. 3. C. T. Simmons, Vice Pres. First Iowa State Trust & Savings Bank, Burlington, Ia.; G. A. Hallowell, Asst. Cash. Henry County Savings Bank, Mt. Pleasant, Ia.; Robert S. Hotz, Chicago Correspondent, Guaranty Trust Company of New York; Leland L. Hobbs, First National Bank, Chicago. 4. E. E. Phelps, Treas. Iowa Bankers Association and Pres. State Trust & Savings Bank, Mt. Pleasant, Ia. 5. Thomas W. Farwell, Mgr. Chicago Office, The Chemical National Bank of New York; Max Steiner, Vice Pres. Chicago Trust Company, Chicago; Thomas F. Ford, Brokaw & Company, Chicago. 6. Leo J. Wegman, Cash. American Savings Bank, Carroll, Ia.; Clarence A. Diehl, Vice Pres. Des Moines National Bank; Fred H. Wray, Vice Pres. and Cash. The Pioneer National Bank, Waterloo, Ia.; C. A. Barr, Vice Pres. Continental National Bank & Trust Company, Chicago; Andrew J. Huglin, Vice Pres. Des Moines National Bank. 7. S. E. Coquillette, Vice Pres. The Merchants National Bank, Cedar Rapids, Ia.; Ivan O. Hasbrouk, President of the Organization of Officers of the County Bankers of Iowa, Cash. Iowa State Bank, Jefferson, Ia. 8. Alfred K. Foreman, Vice Pres. The Foreman National Bank and The Foreman Trust & Savings Bank, Chicago; George A. Malcolm, Vice Pres. and Cash. Droyers National Bank, Chicago.

Northwestern Banker July 1928

Twelve Hundred Bankers at the Cedar Rapids Convention

Ray Nyemaster elected president for ensuing year

OVER 1,200 bankers and their wives registered at the annual convention of the Iowa Bankers Association held in Cedar Rapids last month.

Secretary Frank Warner prepared one of the finest speaking programs which the association had ever had and with the exception of Dr. A. H. Giannini and Hon. J. W. McIntosh, every speaker was on the program as scheduled.

The officers elected for the ensuing year are:

President, Ray Nyemaster, vice president, American Commercial and Savings Bank of Davenport; vice president, M. W. Ellis, president Security Trust & Savings Bank, Charles City; treasurer, E. E. Phelps, president State Trust & Savings Bank of Mount Pleasant.

Invitations for the convention for next year were received from Davenport, Fort Dodge, Waterloo and Des Moines, and were referred to the Executive Council for final decision.

The new council of administration elected the following officers:

President, Ray Nyemaster, vice president American Commercial & Savings

Bank, Davenport; vice president, M. W. Ellis, president Security Trust & Savings Bank, Charles City; treasurer, E. E. Phelps, president State Trust & Savings Bank, Mt. Pleasant; secretary, Frank Warner, 430 Liberty Building, Des Moines; ex-officio, George J. Schaller, president Citizens First National Bank, Storm Lake.

Group Chairmen and Secretaries

(First named, chairman)

Group 1—Carl C. Wohlenberg, vice president, Holstein Savings Bank, Holstein; Ralph Dalton, cashier, First National Bank, Le Mars.

Group 2—R. A. Jones, cashier, Citizens First National Bank, Storm Lake; R. C. Berry, cashier, Pomeroy State Bank, Pomeroy, Iowa.

Group 3—Walter T. Robinson, cashier, Citizens National Bank, Hampton; A. S. Lund, cashier, First National Bank, Northwood.

Group 4—A. L. Kout, cashier, First National Bank, Nashua; H. R. Young, cashier, American National Bank, Arlington.

Group 5—E. S. Van Gorder, president, First National Bank, Audubon; Theo W. Rohwer, president, Farmers State Bank, Schleswig.

Group 6—Hugh G. Little, cashier, First National Bank, Prairie City; Clyde D. Proudfoot, cashier, Worth Savings Bank, Indianola.

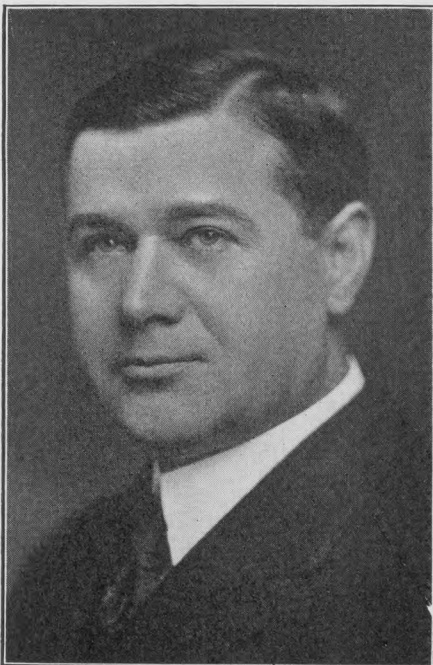
Group 7—W. H. Babcock, cashier, Waverly Savings Bank, Waverly; L. C. McGill, cashier, Commercial State Bank, Independence.

Group 8—R. J. Bone, assistant cashier, Lovell State Bank, Monticello; M. H. Dake, president, First National Bank, Lost Nation.

Group 9—W. A. Addison, cashier, First National Bank, Fontanelle; C. G. Jones, cashier, Gravity State Bank, Gravity.

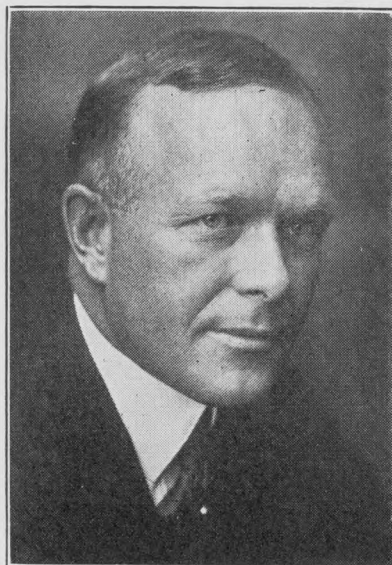
Group 10—Russell Howard, vice president, Mahaska County State Bank, Oskaloosa; B. D. Helscher, vice president, Keokuk County State Bank, Sigourney.

Group 11—R. L. Bunce, cashier, First Iowa State Trust & Savings Bank, Burlington; F. E. Skola, vice president, Farmers Savings Bank, Kalona.



RAY NYEMASTER

Newly elected president of the Iowa Bankers Association. Mr. Nyemaster is vice president of the American Commercial and Savings Bank, Davenport



M. W. ELLIS

Newly elected vice president of the Iowa Bankers Association. Mr. Ellis is president of the Security Trust and Savings Bank, Charles City



GEORGE J. SCHALLER

Retiring president of the Iowa Association. He is president of the Citizens First National Bank of Storm Lake

Iowa Officers of the A. B. A.

Vice President for Iowa

Herbert L. Horten, vice president, Des Moines National Bank, Des Moines.

Members of the Executive Council

W. A. Lane, cashier, First National Bank, Waterloo, elected for 3 years, 1928; term expires 1931.

W. G. C. Bagley, vice president, First National Bank, Mason City, elected for 3 years, 1926; term expires 1929.

M. W. Ellis, president, Security Trust & Savings Bank, Charles City, elected for 3 years, 1926; term expires 1929.

Emil Webbles, president, First Iowa State Trust & Savings Bank, Burlington, elected for 3 years, 1927; term expires 1930.

Member Nominating Committee

L. A. Andrew, president, Citizens Savings Bank, Ottumwa.

Alternate Member Nominating Committee

A. C. Smith, president, City National Bank, Clinton.

Vice President Trust Company Division

F. A. Johnson, secretary of American Trust Company, Davenport.

Vice President Savings Bank Division

Leo J. Wegman, cashier, American Savings Bank, Carroll.

Vice President National Bank Division

C. C. Jacobsen, vice president, Security National Bank, Sioux City.

Vice President State Bank Division

Frank E. Sheldon, president, Mt. Ayr State Bank, Mt. Ayr.

County Bankers Meeting

Each year the meeting of the County Bankers Association of Iowa is becoming more and more interesting. The vital topics of banking are discussed. The round table discussions which ensue are enlightening and beneficial.

This year the meeting was very largely attended and the topics discussed were pertinent and to the point.

The officers elected for the ensuing year were: President, Ivan O. Hasbrouk, cashier, Iowa State Bank, Jefferson; vice president, E. S. Pitman, vice president, State Bank of Buckeye; secretary, Stoddard M. Robinson, cashier, First National Bank, Indianola.

We are giving below the pertinent paragraphs from each talk as it was given before the conference:

Service Charges

1. "The service charge is bound to come in every community, whether large or small."—E. S. Van Gorder, president, First National Bank, Audubon, Iowa.

2. "I do not believe that the public needs to be educated on the subject of service charges, as they already expect it."—Ivan O. Hasbrouk, cashier, Iowa State Bank of Jefferson, Iowa.

3. "Because we are a university city, we had to hire extra clerks to handle

NEW GROUP OFFICERS

GROUP 4—President, Edward Van Steenberg; vice president, Jay Ouder Kirk; secretary, Vern Manahan.

GROUP 5—President, Roy Stuckey; vice president, Elmer Williams; secretary, A. E. Swanson.

GROUP 6—President, E. C. Co'e; vice president, D. A. Criss; secretary, (reelected) W. P. Rooney.

GROUP 7—President, A. J. Jorgenson; vice president, Marius Christensen; secretary, S. P. Delatour.

small checks—mostly for \$1.00—and which we were handling at a loss, before we put in the service charge. Since then this business has been handled at a profit and the plan has worked very satisfactorily."—J. B. Van Horne, cashier, Citizens Savings & Trust Co., Iowa City, Ia.

4. "The amount of the service charge which a bank should put into effect should be decided by the individual bank in each community."—Geo. Young, Jr., cashier, Bank of Clarion, Iowa.

5. "We classify our service charges, and have a definite rate for each kind of service rendered. Our bank last year made \$10,070 on service charges."—C. C. Wohlenberg, vice president, Holstein Savings Bank, Holstein, Iowa.

Clerking Sales

1. "We decided some time ago that we had been running our bank for honor long enough. Therefore, we now charge 2 per cent for clerking sales, with a minimum charge of \$15 and \$5 for clerking street sales."—G. S. Buchanan, vice president, Kossuth County Bank, Algona, Iowa.

Insufficient Fund Checks

1. "We make a charge on all insufficient fund checks, and last year our revenue from this source was \$1,000. One customer had 214 checks returned on his account. It is my belief that all banks should adopt a charge for handling insufficient fund checks."—A. C.

Smith, president, City National Bank, Clinton, Iowa.

2. "Most of us are afraid to put into effect service charges, but our banks would be better off if we would. A charge should be made on all checks which overdraw accounts, and the charge should be larger on those checks than on those that are returned and marked 'insufficient funds.' Just as the chain store is here to stay, so is the service charge."—Stoddard M. Robinson, cashier, First National Bank, Indianola, Iowa.

Float

1. "In our bank we know which accounts are profitable and valuable. The service charges which we have inaugurated in our bank are paying all of our bookkeeping salaries."—F. A. Crandall, cashier, Red Oak National Bank.

Loans

1. "City banks are now soliciting accounts from rural communities. This means that rates on rural loans will be lower because of this competition.

"Country banks should loan to good borrowers at the same rate as city banks will loan to them."—W. H. Brenton, president, Bank of Dallas Center.

2. "Our prevailing rate is 8 per cent. We must realize that some of our customers deserve a better rate and that they should get it."—Harry T. Huff, assistant cashier, First National Bank, Rockwell City.

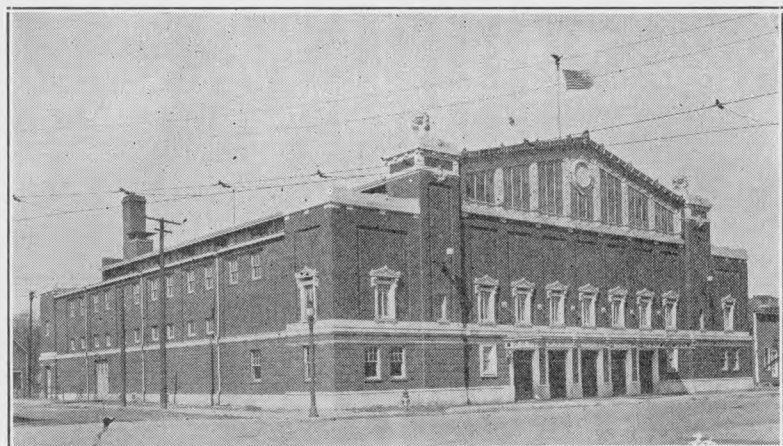
Earnings and Expenses

1. "Every banker should use the 'earnings and expense charts' prepared by the Banking Analysis Committee of the Iowa Bankers Association. Compare the figures on these charts with your own bank and see if your institution is above or below the average for earnings and expenses."—W. C. Rathke, vice president, Mills County National Bank, Glenwood.

Central Credit Files

1. "The central credit file helps very materially to eliminate duplicate borrowers and the cost of installation would

(Turn to page 96, please)



The Coliseum at Sioux Falls, South Dakota

→ HERE AND THERE ←

at the

IOWA CONVENTION

William H. Miller and **Harry R. Drew**, both popular officers of the National Bank of the Republic, have been made vice presidents of that institution. Bill Miller attended the Iowa convention and Harry Drew did the honors at the Minnesota convention. Both have long been popular with bankers throughout the middle west, who will be delighted to know of this fine recognition of their services.

Evans Woollen, president of the Fletcher Savings and Trust Company of Indianapolis, believes that installment buying is having a disintegrating effect



upon character. He says that "the passion to possess things has a hold of our people." Mr. Woollen does not believe that installment buying is a good thing for America.

At the past presidents' dinner given by **J. M. Dinwiddie**, the following telegram was sent to **J. L. Edwards**, a former president of the association, and whose wife died recently: "The past presidents of the Iowa Bankers Association extend their sympathy to you in this hour of your grief."

Frank Warner, as always, received many fine compliments because of the excellent work he has done and still is doing for the Iowa Bankers Association. **George Schaller**, the retiring president, paid him a very fine tribute at the Ex-Presidents' Dinner. In the resolutions which were adopted by the convention they said, "We commend our faithful and every busy secretary, Frank Warner, for his untiring efforts in serving our association for so many trying years, and whose labors are nationally recognized, thus placing the Iowa State Bankers Association in rank second to none."

C. L. Owen, assistant cashier of the

Stock Yards National Bank of South Omaha, attended the Iowa Convention and made the statement which was frequently quoted: "If all the convention speakers were laid end to end—how fine that would be."

Parley Sheldon, president of the Story County Trust & Savings Bank of Ames, has just celebrated his 85th birthday and one banker met him and said, "I am glad to see you, Parley." The veteran banker answered quick as a flash, "I am glad to be seen." There is no banker in Iowa better liked or has more friends than Mr. Sheldon.

One Iowa banker, whose name we shall not mention, told the conference of officers of County Bankers Associations when the matter of investments was being discussed, that the stock in the Bank of Italy dropped recently from \$1,235 per share to \$645, or a drop of practically \$600 per share, causing a total loss in the stock of \$550,000,000 in ten hours. This precipitated a run on the Bank of Italy in San Francisco, but which was of only short duration. The point which this banker made was that many bank stocks as well as other stocks have been greatly over-rated based upon their actual earning power.

George Woodruff, vice chairman of the National Bank of the Republic, said that a man asked **Charles Mitchell** "What will end prosperity?" and Mr. Mitchell answered, "Prosperity."

Mr. Woodruff pointed out that that is exactly what happened in Iowa and the same thing has happened in the stock market.

"We in Chicago," said Mr. Woodruff, "are very bullish on Iowa. This state is certainly coming back in wonderful shape and we have great confidence in your state."

Frank C. Waples, president of the Midland Mortgage Company, together with the other officers and directors, entertained 200 bankers at luncheon Tuesday noon during the Iowa Convention, at Hotel Roosevelt. These were all bankers with whom the company had done business and they were invited to celebrate the tenth anniversary of the

organization of the Midland Mortgage Company.

Mr. Waples spoke about five minutes and emphasized the point that insurance companies have over \$500,000,000 loaned in Iowa at a higher rate per acre than any other state, and that 27½ per cent of all the insurance loans in the United States are in Iowa, but that only 97/100 of the repossessed farms were in Iowa, whereas the average for the United States is 2.18 per cent.

Certainly this is a fine record for the Hawkeye state and should give everyone courage and renewed faith in the greatest agricultural state in the Union.

Frank C. Welch, vice president and cashier of the Peoples Savings Bank of Cedar Rapids, spent a great deal of his time previous to the convention visiting the burlesque shows in Chicago, where



he made a study of "figures." The sum total of this very efficient work was witnessed on Monday night at the smoker.

John Mitchell, president of the First National Bank of Sioux City, **George Parker**, president of the Pasadena National Bank; **Charles Shade**, president of the First National Bank of Rock Rapids, and **W. G. C. Bagley**, vice president of the First National Bank of Mason City, all sat on the front row so that they wouldn't have to strain their eyes. They wanted to see if Frank Welch's figures were correct. They constituted themselves a self-appointed auditing committee and decided that something was off balance somewhere, although everyone had a very enjoyable time.

The second girl in the chorus on the left from the right facing north on the east side of the stage left her false teeth in the dressing room and Frank had to return these to her by parcel post so she could have them in time for her next performance.

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LYDA COLLINS

The Banker's Wife Says:—

"It's Great to
Watch the Growing Crops"

By LYDA COLLINS

Dear Helen:

We are glad you enjoy hearing about our little town. Evidently there are many more, judging from the number of letters I have received. One man wanted to borrow the "Note stretcher," said he had plenty of use for it. Another wanted to hear more about the "Sunshine Club" and one woman wanted to know if we had a "Woman's Club." Indeed we have. Our "intelligencia" insisted on studying "Pre-Historic Man" and that naughty, naughty vamp, "Cleopatra," last year. But there was a revolt because there were so many words they couldn't pronounce and "they couldn't get nothing out of it nohow," so we have swung back to more simple topics. Let me know if there is anything more you would like to hear about our little town and I'll gladly tell you.

Everything has quieted down since the "Fourth" and we have nothing in particular to do but watch the crops grow.

This business of being a farmer is about the most hazardous occupation of which I know. It is a gamble from start to finish with the weather man clicking the tape. Too much rain delays the early plowing and planting. If they get the oats in the ground and we don't have rain at the right time, it doesn't grow, they don't have the straw, that means no bedding for the stock. If it rains too much, then it all goes to straw and no oats, no feed results.

If we get the oats nicely on its way, then they have the corn to worry about. If it is too wet after planting, the corn turns yellow and rots or the cutworms get busy, necessitating replanting, which means a later crop and the frost liable to get it. A delay of a few days may mean success or ruin, a crib full of fine sound ears or one filled with soft, unmarketable stuff. It all depends on the weather. It can make or break the farmer.

Corn is a tropical plant, Helen, and it must have heat and moisture in abundance at the right time to make a crop. It has about ninety days in which to do its growing and maturing. We literally hold our breath during that time for there are so many critical periods when a shower of rain may mean success or failure.

Year before last, we thought we were

doomed. It was a dry year. When we got the corn planted and needed rain, none came. Most of the reserve moisture had been used up the two previous years. We would watch the sky for rain clouds. Maybe a few would roll up, sprinkle a little and that would be all. We just wondered if ever again we could have those gentle, steady rains that you like to listen to on the roof when you go to bed, the kind that lasts two or three days, and the earth loves to drink.

It kept this way for days and weeks. The corn went on growing but not making the progress it should. Under the hot August sun it began to fire. Do you know what firing means, Helen? It's



when the leaves begin to curl up from the heat and lack of moisture. If the corn is in tassel it is all the worse because it needs the rain to carry the pollen down the silk to make the kernel of corn. It looked awful and we all began to feel sick.

The Sunshine Club

The Sunshine Club had plenty to talk about. They thought back over the previous years. Some said it wasn't as bad as such and such a year, nor the year the grasshoppers "et us up." It was plenty bad enough, though. After a time, even they began to get blue and discouraged. Those who never were known to miss a practice in perfecting their technique in horseshoe pitching, deserted the game. They sat on the "mourner's bench" in front of the bank, under the big maple. It was getting serious. There was the loan to pay, the taxes, and the kids who needed help in meeting their notes. Where was this money to come from if there wasn't any corn! The habitual crepe hangers had a glorious time. Everything and everybody was about ruined. Frank Harter, our town marshall, listened to all these tales of woe. "Aw, boys," he explained, "we

ain't gonners yet. Don't you know that fifteen minutes before everything goes to hell it rains?"

There was a spell of silence as they pondered over this bald statement. Some chewed a little harder and spat as far as they could. Others whittled industriously. No one disputed him. They were not in the habit of it, anyway. Then far to the northwest, back of the bank, was heard a faint rumble of distant thunder.

They looked up startled at their prophet. He stood with one foot on the bench, resting his elbow on his knee, munching a piece of grass. Some looked to see if it might be an old Ford getting started. One went to the corner and looked down the street. "My GOSH!" he exclaimed, "if there ain't a cloud in the northwest as black as tar!"

They had said the corn had to have rain by 12:00 o'clock. At 12:45 it was coming down in sheets.

Last year it was just the opposite. Too wet, late planting, too cold. The corn should be knee high by the Fourth of July and it was only ankle high. Another poor crop meant doom for a lot of farmers that were digging themselves out of the hole the deflation had gotten them into. It meant doom for a lot of banks that had been able to hang on through the hard period of readjustment.

Bringing Smiles

In July it perked up a bit. August was doing well and along came September with her grand and glorious heat. You people in the city did a lot of complaining but we of the agricultural district smiled. As the thermometer climbed higher and higher the "Skipper" would grin and say, "Another million-dollar day. Isn't it a peach? Four more days of this and we will have two-thirds of a crop. A whole week and the whole crop will be safe."

It simmered down to a neck and neck race between King Corn and Jack Frost. You remember that all heat records were broken in September. We could fairly see the corn grow. But every rose has a thorn somewhere and we had ours.

All of a sudden the temperature began to drop. Went down with a bang. Our spirits went with it. Victory in sight and then this. Chances to have the biggest and finest corn crop in the memory of the oldest inhabitant seemed destined to be spoiled.

That night, before we went to bed, we went out doors and scanned the sky to see if there wasn't a chance for a cloudy night to ward off the frost. The stars shone brighter than ever. It was getting colder. What a pity to have the hopes of those who had worked so hard crushed by disappointment. Some would throw up the sponge and quit. A few hundred dol-

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Above, Phillips Avenue, Sioux Falls, looking north from eleventh street

The SOUTH DAKOTA CONCLAVE

SOUTH DAKOTA Bankers with their wives, sweethearts and others, attended the 37th annual pow wow at Sioux Falls last month.

The Minnie-Haha Country Club entertained the golfing go-getters the first day. Prizes were given for the best score, the worst score, the biggest total, the lowest total, the longest drive, the shortest drive, in fact a prize was given for everything known in Golfdom.

The next day the business meeting swung into session at the Orpheum Theater; ten blocks from the Hotel Carpenter, and everybody was peeved, especially the golfers, because they had to walk that far to the meeting.

President **Harry M. Griffith** delivered a regular Gettysburg address, in which he made an eloquent plea for agriculture, denounced the Coolidge veto and gave three cheers for the McNary-Haugen Bill.

The Treasurer, **J. C. Bassett**, president of the Aberdeen National Bank, proved that he was a second Mellon by reporting a balance on hand at the end of the year of \$1,921.14. Total receipts during the year were \$13,361.23 and disbursements were \$11,440.09.

A Major Eclipse

The Secretary's report was the next feature on the Orpheum program.

Facts and Fancies of the State Convention at Sioux Falls

By the publisher of the
NORTHWESTERN BANKER

The popular, brilliant and versatile secretary was referred to by one of the convention speakers as "our **Starring secretary**." As we all know, he shines most brilliantly in the bright firmament with the constellation of state secretaries.

George certainly makes it tough for the sun and moon when he gets into full swing.

The secretary's report told the members that 93 per cent of the banks were honoring their sight drafts which were drawn on them for association dues—that 23 banks were nonmembers of the association—that 177 banks have service charges—that the South Dakota Bulletin represented a loss of \$43 for the year, but that it was money well spent and altogether the association was in a great, grand and glorious position to face the important political and economic financial and social problems during the coming year.

After the morning spasm it was time for lunch and among those entertaining at private luncheon parties were **M. Plin Beebe**, president of the Bank of Ipswich, who took his guests to the Chocolate Shop where no chocolate was served to them but instead a beautiful, delicious, delectable seven-course assortment of callories which was enjoyed by the following officers of "Beebe Branch Banks" together with a few outside guests: **C. R. Doolittle**, assistant cashier Bank of Ipswich; **H. F. Jansen**, assistant cashier Jerauld County Bank; **Robert Jahrans**, cashier, (Turn to page 74, please)



Above, one of the fairways at the Country Club, Sioux Falls

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WHEN the 39th annual convention of the Minnesota Bankers Association held at Breezy Point Lodge, Breezy Point, Minnesota, was adjourned by its retiring president, A. G. Wedge, of Park Rapids, one of the association's most interesting, profitable, and enjoyable gatherings came to an end.

On every hand there was praise for the work of the retiring officers—the program committee; the entertainment committee; and of Breezy Point—one of America's most delightful resorts.

The idea of bringing the convention together in one centralized place added greatly to both the business and social side of the convention.

All sessions were fully attended and the many pleasurable advantages offered by Breezy Point made it a meeting to be long remembered by the five hundred in attendance.

Breezy Point Lodge was a happy selection as a meeting place. Situated in the very center of Minnesota's most beautiful lake region one finds beside one of the largest and most attractive of the lakes—a resort of which the entire middle west can be justly proud.

Breezy Point Lodge is a massive building constructed of logs, and close by the main hotel are grouped attractive and comfortable cottages.

Breezy Point made possible a variety of entertainment—golf, on a surprisingly sporty and well kept course—tennis, fishing, sailing, surf boating, horseback riding, everything indeed is there that one might wish for and be surprised to find in the heart of the great north woods.

In this setting the meeting took place—and in spite of some unfavorable weather, everybody enjoyed Breezy Point, which under the personal direction of Captain and Mrs. W. H. Fawcett, the hospitable



A splendid view of Breezy Point Lodge, where the Minnesota bankers' convention was held last month

Minnesota Bankers Hold Convention

owners, put forth extra efforts for the bankers and their guests.

No more practical meeting was ever held by a bankers convention. Every session found those in attendance listening to addresses on and discussions of the most important of their present day problems.

Interest rates—service charges—taxes—service—clearing house—credit bureaus—these were subjects in which everyone was interested.

“Better service to the public—but banking service on a profitable business basis” was the convention keynote.

During the evening preceding the actual opening of the convention, a smoker was held. R. W. Putnam, of Red Wing, later elected vice president of the associa-

tion, from the association's popular secretary, F. P. Fellows, assistant secretary Vida R. Richards, A. M. Schaffer, treasurer, and C. Brown, of the association's protective department.

One of the most interesting questions to come before the convention was then brought up for discussion when President Wedge discussed bank taxation and then introduced the Attorney General of Minnesota, G. A. Youngquist, who gave to the bankers a very logical presentation of the state's attitude toward bank taxation and the laws governing such taxation.

The subject was then discussed by Judge O'Brien, of St. Paul. The subject of his address was, “Shall Section 5219 be Retained?” Judge O'Brien argued for the retention of the statute, believing that in the long run all bankers concerned would find it a fair and equitable plan. The widely known president of the Midland National Bank & Trust Company of Minneapolis, Mr. C. B. Mills, presented the convention's resolutions and they were favorably acted upon.

Following Mr. Mills a very scholarly and inspiring address was given by Rev. Phillip Osgood, pastor of St. Mark's Episcopal (To page 83, please)



A view of the spacious lawn at Breezy Point

The WHITE PHILLIPS COMPANY

INVESTMENT BANKERS

DAVENPORT, IOWA

CHICAGO, ILLINOIS

FOLLOWING the principle that safe selling must be preceded by safe buying and careful origination, the White-Phillips Company has earned an enviable reputation among the banker investors of Iowa and surrounding territory.

We have established a buying policy that incorporates every possible safety measure. All phases of safety, diversity, and yield are thoroughly investigated by our own research department. Every bond on our list must stand the acid test before it is offered for sale.

Let the White-Phillips Company help you analyze your bond holdings. You incur no obligation, and we are glad to place at your disposal our complete investment service.



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TOP-SHELF BANKING

(Continued from page 13)

take care of this overhead expense. The management of these banks all feel that they want to enjoy sufficient returns for their outlay in capital investment; in other words, get themselves in a position to operate as "Top Shelf Bankers."

Desiring to increase their earning power and the volume of business transacted, they generally tell the examiner or write to the Department, suggesting their willingness to undertake consolidation with their neighbor bank. We have found that the first problem to decide, in connection with a consolidation, is the retiring bank; who is to retire and who is to remain in charge of the consolidated institution. As soon

as this can be determined and an arrangement made for the settlement of the retiring officers, the consolidation is then completed. We must all admit that the merger of two small banks to one good bank with one overhead expense, places the new organization in a much better position to serve the community, in a really true "top shelf" banking sense.

Your Secondary Reserves

Our Examiners report a very important matter which has been discussed from time to time relative to secondary reserve. Our attention is directed to the Kansas law, requiring banks to carry a secondary reserve. Nebraska bankers have undertaken quite generally to carry a secondary reserve in bonds and liquid assets, to the extent

that the last consolidated statement of March showed approximately \$32,000,000 secondary reserve and \$60,000,000 cash reserve in the 777 banks of Nebraska now under the supervision of this Department. Please note that the cash reserve of Nebraska banks of \$60,000,000 against \$270,000,000 of deposits amounts to approximately 22 per cent and the secondary reserve is better than half the cash reserve. The encouraging feature of this is that this secondary reserve theory has been brought about by the bankers themselves, and without any legislative direction or ruling by the Department. *More Top Shelf Banking.*

The interest rate question as to what a bank can pay on time certificates and savings accounts is a much debated issue. The Examiners report a number of banks paying 3 per cent at this time, while across the street, in some places, the competitor is paying 4 per cent. Many counties in Nebraska have adopted a 3 per cent rate in their county organizations. Prior to the Group Meetings held early in June, the Department sent out letters to all the State and National banks of Nebraska, enclosing a copy of the 3 per cent order issued by the Kansas Banking Department, requesting Nebraska banks, both State and National, to give this matter thought and consideration. Many of the Group Meetings in the State have adopted resolutions favoring the 3 per cent rate. Letters are coming in from bankers over the state, and all indications point to an early decision by practically all of the Nebraska bankers, that a 3 per cent rate will be approved. This will enable Nebraska banks to get up in that "Top Shelf Class."

Bank examinations are a much discussed topic with the bankers and examiners. The press articles appearing from time to time undertaking to express public opinion, advance the theory that the banking trouble in Nebraska comes from poor supervision and lax examinations of the banks. National bankers, who own state banks in Nebraska, advise us continually that there never was a time when state banks were more thoroughly examined. This strict examination policy, which is misunderstood by the press and the public, requires the attention of all bankers to defend it.

In conclusion, Nebraska bankers must take note of the progress made in the last few years, viz.:

First—consolidations and less banks. Second—The cash reserve plus the secondary reserve is sufficient to pay one-third of all deposits in Nebraska banks. Third—The liquidation from the returns of our 1927 crop has improved the condition of the old note cases all over the state. Fourth—Nebraska Banks must defend their good examinations. Fifth—Remember the "Old Tin Cans" must be cleaned up so we do not try to fool anybody, and we can quietly tell all the neighbors that "we are living on the Top Shelf."



STRONG in organization, equipped by the nature and experience of its members to instill confidence and to give a complete, prompt and courteous banking service.

STRAUS NATIONAL BANK AND TRUST COMPANY OF CHICAGO

Straus Building, Michigan Avenue at Jackson Boulevard

S. W. STRAUS, *President*
S. J. T. STRAUS, *Vice-President*
JOHN H. KRAFFT, *Vice-President and Cashier*

JAMES R. FRAZER,
Vice-President and Trust Officer
N. H. OGLESBEE, *Controller*

THE real value of the correspondent service which a bank offers to its customers can be measured by the confidence those customers place in the institution to whom they entrust their correspondent transactions.

Clients of the American Commercial and Savings Bank, many of long years standing, have never had occasion to question the manner of handling their items. They know, from past experience, that their interests come first—that the same judicious care is used as if they were doing it themselves. They have confidence in their correspondent bank.

The American Commercial and Savings Bank offers you, too, a time-tried correspondent connection.

Capital \$1,500,000.00

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

**Total Resources Over
\$32,000,000.00**



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 HERMAN STAAK....Assist. Cashier
 JOHN J. BRANDT...Assist. Cashier

**AMERICAN
 COMMERCIAL *and* SAVINGS BANK
 DAVENPORT IOWA**

Northwestern Banker July 1928

NEWS AND VIEWS

OF THE BANKING WORLD

By Clifford De Puy

Robert E. Driscoll, the newly elected president of the South Dakota Bankers Association, and cashier of the First National Bank of Lead, left immediately after the South Dakota convention to attend the Republican National Convention at Kansas City.

Mr. Driscoll is now at home recuperating from the effects of convention oratory. It takes some physical stamina to attend a bankers' convention and then follow it with the Republican National Convention and day after day and night after night hear the spell-binders spell and the oratorical experts wave the Star Spangled Banner from the rock-bound coasts of Maine to the golden sunset of the Pacific Coast.

Basil I. Peterson, vice president of the Stock Yards National Bank of Chicago, won two prizes last month. The first one was being elected the first Secretary-Treasurer of Group Eleven of the Illinois Bankers Association. This is a new group recently created composed of Cook County Bankers of which there are 320.

This is the largest group of bankers in the United States outside of New York.

The other prize which the handsome, well-dressed, polite, courteous Mr. Peterson annexed was at the South Dakota Convention when he received the lowest net score for 18 holes given to guests outside of the state. His gross score was 88, his handicap was 24 giving him a net of 64.

It must be great to be a prize winner.

Governor John Hammill, of Iowa, was renominated by Republicans as their candidate for governor during the next term of office.

Governor Hammill was opposed by M. L. Bowman, who was an advocate of a



Bank Guaranty of Deposits law for the Corn state. In the final vote, Governor Hammill received 205,251 votes and Bowman 87,338, Skromme 33,908 and Anderson 25,457 votes. This gave Governor Hammill 58.32 per cent of the total votes cast or a plurality of 117,913 votes.

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If the Guaranty of Banks Deposits Law was a campaign issue in Iowa—and it certainly was—it is certainly dead now and we trust that it will slip into the sea of oblivion—dark and deep and unfathomable and that there will not be a bubble show where it went down.

Mrs. Edna Deu Pree Nelson, advertising manager of W. B. Foshay Company of Minneapolis, in a recent communication to us tells of the expansion which her company is making by the opening of sales offices in Los Angeles, San Diego, Pasadena and Stockton, and more recently new offices have been opened in Seattle and Spokane.

The utility properties of this company now extend from Ketchikan, Alaska, to Managua, Nicaragua.

Colonel W. G. Edens, vice president of the Central Trust Company of Illinois, of Chicago, is justified in being proud of his son **William McKinley Edens**, who



has been winning many honors at the Graduate School of Business Administration at Harvard University.

The younger Mr. Edens has been appointed to a travelling fellowship that has just been established by the American Bankers Association in the Harvard Business School. It involves an investigation into conditions that resulted in bank failures in certain areas of the Federal Reserve District of Chicago, with a view toward conclusions that will be helpful in present and, should they occur, similar circumstances.

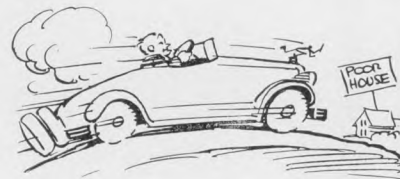
Mr. Edens is very familiar with this section because he acted as National Bank Examiner for many years in this territory.

There are 214,000 farms in Iowa and 217,350 passenger automobiles registered as the property of rural residents as of January 1, 1928, according to figures just made public.

In other words, we have more autos owned by farmers than there are farms

in this state. This is but another indication that Iowa farmers have a higher standard of living, or as one writer has put it, "of riding" than those in any other state. Only Texas, with almost twice the population and nearly five times the area of Iowa, exceeds this state in the number of automobiles owned by farmers. In Texas, 288,211 passenger cars are so registered, according to this report.

And as Cyrenus Cole once said, "Thank God the farmers of Iowa can



ride to the poor house in their own automobiles."

George A. Starring, secretary of the South Dakota Bankers Association, in his annual report points out that the Service Charge in his state is now in effect in 177 banks and that it has grown from 1919 when only one bank adopted the charge, until each year new banks have followed this idea. In the first six months of 1928, 84 banks adopted the service charge.

More and more banks are stepping into line in each state and making a charge for banking service. It is a step in the right direction.

Curtis Lamb, a graduate of Grinnell College, and who for the past year has been doing special work at the American College, Charilaos, Salonica, Greece, wrote me a letter the other day in which he said: "With the NORTHWESTERN BANKER coming regularly to my desk I often think of mid-west business and of the prospect of swinging back into the current of American affairs after two more years over here. Now that I have been over here for practically an entire school year, I feel that I can say your advice was sound.

"Individual shop-keepers dominate the situation here and one is left to wonder what might be achieved by their organization on a Penney, Woolworth, or Kresge plan. And labor is unbelievably cheap for a laborer will toil all day for 65 cents. Despite the modern trend of consolidation in American cities there are probably fifteen or twenty newspapers in Salonica, a city of about 400,000 people. It should be added, of course, that when "East" meets "West," the Greek, the Jew, the Bulgarian, the Serb, and the Armenian, must all have their own publications."

Certainly this is a most interesting observation on conditions as they exist in



Iowa Banks Are Buying More Bonds

THE broadening market among Iowa banks for high grade bonds is both an opportunity and a challenge to investment houses. A challenge because Iowa bankers are exceedingly careful and discriminating investors.

This is one reason why we value our growing bank clientele even more highly than is warranted by their substantial volume of buying. We consider our large sales among Iowa banks as, in effect, a certificate of merit, for we know this patronage must be earned on the basis of bond offerings of the highest quality.

Our July list contains many bonds which bankers will find well suited to their investment requirements. We will be glad to send you this list without obligation.

W. D. Hanna and Company

BONDS FOR INVESTMENT

Burlington, Iowa

Pioneer Bank Building
Waterloo

The Laurel Building
Muscatine

The Higley Building
Cedar Rapids

Northwestern Banker July 1928

Greece today and also how interesting it is to note that the laborer over there is receiving only 65 cents a day for his toil compared with five-six-seven and sometimes ten and fifteen dollars a day over here for skilled workmen.

Yea, verily America is a golden paradise to the workmen, yet sometimes some of them forget to appreciate their opportunities.

C. B. Mills, Jr., has been appointed assistant credit manager of the Northwestern Marketing Division of the Pure-Oil Company of Minneapolis. Mr. Mills' father, **C. B. Mills**, is president of the

Midland National Bank and Trust Company of Minneapolis.

Judging from all reports of the National Republican Convention, Hoover had a clean sweep of the whole proposition. To which the Democrats will no doubt reply that he always was a "vacuum" cleaner.

A. J. Veigel, Commissioner of Banks of the State of Minnesota, believes that chain banking is essentially a form of unauthorized branch banking and says, "It is much more difficult to legislate against chain banks than it is against

branch banks. In some respects chain banking is even more objectionable than branch banking, especially if it is the policy of the owners to place paper in the bank in which they are interested or on which they make a profit, or if the banks exchange paper, etc., so that each bank is not run as an entirely separate corporation and actually controlled by its directors.

"If our independent banking system is to survive, the bankers must study and adopt many of the practices of the larger corporations."

Mr. Veigel is correct indeed and there is probably not a bank in the country, at least not a small one, which cannot take pointers from the larger corporations which are watching their overhead carefully and at the same time putting the proper amount of effort on selling their services and products to the community.

Every bank has a service to render and it should use every legitimate effort to advertise this service.

Frank Boyd, vice president of the Omaha National Bank, sends us the following paragraphs which he says should be credited to **C. N. Wright**, the livestock and land man who says that he is the social vice president of a bank at Scotts Bluff, Nebraska.

Mr. Wright's paragraphs are:

"When a man mortgages his common sense to his egotism he pays a high rate of interest."

"We are all busy diagnosing the other fellow's case—too d—d expensive to operate on ourselves."

E. M. Miller, statistician of the National Bank of Commerce of New York, in a recent article on "The Position of the Corn Belt and its Relation to the Domestic and International Markets," made this observation: "So far as the corn belt produces for the protected domestic markets, that is, those commodities of which the export surplus is negligible and imports are unimportant, tariffs being effective in keeping them out, the position of the farmers there is as good as that of producers in other industries, always assuming, of course, that other things such as productivity of labor, are equal. To the extent to which corn belt farmers produce for the international markets, they are at a serious disadvantage in respect to costs."

We must remember, however, that only 10 per cent of the food products in the United States are exported and that 90 per cent are consumed in our home market.

J. H. Bacheller, vice president of the Fidelity Union Trust Company of Newark, N. J., makes the interesting statement concerning banking service when he says: "Is it possible that we bankers

As your Chicago Banking Connection . . .

Michigan
at
Washington
Street



The Peoples Trust and Savings Bank offers you the facilities of a progressive institution with every banking department—and a genuine interest in serving you extensively.

PEOPLES TRUST AND SAVINGS BANK

OF CHICAGO

EARLE H. REYNOLDS, *President*

NEWS of the MONTH in Brief

are afraid to tell our customers or the public that we do not want business that cannot be handled at a reasonable profit? Is it fair to our customers who are broad minded enough to do business with us on a mutually profitable basis, and who pay proper balances on any service we give and who are without a question the mainstay of a bank—I say, is it fair to them that service that we give to them should also be given to other customers without compensation from them in any way?

“Service is a valuable asset to a bank but service that gives and receives nothing in return only weakens the future ability of the bank to give and cheapens the institution that gives it, and in the end I believe does not hold the respect of the customer receiving the service.”

No one should expect something for nothing and this should apply to bank customers as well as any other group of individuals.

Thomas R. Preston, president of the American Bankers Association, has been making a speaking tour of the various state bankers' conventions and in conclusion of his address he says “Men never labored and spent more generously in the public good than they are doing today. And I take no sort of stock in the theory so often advanced of this so-called sordid and commercial age, robbing the people of the better and finer things in life. Neither do I believe that it is dwarfing the soul of the nation. I think any country that can produce a Thomas A. Edison, a Charles A. Lindbergh, and a Calvin Coolidge, is not the place where wealth accumulates and men decay.”

Mr. Preston himself has had a very remarkable career, having started work on a farm then later with a railroad and in fact he is now a director for one of the railroads for which he worked as an errand boy.

After-Hour Depository

Workmen have put the finishing touches on the after-hour depository vault which is installed in the Merchants National Bank, Cedar Rapids, the first bank in the state of Iowa to start such a service.

The purpose of this device is to relieve customers of the hazard of keeping large sums of money in their places of business which may have been received after banking hours. Through this arrangement the customer is afforded a 24-hour service, 365 days a year, the bank taking the responsibility for the safety of all money from the moment it is deposited. Money left by the customer in the depository is insured by the bank and kept in a steel vault protected by a burglar alarm.

IOWA

New Banks Chartered

Walker—Walker Trust & Savings Bank. Capital, \$25,000. Surplus, \$5,000. Keith Vawter, president; L. J. Derflinger, vice president; Marvin R. Seldon, vice president.

Mergers and Absorptions

Gilman—Citizens Savings Bank and Farmers State Bank consolidate under the name of the Citizens Sav-

ings. Total deposits will approximate \$340,000.

Storm Lake—Citizens First National of Storm Lake takes over Farmers State Bank of Sulphur Springs. Sulphur Springs bank had 72 stockholders.

Changes in Officials

Spencer—A. J. Prechel becomes assistant cashier of Farmers Trust & Savings Bank.



Fundamentals

IN THE many contacts between your bank and your Chicago correspondent there arise numerous situations that only a properly-equipped bank can handle.

The fundamentals necessary to intelligent service are present at this bank. You will find a connection here of ever-increasing advantage.

The Foreman National Bank
The Foreman Trust And Savings Bank

La Salle and Washington Streets, Chicago

RESOURCES EXCEED 100 MILLION DOLLARS

Gravity—George Wollenhaupt becomes cashier of Gravity State Bank.

Clarinda—J. H. Peterman elected vice president of Page County State Bank. Was with Warren County State of Indianola six years ago.

West Chester—L. P. Jackson elected active vice president of West Chester Savings Bank.

Davenport—H. R. Boles to take charge of bond department of American Commercial and Savings Bank.

NEBRASKA

Apply for Charter

Deweese—V. A. Hall and associates

apply for charter. Capital to be \$25,000.

Opened

Paxton—Bank of Paxton opens.

Mergers

Haigler—The Drovers & Traders State Bank consolidates with the State Bank of Haigler, under the name of the latter. Consolidation has capital and surplus of \$31,500, with deposits of \$250,000.

Increase Capital

Ord—Nebraska State Bank increases capital from \$35,000 to \$52,500.

Change in Officials

St. Edward—Jule Rich resigns position with Smith National Bank.

Newcastle—B. J. Lammers buys control and becomes cashier of the American State Bank.

MINNESOTA

In Process of Organization

Granada—A. W. Thompson of Wells is organizing new bank.

Scandia—Scandia American Bank. Capital, \$50,000; surplus, \$10,000; \$40,000 capital already subscribed.

Change in Officials

Sauk Center—First National Bank elects F. W. Sprague as president.

Thief River Falls—Lewis McCullough resigns as cashier of First National Bank.

NORTH DAKOTA

Change in Officials

Hunter—B. C. Ness elected cashier of First National Bank.

HOW TO PAY AND FIGURE INTEREST

(Continued from page 15)

necessary eliminating as much as possible bookkeeping, which is much greater in the case of withdrawals than in the case of deposits. The following are some of the various restrictions thrown around withdrawals, tending to reduce the use of the savings account for checking privileges.

It is not at all uncommon for banks to consider an account a checking account where as many as five checks are drawn in a month, when the account therefore would receive no interest.

There are banks that require notice where more than \$100.00 is withdrawn in a week. This restriction is probably not nearly so much for the need of information as it is to make it awkward to withdraw.

One restriction that would appear particularly logical is that of allowing withdrawals only on the last three days of the month. This puts the depositor to the necessity of putting only that amount on his savings account which he can leave undisturbed. This rule would therefore help the balances in the checking department and would not interfere in any way with the real saver, because there would scarcely ever be a time when he could not arrange to purchase an investment or make a payment on a home fall due at the last of the month. As is of course the case with all rules it would be very proper for a bank in extenuating circumstances to waive the restriction for a customer.

Probably the most general restriction of all and one of the fairest too is that of allowing interest only on those balances which have remained as long as ninety days. No ordinary balance remaining less than ninety days would pay for its keep



The Personal factor in Correspondent relations

THE Bank of America aims to mellow the purely routine handling of correspondent transactions with an element of personal interest.

... Each detail is executed by an efficient man who inherently is friendly and desirous of pleasing his client.

THE BANK OF AMERICA

Founded 1855

CHICAGO, ILLINOIS

Resources Over 37 Million

and for the extra time involved in opening the account, completing and filing the records, as well as the cost of the stationery used. Where a bank figures interest quarterly and an account is opened during the quarter it would receive no interest until the second interest paying date, when of course interest would be calculated for four or five months as the case might be.

Another restriction, the reasonableness of which some people see clearly and others not at all, is that of paying no interest on any closed account. Some contend that it is only proper and right, the agreement made being that interest be paid only on certain dates. Others believe that such an account having earned certain interest should receive what it has earned regardless of when it is closed. The latter would seem to be the fairer method in view of the fact that all a depositor has to do under such circumstances is to leave a minimum deposit until interest paying date when he can withdraw his account and receive all his interest. In that way he gets all that is coming to him but has been put to an inconvenience of which he does not approve and which he will no doubt hold against the bank.

Another charge against excessive withdrawals is what is known as the stationery charge, assessed against accounts closed within thirty or sixty days of the time of opening. This rule would seem to be particularly necessary in the south where the colored population seems so prone to have a sudden inspiration on Saturday to save and an equally sudden necessity on Monday or Tuesday to withdraw. In all cases where the amount of this charge has been reported it is the nominal sum of 25 cents, which is not too large to cover the cost of pass book, signature and ledger cards.

In a few cases there are banks which pay interest only on those accounts carrying balances of \$50.00 or over. This is found to be unusual. Most banks calculate interest on balances \$5.00 and over.

While the keeping of pass books does not fall strictly within the scope of this article yet there are one or two things in connection with them that might be well worth mentioning. There is a growing tendency to discourage the keeping of savings pass books by the bank. Some banks go so far as to consider the account a checking account if the pass book is left so that a check may be drawn and paid. Such banks, where there is a service charge in the commercial department, then apply the rule to the savings account if by its balance it comes under the rule.

It might not be amiss to stress again the fact that all these methods and restrictions mitigate against those depositors who most use their accounts for checking privileges.

As a matter of convenience to banks

Bank Growth Is Not An Accident



Every banker knows that the progress his institution may expect to make depends upon Character and the degree of Strength and Service the bank has to offer.

Every element of these three essential factors which contributed to the leadership of The Philadelphia-Girard National Bank and The Franklin Fourth Street National Bank has been retained in the consolidated institution, the largest bank in Pennsylvania.



THE
PHILADELPHIA
NATIONAL BANK

PHILADELPHIA, PA.

Capital, Surplus and Profits . . . \$53,400,000

in getting away from the January 1st rush period, interest dates are being gradually changed to other than January and July. There does not seem to be any other months that are particularly preferable, February-August, March-September or any other two being equally common.

Days of grace, or those days during which deposits may be made and on which interest will be paid from the first of the period, vary from none to fifteen, depending on whether the interest is calculated on the monthly, quarterly or semiannual basis. It is very unusual though for banks not to allow at least three additional days each month in which deposits may be made as of the first. Where as many as fifteen days are allowed it is invariably where in-

terest is figured on the quarterly or semi-annual basis and deposits in other months of the quarter do not effect the interest at all.

Another item which is of interest is the fact that it is in nearly all cases true that the banks of a city are together on interest rate. This is quite universally true where there is a clearing house. Exceptions seem almost always to be where newer or smaller banks are competing for advantage in order to attract new customers.

It will be seen from the summary that only 79 cities were canvassed for information for this article. There are, no doubt, many other variations from the above methods in use; particularly might these variations be found in the smaller towns or villages where representatives

of the banks are not so often together as are representatives of the larger banks.

While the author does not consider himself an authority on the subject yet he has not found anyone who is not interested in his findings. He is still seeking and would be glad to hear from anyone with questions to ask or any additional information to contribute.

Profitable Banks Are Safe Banks

Better banking methods as now practiced by South Dakota banks are doing their bit to improve banking conditions in that state, asserted President Harry M. Griffith, at the 37th annual convention of the South Dakota Bankers Association last month in Sioux Falls. Touching on this subject, President Griffith said, in part:

"It has become one of the recognized axioms in the banking business that unless you can run a profitable bank you cannot long run a safe bank. It has been the practice of banks in times gone by to offer to the public all kinds of service, some related to the banking business and some entirely foreign to it, and to receive no compensation for such services whatsoever except the possible good will of the persons served. Bankers, too, have discovered during the late years that allied activities in which they could engage resulting in profit to the bank have become less and less as the field has been taken over by other agencies. Their activities for profit have been year by year narrowed down to following the strict business of banking more and more, and they have come to realize that whatever profit is made would have to come from following those activities alone. That has brought about an analysis of the business of banking and the results of the survey have been enlightening and startling indeed. They first found that the cost of doing business has gone up on the one hand and the income had gone down on the other. Help and supplies of all kinds were costing them more money; taxes, both state and national, were taking increased tolls. The free services they have been rendering were being given at a loss; accounts considered profitable were on analysis found to be highly unprofitable; losses were bound to creep in and must be taken care of. Besides, where banks were carrying secondary reserves in bonds, call money and commercial paper, the yields from such investments were less and their income accordingly reduced. Again the interest paid on time deposits and other interest bearing deposits were out of line. The result of this self-analysis of their business brought about a change in the methods of doing business, time deposits were lowered, service charges were put on

In the beginning TODD meant protection . . . It means even more today!



checks they write daily. This machine shreds an indelible amount line into the very fiber of the check paper—an easily read, unmistakable amount line that facilitates check handling and defies the operations of the check manipulator.

The Super-Speed Protectograph imprints 1200 checks an hour! The New Century model, at a moderate price, is the speediest, most versatile and most completely satisfactory check writer ever devised for general business use. Checks amount-written rapidly and economically on such Protectographs can be signed safely with the same speed and economy by those remarkable new machines, the Todd Check Signers. The Six-Unit Check Signer puts the most nearly non-counterfeitable signature known, on 7500 to 9000 checks an hour; the Single-Voucher Unit does the same for 1200 checks an hour, relieving executives forever of signing checks by hand!

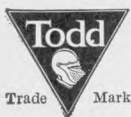
Todd means protection as much today as it did when the first Protectograph was made—but now it means also modern, rapid methods and true economy in time and labor. The Todd System is used most, certainly, for its protection value, but it also introduces new speed, new saving of time and effort, that make it equally valuable as a measure of economy. The imprints of the Protectograph and the Todd Check Signer have become stamps of efficiency. They mean a fine-looking, business-like check.

You can get in touch with a Todd representative at the office in your city. Or write to the address below.

The Todd Company, *Protectograph Division*. (Established 1899.) 1149 University Ave., Rochester, N. Y. *Sole makers of the Protectograph, Super-Safety Checks, and Todd Greenbac Checks.*

As soon as the check became a common medium for the exchange of funds, armed and battlemented defense was no longer adequate. Now appeared that subtle, clever operator, the check manipulator, working out of sight, disappearing before his handiwork was recognized. He was a dangerous menace to business. He still is. But there is now an adequate defense against him—the Todd System.

Today progressive banks and business houses everywhere depend upon the Protectograph to guard the millions of



TODD SYSTEM OF CHECK PROTECTION

Northwestern Banker July 1928

small accounts, and on large unprofitable ones, interest paid on public moneys was reduced, compensation was received to cover float on cream checks and other similar items, and services of a miscellaneous nature were all charged for. The Association has rendered service wherever possible in matters of this kind, and urged, and is still urging banks who have not adopted these charges to do so. Your Secretary attended county meetings and helped to establish these charges. Now over half of the banks in the state are making these charges and the number adopting these has been very large during the last few months. We expect soon that such charges will be universal in the state, as well as the Nation, and accepted and paid for by the customer as a matter of course. The Association has a special Committee on Analysis of Accounts which spent a large amount of time and effort on this subject, and will soon publish a bulletin for the member banks showing them how to analyze accounts to determine which are profitable and which unprofitable."

THE BANKER'S WIFE SAYS:

(Continued from page 24)

lars would have paid the long overdue note. The banker's note case was full of them. Good, honest fellows, hard-working, but victims of a circumstance over which they had no control. Not only the weather was against us but you folks in the East who were sitting so pretty and smug in the band wagon with your high tariff to protect you wouldn't let our poor little "McNary-Haugen" get in with you. Gee! but it looked black! But I guess "God's in His Heaven" yet, as one of Mary Turner Salter's songs goes, and instead of frost to greet us the next morning there was a heavy mist. The wind had veered ever so slightly to the south about midnight, the cold air had changed to the heavy fog. The corn was saved. Motorists who were out in it said it was done in the twinkling of an eye and they had difficulty in seeing the road so thick was the mist.

Another week of hot weather followed and the finest and biggest corn crop ever harvested in this part of the country was brought to maturity.

Oh, I tell you, Helen, it's a great life if you don't weaken. The country looks like a "Garden of Eden" now and everybody is going to be able to pay all they owe and make the banker happy.

Goodbye till next time. "LYDA."

"Sam, what am de diff'runce between a rich man an' me?"

"Ah dunno, Bones. What am de diff'runce?"

"A rich man don' know whah to go, an' Ah can't affo'd de trip."

CORRESPONDENT BANKING



New home of the State Bank of Chicago, La Salle and Monroe Streets. Out-of-town bankers are invited to inspect the banking rooms, the equipment and the vaults.

When Transacting Chicago Business

The reputation of this institution for sound management, its ample resources and the constant efforts to provide every facility for transacting out-of-town business are three factors, among others, that merit your consideration when selecting a Chicago correspondent.

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 MONROE STREETS

Member Federal Reserve System

CAPITAL, SURPLUS AND UNDIVIDED PROFITS OVER \$13,000,000

41 Million An Hour

If you think of commercial banking as depositing money and drawing checks—last year these operations at the Continental totaled 61.9 billion dollars, an average of 41 million each banking hour

CONTINENTAL NATIONAL BANK & TRUST COMPANY OF CHICAGO

Northwestern Banker July 1928

Win Fight Against Tax Legislation

Nebraska banks have won their fight against the tax legislation passed in 1925, which sought to assess stocks of banks, loan and investment companies on the basis of 70 per cent of the mill rate at which tangibles, such as money, legal tender, notes, etc., are taxed. The state supreme court has held the measure unconstitutional, and the county assessors of the state have been instructed to assess these bank shares on the same basis as intangibles.

The supreme court decreed that Section 5884 of Section 1, Chapter 165 of the sessions laws of 1925, in so far as it purports to authorize a levy upon the shares of banks, loans, trust and investment companies in excess of 5 mills on the dollar valuation, violates the rule of uniformity as to class required by the state constitution, and to that extent is invalid.

In 1925 the legislature repealed the old intangible tax law and set up, in its new schedule, two classes. Class A was to include money, legal tender, notes, government securities payable on demand, savings accounts, bank deposits, bills of exchange, checks and drafts, and these are taxed at 2½ mills on the dollar of their actual value. Class B includes corporations shares and stocks, and taxes them at 5 mills. Then the law said that stocks of banks, loan, trust and investment companies shall be assessed at 70 per cent of the mill rate at which tangibles are taxed.

In its ruling the court held that if by this language the legislature intended that the capital stock or shares of banks should be assessed at 70 per cent of the taxes levied upon tangible property, then a different rate of taxation is provided for the same class of property, as related to banks, from that levied against the shares of stock of other corporations and is equally in violation of the uniformity clause of the state constitution. In the case before the court the bank was assessed at 29.2 mills where other corporation stock escaped with 5 mills.

Attorneys for the bank guaranty commission raised the issue in resisting an attempt by Valley county to levy the full 10 per cent rate on the assets of the Ord State Bank, which the commission had taken over. The court ruled that the commission owes \$99.10 under the 5 mill rate, and that as the assets have all been sold to a going bank in the city, the guaranty fund must make good. The court also holds that all taxes are a prior lien on the assets of failed banks, superior to that of depositors, and that being a matter of public record, the county need not file the claim as a general creditor, it being the receiver's duty to pay them to the treasurer.

Nebraska News

James P. Lee, assistant cashier of the Omaha National Bank, who underwent a minor throat operation, has been removed from the Wise Memorial Hospital to his home, and is recovering rapidly.

The five Omaha banks reporting to the Federal Reserve Bank of Kansas City, showed savings deposits of \$9,125,298, May 1, 1928, which was a gain of \$1,199,359 over the deposits of \$7,925,939 at the same date in 1927.

The State Bank of Humboldt, Neb., with deposits of \$325,555, has been taken over by the guaranty fund commission, with R. H. Mohrman in charge.

C. A. McCloud, president of the First National Bank of York, Neb., attended the republican convention at Kansas City, as the republican national committeeman from Nebraska.

A relic of unique historical interest hangs in the Harbine Bank of Fairbury, Neb.—the rifle that "Wild Bill" Hickok used in slaying the "McCanles gang" in the old pioneer days of Nebraska. The weapon was recently given to George W. Hansen, chairman of the board of directors of the bank, by the present members of the McCanles family, in recognition of his work in unearthing long-hidden records in Nebraska, pertaining to the famous shooting.

Mr. Hansen, by his research, was able to show that Wild Bill did not kill ten members of the McCanles gang, himself being unarmed at the beginning of the fight, but on the other hand, that Wild Bill, taken by surprise, shot from behind cover, killing three men, while a boy escaped. The publication of Mr. Hansen's finding brought a storm of controversy over the other historical lore connected with the name of Wild Bill.

Mr. Hansen has a distinguished record among Nebraska bankers. He came to the state in June, 1868, and became cashier of the Harbine bank in 1875. He served as its president for thirty-four years. He has seen the bank grow from an institution with deposits of \$20,000, to a bank that now has over \$2,600,000 of deposits.

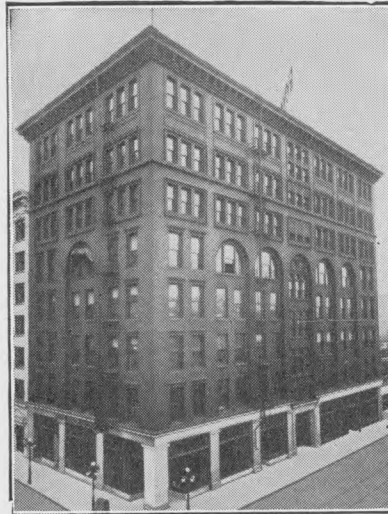
Mr. Hansen was secretary of the Nebraska Land and Town Company, a subsidiary of the St. Joe & Grand Island Railroad Company, which located all the stations and laid out all the towns between Fairbury and Hastings, including the south half of Hastings. He it was, also, who settled the financial controversy between Jefferson and Thayer counties after their division by the legislature in 1871.

Among the vacations planned by the

Royal Union Life Insurance Company

DES MOINES, IOWA

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Royal Union Life Building
Corner Seventh and Grand Avenue
Des Moines, Iowa

We want a man who has a record as a personal producer and who is also an ORGANIZER to become

GENERAL AGENT FOR DAVENPORT

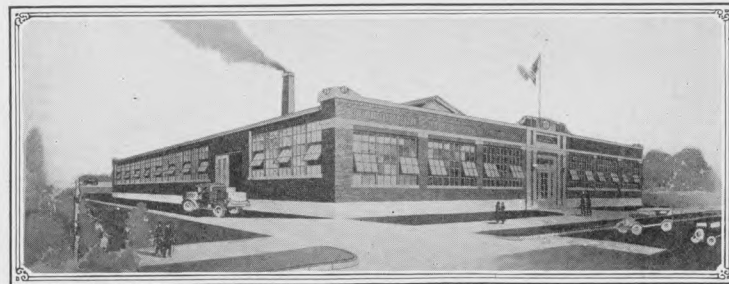
For the man who can qualify and who can produce results, we have an UNUSUAL proposition. He will have every possible home office cooperation from this well established Iowa company, now operating in 14 states and with \$141,000,000 insurance in force.

For details of this real opportunity write William Koch, Vice President and Field Manager.

Royal Union Life Insurance Company

Des Moines, Iowa

A. C. TUCKER, President



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515 TWENTY EIGHTH STREET

Des Moines



Founded by

GEORGE H. RAGSDALE

EDWIN G. RAGSDALE
SECRETARY

WHAT LINCOLN SAID FITS US BANKERS



I believe in the advantages of modern volume production. But I long ago discovered, in my banks at Lytton and Auburn, Iowa, that bank publicity can not be wholly standardized, like automobile production. Each bank has its own needs, its own personality. Its publicity must ring true with the patron. It must be sincere. The success of Wessling Services throughout America is due to the way we have combined the economies of modern volume production with a unique method of expressing the local banker's own personal touch.

Wessling

ABRAMHAM LINCOLN has been eulogized so much that one sometimes forgets that he was not only an honest man, but also a very shrewd politician.

He knew "folks."

"If you would win a man to your cause," he once remarked, "first convince him that you are his true friend."

This is exactly the psychological principle by which Wessling Services have been winning patrons for banks from Coast to Coast. It is a simple truth. It applies to all human relationships.

You can not convince a patron that you are his true friend merely by sending out expensive broadsides of clever, beautifully colored publicity.

Just put yourself in the patron's place a minute or so. It is easy to see why, isn't it?

How can you convince him you are his friend? Words alone will not do it. Wessling publicity alone will not do it. Words, obviously, must be combined with sincere personal contacts. But, in a unique way, the words and art work of Wessling publicity do what more elaborate, more expensive forms of publicity can not do.

Wessling publicity paves the way to personal contacts. It helps make the patron *like the bank*. It makes him feel proud that it is *his bank*. The publicity achieves this because it is so simple, direct, sincere. It talks the language of "folks." It is built to fit local needs and breathes the local banker's own personality.

Wessling

SERVICES

PLANNERS AND CREATORS OF ORIGINAL BANK SERVICES

from
IOWA
at LYTTON

officers of the Omaha National Bank of Omaha is that of Walter W. Head, the president, who will leave in July for a cruise to Alaska.

Victor B. Smith, vice president, is spending his vacation, as usual, at Park Rapids, Minn., on the shores of Potato Lake.

Otis Alvison, cashier, is going to California, as usual, to visit his mother. Clyde Darner, assistant cashier, also spent his vacation in California.

James F. McCloud, assistant secretary of the Omaha Trust Company, has returned from Arizona.

Bank clearings in Omaha for the first five months of 1928, showed a gain of \$92,838,096 over the same period in 1917. Total clearings for the five months in 1928 were \$938,431,346, and for the same period in 1927, \$845,593,250.

"More grain," and "better prices," both for grain and for live stock, account, in large measure, for the better showing this year, the bankers say. Comparative figures by months follow:

	1928	1927
January	\$177,745,306	\$167,636,353
February	174,511,566	149,001,813
March	214,840,620	193,502,966
April	177,891,427	165,821,726
May	193,442,427	169,630,392

B. J. Lammers, former assistant cashier of the First National Bank of Hartington, has been elected cashier of the American State Bank of Newcastle, beginning his new duties June 1st. He has been assistant cashier of the Hartington bank four years, following a period when he taught mathematics in an Omaha college.

George I. Parker, who was for several years president of the First National Bank of Hartington, is the president of the Newcastle Bank. He is a member of the guaranty fund commission, handling failed state banks, and is acting now as receiver for 15 of them.

Vaughn Hall heads a group of Deweese, Neb., men who have applied for a charter for a new bank at Deweese, Neb. Last February the bank at Deweese was taken over by the guaranty fund commission. A capitalization of \$25,000 is assured the new bank if a charter is granted, Mr. Hall announced.

E. C. McElhaney has purchased the interests of R. L. Dayton in the Page State Bank of Page, Neb. Mr. McElhaney has been cashier of the bank for ten years, and now assumes full charge. Four other new stockholders are announced and it is planned to increase the capital of the bank for the coming year.

Paul Schultz, president of the Farmers State Bank of Portland, Neb., died

June 5th, after a brief illness, at the age of 54.

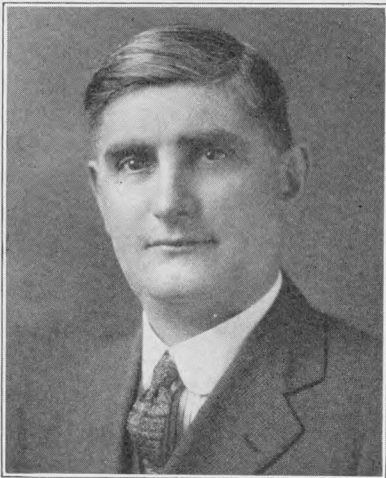
Gwyer H. Yates, vice president of the United States National Bank, found it necessary to have an operation performed in Chicago, to aid the recovery from an injured knee, hurt in handball played with Harry Rogers, assistant cashier of the bank.

A "Social Vice President"

Cullen N. Wright is not only the vice president of the Platte Valley State Bank of Scottsbluff, Neb., one of the largest cattle feeders in the western country and a leader among the irrigation farmers, but he is also probably the most popular and witty toastmaster and after-dinner speaker the state now boasts of.

Mr. Wright is in great demand as a speaker at banquets and meetings of the various groups and associations of the Nebraska State Bankers Association. Recently when the Izaak Walton League of America had its convention in Omaha, a call was sent to the western end of the state for Mr. Wright to come and give a talk at the final banquet, that would send everyone home in good humor and loving Nebraska a lot. Mr. Wright succeeded.

Recently in Omaha Mr. Wright defined his position as that of "social vice president" of his bank, and said the task de-



CULLEN N. WRIGHT

manded ability to get along with people and to combat the conservatism of the ordinary banker with generous optimism.

He speaks in a slow drawl, with a twinkle in his eye that adds zest to his stories, and his stock of anecdotes is the largest and the funniest in the state. "I don't know anything about technical banking," he said once, and that was a joke too. "I guess I'm half farmer, half stockman, and half banker."

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CURRENT QUOTATIONS

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

Security	Bid	Asked	Security	Bid	Asked	Security	Bid	Asked
Alabama Pr. Co. 5s, 1951	101%	102 1/4	Danish Con. Mun. Loan 5 1/2s, 1955	98%	98 1/2	New Eng. Tel. & Tel. Co. 4 1/2s, 1961	100%	101
Alberta, (Canada) 4 1/2s, 1956	96%	97 1/2	Delaware & Hudson Co. 4s, 1943	94%	94 1/2	Newfoundland 5 1/2s, 1942	103	103 1/2
Amer. Chain Co. 6s, 1933	102%	102 1/2	Denmark 5 1/2s, 1955	100%	100 1/4	N. Orleans Term. Co. 4s, 1953	91%	91 1/2
American Radiator 4 1/2s, 1947	98%	98 1/2	Denmark, King of, 6s, 1942	103%	103 3/4	New South Wales 5s, 1958	94%	95
Amer. Roll Mills Co. 5s, 1958	96%	96 1/2	Denver G. & E. Lt. Co. 5s, 1951	99%	99 1/4	N. Y. Cent. Lines 4 1/2s, 2013	99%	100
Amer. Smelt. & Refg. Co. 5s, 1947	100%	101	Det. City Gas Co. 5s, 1950	100%	100 1/2	New York Edison Co. 5s, 1944	104%	104 1/2
Amer. Sugar Refg. Co. 6s, 1937	103%	103 3/4	Detroit Edison Co. 5s, 1949	103%	103 3/4	New York Pr. & Lt. Co. 4 1/2s, 1967	92%	93 1/2
Amer. Tel. & Tel. 4s, 1929	98%	99	Dominican Republic 5 1/2s, 1942	98%	99	N. Y. Tel. Co. 4 1/2s, 1939	100%	100 3/4
Amer. Tel. & Tel. Co. 5s, 1960	105 1/4	105 1/2	Duquesne Lt. Co. 4 1/2s, 1967	101%	101 1/2	Niagara Falls Pr. Co. 5s, 1932	103%	104
Amer. Tobacco Co. 4s, 1951	88%	89 1/2	Dutch East Indies 6s, 1947	102%	103	Nor. Ind. G. E. Co. 5s, 1929	100	100 3/8
Anaconda Cop. Min. Co. 6s, 1953	104 1/4	104 1/2	Edison Elec. Illum. 4 1/2s, 1930	99%	99 3/4	Nor. Pac. Ry. Co. 4s, 1997	93%	93 3/4
Appalachian Elec. Pr. Co. 5s, 1956	98%	99 1/4	Elec. Pr. Corp. (Germany) 6 1/2s, 1950	97%	97 3/4	Nor. States Pr. Co. 5s, 1941	101%	101 1/2
Appalachian Pr. Co. 5s, 1941	101 1/2	102 1/4	Finland, Rep. of, 6s, 1945	98%	98 1/2	Norway, Kingdom of 5 1/2s, 1965	100%	100 1/4
Argentine 6s, 1958	99%	99 3/4	Fla. Pr. & Lt. Co. 1st 5s, 1954	95%	95 3/4	Nuremberg, City of 6s, 1952	91	91 1/2
Associated Oil Co. 6s, 1935	102%	102 1/2	Ft. Worth Pr. & Lt. Co. 5s, 1931	100 1/2	101	Ohio Pr. Co. 5s, 1952	100	100 3/8
Ath. Top. & S. F. Ry. 4 1/2s, 1962	99%	100 1/4	France 7s, 1949	101	101 1/4	Ohio Riv. Edison Co. 5s, 1951	100 1/2	101 1/8
Atl. Coast Line R. R. 4s, 1952	88%	89 1/2	General Elec. Co. 3 1/2s, 1942	94%	94 1/2	Ontario, Prov. of 4 1/2s, 1931	99%	99 3/4
Australia 5s, 1955	97 1/4	97 1/2	Gen. Motors Acc. Corp. 5s, 1929	99 1/2	99 3/4	Ontario Power Co. 5s, 1943	101 1/2	102
Austrian 7s, 1943	103 1/4	103 1/2	General Pet. Corp. 5s, 1940	101%	101 1/2	Oregon Sht. Line R. R. 4s, 1929	98 1/4	98 3/8
Baden Conso. Mun. 7s, 1951	98%	99	Ga. & Alabama Ry. 5s, 1945	99	99 1/4	Oslo, Norway, 5 1/2s, 1946	99%	99 3/4
Bald. Loco. Wks. 5s, 1940	107	107 1/4	Georgia P. Co. 5s, 1967	98%	99	Pacif. Coast Pr. Co. 5s, 1940	101%	102
B. & O. R. R. 5s, 2000	101%	101 1/2	Georgia Ry. El. Co. 5s, 1932	101	101 3/4	Pacif. Gas & Elec. Co. 5s, 1955	102%	102 3/4
B. & O. R. R. 4 1/2s, 1933	97%	98	German 7s, 1949	106 1/4	106 3/4	Pacif. Tel. & Tel. Co. 5s, 1952	104	104 1/2
Betavian Pet. Co. 4 1/2s, 1942	92%	92 3/4	German Cen. Agr. Bk. 7s, 1950	99	99 1/2	Panama 5 1/2s, 1953	102%	103
Bavaria, Germany 6 1/2s, 1945	97%	98	German Con. Mun. Loan, 7s, 1947	98 1/2	98 3/8	Penn. Edison Co. 5s, 1946	102	102 1/4
Belgium 6s, 1955	100%	100 3/4	German Gen. Elec. Co. 6 1/2s, 1940	120	120 3/4	Penn. R. R. Co. 5s, 1964	103%	104
Bell Tel. Co., Canada, 5s, 1955	102 1/2	102 3/4	Goodyear T. & R. 5s, 1957	90 1/2	90 3/4	Penn., Ohio & Det. R. R. 4 1/2s, 1977	98	98 1/2
Bell Tel. Co., Penn., 5s, 1948	105	105 1/2	Grand Trunk West. Ry. 6s, 1936	105 1/4	105 3/4	Penn. Pr. & Lt. Co. 5s, 1953	100 1/4	100 3/4
Berlin (Germany) 6 1/2s, 1950	98 1/4	98 1/2	Gr. Nor. Ry. Co. 4 1/2s, 1976	98%	98 1/2	Peoples Gas Lt. & Coke Co. 5s, 1947	107%	107 1/2
Berlin E. E. & Und. Rys. 6 1/2s, 1956	94	94 1/2	Great Western Pr. Co. 5s, 1946	100 1/4	100 3/4	Pere Marquette Ry. 5s, 1956	103%	103 1/2
Beth. Steel Corp. 5s, 1936	100%	100 3/4	Greek Gov't 7s, 1964	97 1/4	97 3/4	Peru, 6s, 1960	91	91 1/2
Birmingham Ry. Lt. & Pr. 4 1/2s, 1954	95%	96 1/4	Gulf Oil Corp., Pa., 5s, 1947	100%	100 1/4	Phila. Elec. Co. (Pa.) 4 1/2s, 1967	99	99 1/2
Birmingham W. Wks. 5s, 1954	99 1/4	99 3/4	Haiti, Republic, 6s, 1952	100%	100 1/2	Pillsbury Flour Mills Co. 6s, 1943	105 1/4	105 3/4
Brazil 6 1/2s, 1957	96 1/4	96 3/4	Hamburg (Germany) 6s, 1946	97 1/4	97 3/4	Potomac Edison Co. 5s, 1956	99 1/4	99 3/4
Bremen (Germany) 7s, 1935	100%	100 1/2	Hocking Valley R. R. 4 1/2s, 1999	101 1/4	101 3/4	Pressed Steel Car Co. 5s, 1933	90	90 1/2
Brisbane, Australia, 5s, 1957	93 1/4	93 3/4	Hudson County Gas Co. 5s, 1949	106 1/2	106 3/4	Prussia (Germany) 6 1/2s, 1951	96%	96 1/2
British Columbia 4 1/2s, 1951	96 1/4	97 1/2	Humble Oil & Refg. Co. 5 1/2s, 1932	101 1/2	101 3/4	Pub. Service Co., Okla., 5s, 1961	98	98 1/2
Brooklyn Borough Gas 5s, 1967	104 1/4	104 3/4	Hungary, Kingdom 7 1/2s, 1944	101 1/4	101 3/4	Queensland (Australia) 7s, 1941	113 1/2	113 3/4
Brooklyn Edison 5s, 1949	104%	104 1/4	Hungary Municipal 7 1/2s, 1945	99%	99 1/2	Republic Iron & Steel 5s, 1940	103%	104
Brooklyn Union Gas 6s, 1947	111	111 1/4	Idaho Power Co. 5s, 1947	100 3/4	101 1/4	Rhine-West. Elec. Pr. 7s, 1950	100%	101
Buenos Aires 6 1/2s, 1955	100%	100 3/4	Ill. Bell. Tel. Co. 5s, 1956	104 1/2	104 3/4	Rio Grande Do Sul 7s, 1966	97%	98
Buenos Aires, Prov. 7s, 1952	101%	101 3/4	Ill. Cent. Ry. 4 3/4s, 1966	100 1/2	100 3/4	Rio de Janeiro, 8s, 1946	107%	107 3/4
Buffalo Gen. Elec. Co. 5s, 1939	104 1/2	105	Ill. Pr. & Lt. Co. 5s, 1956	97%	97 1/4	Rotterdam (Holland) 6s, 1964	103%	104
Bush Terminal Bldg. 5s, 1960	102%	102 3/4	Ill. Steel Co. 4 1/2s, 1940	98%	98 1/2	St. L., Ir. Mt. & So. Ry. 5s, 1931	100 1/4	100 3/4
Butte Electric Pr. Co. 5s, 1951	104%	104 1/4	Ind. Mich. Elec. Co. 5s, 1955	101	101 1/2	St. Paul Gas Lt. Co. 5s, 1944	100 1/2	100 3/4
Calif. G. & E. Co. 5s, 1937	104 1/2	104 3/4	Ind. Pr. & Lt. Co. 5s, 1957	99%	99 1/2	St. Paul Union Stk. Yds. Co. 5s, 1946	101 1/2	101 3/4
Calif. Pet. Corp. 5 1/2s, 1938	100%	101	Inland Steel Co. 4 1/2s, 1978	91%	91 1/2	Salvador 8s, 1948	111	111 1/2
Canada 4 1/2s, 1936	99%	99 1/2	Internat. Paper Co. 5s, 1947	99 1/2	99 3/4	San Joaquin Lt. & Pr. 5s, 1957	100%	100 1/2
Canad. Nat'l Ry. Co. 4 1/2s, 1930	98%	99	Internat. Ry. C. A. 6 1/2s, 1947	96%	96 1/2	San Paulo, City 8s, 1952	117 1/2	117 3/4
Canad. Pacific Rys. 4 1/2s, 1946	99%	99 3/4	Interstate Pr. Co. 5s, 1957	96%	96 3/4	San Paulo, State 8s, 1936	105	105 1/2
Carolina Pr. & Lt. Co. 5s, 1956	100%	100 3/4	Iowa Pub. Serv. Co. 5s, 1957	97 1/2	98 1/4	Saskatchewan, Prov., 5s, 1943	102	102 3/4
Cent. of Ga. Ry. 6s, 1929	100 1/2	100 3/4	Italy 7s, 1951	99	99 1/2	Sauda Falls Co. 5s, 1955	101 1/2	102
Cent. of Ga. Ry. 5s, 1945	103	103 1/2	Japanese Gov't 6 1/2s, 1954	102 1/4	102 3/4	Saxon Pub. Wks. 7s, 1945	100%	100 3/8
Cent. of Ill. Lt. Co. 5s, 1943	90%	91 1/4	Jones & Laugh. Steel 5s, 1939	103 1/2	103 3/4	Shawinigan Wtr. & Pr. Co. 4 1/2s, 1967	94%	95
Cent. Ill. Pub. Serv. 5s, 1956	100	100 1/2	K. C. Pr. & Lt. Co. 5s, 1952	102 1/4	102 3/4	Shell Union Oil 5s, 1947	96 1/4	96 3/8
Cent. N. Y. Gas & E. Co. 5s, 1941	105	105 1/4	K. C. Southern Ry. Co. 5s, 1950	99 1/2	99 3/4	Sherman Hotel Co. 5 1/2s, 1930	99 1/2	100
Cent. Pacific Ry. 5s, 1960	101 1/2	101 3/4	Kansas Elec. Pr. Co. 5s, 1951	99 1/2	100 1/2	Siemens & Halske, A. G. 7s, 1936	101 1/2	101 3/4
Cent. Pr. & Lt. Co. 5s, 1956	97	97 1/2	Laclede Gas Lt. Co. 5s, 1934	102%	103	Sinclair Pipe 5s, 1942	94	94 1/2
C. & O. Ry. Co. 5s, 1929	100	100 1/4	Lehigh Valley R. R. 4 1/2s, 2003	99%	99 3/4	Sixty-one Broadway Bldg. 5 1/2s, 1950	98 1/2	99 1/4
C. B. & Q. R. R. 4s, 1949	94%	95	Ligg. & Myers Tob. Co. 5s, 1951	104%	104 3/4	Solvay Amer. Inv. 5s, 1942	97%	97 1/2
C. C. & St. L. R. R. 6s, 1929	100%	100 3/4	Lorrillard Co. 5s, 1951	91	91 1/2	So. Car. & Ga. Ry. 5 1/2s, 1929	100 1/4	100 3/4
C. C. & St. L. R. R. 5s, 1929	100	100 3/4	L. & N. R. R. Co. 4s, 1940	95	95 1/2	Southern Calif. Edison Co. 5s, 1951	101 1/2	101 3/4
C. C. & St. L. R. R. 5s, 1963	102%	102 1/2	Louisville G. & E. Co. 5s, 1952	104 1/4	104 3/8	So. Pac. Ry. 4s, 1929	99%	99 1/4
Chgo. Mem. & Gulf R. R. 5s, 1940	96 1/2	97 1/4	Louisville Lighting Co. 5s, 1953	103 1/2	104 1/4	Southern Ry. Co. 4s, 1956	89%	89 3/4
C. Mil. & St. P. Ry. Co. 4s, 1989	88%	88 3/4	Lyons, City of, 6s, 1934	100 1/2	100 3/4	Southwest Bell Tel. 5s, 1954	103%	103 3/4
C. & Nor. Wes. Ry. 4 1/2s, 2037	98%	98 3/4	Maine Cent. R. R. 4 1/2s, 1935	97 1/2	98	Stand Oil Co., N. Y. 4 1/2s, 1951	96%	96 1/2
C. R. I. & P. R. R. 4s, 1934	93%	93 3/4	Manitoba Power Co. 5 1/2s, 1951	101 3/8	101 1/2	Stand. Mill. Co. 5s, 1930	99%	100
Chg. Union Stat. 4 1/2s, 1963	100%	100 3/4	Mass. Gas Co. 4 1/2s, 1931	99%	99 1/2	Sun Oil Co. 5 1/2s, 1939	101	101 1/2
Chile 6s, 1960	94%	94 1/2	Mich. Cent. R. R. Co. 5s, 1931	100 1/4	100 3/4	Swedish Gov't 5 1/2s, 1954	102%	103
Chile Mtge. Bank of, 6 1/2s, 1957	96%	96 1/2	Mid. Steel & Ord. Co. 5s, 1936	100	100 1/2	Swift & Co. 5s, 1944	102	102 1/4
Cincinnati. St. Ry. 5 1/2s, 1952	100	100 1/4	Milwaukee Gas Lt. Co. 4 1/2s, 1967	99%	99 1/2	Swiss Gov't 5 1/2s, 1946	103 1/4	103 3/4
Cities Service Co. 5s, 1966	96%	97	Minnesota Pr. & Lt. Co. 5s, 1955	101	101 1/2	Texas Pr. & Lt. Co. 5s, 1937	101	101 1/2
Clev. Union Term. 5s, 1973	103	103 1/4	Minn., St. P. &					

The ABC's of the

The two types of investment trust companies and what the investor should know about their differences

Investment Trust

DURING the past few years, an increasingly large number of investment trust securities, a new type of American investment, have been offered to the American investing public. Many of them are not fully understood by the man on the street, or even to the banker who is more thoroughly in touch with the investment trend. Some offer very fine avenues for a portion of the investor's funds while others should be avoided.

There are two general classes of investment trusts, according to "Bond Briefs," issued by the Northern Trust Company of Chicago. They are the management type and the rigid type. The management type most closely resembles the British type of investment trust. The rigid type, sometimes known as "bankers shares," "static," "limited management" and "stock conversion" companies, is of more recent origin.

Discussing the differences between these two types of investment, "Bond Briefs" says in part:

Although the fundamental purposes are the same in these trusts, there are differences in capital structure, investment policies, principles and management, type of securities held, distribution of earnings, administrative charges and profits to managers with which the investor should be familiar.

The Management Type

Those companies commonly known as the management or British type raise their capital through the issuance of common stock, preferred stock and debenture bonds, although a number limit their capitalization to only stocks of one or more classes. When only stocks are issued, the holders are general partners in the business and may thus share in the full earnings of the company. When the capital structure includes bonds, the same provisions apply to security holders as in other business enterprises. The bonds are a first charge and if interest requirements are not met, liquidation becomes necessary and the bonds must be paid before the preferred or common stockholders have any claim.

It is generally agreed that it is desirable for organizers and managers to invest a proportionate share of their own funds in the trust thus providing a larger degree of equity and protection to the public which subscribes to its securities. The trust should be able to stand "on its own feet"

at the time the investing public is asked to place its funds in its securities.

Limitation of Borrowing Power

The limitation of the issuing corporation's borrowing power is of fundamental importance for the protection of investment trust bondholders. The indentures under which the debentures are issued should provide that a fixed ratio of book values of securities held in the trust to the total funded debt be maintained. The ratio of book values behind debentures of the more conservative trusts vary from 150 per cent to 200 per cent. One of the oldest investment trusts in this country provides that if current resources should ever decline below 125 per cent of its funded and temporary indebtedness the debentures shall upon proper request be declared due and payable. Limitation of short term and unfunded borrowing to 10 per cent of its current resources is also required in this trust. Only by carefully examining the provisions relating to this matter can the investor feel assured that ample values and protection underlie his investment.

The cost of obtaining the capital with which the trust is to operate should be limited in order that as large a proportion of the investor's funds as possible be placed in income producing securities. The cost of raising capital of the management type of trust is usually lower than that of the fixed type and varies from 3 per cent to 10 per cent; and fixed type varies from 5 per cent to 20 per cent. Obviously, it is to the advantage of the investor that the percentage be as low as possible.

Importance of Sound Policies

Any investor who manages his own estate is aware of the exacting nature of his duties. Just as the security of his estate is dependent upon proper handling,

so the success of the investment trust depends upon careful management of the hundreds of securities comprising its portfolio. Of primary importance, therefore, are the fundamental policies of management as incorporated in the indenture which defines the scope of the corporation's activities. Nothing is more helpful to the management of a large investment fund than a clear conception of purposes, an orderly method and definite guiding principles.

The oldest and one of the most conservative investment trusts in this country bases its operations on the following platform. While it does not purport to be complete or suitable for all investment

trusts, it may serve as a guide in judging the operations of other trusts of the management type:

(a) The corporation will not invest its funds in securities of any corporation or organization unless such corporation or its predecessors shall have been established at least four years prior to the investment.

(b) Not more than 55 per cent of the corporation's funds will be invested at any one time in securities originating in Great Britain and not more than 35 per cent will be invested at any one time in securities originating

in any other nation except the United States.

(c) Not more than 10 per cent of the corporation's funds will be invested in securities representing any one distinct class of business or industry.

(d) Not more than 1¾ per cent of the corporation's funds shall be invested in securities of any one obligor (or issuer) except governmental securities and not more than 5 per cent thereof may be invested in the securities of any one government except either the United States of America or Great Britain.

(e) The corporation's funds shall be

Their Future

With proper organization and honest management there is every reason for the future growth of both the management and fixed types of investment trusts. Proposed legislation in many states will serve to eliminate organizations whose operations are questionable and will stabilize those whose practices follow fundamental and proven investment principles. As in all investment fields, however, the investor should use careful discrimination in the choice of investment trust securities for his account. He should not hesitate to consult his investment banker regarding them.

invested in at least 400 different securities.

(f) The corporation shall not engage in any promotion, business management or business financing and will confine its operations to the investment and reinvestment of its resources in seasoned, marketable securities.

The character of the provisions of an investment trust should provide for a wide diversification both as to industry, geographical location and type of securities, thus minimizing the risk to the investor. Sufficient leeway should, however, be permitted for the exercise of judgment by the managers in following the policies of the trust.

A typical investment trust management has at its disposal large groups of trained

men who constantly seek safe channels in all parts of the world for profitable investment of its funds. They carefully weigh the statistics of foreign trade, industrial and railroad earnings, currency fluctuations in various countries, dividend records, national debts, prices of stocks and bonds in many countries, which have been gathered by their own staff or other statistical organizations. From this vast amount of information, the managers are able to select those investments which satisfy the fundamental policies of their trust and which are the basis for its earnings.

Under no circumstances, however, should the choice of investments be subordinated to the interest of those sponsoring or controlling the trust; judgment

should be independent of any relationship with investment banking houses or dealers.

The management trust receives income not only from the securities in its portfolio but also from the turnover of these securities. By skillfully taking advantage of the peaks and depressions of the securities markets in various parts of the world, a large "trading profit" can be realized.

In accordance with sound investment principles, the more conservative investment trusts have followed the British policy of not distributing their entire earnings to stockholders but of allocating a large proportion of its profits to a reserve to meet unforeseen contingencies; this policy is to be highly commended as it adds to the equity underlying the investor's securities.

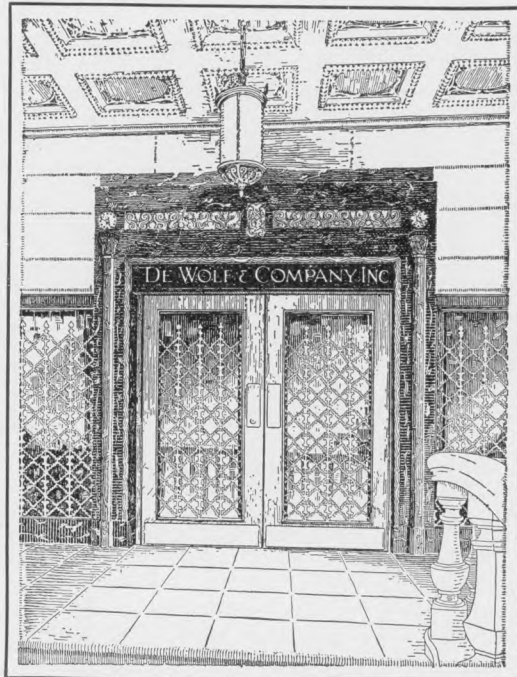
Although the investor is entitled to knowledge of the details of operation of the trust in which he is interested, the advisability of making known the complete list of holdings comprising the trust is questionable. Classifications showing the distribution of securities by type of issue, industry and country and in bonds and stocks is to be encouraged, however, for only in doing so can it make public its adherence to the regulations governing its operation. On the other hand, the investor in fixed trusts, in which management and other factors have small bearing, should insist on knowing the character and amount of each security on deposit as collateral at all times.

The Fixed Investment Trust

The fixed type of investment trust, which is known chiefly in the United States, has been devised largely to eliminate the factor of management while still retaining a degree of diversification in the investments made by the trust.

Companies of this type secure their capital by issuing certificates or beneficiary shares carrying pro-rata ownership in blocks of securities deposited with a bank or trust company acting as trustee. The deposited securities may be stocks of banks located in various parts of the country; they may be the preferred and common stocks of a group of public utilities; or the investments may be limited to particular industrial fields such as coppers, rubbers, and oils. In each case the investor owns a proportionate share of the securities deposited. Unless otherwise stipulated in the trust agreement, no change can be made in the collateral deposited with the trustee.

Obviously, the investor's first concern in this type of investment trust is that the spread between the market value of the bonds and stocks deposited as collateral and the price to be paid for his shares or certificates be as small as possible. As the cost of raising the capital, expenses of trusteeship and organization profits must usually be met at the time of formation only 85 per cent to 95 per cent of the in-



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vast sums of capital for governments, railroads, public utilities, municipalities, corporations and institutions, constitutes a primary function of the Investment Banker. In the Middle West, Metcalf, Cowgill & Co. has originated and distributed millions of dollars of securities, the proceeds of which have been devoted to prudent, productive use, with safety and profit to investors

A list of our current recommendations will be sent upon request

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vestor's funds as a rule remain to be invested in collateral securities. Moreover, the investor should be advised of the prices paid for the stocks and bonds deposited for only so can he be assured that unscrupulous organizers have not appraised the value of the collateral above their cost prices.

Dangers of Fixed Trusts

It is admitted that fixed investment shares issued against a sound group of stocks and bonds several years ago, would today have a greatly enhanced value. On the other hand, the dangers accompanying the purchase of securities at the inflated values of a "bull market" without the power of disposing of them at favorable prices, adds considerable risk.

The holder of trust certificates should

require for his own safety that only a small proportion of one issue be deposited as collateral and that the market for all issues be a wide one; otherwise, upon dissolution of the trust, the market might be unable to absorb the securities without a sharp decline in their price and a loss to the investor.

The statements in the Declaration of Trust used in forming the fixed trust fund should be carefully investigated to determine the powers and position of the trustee with whom the securities are deposited, and of the organizers and depositors of the trust. The investor should not assume that the mention of a trustee or trust fund places a legal responsibility on the trustee or on the depositor unless the Declaration of Trust clearly expresses it.

Opens Cuban Office

Commercial Investment Trust Corporation, of New York, announces the opening of an office of one of its operating subsidiaries in Havana, Cuba, for the purpose of offering a complete finance company service along the lines of the C. I. T. policy which has been successful elsewhere.

This is the second C. I. T. office to be opened in this part of the world during the past few months, the office in Porto Rico having been established recently.

Commercial Investment Trust Corporation has a capital and surplus of more than \$27,000,000, and enjoys an annual sales volume of approximately \$200,000,000. In February of this year it celebrated the twentieth anniversary of the founding of the organization.

The company also announces the cancellation and retirement of 2,250 shares of its 6½ per cent First Preferred Stock and 1,800 shares of its 7 per cent First Preferred Stock, thereby anticipating the amount required to be retired in January, 1929.

Commission Appointment

Governor McMullen has appointed Ed Van Steenberg, president of the Franklin County Bank of Hildreth, a member of the guaranty fund commission, succeeding Van E. Peterson, who did not ask reappointment. Mr. Peterson is the secretary of the commission. Mr. Van Steenberg represents the bankers in Group Four.

J. M. Flannigan, president of the Citizens State Bank at Stuart, Nebraska, was named a member of the commission for Group Six, of northwestern Nebraska. He takes the place of Fay Hill, of Gordon, Nebraska.

Henry C. Peterson, president of the Chappell State Bank, was reappointed from Group Seven. The four other members of the commission hold over this year.

Omaha Bankers Honored

Omaha bankers who have been elected members of the board of directors of the Chamber of Commerce include: D. P. Hogan, president of the Federal Land Bank of Omaha; Gwyer H. Yates, vice president of the United States National Bank; J. R. Cain, vice president of the Peters National Bank; W. Dale Clark, vice president of the Omaha National Bank; Guy C. Kiddoo, vice president of the Omaha National Bank; Ford Hovey, president of the Stock Yards National Bank, and Walter W. Head, president of the Omaha National Bank. The last two named are ex officio members, having served as president of the Omaha Chamber of Commerce.

Increasing your Bank's Prestige

It is not necessary to maintain an expensive bond department of your own to render a worthwhile investment service. By offering bonds recommended by The National City Company you give your depositors all the benefits of National City world-wide investment contact and knowledge of bonds and bond markets. Thus you build up the prestige of your own institution.

Our special Bankers' List will help you develop a profitable bond business without tying up your bank's own funds. We will send it regularly upon request.



The National City Company

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BONDS / SHORT TERM NOTES / ACCEPTANCES

Reviewing the Bond Market

CONDITIONS prevailing in the bond market at the present time, with the existing air of uncertainty as to the future trends, make comments concerning it of particular interest. It is an optimistic viewpoint that Halsey, Stuart & Co., express in their quarterly review. The review says:

"Twice this year the general upward trend of the bond market has been halted by a rise in the rediscount rates at the Federal Reserve Banks and the consequent tightening of the money market. This is generally regarded as an artificial situation which, as is well known, was brought about by the Federal Reserve System in an effort to control speculation in the stock markets.

"Unfortunately, however, the bond market and industrial and commercial operations have been inconvenienced quicker and relatively more acutely by this contraction than has speculation, because interest rates affect them directly and have but an indirect bearing on the stock prices. There appears, however, much less uncertainty regarding the future course of bond prices, than for the stock market.

Lower Interest Rates

"Lower interest rates than have been seen at any time since the war are prevailing now in most parts of the world. More and more sections of the world are able to meet their own capital requirements, hence it appears reasonable to assume that the accumulating surpluses in countries like the United States will normally continue to be offered at lower and lower rates in order to find borrowers able to use them at a profit.

"It has been argued that continuing gold exports from the United States would so reduce our supply of money that the trend of interest rates might turn upward, but we must remember that most of the commercial nations are now definitely restored to a gold basis, hence their needs for this metal should soon be relatively less strong. Moreover, the exchange situation with some countries, notably Canada, has already reached the point where gold shipments are coming this way. Add to this the fact that a definite subsidence of stock market activity seems already to have set in, and it appears relatively certain that bond prices will strengthen materially as large volumes of funds turn from speculation to the investment market."

Interesting comment regarding the current business situation and the various classes of bonds is also made in the review. Following, summarized briefly, are some of these comments:

Business conditions—essentially sound. Year 1928 not a record-breaking year, but volume of business large in most lines—month by month will measure up well against any recent three or five-year average for country. General trend is upward at fully as rapid a rate as could be expected from natural growth—no "presidential year" depression. Conditions in other parts of the world, particularly Europe, are also continuing to show healthy improvement.

Industrial bonds—So much financing of new industries and of established lines being provided by stock issues, that high-grade industrial bond issues are becoming relatively less frequent and promise to be in demand. Since stock market has carried most active industrials up to

prices which yield but 3 per cent or less in dividends, bonds of these same companies have now reached the position where their yields, as well as their security, not infrequently exceeds that of the stock.

Public utility bonds—like those of first grade rails and government obligations have rated so high in recent years that they are now more susceptible than previously to fluctuations in the price of money. Recently, prime utility obligations have taken more than their share of readjustment to conform to the present money market. Fact that banks—ordinarily heavy buyers of utilities—have been sending so much of their capital to call market is factor in weakness. With Federal Reserve System

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Northwestern Banker July 1928

definitely committed to policy of halting speculative market, it seems highly probable that banks will withdraw substantial amounts from the call money market in near future and that these funds will contribute new strength to bond market, and in this, utility bonds, because of their ruling popularity, should be especially benefited.

Railroad bonds—Stock financing continues to provide substantial portion of new money required by railways. Except for refunding of present obligations, and some equipment issues, volume of railway bonds is expected to continue at low level for immediate future.

Foreign Bonds

Foreign bonds—The upward trend here has been more consistent for the early months of 1928 than has that of

any other class of bonds. Explanation of resistance is severalfold—average coupon rates are among the highest, making them less susceptible to the competition of call money loans and other short-term demands at abnormally high rates—constantly improving business and political conditions abroad are giving new strength to such securities. In addition, people of many foreign countries have surplus funds for first time since War and these funds seeking investment tend to support prices for their securities even in American market.

Real Estate Bonds—The price and yield of real estate bonds is normally less disturbed by money market fluctuations than is true for most types of bonds. Doubtless, this factor explains the relatively good demand for real estate securities which still continues in face of

some recession in demand elsewhere. Previous narrow market of real estate securities is being broadened by larger issues which are distributed more widely and the frequent grouping of small mortgages on real estate, apartments and other small properties into collateral trust issues and guaranteed bonds.

In closing, the review makes the following interesting comments on industry generally:

“Tax relief on the income of corporations was one of the important developments of the past three months. This was secured in the new revenue bill just passed by Congress. A reduction of only 1½ per cent, this nevertheless tends to equalize the tax burden as between corporations and partnerships or individual enterprises. The repeal of the automobile and amusement taxes tends also to stimulate these particular lines.

“Consolidations and further integration of industrial units in many lines continue to take place. Wherever this results in increased efficiency, and especially where economy in the costs of distribution are effected, we may regard them of great social importance—hence as harbingers of true prosperity.

May Financing

Influenced by the uncertainty in the trend of money rates, new American investment financing declined in volume in May. Only a large amount of foreign offerings held the month's total in line with previous months of 1928.

New bond and note offerings for May totaled \$719,907,940, according to the compilation of Lawrence Stern and Company, Chicago investment bankers. This compared with a total of \$845,694,520 for May, 1927, and \$844,992,500 for April, 1928.

Real estate financing, while less than in April, showed a very large increase over May, 1927. It is interesting to note that the average real estate loan in May of last year was less than \$500,000. Such loans for May of this year averaged almost \$1,200,000, indicative of the trend toward larger real estate loans.

Industrials were offered in about the same volume as in April, though they fell nearly \$100,000,000 under May, 1927. Public utility loans showed a large decrease, both when compared to May a year ago and April, 1928. Foreign financing showed a sizable increase over April and a very large gain over May a year ago.

Last month's offerings, excluding tax-exempt securities, included 197 separate issues. This compares with 190 such issues offered in May a year ago and 221 in April. There were 108 major issues of \$1,000,000 or more brought out in the market last month.

Is The Bank The Place For Bond Business?

A GREATER number of bank officials are coming to realize each year that it is a logical and important function of the bank to provide improved facilities for handling the bond business of the community. In line with this trend, we have developed a sound plan to assist banks in securing or increasing this desirable business.

This plan works out to be attractive because:

1. It will not decrease cash on hand.
2. It will increase resources.
3. It is basically and economically sound.

A comprehensive outline of this plan will be sent to any bank official upon request.

ROBERT S. STRAUSS & Co.
INCORPORATED

Investment Bonds—First Mortgages

105 West Monroe St.
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150 Broadway
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Offices in Other Cities

Chicago Investment News

By W. M. H. MAAS

Vice President, Northwestern Banker

INTERESTING evidence anent the fertile market for sound securities throughout Iowa has recently been borne out in the fact that fifty-six well-known Chicago Bond Houses are licensed to do business in Hawkeye State. These houses, together with local dealers, are performing a real service for Iowa bankers and investors. It is a known fact that less than a decade ago, certain dubious concerns with a Chicago address, having blocks of questionable securities to unload, would look to Iowa as their prey. The Northwestern Banker is proud of the work it has been doing for these bankers and investors for the past eight years through the Bond and Investment Section of this magazine.

Formation of a new investment banking firm to be known as **Steuben Securities Corporation** has just been completed by a group of men prominently identified with the banking business in Chicago. Heading the new organization will be R. L. Redheffer, former president of the Amalgamated Trust and Savings Bank and vice president of Hitchcock & Company. The vice presidents will be William E. Seaberg, of Hill, Joiner & Co., Inc., and Stephen Minter, of Brokaw & Co., L. M. Spitzglass, secretary and treasurer of Republic Flow Meters Co., will be secretary and treasurer of the new firm and Emil Horween, vice president of the Amalgamated Trust and Savings Bank will be cashier.

The new firm which will do a general investment banking business will begin operations July 1st, in offices at 1037 Bankers Building and move to permanent quarters in the new Steuben Building at the corner of Randolph and Wells Streets, as soon as that structure is completed.

A group of Chicago bond men, bank scouts and financial writers will trek toward Davenport the later part of this month. The objective will be to participate in the opening of the new American Commercial & Savings Bank Building. This new banking home, constructed at the cost of nearly three millions of dollars, is fourteen stories high, and it is already causing much favorable comment among the bank's clientele around the quad cities. Significance is also attached to the new building by reason of the fact that it will have erected on the roof a huge electric night beacon light for aviators. This light will cast its rays

for many miles and will be seen in three different states, namely: Iowa, Missouri and Illinois.

Wednesday, June 27th, was a red-letter day in the financial history of Chicago. On that day the staunch old investment banking firm of **S. W. Strauss & Company** opened their newly organized bank, which is known as the Strauss National Bank & Trust Company. The new bank

starts out under bright skies, in a wonderful banking home, and has as its background many years of experience of the real estate mortgage bond company. Congratulations to the officers of the new bank and we predict for it a long and successful career.

At the quarterly meeting of the Board of Directors of the Chicago Trust Company, **Marley Halvorsen** was made As-

Offering Safeguards to Protect Holdings

"Service after the Sale" is a principle which dominates the entire organization of A. C. ALLYN AND COMPANY. Our interest extends beyond the mere sale of securities to the more constructive side of investing—namely, the constant supervision of investment accounts, through which the most profitable return is achieved on invested funds. Our Department of Economics and Surveys is especially well equipped to check periodically the holdings of banks and individuals, to supply investment counsel to banks and corporations which invest their reserves in bonds, or to give merchants and manufacturers independent surveys of their specific industries.

We invite you to engage the facilities of this Department.



Our new booklet, "A Valuable Aid to Banks and Investors" will be sent free on request. Ask for AG-5.

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67 West Monroe Street, Chicago

NEW YORK BOSTON PHILADELPHIA DETROIT
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sistant Manager of the Real Estate Loan Department, and **Paul Lansford** was made Assistant Manager of the Bond Department. An additional 1 per cent was added to the regular 1½ per cent dividend, payable July 1, 1928, to stockholders as of record of June 21, 1928.

Chicago bond men and bankers are swinging into the last half of 1928, starting with reinvestment banking July 1st, firmly convinced of a normal healthy business situation for the next six months. It is generally known that a few pessimists here and there had expected to see 1928 as one of the lean seven years, stressing the fact that we

would experience something of what happened in 1900, 1907, 1914 and 1921. It is now generally felt that with the first six months past the balance of the year will undoubtedly hold up okeh.

George R. Bayard, well known on La Salle, has recently become affiliated with Kissel, Kinnicutt & Company of Chicago. He was formerly secretary of Carman, Snider & Company.

European Business Recovering

Germany is coming back faster than any country in Europe, in the opinion of Ward C. Castle, executive vice president of The National Bank of the Re-

public, who has just returned to Chicago from an eight weeks' trip to England, France and Germany. Mr. Castle's opinion is based not only upon his personal observations, but also on interviews he had with leading bankers in England and on the Continent.

"Conditions in England," Mr. Castle said, "are improving very slowly and it is the opinion of most bankers in London that it will be many years before the British Isles recover their pre-war prosperity. France has done much rebuilding, but still has a long way to go before it can hope to recover the losses caused by the war.

"Germany, on the other hand, is coming on with surprising speed and the German people are working very hard to regain their lost prestige and trade. There is great activity everywhere."

Mr. Castle was accompanied during a portion of his trip by Arthur Packard, resident vice president of The National Bank of the Republic in London.

Opens New York Office

The First Illinois Company, founded in 1920, underwriters and distributors of investment securities, with offices in Chicago and Aurora, Illinois, has opened a New York office at 52 Wall Street, in charge of Mr. J. M. Mulford.

New Officers

National Bank of Commerce in New York announces that Beverley Duer and Melville W. Terry heretofore trust officers, and Robert E. Broome and Henry T. Skelding heretofore assistant cashiers, have been appointed second vice presidents. Thomas A. Shields has been appointed an assistant trust officer.

In North Dakota and Montana

L. C. Vobayda will represent the Investment Department of the First National Bank and First Minneapolis Trust Company in North Dakota and Montana. Mr. Vobayda, though a native of Minnesota, has lived most of his life in North Dakota. Graduating from the College of Law of the University of North Dakota, he was admitted to the bar of that state, but has never practiced. He has been engaged in the general merchandise business in Lawton, North Dakota, and has served as cashier of the Security State Bank of Lawton. For one year he was a deputy bank examiner in North Dakota and in 1922 was an inspector of loans in that state for the War Finance Corporation. For the past five years he has been a North Dakota representative of the Department of Banks and Bankers of the First National Bank in Minneapolis and is widely known in banking circles throughout the state.

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Safety



Liquidity



Profit

Your bank can handle sales of bonds to your customers and repurchases from them in such a way as to build up a revolving fund of serial maturities.

Illinois 6% Local Improvement Bonds because of their two to ten-year maturities are especially adapted to this plan.

When issued with proper attention to margins of safety, they have the desirable qualities named in the margin, to a high degree. When used in accordance with the Revolving Fund Idea (we will be glad to explain it), their liquidity is greatly increased.

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The Prestige Which Results from Years of Constructive Service

MANY Iowa banks consider among their most valuable assets the confidence they have built through years of faithful service.

Similarly, this pioneer Iowa investment house values highly the prestige it has built in Iowa financial circles over a period of 37 years. Banks and other conservative investors have found Bechtel bond offerings safe and dependable, backed by a complete investment service which our customers find extremely valuable.

Our July list contains a number of attractive bond issues suitable for bank investment.

*Please address our Davenport
Office for this list of high grade
well selected bonds.*

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Established 1891
Bechtel Building, Davenport, Iowa.

First Iowa Trust Building
Burlington

Equitable Building
Des Moines

Grand Opera House Building
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Northwestern Banker July 1928

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1877

After All—

NEITHER a bank nor any other business can rise in service above the policies laid down by the directors and the methods used by officers in executing those policies. Behind the physical assets is the personal element, men who assume the final responsibility.

The policy of the Cedar Rapids National requires that a progressive point of view be brought to the business and financial problems coming to it, at the same time demanding a careful regard for sound banking practice.

*Let the Cedar Rapids
National handle your
Cedar Rapids business*

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. A. Kearney

The
Cedar Rapids National Bank
Cedar Rapids, Iowa

Says Service Is Keynote

MELVIN A. TRAYLOR, president of the First National Bank of Chicago, speaking before the National Electric Light Association at Atlantic City, gave "service" as the keynote of the industry. "The fact that most deeply impresses the layman," he



M. A. TRAYLOR

said, "is that the entire emphasis of the electric industry has been upon the objective of greater service to the public. Better service has been the constant aim—service which is more reliable, more satisfactory and more adequate and which is adapted to ever and more new uses. It is impossible to exaggerate the significance of the role played in our modern civilization by electricity. It is probably safe to assert that during the past quarter century no force has been more influential in furthering social progress and human well-being. And most significant of all, electricity has been harnessed to the machines of our industrial age and has added tremendously to the productive power and efficiency both of capital and labor. Indeed, we are led to conclude that the electric industry has been one of the most potent forces in elevating the standards of life, of convenience, and of comfort, for the rank and file of our entire population.

A New Conception

"In the electric utility field," said Mr. Traylor, "a new concept of regulation prevails. It is becoming increasingly apparent to regulatory authorities, to

city councils, state commissions, and the courts, and even to the people in general, that rates must not only be not too high, but also not too low. The public has come to recognize that otherwise not only will new capital be secured with difficulty and at greater cost, but that even existing service and facilities can not be maintained. Regulation of rates is conceded by all to be necessary, but it is now becoming more widely recognized that they must be fair to all parties concerned—fair to users, fair to the owning companies, and fair to the army of investors they represent. It is becoming more and more clearly recognized that if

rates are too high, an undue burden is placed on the users, and also that if rates are too low, all parties suffer. For the inevitable result of regulation which is drastic or confiscatory, is to divert investment capital to other channels, thereby making it difficult or impossible for the utility to provide the additional plant, equipment, and facilities which are necessary to keep pace with the ever-increasing public demands for service.

"It would appear that the industry might well cooperate with regulating bodies in working out proper methods for rewarding efficient management. Certainly it is important that exceptional efficiency of management should be given recognition and encouragement, in order that regulation may not impair the in-

SHORT TERM INVESTMENTS FOR BANKS



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centives to achievement, accomplishment, and technical progress. The present period is one of national prosperity. True, not all industries and sections have participated equally in this business activity, and in its gains. But generally speaking and on the whole, prosperity has for some years been real and it has been widely diffused.

"Further, it is important to note that this is probably the only occasion in our recent history during which we have had a period of more or less continuous and sustained prosperity over a considerable period of years, not based upon nor accompanied by a substantial upward

trend in the general level of commodity prices. Most other periods of prosperity have been characterized by an upward movement in commodity price levels. But the fact that business and earnings have been maintained on a reasonably satisfactory basis, without substantially reducing the wages of labor and in the face of many declining commodity prices, is a tribute to American efficiency and managerial skill, and to the fundamental soundness of American economic conditions.

"In this general prosperity, the electric industry has participated, for its well-being is inextricably intertwined with

that of the communities which it serves. Indeed, due to its rapid advances in technique and operating efficiency, it has been enabled, more than most industries, to maintain earnings while at the same time decreasing the price charged for its product."

New Investment Firm

Formation of a new investment banking firm to be known as Steuben Securities Corporation, has just been completed by a group of men prominently identified with the banking business in Chicago. Heading the new organization will be R. L. Redheffer, former president of the Amalgamated Trust and Savings Bank, and vice president of Hitchcock & Company. The vice presidents will be William E. Seaberg of Hill, Joiner & Co., Inc., and Stephen Minitier of Brokaw & Company. L. M. Spitzglass, secretary and treasurer of Republic Flow Meters Company, will be secretary and treasurer of the new firm and Emil Horween, vice president of the Amalgamated Trust and Savings Bank, will be cashier.

The new firm, which will do a general investment banking business, will begin operations July 1st in offices at 1037 Bankers Building and move to permanent quarters in the new Steuben Building at the corner of Randolph and Wells Streets, as soon as that structure is completed.

New Foreman Vice President

Richard G. Jones has become associated with The Foreman National Bank in the capacity of vice president.

Mr. Jones, for the past seven years, has been secretary and treasurer of Briggs & Turivas, Inc., iron and steel merchants in Chicago.

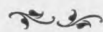
Prior to that time Mr. Jones was connected with the Continental National Bank and Trust Company of Chicago, and the Liberty National Bank of New York.

Mr. Jones is well known in the yachting world, being secretary and a director of the Chicago Yacht Club.

Foshay Expansion Program

Recently it was announced through Associated Press that public utility and cold storage properties in Ketchikan, Alaska, had been purchased by W. B. Foshay Company. Rumors of this purchase have been going the rounds for many weeks and more especially since the arrival on the coast of Wilbur B. Foshay, president of the company. Mr. Foshay was in the West for several weeks in connection with a big expansion program which his company has under way. The first developments of this program came with the opening of branch investment sales offices in south-

Substantial Earnings for Five Years



The present annual interest requirement of the first mortgage bonds of the Texas Cities Gas Company is \$270,000. Earnings available since 1923 have been sufficient to cover these present charges by a substantial margin. The reported figures follow:

1923	1924	1925
\$438,584.89	\$478,721.27	\$502,365.59
1926	1928*	
\$518,019.90	\$545,289.59	

(*year ending February 29th, 1928, all others for the calendar years)

Earnings average 1.8 times present interest charges for the five-year period and are over two times these charges for the year ended February 29, 1928.

The Company serves a prosperous growing territory. Its income has increased yearly. It enjoys the advantages of specialized management.

Texas Cities Gas Company First Mortgage 5's are an attractive investment at 98 $\frac{1}{2}$ and interest, to yield about 5.10%

Details on Request



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CHICAGO

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NEW YORK

ern California and northern Washington. When Mr. Foshay reached the coast, he spent his time in the largest coast cities, San Francisco, Los Angeles, Portland and Seattle. Shortly after his arrival, he was joined by C. W. Salisbury, vice president in charge of investments and together they planned important matters in connection with present and future expansions in the sales, utility and industrial departments. These plans have been prepared with a view to coordinating the Pacific Coast utilities of the Foshay Company. The purchase of the Ketchikan properties has made necessary an immediate readjustment of the San Francisco Utility Department and the demand for additional executive and sales office space brought about the purchase of a building in San Francisco which will house the various departments. This structure, which is located on Kearney Street, will be remodeled in every respect into a handsome structure, an appropriate home for the Pacific Coast headquarters of the Foshay Company.

C. H. Burnworth, vice president in charge of Pacific Coast sales, has been transferred from Portland to San Francisco where he will have his offices located in the new Foshay Building on Kearney Street. Mr. Burnworth has a thorough knowledge of investments together with a background of experience gained by his long association with important banking and investment houses on the coast. He leaves as manager in Portland, Marsh H. Goodwin, who has been in the Portland office since it was opened. Mr. Goodwin is a graduate of the University of Oregon and prior to his connection with the Foshay people, he was with the security sales department of Northwestern Electric Company, Portland.

Recently Foshay branch investment sales offices have been opened in Seattle and Spokane. At Seattle where an office has long been contemplated, E. R. Nye will be resident manager. Now that utility properties have been acquired in Alaska, Oregon and California, and with closings pending on Washington properties, it was believed opportune to open a Seattle office.

The Spokane office will be in charge of H. Y. Moser as manager. Mr. Moser has been with the Portland organization since its beginning. This office will be the first one in Northwestern Washington, although Foshay management is interested in utilities in northern and southern Idaho and western Montana.

All of these new branches, as well as Bellingham, San Francisco, Sacramento, Stockton, Los Angeles, San Diego and Pasadena, are under the direct supervision of Mr. Burnworth.

Approve Capital Increase

At a special meeting stockholders of Bankers Trust Company of New York approved the recent proposal of the board of directors that the capital stock of the bank be increased from \$20,000,000 to \$25,000,000.

The increase will be accomplished by the sale of 50,000 additional shares of stock at \$750 a share. The total amount realized from the sale will be \$37,500,000. After the new money has been paid in capital will be \$25,000,000; surplus will be \$50,000,000, and undivided profits should be over \$25,000,000, making a total of over \$100,000,000. This will

give Bankers Trust Company the largest capital structure of any trust company in the United States.

Stockholders of record at the close of business today will be entitled to subscribe for one share of new stock for every four shares registered in their names. Rights will expire at the close of business on July 2, 1928. The present annual dividend rate of \$30 a share is expected to be maintained.

Night was drawing and closing her curtain (a sky full of silent suns, not a breath of breeze moving in it) up above the world and down beneath it.—Richter.

Holding Companies in the Banking Field

PUBLIC utilities and Railroads have attained great prosperity and are rendering better public service under holding company management, which has recently been applied to banking with equally beneficial results.

American Financial Holding Corporation, managed by men of recognized experience and broad vision, is grouping established and prosperous institutions in the financial field.

Information regarding the broad plans of this Corporation available upon request for Circular N.W.-4.

American Financial Holding Corporation

EXECUTIVE OFFICES

Fifty Broadway, New York

KANSAS CITY—Dwight Bldg.

Opens Bond Department

Further evidencing a policy of independent development and expansion under the leadership of Charles S. McCain, president, the National Park Bank of New York has opened a bond department. This new department brings the National Park Bank definitely into the field of investment banking. The bank's customers and friends are now offered a complete service for the analysis of securities, investment recommendations and execution of orders. In addition to purchasing and distributing investment securities, special provision has been made for originating, underwriting, and refinancing corporate issues.

R. J. Whitfield, formerly vice president of the Federal Commerce Trust Company of St. Louis, Mo., is manager of the new bond department. The retail sales organization is under the direction of W. A. Paxton; the corporation buying department is headed by Frayser Jones; Philip A. Knight has charge of the trading department, and the statistical department is under the supervision of Carl Kraft.

LEGAL DEPARTMENT

(Continued from page 16)

with that agreement. The agreement for access by the survivor after the death of the other was a part of the contract, and,

so far as this record discloses, may have been an agreement between the sisters that the survivor should have the property of the other that might be in the box at the death of the first; and the fact that Mrs. Gentleman obviously contemplated death while at the hospital, and at the same time made no will, at least gives color to the theory that there was some such agreement.

The only question to be decided is whether this contract between the two sisters, giving to the survivor the right of access to the box, after the death of the other, is against public policy. A contract between individuals can only be said to be against public policy, when, apart from its illegality or immorality, it is of such nature that it has a tendency to be injurious to the interests of the public, and the courts will ordinarily act with great caution in declaring such contracts to be invalid. Public policy has been declared to be "the principles under which the freedom of contract and private dealing is restricted by law for the good of the community." It is the general policy of the law to permit great freedom of contract between individuals, and private transactions involved in such contracts will not be declared invalid as against public policy, in the absence of some apparent injury to the public welfare.

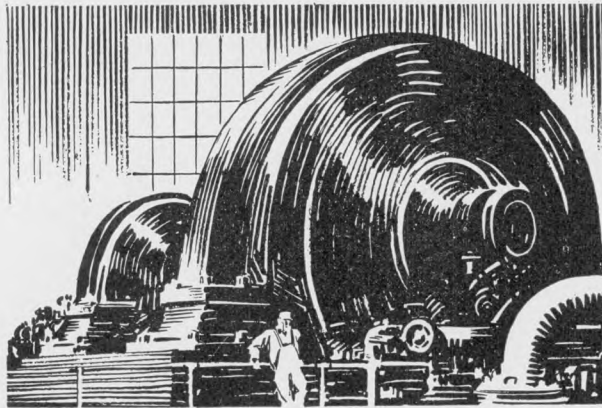
In the light of these general and well-recognized principles of law, and in the light of the general policy to permit freedom of contract between individuals where the public interest is not clearly violated, the contract in question is not against any public policy. It was only a contract, in its final analysis, by which two sisters, either in the interest of economy, or for other impelling personal reasons known to them, jointly rented a safety deposit box, and entered into an agreement by which the survivor might have access to that box, and the bank controlling the deposit box was a party to that agreement. No duty rested upon the bank under the terms of the contract to protect the contents of the box from Mrs. Blaine, and the contract being valid, and the bank, having done that which it had a right to do, was not liable.

Sam and Rastus were seated in a Jim Crow car on a southern railway, en route to a plantation for the cotton picking season. They were discussing politics, with particular reference to a coming election. Rastus was a rabid partisan of the incumbent representative.

"Well," said Sam, "Ah like him all right, Ah guess; but his platform ain't no good."

"Platfo'm!" snorted Rastus. "Platfo'm! Say, don't you know dat a political platfo'm is jes like a platfo'm on one o' dese yere railroad cahs—hit ain't meant to stan' on; hit's jes' meant to git in on!"

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The Financial Stability of the Utility Industry

By HENRY R. HAYES

President, Investment Bankers Association of America

(From Address Before Annual Convention of the American Gas Association)

IN BEHALF of the members of the Investment Bankers Association of America, I desire to thank you for the privilege of presenting to you the views of the Association as to some financial aspects of the public utility business. In the term "public utility" I include gas, electric light and power, and electric railway companies.

As of December 31, 1926, the value of the utilities was estimated to be in excess of \$15,000,000,000. We, in the investment banking profession, are underwriters and merchandisers of securities. To a great extent we have gathered that capital from large and small investors. The utilities themselves, we are glad to note, in the last three years have raised over \$750,000,000 by sale of securities in small amounts to customers and employees. May that good work continue.

Management of your great public utility business has a two-fold responsibility:

- A—To the consuming public, and
- B—To the holders of securities.

We bankers share with you the latter. This responsibility to the investor is one which you and ourselves have fully recognized and have gladly accepted.

Perhaps by openly discussing some of the aims of the Investment Bankers Association of America we can be of assistance to the public and to the public utility industry in bringing about a better understanding of the problems immediately confronting us.

The Investment Bankers Association of America has always been in favor of statewide regulation of the public utility business. We have held, too, to the conviction that the business can be best operated under private ownership and enterprise. We believe that new capital flows more freely into the business in states where there exists equitable regulation. Now that some companies, especially light and power, individually serve hundreds of communities, there really exists no place for local regulation (so-called "Home Rule"). The electric light and power business has expanded in some few instances even beyond state boundaries. Yet we see no need now of federal regulation because the state commissions, through changes in state laws if necessary, can be given ample author-

ity to hold joint hearings on interstate problems.

What is needed above all else is regu-

lation by state commissions which shall be uniform in all states, as well as broad in authority as to rates, valuations and



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Northwestern Banker . July 1928

services. In this connection we are in hearty accord with the work of a committee of the National Conference of Commissioners on uniform state laws. That committee, as you know, presented a draft of uniform law for the regulation (by states) of utilities. That proposed act in final form will be considered at the 1928 Conference of the National Commissioners. The Investment Bankers Association of America anticipates that the act in its final form will be fully acceptable to it, in which case that association will recommend that its members take an active part in favoring adoption of its principles by the various states.

The Investment Bankers Association of America has many times actively opposed legislation which has appeared to it to be economically unsound, or having for its purpose political supervision, interference or operation. The general record in this country and elsewhere cannot point to successful public ownership and operation of these public utilities. Too often do we learn of poor accounting methods and other unsound business practices. The public utility business is no activity in which the federal government or any of its political divisions should engage.

The difficulty in any study of *public* operation of utilities is to get facts. Too

frequently this is due to a serious lack of sound accounting principles. A recent analysis of state laws disclosed that many states exercise no control of any kind over the bookkeeping of *publicly* owned and operated properties. Members of this Association, as merchandisers of both municipal and public service securities, have a keen interest in this subject. As investors in these two classes of securities, financial institutions such as insurance companies, savings and state and national banks really have a similar interest. How can taxpayers or holders of obligations of a municipality which operates a public utility get real information as to the value of a property unless sound accounting is practiced and the facts released?

Equally Important

We have seen the importance to any study of a publicly owned utility of a sound system of accounting. There is something equally important to the study of a privately owned company, and that is for a release of adequate operating and financial data, not only with respect to operating companies but so-called holding companies as well. This is desirable for two purposes:

A—To safeguard the public, and

B—To safeguard and inform the investor.

A—As is generally appreciated the public utility business under private operation is dedicated to the public service. As such, unlike industrial companies, public service companies are limited to reasonable returns on fair valuations. That condition under judicious statewide regulation is one of the important causes for making that business an attractive field for conservative investment. The public that is being served is entitled to know what returns are being made. Much progress along these lines may be noted in recent years, but we still hear talk, unsupported by detailed facts, of exorbitant profits. Isn't it reasonable to suppose that with a release of essential data we shall hear less talk of these "exorbitant profits?"

B—When we consider the investor we must assume that he, too, is entitled to the essential facts—accurate and not misleading in any way. It is obvious he should not be asked for his money under any other conditions. Furthermore, securities sold under such conditions are more permanently placed. In line with this principle, the Board of Governors of the Investment Bankers Association of America has already advised its membership among other things:

1. That the Board of Governors believes that it is the duty of members of the Association to use great care so that adequate and accurate information in the sale of securities shall be released in a

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way that such information cannot be deemed to be misleading.

2. That when in the limited number of instances which may occur from time to time it is not necessary to release complete information in an offering circular that such member shall see to it that the requisite information is made readily accessible through statistical data (at the time of offering) and/or annual reports, statistical manuals and other media, to the end that an investor, if so disposed, may analyze the security offered for sale.

3. That what shall be deemed to be adequate and accurate information shall be a matter which shall be left to the final judgment of the Board of Governors.

4. That the Board of Governors has no desire now to attempt to regulate the actions of the members of the Association with respect to what kind of a security a member shall sell, i. e., whether a member shall sell a high grade or speculative bond or stock or any security which might be graded between these two extremes.

5. That what is desired, in other words, is simply that an investor for himself shall be able to ascertain readily what kind of an investment risk he is asked to purchase.

"Adequate Information"

When we consider this subject of "adequate information" we must bear in mind an obvious fact, i. e., that investors, as a group, are much more educated than they were, say, ten years ago. Also they are becoming more discriminating. I also believe that when the release of necessary information is more general among issuing companies and commissions, securities of public service companies will sell on bases more nearly comparable to their real investment merit.

Your business is one of the most important in the country. It has been guided by you with foresight and courage. You are to be especially commended for keeping down costs so as to sell better service at prices permitting increased consumption. Furthermore, the financial structures of your companies, generally speaking, have been materially improved. That is greatly to your credit.

In this great expansion of your business no small credit is due to wise commission regulation and surprisingly uniform court decisions. Though the expansion has been rapid, the prospects for further growth seem to bankers to be bright. In some branches of your business the cost of new capital, especially that raised by the sale of bonds, is very reasonable. We may expect a further lowering of the cost of money raised by the sale of bonds as well as stocks.

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AURORA

What we are seeking here today is to discuss openly some problems of your business in the hope that a solution thereof may hasten the improvement of conditions in your industries.

Commissioners (appointed rather than elected) holding office in all states under broad and uniform legislative authority with our courts, would seem to offer the public served and investors in operating companies the best protection against any financial exploitation or unwise managerial policy. It is important that commissions should be properly financed in order to make adequate investigations and publish their findings, as well as to release adequate financial and operating data. It is equally important from the viewpoint of giving adequate compensation to those public servants who have and will continue to develop sound regulatory principles.

The industry as a whole desires, as we see it, to keep its business clean, to expand its service, and to develop the arts and sciences for improved service. If, due to a too rapid expansion or for other reasons, financial or managerial, mistakes have been made, let us have each situation examined separately so that we may profit thereby.

In closing, and along these lines, I desire to quote from the annual report of the Committee on Public Service Securities which was submitted at the Sixteenth Annual Convention of this Association, at Seattle, Washington, September 29, 1927:

"In connection with alleged abuses of capitalization, your committee makes the comment that while obviously it can be argued in reply to criticism that the marshalling of figures and statistics to prove a general proposition may work injustice in particular cases, the fact remains that the matter of capitalization of public utility properties is receiving legislative and public attention. Recognizing that the investment banker is in a position to judge concerning the merits surrounding individual cases, and is able to exercise in some of such cases a determining influence in matters of capitalization, we recommend that all members of this Association use such influence, as they may exert in the interest of conservative finance. Regulation of practices of any industry which proceeds from thoroughly-informed sources either within or associated with the industry itself is to be preferred over one imposed by governmental authority which experience has shown to be uneconomical in many respects. However, unless such inner regulation of practice prevents flagrant abuses, there is always the danger of agitation for government supervision. While any such agitation might result from and be directed at the abuses in particular cases, it could hardly

help affecting in a measure, at least, the soundly conceived enterprises in the industry, and the thousands of investors, many of them people of small means, who have invested in their securities. It is, therefore, to the interest not only of the leaders in the public utility industry itself, but also to the bankers who sell their securities to direct all possible influence for removing or preventing any just cause for criticism."

HOW I WOULD CHANGE OUR GUARANTY LAW

(Continued from page 18)

depositors in any failed bank and offer them their principal deposit and accept a waiver of interest, we would find every one of them eager to accept the proposition. I have put this hypothetical question to dozens of people from all walks of life—many who now hold deposits in failed banks—and I have never found one who was not agreeable to the suggestion. When you go home, try it out yourself on some of your friends and see the reaction. As a number of them expressed themselves to me—they thought they should be penalized the interest for being so foolish to place their deposit in a bank without using usual diligence and discretion before they selected their bank. If the guaranty fund commission today had in one lump sum all the money that has been paid out during the past sixteen years for interest on deposits, receivers' certificates and allowed claims, they would have enough funds to pay the entire obligation and wash the slate clean.

Set a Precedent

The whole matter of interest goes back several years ago to the bank failure at Blair. The precedent was set right there by paying interest and it has been continued ever since as each bank was placed in receivership and paid off. I believe there was one exception of the Pioneer State Bank in Omaha of which our Mr. Schantz was receiver. He tells me he paid no interest to anybody and that he did not have any complaint or objections from any depositor. In my judgment a big mistake was made in setting the precedent of paying interest in the Blair failure. If the department had taken the position of not allowing interest in that case, no one would have questioned their action and it would certainly have been a different picture today.

Now we are down to a sort of the "parting of the ways." In other words, which plan is the best and which one have we hopes of getting across? With all the plans I have heretofore mentioned, there is still one more plan and which, in my mind, is the best one proposed yet and which to me is so simple; that is—Ask the coming legislature to



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amend the present law, or finish what they failed to do back in 1909, whereby the guaranty fund commission can pay the depositor with a receiver's certificate *without interest*. In any event not to operate a bank as a going concern longer than a year. Pay the present closed banks off in their respective turn and then proceed to liquidate the present so-called "going" banks now under the Commission's management and such others as are hereafter turned over to them. Then as fast as funds are realized from the usual assessments against solvent banks and realization effected from assets of closed banks, call in and retire these certificates as fast as possible. In the meantime, should sufficient realization from collections and assets be made in any specific bank that will justify, allow the receiver to pay a dividend to the depositors in that particular bank and endorse such dividend on the certificate when presented in due form.

Let us analyze this for a moment and see how it will work out in practice. Suppose I hold a deposit claim in a failed state bank. The receiver, within a reasonable length of time pays 5 per cent in dividends. I take my receiver's certificate to my banker who loans me 50 per cent of the remaining par value. I have then realized 75 per cent of my deposit in funds I can use. The balance of only 25 per cent I would hold until the Commission could pay off the balance of claims of that particular bank. My deposit claim would not be frozen and what I would term pretty liquid or available. In other words, I would have a negotiable piece of paper which I could sell, trade or put up with my banker as collateral. I believe any banker in the state would gladly loan his customer 50 cents on the dollar of the face of the certificate.

The Matter of Interest

Before I close I want to refer again to the matter of interest. This interest matter is what breaks the camel's back. Now when a bank is placed in receivership and a claim of a depositor is allowed against the guaranty fund, it becomes a judgment and according to our statute every judgment draws interest at 7 per cent per annum unless by contract it draws more. If it should therefore happen that claims to the extent of ten to fifteen million dollars should be allowed before payment could be paid, drawing 7 per cent, the interest alone would amount to from three-quarters to over a million dollars annually which would almost absorb the amount of annual assessments contributed by the solvent banks for the benefit of the fund and leave practically nothing to reduce the principal. A long, long trail, gentlemen.

Another group of bankers have recently suggested that inasmuch as the

state guaranty law was put into effect by the people and not by the bankers; that for sixteen years the people have believed that the state in some way was behind every bona fide state bank deposit; that many of the bank failures have been due to errors on the part of the banking department and through undue political influences in granting too many bank charters, and in many cases, too inefficient bankers who conducted reckless banking methods in direct competition to the good bankers who are now paying the losses, and for these reasons alone that a moral obligation rests upon the state to see that these depositors are paid, and therefore advocate that a direct tax be levied against the people with which to aid the going banks in clearing up the situation, pay off the depositors in defunct banks and get the whole thing behind us.

Several eminent attorneys in the state who have carefully and exhaustively studied the matter believe the constitution as it stands today is sufficient to authorize an appropriation by the legislature on the basis that taxes can be levied for a "public purpose;" that the legislature should say that under present conditions, "for the public good and the general welfare and to prevent other bank failures and a possible bank panic, that the object of the appropriation to be made was for a public purpose;" that the Supreme Court would hold that such an appropriation was constitutional. They go on and cite many cases of similar nature both in Nebraska and other states where taxes were levied for the general public's good. This plan would require an act of the legislature which in my judgment could not be obtained as they are not likely to pass an act which contemplates such an enormous amount to be paid by the people. Members of the legislature are usually elected on the platform of reducing taxes rather than on the platform of increasing taxes.

Just the last few days a group of bankers in one of the eastern counties have strongly endorsed the plan I have outlined—by paying off the depositors with receivers' certificates *without interest*, but they propose to go one better and that is, to ask the coming legislature to levy a tax and have the state match dollars with the guarantee fund commission. I am not endorsing this plan. Neither am I opposing it. I do believe, however, that any movement which contemplates the people paying part of the obligation should be started by the people and not by the bankers. If this plan can be effected, I will be for it providing it contemplates no interest. If the legislature does not take to the plan, we can still drop back on the plan I have suggested of issuing receivers' certificates direct to the depositor. As for the bank I am associated with, and which is the



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largest state bank in Nebraska and pays over \$40,000 per year into the guaranty fund—we are for any feasible plan that can be put into action which does not contemplate paying interest. If such a plan calls for interest, we are against it because it just will not work and can result in nothing but utter failure of the guaranty system.

Summing up—there are just three changes I would like to see effected by our next session of the legislature:

1. Amend the law whereby the guaranty fund commission can pay depositors in failed banks with receivers' certificates *without interest*.

2. Put the banking department under

some kind of civil service plan so that it can be relieved of being a political football. Provide whereby the superintendent and examiners can be selected by the bankers themselves who are paying the bills and who are better qualified to make such selections. Pay decent salaries and then demand efficient men who will remain with the organization. No organization can be built up with changes being made every few months.

3. Exempt the surplus of all banks from taxation up to amount of the capital stock. This will go far towards relieving the banks from the present heavy taxation and will automatically increase the working capital, which is another

fault with many of our banks. Too many are undercapitalized.

In closing, let me suggest that when you return to your home, that you give my suggestions your serious thought. Talk them over with your leading customers and obtain their reaction. Get your county organizations together and center on some definite plan. Then let us call together the big state bank committee and get a campaign of education started with the people and the coming members of our legislature, so when it convenes next winter we can get something done.

MOTIVES OF BANKING AND BANKERS

(Continued from page 20)

national life. There was a time when it was imperative that America produce as she had never produced before, and patriotic impulses, entirely proper, led men of all classes to attempt things normally improper, all that America might be preserved, and in instances of that kind the motive was proper. But in normal times proper motive demands an appraisal of more than present day conditions, and any plea to a man to borrow beyond his needs or capacity or willingness to loan upon demand beyond needs or capacity, is evidence of improper motive, and is harmful in the extreme, both to bank and borrower.

The Good Loan

Much has been said of the essential qualifications for a good loan. One school insists that character in the borrower should be the predominant element; another claims that security should be the predominant element, and yet another maintains that evidence of financial responsibility should be the prime requisite. A financial statement may be false, security can depreciate or disappear, and character can change. The task of the loan officer of a bank is not easy, but if meeting the actual needs of the borrower, reasonable profit for the bank, and above all safety of funds are the motives always in mind, the temptation to take chances will be entirely overcome and losses will be reduced to a minimum.

Little need be said of the motive of a bank to the capital invested therein by its stockholders. A bank stockholder is entitled to profit, in the same manner as every other part of commercial life is entitled to profit. The laborer shall be worthy of his hire is just as forceful a command with reference to the lowliest of all menials. No bank can long succeed without profit. No bank is justified in keeping its doors open if it disregards the necessity of profit. That supervising agency that regulates the administration of banking institutions, and that does not regard a profit as a positive essential, is remiss in the performance of its duty.

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The defense that it is the stockholder's own money that is at stake is of no avail. The statement is not true, and if it were true, a successful system is not possible if the profits of the units are disregarded. Let me speak briefly with regard to the motives of the personnel of a bank's organization. I am constrained to say that I believe that much of the failure of banks is due to a disregard of proper motive on the part of bank directors. A review of the directors of banking institutions that have failed in this state would, I believe, reveal the fact that a vast majority of the directors, exclusive of the active officers, have been more than normally successful in their own operations. They have furthermore been men who gave willingly and freely of their time in the administration of community or civic enterprises, and who have led those enterprises to success. Failure to properly direct the bank with which they were connected therefore cannot be attributed to inability or to incapacity. Neither can it be attributed to refusal to take a proper part in community life. It must be attributed solely to failure to maintain a proper motive in accepting directorships. If a directorship is accepted in order to gain the prominence that may come to one's name because of the position, if in order to attract business of associates and friends to the bank, if in order to direct only the selection of the active personnel of the organization, then the motive of the director is entirely wrong, and the bank must operate with an inefficient board. The honorable and efficient man will accept the responsibilities of the task, only when and if he is willing to actually direct the affairs of the institution to the end that proper motives may by it be established and maintained. Less than that is unfair to self, to bank, to customer, to public, and to state.

Failures Not New

In the organization of new banking institutions correct motives must be maintained. The experience of our banking systems, particularly in agricultural districts during the past few years, in frequent failures is not a new thing. It has been an experience that has occurred many times. With every recurring experience, it is admitted that one of the causes of failure has been an overbanked condition. This opinion is held by banker and by customer. I have been told many times by responsible business men and farmers who had no contact with banking institutions except as customers and who were not interested in the petty jealousies and competitive activities of rival institutions, that there were too many banks in the town in which the person talking lived. Strange as it may seem, however, the lesson of history is all too quickly forgotten, and charters are sought in communities that offer no possible sufficient support for a banking house.

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INCORPORATED

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39 SOUTH LA SALLE STREET

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A secondary reserve of conservative Bonds can be increased substantially in a few years time by the reinvestment of the income. Let us help you build up your Bond account as you would plan building a house.



PRIESTER-QUAIL & CUNDY-INC.



BONDS FOR INVESTMENT

American Bank Building

DAVENPORT, IOWA

Short Term Secured Gold Notes

Yielding Approximately 6 $\frac{7}{8}$ %

Due November 1, 1930-1931-1932

Miami-Biltmore Hotel Corporation Secured 7 per cent Gold Notes; personally guaranteed by John McE. Bowman, Esq., nationally known as the operator of the Commodore and Biltmore hotels in New York City; the Atlanta-Biltmore, Los Angeles-Biltmore, Providence-Biltmore, Belleview-Biltmore at Bellaire, Florida, and the Sevilla-Biltmore at Havana, Cuba.

Inquiries invited

E. H. OTTMAN & COMPANY, Inc.

Investment Securities

BANKERS BLDG.

CHICAGO



Neighbors!

YOU 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

Many times the sole psychology supporting the demand for such charters is one of revenge or retaliation. No other single urge of human experience more positively determines the failure of a banking institution than that. Rivalry between banking systems, state and national, between competitive church or lodge organizations, between business institutions, between farm organizations and town commercial club, can never be a proper motive for the establishment of a bank. Too many innocent persons will eventually be called upon to bear the burden of the contest.

The task of determining and preserving this proper motive of which I have spoken is not an individual task alone. Cooperation is demanded, between members of the banking systems and in the attainment of that goal the South Dakota Bankers Association has accomplished wonderful results. Too much praise cannot be given to those in charge of its affairs for their untiring zeal in creating better conditions in South Dakota. Cooperation is necessary between towns and cities within the county organizations and within the group. The problems of one are in most instances the problems of the other, and while I think it would be unfortunate if the members of a county organization or a group organization were to underwrite, either materially or psychologically, the liabilities of other members of the group, yet I am firmly convinced that by direction of motive much trouble may be avoided.

Service Charge Statistics

Devlin, Merrill, Price & Bennett, Inc., Chicago, Illinois, recently conducted an investigation to ascertain the number of communities in six Middle Western and Eastern states that had adopted the stop loss charge on low balance checking accounts.

The adoption of the service charge rule is growing very fast. Forty-four per cent of the cities with population in excess of 25,000, have adopted the charge; and about 10 per cent between 10,000 and 25,000 population. Wherever the depositor has been properly informed about the new rule, the results have been very satisfactory. These advantages are secured by the adoption of the rule:

1. Substantial increase in income from service charges.
2. Reduction of overdrafts.
3. Fewer N. S. F. checks.
4. Large increase in deposits.
5. Better appreciation of service by depositors.
6. Better understanding of banking services by bank employees.
7. Savings in stationery costs.
8. Increase in savings deposits.
9. Good will created.
10. Better cooperation of the banks in each community.

Insurance

How Insurance Companies Invest Their Money

NOW, as to the investment side of the insurance institution. The important part played by the investment of insurance funds in the development of our country and the furtherance of business enterprise is indicated by the extent of the investments and the character of those investments as shown by these figures taken from compilations believed to be reliable, as of the close of the year 1927.

The assets of 242 fire insurance companies are stated to be \$1,635,000,000 and the assets of 176 casualty companies as \$960,000,000. While similar details are not as readily available as to the distribution of these assets as those given below, it is known that the investments of fire and casualty companies are broadly distributed into bonds and stocks, and they play a part equally as important as do the funds of life companies in answering the demands for capital.

These figures indicate to what a marked degree insurance monies aid the cause of agriculture and the housing needs of cities, contribute to municipal and state improvements, help care for the growth of the railroads, and assist in meeting the ever increasing demand for public utility service. Thus the investment side of the insurance institution enters most vitally into the life and welfare of the public.

Distribution of Assets

Life Insurance Companies (350 companies carrying substantially all legal reserve insurance).

Farm Mortgages	\$1,999,000,000	15.2%
City Mortgages	2,717,000,000	28.2%
Govt. and Municipal Bonds	1,115,000,000	8.5%
Railroad Bonds and Stocks	2,574,000,000	19.5%
Public Utility Bonds and Stocks	1,019,000,000	7.7%
Other Bonds and Stocks	208,000,000	1.6%
All Other Assets.....	2,548,000,000	19.3%

These insurance funds grow in vast amount each year. Infinite care and study is given to their investment. A statement made at the annual meeting of the Association of Life Insurance Presidents held

By **RALPH S. CHILD**

Bonbright & Company

(From address before U. S. Chamber of Commerce)

in December, 1927, in an address by Mr. James Lee Loomis, President of the Connecticut Mutual Life Insurance Company, indicates the guiding thought actuating executives charged with the investment of insurance funds. In his closing remarks Mr. Loomis said "we seek to establish an investment structure so constituted that it will accomplish three results:

Stand stress and strain in any direction

A Business Stabilizer

"In the investment of insurance monies there is not only the necessity of seeking security and return but there is the importance of the part played by these investments in their contribution to the national wealth, the economic value of which is very great. The vast reservoir of funds continuously available from the monies coming in to insurance companies of all kinds, and which are used for investment, serves as an important stabilizer of business in this country."

and provide the greatest possible security for policyholders;

Make the largest possible contribution to national wealth and welfare because the body of each policyholder is the body of the commonwealth and;

Produce for the policyholders and their beneficiaries the best possible investment return consistent with the foregoing objectives."

Investment Important

Thus it is seen that in the investment of insurance monies there is not only the necessity of seeking security and return, but there is the importance of the part played by these investments in their contribution to national wealth, the economic value of which is very great. The vast reservoir of funds continuously available from the monies coming in to insurance companies of all kinds, and which are used for investment, serves as an important

stabilizer of business in this country. It would appear, however, that in the investment side of insurance there has not developed the application of science as in the underwriting side. Possibly the executives responsible for investing have adhered to the policies developed by their own Boards of Directors or Finance Committees rather than to have worked out, over a period of years, in conjunction with the investment executives of neighboring companies, a more scientific basis for the placing of funds.

A perusal of the annual reports of a varied number of insurance companies and a checking of their lists of investments indicates a great divergence of investment policy. In many cases it would appear that so-called "rule of thumb methods" have been followed rather than the making of investments according to a carefully considered plan of distribution into various fields.

The economic changes of late years have been many and their effects have been far reaching. Business of every kind has had to adjust itself to new conditions. These adjustments have naturally been reflected in the field of investment, not only in the changed status of certain classes of securities in point of their regard

by bankers and investing public, but also in the types of issues themselves. Recently, the investment banking firm with which I am associated made an analytical study of the bond investments of the 25 largest life insurance companies in the United States and Canada, for each of the five years from 1921 to 1926. The results of this study showed the amount held in each of the principal groups of bonds, and the percentage that amount represented of the total holdings. The change from year to year in this percentage figure for some of the security groups was extremely interesting.

Changing Statutes of Securities

A comparison of the charts showing the five year trend, of these 25 companies, discloses not only the marked differences in their investment policies, but reflects the extent to which the changing status of

Northwestern Banker July 1928



The Doorway to Opportunity

Leads to

Northwestern National's Superior Equipment

1. Non-medical
2. Substandard Service
3. Group Insurance
4. Salary Savings
5. Low Ratio of Rejection (less than 2%)
6. Liberal Disability Clause
7. Age Limits—birth to age 65
8. Participating and non-participating
9. Mail Advertising Service



*Every convenience that modern
life insurance affords given
to agent and policyholder*

**NORTHWESTERN NATIONAL
LIFE INSURANCE COMPANY**
Minneapolis, Minn.
STRONG LIBERAL

certain classes of securities has been recognized.

Is it not possible that closer cooperation among insurance investment executives would bring a broader knowledge of the art of investment? This business of investment is one that requires endless and constant study, just as have the problems in the underwriting side of insurance. When consideration is taken of the outstanding accomplishments of the Actuarial Society, the National Board of Fire Underwriters and all other organizations, in placing insurance underwriting upon a scientific basis, it would seem that much could be done by some organized activity in the investment side of insurance that would bring science more to bear in the conduct of its affairs. The importance of the place held by insurance investments in our national economic life has been pointed out. The importance of that position is going to increase; the funds to be invested are going to increase, and likewise is the responsibility of those having to do with the placing of those funds.

Whatever may be carried forward in the application of science to investments will benefit not only the individual companies, but the entire insurance institution and consequently will strengthen the economic position of the nation as a whole, and so will bind closer together the interest between insurance and the public.

Commissioners Convention

Rapid City, in the Black Hills of South Dakota, has been chosen as the meeting place for the fall convention of insurance commissioners. The convention will start on September 17th and continue for at least four days, with headquarters at the brand new million-dollar hotel, the Alex Johnson.

While the program and entertainment features are as yet more or less tentative, Don C. Lewis, insurance commissioner for South Dakota, who was instrumental in securing the convention for his state, states that from the enthusiasm already expressed, this meeting in the Black Hills promises to be the biggest and best convention ever held.

Several motor trips are being planned for the entertainment of the commissioners. One full day will be devoted to a trip through the southern Black Hills, with stops at National Wind Cave, Sylvan Lake, and Rushmore, the site of the Borglum sculpture. On another day the guests will be taken through the northern section of the Hills, visiting Spearfish, the Devils Tower, and the Homestake Mining Company.

A big dinner dance is planned as one of the closing features of the convention. This will be held at Game Lodge, the 1927 summer White House, and the commissioners will dine on buffalo, elk, mountain trout, and possibly pheasant if the game wardens can be persuaded to look the other way.

The Order of Pamunkey will be convened in session extraordinary, with the assistance of real reservation Indians. "Deadwood Dick," noted frontier character, will also assist at the festivities.

The Northwestern Railroad is already planning one or more special trains which will probably be routed through Iowa and Nebraska, entering the Black Hills from the south. The return trip is planned eastward through South Dakota and Minnesota.

To the bankers of South Dakota this convention of insurance commissioners should have especial interest. Insurance companies have invested in South Dakota almost \$200,000,000 in loans and mortgages, and are necessarily keenly interested in the financial activities of the state.

Bank Limits Liability to Five Days

*By W. L. BARNHART
National Surety Co.*

One of the most marked developments of recent years in connection with the Forgery situation in the United States has been the tendency of banks to limit their responsibility for forged, altered, duplicated and counterfeited checks by special notices and agreements with their

NORTHWESTERN MUTUAL LIFE INSURANCE CO., OF MILWAUKEE

**D. F. GIVENS
SPECIAL AGENT**

633 INSURANCE
EXCHANGE

Des Moines, Iowa

PHONE
WALNUT **897**

The Dividend-Paying Company of America

depositors in the form of printed contract in the passbook, notices on the deposit slips, etc.

This undoubtedly has been a natural outgrowth of the large increase in forgery losses and the tendency of the modern day check criminal to go after larger and yet larger amounts all the time. With increasing losses in prospect through forged, raised and altered checks it was only natural that banks everywhere should seek to limit their liability in these regards as much as possible within the law and many institutions of today are restricting their liability as far as seems practical without destroying their friendly relations with depositors.

One of the newest of the New York City banks in one of the most highly competitive markets of America for banking service did not find the following contract printed in its passbook to be any hindrance of securing new accounts:

"This account is accepted and continued by the bank upon the following terms and conditions:

"All negotiable or non-negotiable instruments, drawn on this bank or any other bank, or institution, received by this bank shall be *for collection only*. In forwarding items, this bank acts as depositor's agent and shall use reasonable efforts in selecting correspondents who

shall be deemed the depositor's agents. This bank assumes no responsibility for the payment, collection, surrender or release of such correspondent or for loss in transit or otherwise, or for failure of any drawee bank or correspondent for any reason to present, collect or protest the item or to remit proceeds thereof, and in the event such proceeds are not actually received by this bank, items will be charged to the depositor's account if previously credited to depositor, whether

or not the items themselves can be returned.

"This bank will not pay checks drawn against uncollected items.

"The depositor hereby expressly releases the bank from any liability or claim for the payment through inadvertence, negligence, error, or otherwise of checks dated ahead or upon which payment has been stopped. Depositor agrees to sign stop-payment orders upon form

*To the man who is not now employed by
any life insurance company:*

ARE YOU LOOKING FOR—

a general agency—or special representativenesship in either Iowa, Nebraska, Illinois, or Missouri?

The Guaranty Life—one of the middle west's most progressive companies—has especially attractive territory for the right man in these, the rich insurance states.

The Guaranty Life guarantees you a liberal contract and company cooperation twelve months of the year.

Write in confidence to

L. J. Dougherty, Secretary and General Manager

Guaranty Life Insurance Company
DAVENPORT, IOWA



THE INTERNATIONAL BRAND

The International Life *Brand* Is Becoming Better Known
than any other brand on the Range *Bar None*

It Signifies:

Service and square dealing to the Policyholder
Service and square dealing to the men in the field
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Splendid Territories Still Available for the Right Men Seeking General Agency Connections.

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INSURANCE IN FORCE \$310,000,000

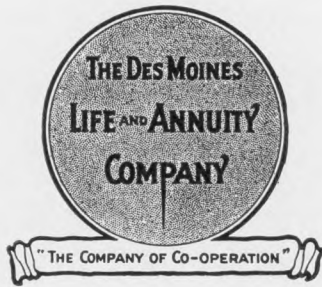
International Life Insurance Company

ST. LOUIS

ROY C. TOOMBS, President

W. F. GRANTGES, First Vice-President and General Manager of Agents

Northwestern Banker July 1928



Absolutely Dependable

Many things go to make up a thoroughly dependable life insurance company.

1. *Financial strength.*
2. *Relations with policyholders.*
3. *Relations with agents.*
4. *Measure of its service.*

In all of these "The Company of Co-operation" is *absolutely dependable*.

You can't ask for more and we would not offer you less.

Des Moines Life and Annuity Company

J. J. Shambaugh, Pres.

Des Moines, Iowa

What Price Income!

How Much Should I Lay Aside for Life Insurance?

THIS is a question more frequently asked the life underwriter than any other. What proportion of his income can a young man put into life insurance premiums, especially if he is married?

Concrete facts speak louder than words. Here is the actual program of a young man, 28, married, with two children.

His income is \$5,000 a year. What would you consider a fair proportion of this income to spend for life insurance? Ten per cent?

Actually in this case the annual premiums amount to about \$600, leaving a balance of \$4,400 of the income for the support of the family, an easy proposition for ambitious young parents looking into the future.

What do they get for their \$600?

Total life insurance of \$30,000,—\$5,000 to be paid in cash in case of the husband's death, the rest so arranged in a trust settlement as to produce \$100 a month income for the wife during her lifetime.

Do you not think this young man has done well for himself and his family?

Surely he has laid out his life very successfully, with a fair income for present living expenses and an estate of \$30,000 to leave for his family.

He might struggle for years to obtain such a result in other ways, and then fail of his goal, in the meantime missing the best there is in life, including the contented enjoyment of his income and his family.



SIXTY-FIFTH YEAR OF BUSINESS

197 Clarendon St., Boston, Mass.

prescribed by the bank and to assent to all terms thereon.

"This account shall be balanced monthly. This bank shall not be responsible for the payment of any checks of the depositor bearing or purporting to bear the signature of the depositor or drawer or endorser thereof whether signed by him or not, except for gross negligence on the part of the bank affirmatively established by the depositor and in no case where the depositor fails within ten days after delivery of cancelled vouchers to give notice to the bank of any forgery or other irregularity.

"Depositors will kindly give immediate notice of any change or address."

A number of the other New York City institutions have even gone farther than this in requiring each of their depositors to sign a printed receipt form every time they receive back a bunch of cancelled vouchers. These receipt forms which are kept in file are worded as follows:

"Received from Bank and Trust Co.

"..... statement showing balance \$...... with vouchers of paid checks, hereby accepting and receiving the same as genuine and correct unless notice to the contrary, and the production of any disputed voucher or vouchers, is given and presented to the Bank within five days from the date hereof, it being agreed between the undersigned and the said Bank and Trust Co. that the account is kept and continued with the said Bank on the express condition that the latter be released and absolved from all liability by reason of the payment of any forged or raised checks, unless notice thereof be given in manner and form above written.

"Any change of address please note on this receipt.

By....."

To make these receipts even more binding there is a note on the side "please sign officially and return," as a further indication that such receipt form is to be considered as official and binding upon the depositor.

Examination Report Filed

The report of a convention examination of the Northwestern National Life Insurance Company, Minneapolis, made as of December 31, 1927, has just been filed with the Insurance Departments of the States in which the company operates. Special interest attaches to the report because of the inclusion therein of a statement of the principles and methods that will be followed by the company in segregating the accounts on the company's participating and non-participating business. Since January 1st, last, this company has been issuing

both participating and nonparticipating policies.

The following states participated in the examination: Virginia, Minnesota, North Dakota, South Dakota, and Iowa.

The financial statement, as brought out by the examiners, shows Assets, at December 31, 1927, at \$29,347,831.82; Capital and Unassigned Funds, \$3,053,968.85, after setting aside \$250,000.00 as a real estate and mortgage loan reserve; and Insurance in Force, \$257,825,730, with Reinsurance of \$17,179,953.

The plan to be followed in segregating the company's participating and nonparticipating business was worked out by Messrs. Woodward, Fondiller and Ryan, consulting actuaries, of New York, representing the company, and S. H. and Lee J. Wolfe, representing the departments.

The methods of allocating income and disbursements as between the participating account and the nonparticipating account will be divided into five general divisions, as follows:

1. Items which can be directly allocated to the participating account and the nonparticipating account.
2. Unallocable items which are to be distributed on the basis of the number of policies written.
3. Unallocable items which are to be distributed on the basis of total premium income.
4. Unallocable items which are to be distributed on the basis of the mean ledger assets.
5. Unallocable items which are to be distributed on the basis of first year premiums written.

The report sets forth in detail under which division each item of income and disbursement, in the convention form of annual statement, is to be treated for the purpose of segregation, and similarly the assets and liabilities. The opinion is expressed that by following the method outlined the division between the two departments will be to all intents and purposes, a just one and will enable the company to intelligently interpret Article XI of the Articles of Incorporation which reads as follows:

Dividends on stock shall at no time exceed the sum of (1) the proportionate amount of net investment income, gains and profits properly attributable to the capital stock and paid in surplus, and (2) the amount that may be carried to surplus from the earnings and profits on policies hereafter issued, if any, which are not by their terms entitled to participate in surplus or profits.

The Poser

"What was the most difficult part of the civil service exam you took at the post office?"

"Writing with the post office pens."

Royal Union Life Insurance Company

DES MOINES, IOWA

Is This Your Opportunity?



Royal Union Life Building
Corner Seventh and Grand Avenue
Des Moines, Iowa

We want a man who has a record as a personal producer and who is also an ORGANIZER to become

**GENERAL AGENT
FOR DAVENPORT**

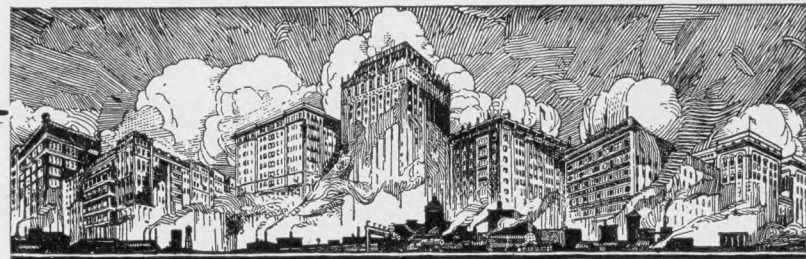
For the man who can qualify and who can produce results, we have an UNUSUAL proposition. He will have every possible home office cooperation from this well established Iowa company, now operating in 14 states and with \$141,000,000 insurance in force.

For details of this real opportunity write William Koch, Vice President and Field Manager.

**Royal Union Life Insurance
Company**

Des Moines, Iowa

A. C. TUCKER, President



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 Magnus.....Cedar Rapids, Iowa

*In Los Angeles
Hotel Alexandria
\$2 up.*

Operated by Eppley Hotels Company

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. To non-subscribers the charge is five cents per word. Use it. ASK US, as we can tell you where to buy anything you need in your bank or for your bank. TELL US, as your "want" will be published under the above heading free of charge. In answering classified advertisements which have key numbers please enclose a two-cent stamp. This is used to forward your letter.



Wanted—Position as a 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 references. At present employed but could accept position on thirty-day notice. Address Northwestern Banker, No. 2997—Indef.

Wanted—Position of vice president or cashier in a country bank; 26 years' experience in general country banking; 15 years in an executive capacity as cashier and manager; experienced in farm loans, real estate and insurance. Can furnish good reference. Address No. 3044, care Northwestern Banker—7-8.

Wanted—By lady, position as bookkeeper or assistant cashier in good country bank. Have had 7 years general banking experience. Address No. 3040, Northwestern Banker—5-6-7.

Wanted—Permanent position of responsibility with a bank in city of 1,000 or more, by married man 29 years old, who has had eight years' general banking and five years liquidation experience. Banker references. Now employed. Address No. 3045, care Northwestern Banker—7-8-9.

Wanted—Position as Assistant Cashier of a good country bank. Four years experience in all lines of country banking. Twenty-nine years old and single. Catholic. Best of references. Now employed but desire a change. Address No. 3023, Northwestern Banker—5-6-7.

Nearly New \$25,000 Brick Hotel, two-story building in good live town, in exchange for bank stock. Address Northwestern Banker, No. 3008—Indef.

For Sale—Vault doors, automatic return carriage posting machine, safety deposit boxes, safe, and marble fixtures. All first-class condition. M. Potter, 1206 Tenth St., Des Moines, Ia.—6-7.

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 No. 2993, Northwestern Banker—Indef.

Now Available—Young man, 33, at present employed, desires to make new connection. More than seven years' experience selling bonds. Wide acquaintance throughout Iowa. A position in Bond Department or Bank proper desired. Best of references. Address No. 3049, Northwestern Banker—7.

Northwestern Banker July 1928

Wanted—Position in good growing bank, where opportunity for advancing is good. In real live school and church town. Age 36, married and family. Protestant, college education. Thirteen years of steady banking experience. Now employed as cashier of small town bank, changing on account of school. Could make small investment. Best of references. Address No. 3037, Northwestern Banker—7-8-9-10-11-12.

Wanted—Cashiership; have had 21 years' experience banking. Best of references furnished. Address No. 3048, care Northwestern Banker—7.

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 references. At present employed. Address No. 2999, Northwestern Banker—Indef.

Experienced stenographer wants office work. Can furnish references. Address No. 3046, care Northwestern Banker—7.

Position Wanted—Single man, 29 years old. Protestant. Nine years' state banking experience. Also experience in buying and selling bonds. At present employed as cashier by reorganized bank in town of 300. Desire to locate in larger place where there is future. Can invest, also furnish references. Address No. 3027—Indef.

Position Wanted—Bank executive open for position. Eighteen years of clean, successful record. Will invest. Desire town of 2,000 to 5,000. Best references. Address No. 3047, care Northwestern Banker—7-8-9.

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. Employed at present but desire change. Address No. 3002, Northwestern Banker—Indef.

Cash This Time

A pretty girl who was collecting contributions for a hospital approached a man sitting at the wheel of an expensive car. "No," was his surly answer, "I contribute regularly to that hospital."

"No doubt," said the pretty girl, "but we're collecting money today, not pedestrians."—Boston Transcript.

Easily Verified

"Let me see," mused the hostess, meeting a man she could not immediately identify at a large party. "We've met before, of course?"

"I'm not certain," said the guest, who happened to be a chiropractor. "Would you mind turning your back on me a minute?"

Accountants

Oldest firm in Des Moines
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The Belvedere Hotel

NEW YORK CITY

48th Street, West of Broadway
Times Square's Finest Hotel

Within convenient walking distance to important business centers and theatres. Ideal transit facilities. 450 rooms, 450 baths. Every room an outside room—with two large windows. Large single rooms, size 11' 6" by 20' with bath. \$4.00 per day. For two, \$5.00—twin beds, \$6.00. Large double rooms, twin beds, bath, \$6.00 per day. Special weekly rates. Furnished or unfurnished suites with serving pantries \$95 to \$150 per month. Moderately priced restaurant featuring a peerless cuisine.

Illustrated booklet free on request

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HARRY M. GRIFFITH President		

To Remodel Building and Lobby

THE First National Bank of Miller, South Dakota, has awarded a contract for an addition and complete alterations of the building which it now occupies.

The addition will extend forty-five feet to the rear, making the building, when completed, twenty-five feet wide by one hundred and ten feet in length. The bank will occupy the first floor back to a distance of eighty-seven feet. The south street side will be carried out to match the present wall. The steps to the front entrance will be torn out and new steps constructed in the vestibule. The entrance to the second story will be through the same entrance as the bank's with a wide easy stairway to the right of the vestibule.

The lobby will be beautiful in design, lined with marble, with a marble or orna-

mental tile floor. Upon entering one will find the spacious officers quarters on the left with Mr. Greene's and Mr. Cahalan's offices, and toward the front of the building from the officers' quarters will be a large private and directors' room for the use of the officers and customers. Off the right side of the lobby will be a men's writing room, equipped with toilet facilities. The far end of the lobby will be partitioned off to accommodate a safe deposit department, including two coupon rooms.

The work space will be ample in size with every modern convenience for the people and for the bank's routine business and will be equipped with wing desking and double eages.

The vault adjoining the work space and safe deposit department will be of modern design. The walls, roof and floor

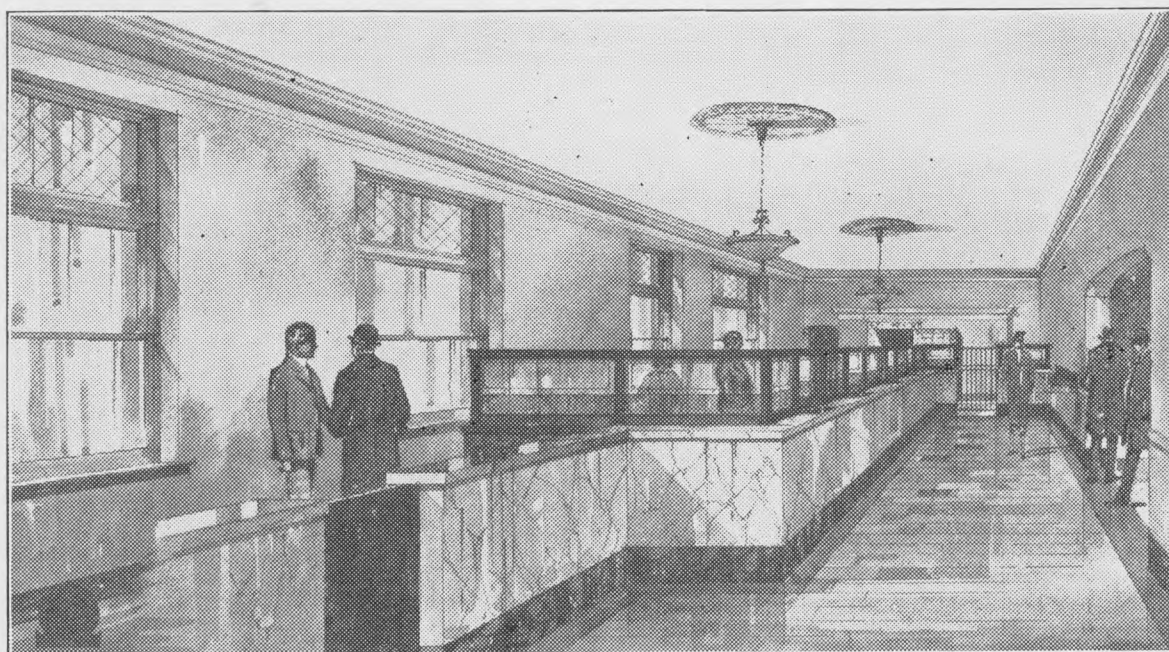
of the first floor vault will be 18 inches thick reinforced with three-fourths inch steel bars spaced six inches apart, running both ways and forming a mesh work of interwoven steel. On the south side of the vault will be a passage connecting the work space with the bookkeeping department. By moving the bookkeepers to the first floor, space will be had in the basement which will be fitted up into two office suites.

The new material throughout the building will be of the finest. The interior wood finish in the bank rooms will be of mahogany and birch, including the exposed wood parts of the bank fixture. The bank room, when completed will make one of the most modern and beautiful banking houses in that section of the state.

Busy Man

The busiest man at the thirty-seventh annual convention of the South Dakota Bankers Association was George A. Starring, Huron, secretary of the organization. Mr. Starring was kept going nip and tuck all during the convention, rushing from one spot to another, wherever duty called.

But service is his middle name, as all during the year this secretary must lead a busy life, so that the rush and hurry of a convention is not new to him. With Mr. Starring as secretary, the organization has flourished and enjoyed the most unusual harmony. It now boasts 93 per cent of paid-up members and banks are working together more than ever before. Mr. Starring has been secretary of the Bankers Association for two and a half years. Before that he was head of the department of journalism and advertising at South Dakota State College.



Interior of the First National Bank of Miller, South Dakota, as it will appear when completed

Northwestern Banker July 1928

The South Dakota Conclave

(Continued from page 25)

Guaranty State Bank, Eureka; **Harmon Kopperud**, vice president, Community State Bank, Lake Preston; **Oscar A. Olson**, cashier, Bank of Timberlake; **Earl C. Hansen**, cashier, Parker State Bank; **John Hisning**, Brookings, National Bank Receiver, **A. Kopperud**, First Intermediate Credit Bank, Omaha; **W. S. Gordon**, Burns Detective Agency, Minneapolis; **L. Larsen**, Jerauld County Bank, Wessington Springs; **Dan H. Otis**, Director Agricultural Commission A. B. A., Madison, Wisconsin; **Ernest C. Beebe**, Bank of Ipswich and **Clifford DePuy**, Publisher, the NORTHWESTERN BANKER.

After luncheon the curtain rose again on the Orpheum stage and **D. H. Otis**, God's gift to agriculture, told the assembled pig, hog, chicken, dairy, wheat, corn and potato raising bankers what they should tell their farmers so that these farmers could play more and work less by getting on closer speaking terms with their livestock and suggesting that they—the livestock—speed up their production and make it easier for the farmers. For example, **D. Handsome Otis**, pointed out that the average hen in the United States lays only 53 eggs; whereas if she were properly educated she might lay 337 eggs in 365 days, which was done by one of the college educated hens. He pointed out also that the average hen in South Dakota produces only 50 eggs per year, or three eggs—either hard boiled, soft boiled, scrambled or poached—less than the United States average. The bankers assembled promised to give this matter careful consideration.

The cost of wheat varies from 74 cents to \$1.64 per bushel and certainly manufacturers would not allow such discrepancies in their business, therefore why should farmers.

J. A. McGillivray, president of the Citizens State Bank of Garden City, gave the "Report on Agriculture"—what could be finer than to have the chairman of the Agricultural Committee from a Garden City? Mr. McGillivray spoke of the work which is being done by the Boys' Clubs, the Girls' Clubs, the Pig Clubs, Cow Clubs and the Women's Clubs to help, promote, foster, maintain and stimulate the desire to make two pigs, two cows and two corn tassels to grow where only one grew before.

Argues for Service Charge

To prove that bankers were doing business at a loss unless they charged a Service fee the same as doctors and lawyers, **Don DeVey**, president of the Farmers State Bank of Westport, gave a report on "Analysis of Accounts" and said that it

costs 3 cents per check on all items handled by a bank, although this did not include the conversation and courteous attention which had to be given to each customer gratis, free for nothing the same as you secure when you have your windshield wiped at an oil station. Every customer must maintain a \$50 balance per month or pay 50 cents per month ac-

cording to Mr. DeVey, to cover the cost of bookkeeping, overhead, pencils, erasers, ink, adding machines, powder puffs, lipsticks, and permanent waves.

The Protective Department of the Association was functioning with Burns—like Burglarity according to **M. Plin Beebe**, who said that the South Dakota Association had the lowest insurance rates in the United States and that every member bank could pay for its dues to the association by the savings it secured from insurance.

Cream checks were causing a great deal of trouble, according to **L. M. Larsen**, cashier of the Jerauld County Bank at Wessington Springs, who reported on Service Charges. In order to remedy this nefarious traffic in cream checks and reduce them to the skimmed milk variety, he suggested that all banks charge at least five cents over the counter for each check cashed.

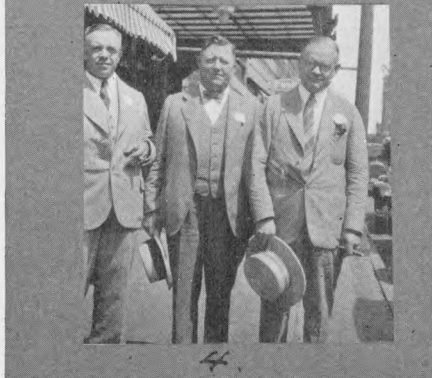
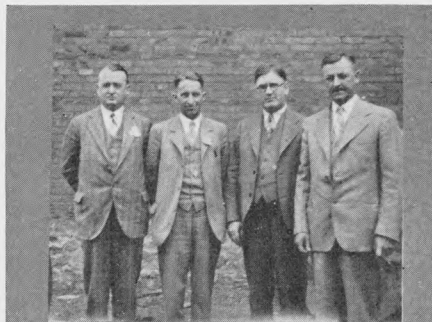
Fred B. Stiles, vice president of the First National Bank of Watertown, reported on "Standard Forms," which he said should be adopted by every bank.

The afternoon session then adjourned and reported for duty at 6 p. m. at the Banquet in the Coliseum, where 500 men, women and children enjoyed a most delightful feast, prepared by Sioux Falls' best women cooks.

C. M. Day, editor of the Argus Leader was toastmaster, and before the night was over everyone present decided that Day was a brilliant master of ceremonies. The golf prizes were awarded at this session and all the winners either received cups which they couldn't drink out of, or golf clubs which they didn't need.

About nine o'clock when the eating, singing—no drinking was allowed—was about over and everybody expected to go to the Arkota Ball Room and wilt down half a dozen collars before midnight, the toastmaster announced that **Fred R. Smith**, the popular Superintendent of Banks of the State of South Dakota, would make an address.

And this he did. And if you think it's easy to hold 500 people when the time for adjournment has arrived and the soft melody of enchanting music from a far-off syncopating orchestra is calling them to the rhythmic motion which delights men's souls and makes women wish to live longer—then you just try it. Nevertheless, for thirty minutes, Fred R. Smith delivered the finest address made at the convention. And thank God he didn't read it—but he delivered it, with logic, with enthusiasm, with knowledge of his subject, and with a sincerity of purpose which carried his audience with him as



1. (Reading from left to right) R. E. Driscoll, president South Dakota Bankers Association and cashier First National Bank of Lead; George A. Starring, secretary, Huron; Thomas O'Brien, vice president Hoven State Bank, Hoven; Harry M. Griffith, retiring president, president Potter County Bank, Gettysburg. 2. J. C. Vandagriff, president Union Savings Association of Sioux Falls, winner of first prize in the Golf Tournament, having lowest gross score for 18 holes with no handicap, the score being 78. 3. Robert Driscoll, Jr., 12-year-old son of the president, who has a brother and two sisters, all younger than he is. Robert was on hand to applaud the numerous seconding speeches following the nomination of his father for president of the Association. 4. H. B. Scott, vice president Live Stock National Bank of Sioux City; Alex Highland, president Stock Yards National Bank, South St. Paul, Minn.; E. R. Harris, special representative First National Bank, Chicago.

Demosthenes and Socrates did of old when they propounded their theories of philosophy before the Roman populace. Mr. Smith spoke on the "Motives in Banking"—it was a masterpiece.

The morning of the final session had arrived. The president pounded his gavel for attention as the straggling night-hawks strolled in to their seats. **F. J. Parry**, vice president of the American Surety Company, told those present how to "Combat the Forger." "Taxation and the Banks" was the subject discussed by **Thornton Cooke**, of Kansas City.

The election of officers was the final thing on the program and those who were honored with crowns, badges and gold medals for the coming year were as follows:

President, **R. E. Driscoll**, cashier, First National Bank at Lead; Vice President, **Thomas O'Brien**, president, Hoven State Bank; Treasurer, **J. C. Bassett**, president, Aberdeen National Bank; Secretary, **George A. Starring**, Huron.

Rapid City was selected as the Convention City for 1929. The home of the famous silent Cal—better known as "BIG CHIEF NO CHATTER."

Redecorating

The Lincoln County Bank Building, which was recently purchased from the state banking department by P. A. Overseth, is being renovated and redecored for occupancy by the Farmers State Bank of Canton, South Dakota. The business in connection with the liquidation of the Lincoln County Bank is being handled in the back rooms of the bank building.

Pioneer Dead

P. F. McClure, pioneer merchant and banker of Pierre, South Dakota, died in a Rapid City hospital recently, following a stroke of apoplexy at his summer home at Silver City.

Colonel McClure, as he was known throughout the state, was 74 years old. He came to Pierre in 1880 and worked to secure the opening to settlement of the Great Sioux Indian reservation, as one of the early civic enterprises which have always interested him.

Colonel McClure was the democratic candidate for governor at the first state election. He is widely known throughout the state for his work in Masonry.

Apply for Charter

An application has been filed with the comptroller of the currency at Washington asking that a charter be granted for a new national bank which it is planned to establish in Lake Norden, South Dakota. The application for the charter was filed by F. R. Styles, Watertown, capitalist, who will be one of the syndicate who will be behind the new bank.

It is believed the charter will be

The
Live Stock National Bank
Sioux City, Iowa

It is the things
additional we
like to do for
you, not merely
the things *tra-*
ditional.

*The only Bank located
at the Stock Yards!*



THE extensive and satisfying service this institution extends to its banker customers, and the valuable advertising assistance which is given so freely and proving so useful, is influencing more and more bankers to patronize this strong, dependable institution.

We solicit an opportunity of telling you what we can do for you. Inquiries will have prompt attention.

THE STOCK YARDS NATIONAL BANK
AND
THE STOCK YARDS TRUST & SAVINGS BANK
of CHICAGO

Northwestern Banker July 1928

granted, as all the regulations of the national banking act have been complied with. The new bank will have a capital of \$25,000.

School Savings

The school savings system operated for the grade and high schools of Sioux Falls, South Dakota, by the Union Savings association held the last banking day of the 1927-1928 school term with a balance of \$37,480.74 to the credit of the grade and high school students.

The balance average \$6.50 a depositor. Lewis Heights school set a record for the year that will be very hard for other schools to excel, that school went through the entire term with an average of 100 per cent a week, with the exception of the first week of the 1927-28 term.

Speaking of the school savings system, R. E. Armstrong, who looks after the system for the Union Savings association, said:

"In the past our schools did not emphasize the thrift habit among the children as strongly as they should have. But now it is being placed right into the schoolhouse with this thrift program the children learn at an early age how to save and bank money. There is no doubt about it, if the older generations had had the school bank, many of them would have accomplished more during their lives."

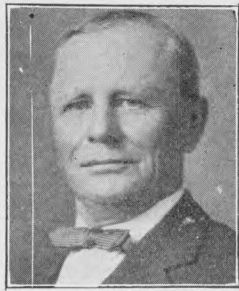
To Cover Nebraska

James R. Connell, well-known in Omaha financial circles, has been appointed district representative of the bond department of the Illinois Merchants Trust Company of Chicago, and has opened an office in the First National Bank building. His territory includes the western part of Iowa and the entire state of Nebraska.

For the past six months Mr. Connell has been connected with the Illinois Merchants Trust Company in Chicago, where he has gained first hand knowledge of the bank's policies and methods in connection with the purchase and sale of investment securities. His appointment as Omaha representative, according to T. J. Brice, vice president of the bank and in charge of the bond department, "will afford a closer and more personal service to the bank's clients and prospective customers in this part of the Central West."


Certainly Is

"Officer," screamed the citizen, "this man just dashed into our bank, shot the cashier, and took eighty thousand dollars!" "Huh!" grunted the traffic cop, coldly glancing at the gunman's car and then back at the gunman, "that's a hell-u-vah excuse fer parking in front of a fireplug!"



Nebraska Bank News

Officers Nebraska Bankers
Association



President.....	C. A. Smith
Chairman of the Executive Council.....	Tilden Fred R. Haggart
Secretary.....	St. Paul W. B. Hughes
Treasurer.....	Omaha Frank Boyd
General Counsel.....	Omaha J. P. Palmer
	Omaha

C. A. SMITH
President

WM. B. HUGHES
Secretary

Nebraska Bankers Hold Group Meetings

THE first of the June Group Meetings was at Hastings, Nebraska, June 5th, at which President J. H. Lohmann, cashier of the Nebraska National Bank of Hastings and president of Group 4, ably presided. The program included an address by President Lohmann; an address on "Our State Association," by President C. A. Smith; "Rambling Remarks," by G. S. Hovey, president of the Interstate National Bank of Kansas City; "The Telephone Industry and the Banks" by Ross B. Johnson, of Omaha, treasurer of the Northwestern Bell Telephone Company; an address by C. G. Bliss, secretary of the Department of Trade and Commerce on "Top Shelf Banking," and a Question Box by E. F. Folda, of Omaha.

Sessions were held at the Clarke Hotel. The annual banquet was likewise served there in the evening. Harry F. Russell, officiated as toastmaster. At the close of the afternoon session the visitors were taken on an automobile tour of Hastings.

At the conclusion of the meeting Edward Van Steenberg, president of the Franklin County Bank of Hildreth, was named president of Group 4; Jay Ouderkirk, of Kenesaw, president of the First State Bank of that city, was named vice president; and Vern Manahan, cashier of the First National Bank of Hastings, was named secretary. The group recommended that all state banks adopt the 3 per cent interest rate on time deposits.

The Cozad Meeting

The Cozad meeting started off with much "pep" when the special group train unloaded and was met by all of Cozad plus a brass band which led the procession up the street to the Opera House, where the meetings were held June 6th. This was the Group 5 meeting, and it was presided over by A. E. Grantham, president of the Farmers State Bank of

Lexington. The morning session was taken up with addresses by Mr. Grantham, President Smith, and Secretary Bliss, augmented by musical numbers.

The afternoon program was opened with a discussion "How My Bank Makes Money Under the Guaranty Fund System," by Phil Hall, of Greenwood, followed by an address on "Nebraska, Your State, My State," by F. W. Andersen, Cozad merchant; an address by Mr. Johnson, treasurer of the Northwestern Bell Telephone Company, and an address on "Looking Ahead," by F. R. Haggert, chairman of the Executive Council of the Nebraska Bankers Association.

Following the afternoon's program visiting bankers were taken for an automobile ride near Cozad, inspecting the irrigation ditches and the wonderful crops in that territory.

The following officers were elected by Group 5:

President, Roy Stuckey, president of the Lexington State Bank, Lexington; vice president, Elmer Williams, president Commercial State Bank of Grand Island; secretary, A. E. Swanson, cashier First State Bank, Gothenburg.

Group Seven Meeting

The Group 7 meeting was held on Thursday at Scottsbluff, opening under the able supervision of the Group 7 president, Cullen N. Wright, who styles himself the "social vice president of the Platte Valley Bank of Scottsbluff." An address by President A. N. Mathews of the Gering National Bank followed. In the afternoon the business session was held at the Scottsbluff Country Club, opening with an address on "Service Charges," by I. A. Changstrom, assistant cashier of the Omaha National Bank. He was followed by T. B. Strain, vice president of the First Trust Company of Lincoln, who spoke on "Bonds as a Bank Investment," and by C. G. Bliss, on

"Top Shelf Banking." A splendid address on the Nebraska Guaranty Fund Law by Claud Anderson and a Question Box by E. F. Folda, completed the meeting.

The new officers elected at Scottsbluff included:

President, A. J. Jorgenson, president of the American Bank of Sidney; vice president, Marius Christensen, assistant cashier of the Liberty State Bank of Sidney; secretary, S. P. Delatour, president of the Bank of Lewellen.

One of the most interesting meetings was that held by Group 6 at Chadron, which was presided over by C. F. Coffee, Jr., president of Group 6. All sessions were held at the Chadron Country Club, and following the brief morning session bankers were urged to indulge in scenic drives and "airplane rides." No casualties were reported.

A feature of the Chadron meeting was the 23-word address of welcome by Major C. H. Bisping, a response to which was given almost as briefly by J. M. Flannigan, president of the Citizens Bank of Stuart.

Addresses by President Smith, Phil Hall, and Cullen N. Wright featured the afternoon program.

The evening banquet, held in the gymnasium of the Normal School at Chadron, was one of the high lights of the entire series of Group Meetings. The program was presided over by Toastmaster George Ferris, of the Chamber of Commerce at Chadron, and included some very fine dancing, musical and special numbers. Following the banquet the bankers were entertained at a dance at the Chadron Country Club.

The following officers were elected:

President, E. C. Cole, president of the Ranchers Bank of Cody; vice president, D. A. Criss, president of the First National Bank of Stuart; secretary (re-elected), W. P. Rooney, cashier Chadron State Bank.

The Nebraska Group Meetings were very enthusiastic ones, at which there prevailed a spirit of great optimism over the future of Nebraska. Much interest was aroused in the proposition that Nebraska banks generally come down to 3 per cent interest on time deposits and in the general policy of better banking methods outlined by the officers of the State Association and by Secretary Bliss, of the department of Trade and Commerce.

**Additional
Nebraska News
Page 39**

Deposits Gain

The five Omaha banks reporting to the Federal Reserve Bank of Kansas City showed savings deposits of \$9,125,298 May 1st, this year, a gain of \$1,199,359 over deposits of \$7,925,939 at the same time in 1927.

Omaha flour mills, according to the monthly review of the Federal Reserve Bank of Kansas City, turned out 1,689 more barrels of flour in April this year than in April, 1927. Production in that month this year was 88 thousand barrels, compared with 86,371 the previous April. Four Omaha retail department stores reported a slight increase in business the first four months this year compared with the same period in 1927.

Continue School Savings

Pupils of Omaha schools can continue their school savings accounts during the summer vacation period, according to an announcement by E. L. Droste, vice president of the First National Bank.

"In the past many of the school children withdrew their accounts when school closed for the summer," Mr. Droste said. "Now we are inviting the children to make deposits during the summer months in our regular savings department, which is open from 9:00 a.

m. to 3:00 p. m. daily, except Saturday when the department closes at 2:00 p. m."

Will Be Stabilized

That the banking business in the five counties comprising the First Nebraska Credit Clearing House Association will be greatly stabilized within the next few months, was the prediction of Dan V. Stephens, in an address before Kiwanis and Rotary club members of Fremont.

The association is the first of its kind in the country and is attracting wide attention. The new organization, he said, is clearing up destructive practices and is putting the banks on a sounder basis.

Appointed Examiner

H. P. Heiliger has received his certificate from Governor McMullen of Nebraska, giving him authority as a state bank examiner. He has been engaged in examining various banks throughout the state and reports that he has found that the condition of the banks in general are improving.

Seventy-five Years Young

Fred H. Davis, president of the First National Bank, who is in Europe, recently celebrated his birthday. He is 75 years of age and has lived in Omaha 74 years. He came to Omaha when just one year old and has been there ever since.

He has been connected with the First National Bank for 56 years. Mr. Davis is said to be the only Omaha man who witnessed the first July 4th celebration ever held in Omaha.

The celebration was held on what are now the Central High School grounds and Mr. Davis was there in his mother's arms. He admits he does not remember very much about that great event.

To Lower Rates

The tendency of banks of Nebraska is to lower the rate of interest on time deposits, following the lead of Kansas bankers who have reduced the rate of interest from 4 to 3 per cent.

Burt county banks are paying but 3 per cent and Dodge county banks 3½ per cent on their deposits.

Banker Stricken

Seized with a heart attack Gilbert E. French, 53, investor and broker, died recently on his way to a hospital. He was stricken while watching board tabulations in the offices of Logan and Bryan, Omaha. Doctors were summoned, but could do nothing for him.

French was a former banker at Winside, Neb., and had lived here for about eight years. He is survived by his widow and two brothers.

Banking on Sound Basis


"There is a feeling that Nebraska's banking administration, with its report of 270 millions in deposits, near the top for all time; with a 29 per cent cash reserve and a combined total of more than 33 per cent cash and bond reserve, is on a thoroughly sound basis, and that the proposed reduction in interest rates on time deposits to 3 per cent is a constructive factor in behalf of the state banking system," was the statement recently of C. J. Claassen, vice president of the Peters Trust Company, who was one of 36 Omaha bankers who attended group meetings throughout the state.

"The income from farm land is attracting an increasing number of investors, and is establishing constantly enlarging purchasing power in Nebraska towns," Mr. Claassen said.

Mr. Claassen continued: "At Scottsbluff, Alliance, Chadron, Cozad, Bassett, Valentine and Sidney, there are no vacant stores, residences or offices, with reported building programs, to fill the demand, as large as one-half million dollars at Alliance."

Bank Burns

The Wells Cash store was destroyed and the Farmers State Bank was damaged by a fire at Stapleton, Neb., recently. The loss was estimated at \$60,000. The fire started in the basement of the store building.



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LIVE STOCK NATIONAL BANK

Union Stock Yards—Omaha

Complete Financial Service

U.S. National Bank
Trust Company

Omaha

Dies in Rochester

Carl H. Menck, cashier of the Commercial State Bank, Grand Island, Nebraska, died at Rochester, Minn., where he was undergoing treatment for cancer. He was 59 years old.

Mr. Menck was well known in state banking circles and on several occasions had been delegate to national conventions.

Land Bank Elects

E. C. Yont was elected president of the Fremont Joint Stock Land Bank at a meeting of the directors held recently at the chamber of commerce. Other officers named were W. W. Burr, W. A. Selleck and W. E. Barkley, vice presidents, and Miss Katherine Dougan, secretary. Mr. Barkley is also manager, and conducts the bank's business from Lincoln.

Buys Control

The controlling interest in the State Bank of Jansen, Nebraska, which was owned by Herman A. Thiessen has been purchased by John M. Nider, well known farmer of the Jansen vicinity. Mr. Nider has already taken possession.

According to the bank report March 10th, total resources and liabilities of the bank amounted to \$144,428.34. The capital and surplus of the bank is \$24,000 and the total deposits \$119,147.23.

Directors of the bank are F. C. Achtemeier, John M. Nider, P. J. Thiessen, Henry Wallbaum and H. T. Fast.

John M. Nider has been elected president; F. C. Achtemeier, vice president, and H. T. Fast, cashier.

Consolidation

The Drivers & Traders State Bank of Haigler, Nebraska, has consolidated with the State Bank of Haigler, and the consolidated bank is now being operated at the State Bank of Haigler, Secretary Bliss, of the state department of trade and commerce, announces. The retiring Drivers & Traders Bank had a capital and surplus of \$29,000. Fred H. Crone was president and H. E. Crone, cashier. The deposits of the retiring bank were \$123,000.

The new consolidated bank has a capital and surplus of \$31,500 and the combined deposits will total over \$250,000. The officers and directors of the consolidated bank are Chas. Zuege, president, and William H. Larned, cashier. Fred Crone, A. W. Ventis and Mrs. G. Barbour of the retiring bank have taken stock in the new consolidated bank.

Increase Capital

Since the organization of the Nebraska State Bank of Ord about sixteen years ago, the capital of that institution has been \$35,000. The bank was organized by H. B. Van Decar and other Valley

county financiers and was operated by Mr. Van Decar until July of 1918, when a large portion of the stock was sold to the Mortensen interests and C. J. Mortensen became the active head.

The bank has enjoyed a healthy growth through the years and now the stockholders find it imperative to increase the capital stock in order to take care of the growing business. At a meeting of the stockholders recently the capital increased \$17,500, making the capital \$52,500.

Set Convention Dates

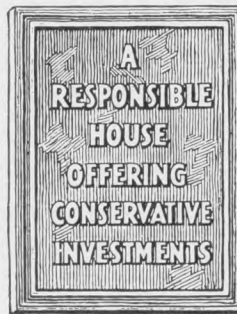
A recent issue of the *Record*, official

publication of the Nebraska Bankers Association, announces October 17th and 18th as the date of the 1928 convention, Omaha, the place.

The bulletin says:

"The Executive Council left the matter of selection of dates to the officers of the Association, working with the Omaha bankers who are to entertain the Association at that time, their cordial invitation to come to Omaha with the convention having been accepted by the council at its meeting on April 17, 1928.

"After canvassing the situation thoroughly, and checking up on all conflicting events, selection fell upon the dates



Short Term Bonds and Notes for Bank Investment

We offer and recommend the following:

AMERICAN CREDIT CORPORATION

Collateral Trust Gold Notes
Six months maturity.....5¼% discount basis
Ninety day maturity.....5% discount basis

CENTRAL WEST PUBLIC SERVICE CO.

One Year 5% Gold Notes, Due January 1, 1929
Price 99¼ and Interest; Yield 5.40%

GENERAL TELEPHONE UTILITIES CO.

First Lien Collateral 5% Gold Notes, Due June 1, 1929
Price 99½ and Interest; Yield 5.50%

MICHIGAN FUEL AND LIGHT COMPANY

One Year 5% Gold Notes, Due June 1, 1929
Price 99½ and Interest; Yield 5.50%

IOWA-ILLINOIS TELEPHONE COMPANY

First Mortgage and Collateral Lien 5½% Gold Bonds; Due April 1, 1933
Price 98¾ and Interest; Yield 5.80%

Circulars descriptive of the above mentioned bonds
and notes will be forwarded upon request.

The Omaha Trust Company
Omaha National Bank Bldg.
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Lincoln Office: 302 First National Bank Bldg.

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214 BROADWAY

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240 Park Avenue

399 Seventh Avenue

To be opened during 1928

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Richard Delafield

President

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H. E. Scheuermann	Ralph L. Cerero
Jay D. Rising	Harold W. Vanderpoel
James Bruce	Walter S. Jelliffe
Arthur W. McCain	

Cashier

Frederick O. Foxcroft

Assistant Vice Presidents

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William C. Macavoy	John Matthews, Jr.
Louis H. Ohlrogge	R. J. Whitfield
John B. Heinrichs	Dale Graham

Assistant Cashiers

William E. Douglas	Henry L. Sparks
Byron P. Robbins	Joseph E. Silliman
Stanley F. Ketcham	Kenly Saville
Harold M. Truslow	George C. Braden
William F. Latus	Arthur R. Brown
Thomas B. Carlton	

CAPITAL, SURPLUS AND UNDIVIDED PROFITS, \$35,000,000

October 17th and 18th, Wednesday and Thursday.

"This is the first step in the preparations for the convention. We usually start in earnest about the state convention immediately after the Group meetings are finished. We will hope to make announcements from time to time as the arrangements for the fall meeting progress."

Enter Corn Contest

Two hundred and twenty-five Nebraska farmers have entered the 1928 Nebraska ten acre corn yield contest. This is 50 more entries than has ever entered before in any previous contest, according to D. L. Gross of the Crops and Soils Extension Service at the college of agriculture. The large number of entries will make keen competition and the honor of winning will be greater than ever. This is the fifth annual corn yield contest in Nebraska.

Clay county leads in the number of entries, with 26 farmers signifying their intentions of entering their best fields; Cass county is second with 16 entries; Douglas is third with 15, and Dawson county is fourth with 14. The following counties each have 10 or more entries: Burt, Washington, Nance, Madison, Furnas, Hamilton, Cheyenne and Dawes.

The increased interest in the corn yield contest is due, no doubt, to the many lessons that it has brought out. The winners in the contest have invariably been men who have grown their corn on land recently in legumes, and thus make greater profits on fewer acres of corn. The ten high men in the contest last year made as much profit on one acre of corn as some of their neighbors did on five acres.

Another lesson brought out by the contest is the matter of labor efficiency. Certain men by the use of large machinery and greater horsepower have shown that one man can handle 100 acres of corn, where with the ordinary methods, only 50 to 70 acres could be handled. The tremendous increase in the use of two and three-row machinery the last year or two is no doubt largely the result of lessons gained from the corn yield contest. Publicity of the results of the contest has stressed the importance of legumes, in reducing the cost per bushel, and increasing the profit per acre. A 1600 per cent increase in the acreage of sweet clover since 1920 is also an indication that the contest has been worth while.

Captain: "What's he charged with, Casey?"

Officer: "I don't know the regular name for it, captain; but I caught him a-flirtin' in the park."

Captain: "Ah, that's impersonatin' an officer."

	Minnesota Bank News	
Officers Minnesota Bankers Association		
President.....	A. G. Wedge Park Rapids	
Vice President.....	I. Z. Hansen St. Paul	
Treasurer.....	A. M. Schaefer Jordan	
Secretary.....	F. P. Fellows St. Paul	F. P. FELLOWS Secretary
A. G. WEDGE President		

Strothman Dead

John H. Strothman, 43 years old, auditor of the Farmers and Mechanics Savings Bank, Minneapolis, Minn., died recently after an illness of a month. Strothman, who had lived in Minneapolis most of his life, had been with the banking institution for 15 years.

He was unmarried and is survived by a brother. He made his home at 116 Groveland avenue, Minneapolis.

Attend A. I. B. Convention

Headed by F. M. Blomquist of Mounds Park State Bank, 21 bankers from practically every St. Paul banking institution recently attended, in Philadelphia, the annual convention of the American Institute of Banking. Mr. Blomquist is president of the St. Paul chapter of the institute, which numbers more than 600 members.

Limit Interest Rate

State banks in Minnesota will not be permitted to pay an interest rate of more than 4 per cent on savings accounts after July 1st, an order to that effect having been issued by A. J. Veigel, commissioner of banks. The same ruling will apply to certificates of deposit issued or renewed after that date.

"We are entirely satisfied that no bank can afford to pay more than this rate in view of present conditions and the low interest paid on gilt-edge securities," Mr. Veigel declared in a statement to bankers, pointing out that the action was taken to safeguard the savings of citizens of the state.

Before issuing the order Mr. Veigel obtained a ruling from the attorney general's office which read, in part: "If you determine that a given rate cannot be legitimately paid by banks in general, then a general order may be issued prohibiting the payment in the future of such excessive rates."

The commissioner's order called attention to the fact that many banks now are paying but 3 per cent and advised others to adopt that rate."

Meet in Mora

A. F. O'Berg of Lindstrom was elected president of the Tenth District Group, Minnesota Bankers Association, at the annual meeting in Mora.

Other officers are: A. G. Engenberg of Cambridge, vice president, and Albert Wickstrom of Isanti, secretary-treasurer; executive committeemen, S. J. Mealey of Monticello and L. A. Matter of Isle.

Lieutenant Governor W. I. Nolan spoke at the morning session.

Business Will Improve

Minnesota bankers are confident that business will continue to improve during the remaining months of the year, F. P. Fellows of Minneapolis, secretary of the Minnesota Bankers Association, reported recently upon his return from attending a series of district meetings of the association.

Bankers are optimistic concerning the business and agricultural outlook, he said.

"They are in a good frame of mind," said Mr. Fellows. "Dry weather has caused some apprehension in the western part of the state, but on the whole, they reported crop conditions as satisfactory."

Sixth and Ninth Meeting

One hundred and sixty bankers and their wives attended the two-day joint convention of the Sixth and Ninth District Groups of the Minnesota Bankers Association in Little Falls recently. Sessions were held in the Elks home.

Officers of the state association who attended the convention declared it was one of the most successful and entertaining in the state. Similar conventions are held by groups in each congressional district.

Officers elected at the closing session were as follows:

Sixth District—J. C. Nelson, Pequot, president; J. R. Nims, Staples, vice president; R. W. Smythe, Park Rapids, secretary-treasurer; John Rausch, Last-rup, W. L. Brooks, Bemidji, and H. Lesher, Pine River, executive committee.

Ninth District—A. G. Schwarzroek, Perham, president; Walter Oby, Detroit Lakes, vice president; G. M. Comstock, Moorhead, secretary-treasurer; E. B. Hanson, Fertile, and C. A. Veblin, Hallock, executive committee.

Detroit Lakes was recommended for the next convention.

Second District Elects

I. H. Krook, cashier of the Citizens State Bank of New Ulm, was named president of the Second District Group of Minnesota Bankers at the business session of the twenty-sixth annual meeting. Mr. Krook served as vice president of the organization during the past year.

Other officers elected for the coming year were: J. H. Jansen, president of the Edgerton State Bank, was elected vice president; W. H. Jarmuth, president of the Heron Lake First National Bank, was named secretary-treasurer.

The sessions were held in the Armory. Edgar L. Mattson, vice president of the Midland National Bank & Trust Company of Minneapolis, gave an instructive address on "Taxation of Banks." A. D. Wedge, who is president of the Minnesota Bankers Association, gave an address on topics of general interest to members of the Association, and F. P. Fellows, secretary of the State Association, gave a report of the work which has been accomplished in the past year.

Organizing New Bank

The village of Granada, Minnesota, which has been without banking facilities for some time, will again have a full-fledged bank in the near future.

A. W. Thompson of Wells recently purchased the building formerly occupied by the Granada National Bank. Mr. Thompson is now busy getting stockholders interested in the new institution and is meeting with success.

Goes to Minneapolis

Lewis McCullough has resigned as cashier of the First National Bank, Thief

**MIDLAND
NATIONAL BANK**
and
TRUST COMPANY

Resources \$25,000,000.00

MINNEAPOLIS

Northwestern Banker July 1928

River Falls, Minn., to enter the Minneapolis firm of John W. Black Company.

Heads First National

The officers of the First National Bank of Sauk Centre, Minnesota, announce that due to the death of their president, Cassius M. Sprague, it became necessary and expedient to appoint new members on the board of directors and to elect officers to fill the vacancies which had occurred.

The directors chosen are all residents of Sauk Centre and are as follows: Geo. W. Steiner, G. Hillerud, H. S. Halverson, F. W. Sprague, H. J. Sauer.

The officers elected by the board of di-



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

rectors are: F. W. Sprague, president; H. S. Halverson, vice president; G. Hillerud, vice president; H. J. Sauer, cashier; C. S. Bjone, assistant cashier.

Land Bank Election

The directors of the Federal Land Bank of St. Paul announce the selection of the following men to fill vacancies in important offices of the bank. Frank G. Wanek, a banker of Antigo, Wis., is made secretary. George S. Gordhamer of Minneapolis, becomes assistant treasurer, and John Thorpe of Minot, former assistant attorney general of North Dakota, general counsel. The bank's board of directors as now constituted, consists of F. H. Klawn, president; A. C. Erickson, Albert Lea, vice president; T. J. VanLeuven, treasurer; Samuel Torgerson, Grand Forks, N. D., John C. Smith, Mandan, N. D., and Frank R. Coit, Hudson, Wis.

Verdict Set Aside

A verdict granting \$1,229 damages to the First State Bank of Hugo against the Federal Reserve Bank of Minneapolis, in a Hennepin county district court, was ordered set aside recently by the Minnesota Supreme Court which reversed the lower tribunal.

The ruling marked a victory for Newton D. Baker, former Secretary of War, who argued the Reserve Bank's case before the high court in opposition to State Senator George H. Sullivan of Stillwater, counsel for the Hugo bank.

To Reopen

The opening of the Scandia American Bank, Crookston, Minnesota, was seen when reports revealed the fact that already \$40,000 worth of stock had been sold to various depositors. Only \$20,000 more is required to open the bank. The bank will be capitalized at \$50,000 with a surplus of \$10,000.

Work on the reopening had been going on for the last few months and a reopening is seen before the close of the summer, according to a member of the committee.

Business Improved

Indications of improved business over last year in Minneapolis and the northwest, both of a general nature and in specific industries, continue to appear, according to the Northwestern National bank review, made public recently.

Cars of freight received in Minneapolis in April were greater by 14.1 per cent than in April, 1927, and cars forwarded showed an increase of 7.2 per cent for April, 1928, over the corresponding month of last year, the report states.

An increase in the output of flour mills in the city also was noted for the five-week period ending May 19th, and

the output since the first of the year has been greater than for a corresponding time over a number of years. Linseed oil shipments from the city were greater in April by nearly 40 per cent over those of April, 1927.

Check payments through banks of the Ninth Federal Reserve District also were greater by 15 per cent than for April, 1927, and kilowatt hours of electric energy for the first quarter of the year were greater by 22.1 than in the first quarter of last year.

Supplies of butter and eggs also are increasing, the review shows. Holdings of creamery butter in public cold storage in Minnesota increased from 12,707 pounds at the beginning of April to 881,686 pounds at the first of May, and eggs from 15,331 cases to 137,523 cases.

Heads Duluth A. I. B.

William C. Beckman of the American Exchange National Bank, Duluth, Minnesota, was unanimously elected president of the Duluth chapter, American Institute of Banking at the annual banquet and meeting at the Spalding hotel recently. He succeeds A. B. Fitzloff of the Minnesota National Bank, retiring president. Other officers elected include: J. H. Sauntry, first vice president; Alice Carlson, second vice president; J. C. Buckley, treasurer; Alice Holloway, secretary. Three were elected for two-year terms on the board of governors, as follows: J. V. Hagberg, C. W. McLyman and Robert Wisnieski.

Swift Bankers Meet

C. M. Krebs of Appleton, Minnesota, was made chairman of a committee of Swift county bankers, appointed at a meeting held at Benson recently to arrange a schedule for equitable distribution of the costs of bank operation to the customers, and Gunder Kivley of Appleton, was elected vice president of the county bankers organization.

George Susens of Alexandria, chairman of the bank cost committee of the Minnesota Bankers Association, and vice president of the Farmers National Bank of Alexandria, was the principal speaker at the meeting, and his address had to do with methods used by Minnesota banks in equitably distributing operating costs of the bank to the customers.

J. P. Thornton of Benson was made president of the Swift county group in the election of officers and Wm. Estrem of Kerkhoven, secretary and treasurer.

That Golf Odor

"Pop," said a banker's boy, "you took a day off today, didn't you?"

"Yes, son. How did you know?"

The boy's nose wrinkled up a little, and he said:

"You smell so of golf."

THE MINNESOTA CONVENTION

(Continued from page 26)

Church of Minneapolis, "The Standard of Civilization's Best Values." He impressed upon the bankers a responsibility they owe to their communities in that they should go out of their way to encourage ability and initiative.

Rev. Osgood was followed by W. L. Barnhart, vice president of the National Surety Company of New York, and widely known in casualty and surety circles as a foremost authority on bank forgeries. His subject was "Criminal Psychology."

Mr. Barnhart presented to the convention a large number of interesting displays showing some of the actual forgeries that have been committed in some of America's foremost forgery cases and he warned the banker to be more careful and to urge his clients to exercise more care in the handling of their checks.

Following the first afternoon session there was a meeting of the members of the American Bankers Association. H. B. Humason, vice president of the American National Bank of St. Paul, presided as the vice president of the Minnesota Division of the American Bankers Association.

Officers Elected

The following officers were elected: H. B. Humason to succeed himself as vice president for the Minnesota District; R. B. Rathbun of Minneapolis as member of the Executive Council for three years; James A. Gillespie of the First National Bank, Carleton, as vice president of the National Bank Division. The state bank division elected as its vice president, R. D. Sprague of Caledonia, and Henry D. Thrall of the Minnesota Loan and Trust Company, Minneapolis, was elected vice president of the Trust Company Division, while H. S. Kingman of the Farmers & Mechanics Savings Bank, Minneapolis, was elected vice president of the Savings Bank Division. J. J. Maloney of Heron Lake was made a member of the Nomination Committee.

Following several reports made to the convention at the start of the next morning's meeting, the association's General Consul addressed the convention on the subject, "Some Minnesota Court Decisions of Interest to Bankers." Following his address matters of unfinished business were taken care of, following which officers for the coming year were elected.

The new officers of the Minnesota State Bankers Association are: President, I. E. Hansen, vice president, First National Bank, St. Paul; vice president, R. W. Putnam, cashier, Security Bank & Trust Company, Red Wing; treasurer, T. A. Perkins, cashier, First National Bank, Windom; secretary, Fred P. Fellows, St. Paul; assistant secretary, Vida R. Richards, Minneapolis.



SALMON P. CHASE, *Secretary of the Treasury under LINCOLN*

The Chase National Bank

of the City of New York

57 BROADWAY

Capital	\$ 50,000,000.00
Surplus and Profits	57,462,411.15
Deposits (February 28, 1928)	857,757,013.97

OFFICERS

ALBERT H. WIGGIN
Chairman of the Board

JOHN McHUGH
Chairman of the Executive Committee

ROBERT L. CLARKSON
President

Vice Presidents

SAMUEL H. MILLER	GEORGE E. WARREN	HUGH N. KIRKLAND
CARL J. SCHMIDLAPP	GEORGE D. GRAVES	JAMES H. GANNON
REEVE SCHLEY	FRANK O. ROE	WILLIAM E. PURDY
SHERRILL SMITH	HARRY H. POND	GEORGE H. SAYLOR
HENRY OLLESHEIMER	SAMUEL S. CAMPBELL	M. HADDEN HOWELL
ALFRED C. ANDREWS	WILLIAM E. LAKE	JOSEPH C. ROVENSKY
ROBERT I. BARR	CHARLES A. SACKETT	

Vice President and Cashier
WILLIAM P. HOLLY

Second Vice Presidents

FREDERICK W. GEHLE	FRANKLIN H. GATES	AMBROSE E. IMPEY
EDWIN A. LEE	ARTHUR M. AIKEN	ROBERT J. KIESLING
ALFRED W. HUDSON	S. FREDERICK TELLEN	LYNDE SELDEN
JAMES L. MILLER	OTIS EVERETT	THOMAS B. NICHOLS
BENJAMIN E. SMYTHE	WILLIAM H. MOORHEAD	GEORGE S. SCHAEFFER
JOSEPH PULVERMACHER	HAROLD L. VAN KLEECK	J. SPERRY KANE
LEON H. JOHNSTON	T. ARTHUR PYTERMAN	GEORGE A. KINNEY

Comptroller
THOMAS RITCHIE

Foreign and Trust Department Facilities

Officers Council of Administration: Seventh district, R. J. McCrae, First National Bank, Graceville. Eighth district, Alfred Hoel, Gilbert. Ninth district, T. N. Thronson, First National Bank, Thief River Falls.

The entertainment committee was comprised of the following members:

G. D. LaBar, Brainerd, chairman, president of the First National Bank of that city; R. J. Tinkelpaugh of the Citizens State, Brainerd; J. C. Nelson of the Farmers State and R. G. Harte of the First National, Pequot; J. K. Martin of the First National, Little Falls, and O. A. Miller of the State Bank, Backus.

The ladies' entertainment committee consisted of Mesdames A. G. Wedge, Park Rapids, chairman; J. C. Nelson, R. G. Harte, Pequot; G. D. LaBar, R. J. Tinkelpaugh, Brainerd; J. K. Martin, Little Falls; R. E. Macgregor, Minneapolis; F.

P. Fellows, St. Paul; A. M. Schaefer, Jordan.

A golf tournament was held and resulted in the following prize winners:

First prize in golf, low gross score 91, won by R. W. Putnam, Security Bank and Trust Company, Red Wing.

Second—H. C. Baer, Bemidji, 93.

Third—Charles Whitmore, Wabasha, 93.

Blind Bogey, first—Robert E. Macgregor, Northwestern National Bank, Minneapolis.

Second—Thomas A. Boright, "Commercial West," Minneapolis.

Third—G. H. French, First National Bank, Park Rapids.

Driving Contest—M. F. Ernst, Midway National Bank, St. Paul, 275 yards.

Ladies' Blind Bogey—Mrs. A. F. Meyer, Westbrook.

Ladies' Putting Contest—Mrs. Robert E. Macgregor, Minneapolis.

On the afternoon of the second day the trap shooting contest was won by W. H. Ceary of the First National Bank of Brainerd.

TEACHING WILLIE TO BE A BANKER

(Continued from page 17)

This One Didn't Live in No Shoe

There was a young woman who worked in a cage.

She couldn't add figures, nor foot up a page,

But she figured her figure to show as she went,

And now she's the wife of the vice president.

A Diller, Etc.

A diller, a deller,
A ten-o'clock teller,

What makes you come so soon?

You used to start work at ten o'clock,
But beginning next Monday, you don't
need to come at all any more, dog-gone yuh!

(Author's Note: I've spent a lot of time on that last line, and yet I am not quite satisfied with it. I think I have traced the trouble to the meter, but I'm stuck there, because I never learned to read a meter. But we must have the best. To the reader, therefore, who submits the best last line for the foregoing stanza, the editor will present a beautiful and valuable prize.)

(Editor's Note: Like kelly will.)

Little Tommy

Little Tommy Brittlebank,
Worked in a savings bank,
Every morn he'd gird his loins
To wrap up other people's coins.

Singa Songa

Sing a song of sixty cents,
Balance on the book.
Check out for forty bucks—
The dog-gone onery crook!

Old Mama Hubbard

Old Mama Hubbard
Went to the cupboard,
To get her poor pastor a nip.
"But," said she with a curtsey,
"I hope you ain't thirtsy;*

Paw's home brew shure gives one the pip."

(Note: Some of the earlier historians recorded Mrs. Hubbard as saying "thirsty," instead of "thirtsy," but since a more conscientious poet than the old lady Hubbard could hardly be located in a coon's age, this report is manifestly absurd. It has even been suggested by a few commentators that she may have said it with a curstey, instead of a curtsey, but since it would be difficult for a lady well past middle age thus to alter the habits of a lifetime, this theory has never attracted much of a following.)




Correspondent Banks interested in establishing contact with a strong institution that can meet every banking need will find The Northern Trust Company an ideal connection.

THE NORTHERN TRUST COMPANY

Capital, Surplus and Undivided Profits Over \$8,000,000
Northwest Corner La Salle and Monroe Sts.

CHICAGO

North Dakota Bank News	
Officers North Dakota Bankers Association	
	
G. H. LEICK President	W. C. MACFADDEN Secretary
President.....G. H. Leick Vice President and Chairman Execu- tive Council.....M. C. Bacheller Grand Forks Treasurer.....J. I. Hegge Maddock Secretary.....W. C. Macfadden Fargo	

Heads Group

J. P. Wagner, cashier of the First Guaranty Bank, Bismarck, North Dakota, was elected president of the eastern Missouri Slope Bankers Association group of the North Dakota Bankers Association at the annual convention held in Mandan recently. Other officers elected were: Vern Wells, Robinson, vice president; W. J. Watson, secretary, and A. J. Hazel, Zeeland, treasurer. Senator Paul T. Kretschmar, Venturia, was nominated as member of the nominating committee representing the group in the state association.

Attorney General George Shafer gave an address at the dinner sessions on the subject, "The Economic Catastrophe North Dakota Faces if the Nonpartisan League Program on State and Country Banks Is Put in Force."

Attention was given to the general condition of various localities, workability of the "Service charge" to check writers whose accounts average less than \$50 daily and reports of various county organizations were given.

With Carson Bank

Herbert Starcken of Tracy, Minn., has accepted a position as bookkeeper and stenographer with the First State Bank, Carson, N. D.

Heads First National

B. C. Ness, Hunter, North Dakota, was elected cashier of the First National Bank at Hunter by the board of directors.

Mr. Ness is twenty years old and believed to be, by bank officials, one of the youngest bank cashiers in the United States.

Second District Meets

V. D. Lord was elected president of the Second District Group, North Dakota Bankers Association, in Devil's Lake recently. Mr. Lord succeeds F. E. Henderson of Lawton. Other officers elected were: Vice president, A. C. Idsvoog, Maddock; secretary and treasurer, H. S. Pond, Crary, reelected; members of state

council, F. E. Henderson; member of state nominating committee, F. A. Foley, Rolla.

The group adopted a resolution recommending that legislation be enacted requiring the Bank of North Dakota to re-deposit its funds in banks of the state, and that these deposits be properly safeguarded. Another resolution was adopted authorizing the legislative committee to oppose the establishment of branches of the Bank of North Dakota in the counties of the state. It was agreed that county and group organizations adopt uniform methods of service and uniform charges for the service. It was moved during the meeting that the group go on record as favoring the establishment of a state police for the suppression of burglary and crime in North Dakota.

Cavalier Entertains

Cavalier entertained the Northeastern District Group of the North Dakota Bankers Association recently. About one hundred and fifty bankers from the surrounding counties, in addition to representatives from many of the city banks, were present. Judging from the general enthusiasm of the visitors and their many expressions of appreciation and satisfaction, the meeting at Cavalier was an outstanding success in every respect.

The new officers who were elected for the Northeastern District Group are as follows: President, C. W. Ross, Grand Forks; vice president, Fred L. Lewis, Neche; secretary-treasurer, D. R. Green, Cavalier; member of Executive Committee of State Bankers Association, Archie Sillers, Calvin; member of Nominating Committee of State Bankers Association, C. P. O'Brien, Park River.

Goes with Land Bank

Announcement that George I. Reimestad, assistant attorney general of North Dakota, had resigned to accept a position with the Federal Land Bank at St. Paul, was made at the attorney general's office recently. John Thorpe, who recently resigned as first assistant attorney general, is general counsel for the land

bank, and Reimestad will serve in his department.

North Dakota News

Selma C. Lea has accepted a position as teller and bookkeeper of the Security State Bank, Dunseith.

Marie Prince has been appointed bookkeeper of the First State Bank, Regent.

Henry Schweyen and **H. A. Schweyen** have been elected president and cashier, respectively, succeeding B. M. Wohlwend, former president and cashier of the First State Bank of Northgate. Joseph Freed has been elected vice president, succeeding J. B. Wohlwend.

M. J. Raschko, formerly cashier of the Farmers State Bank of Gladstone, has been elected active vice president of the Farmers State Bank of Dickinson.

The Pioneer State Bank, Plaza, was merged with the First National Bank of Plaza, recently.

Hildegard M. Dietz is now assistant cashier of the Farmers & Merchants State Bank, Wahpeton.

I. O. Hensrud has been elected assistant cashier of the First State Bank, Gilby.

D. C. McCully has been elected cashier of the Clifford State Bank, succeeding C. W. Allanson.

The Farmers State Bank of Anamoose reopened June 11th. P. F. Bibow is president; Martin Hublou, vice president, and H. A. Waydeman, cashier.

John C. Fisher has been elected cashier of the First State Bank, South Heart, succeeding B. O. Thorkelson who has resigned. A. F. McEntee has been elected director and vice president.

Sylvan E. Lee has accepted a position as teller and bookkeeper of the Gwinner State Bank.

Urges War on Bank Bandits

The arrival of the summer months, when the open road gives the bank bandit his best chance for a speedy and permanent escape from the clutches of the law, is a challenge to law officers and vigilantes to keep on the alert, in the opinion of James E. Baum, manager of the protective department of the American Bankers Association.

Pointing out that member banks report a startling increase in the number of daylight holdups, Mr. Baum says, in part:

"The six months just ended witnessed a greater uprising in bank robbery than our membership has suffered by recent years. Although night burglaries during that period show an increase of only two more attacks than the sixteen reported last year, there were ninety-eight daylight holdups, which more than doubles those reported a year ago against member banks.

Northwestern Banker July 1928

"This fresh outbreak in the most dangerous form of robbery is not only without precedent in its sudden increase; it also matches the record for the first half of 1924, the peak year of bank banditry. Also it means that in six months bankers have lost virtually all the ground gained against banditry in the three preceding years and unless they display greater and more effective resistance during the next six months, when the weather will make every road an open road for bandits, it may furnish a spectacle unequalled in the history of banking—an average of more than one robbery every business day."

In this connection one of the resolu-

tions passed by the Iowa Bankers Association in convention at Cedar Rapids, is of interest. The resolution read:

"We urge our County Associations to continue their Vigilance Committee organizations that have so successfully reduced bank burglary in Iowa. We heartily commend the efficient work of the various vigilance committees and their officers and suggest in those counties in which the committee is not thoroughly organized and functioning, that proper steps be taken at once to strengthen and build up the committee as no community is free from possible activities of the bank robber and hold-up men."

APPRECIATES INTEREST!

"At the annual meeting of the state board of directors of the Greater North Dakota Association, the interest shown by the NORTHWESTERN BANKER in the development of North Dakota was noted and appreciated and a special resolution was passed thanking you for it."—James Milloy, secretary, Greater North Dakota Association.

"God never imposes a duty without giving time to do it."

Politeness is the art of choosing among one's real thoughts.—*Stevens*.

Bonds Again!

In July it is always bonds again. And from the many offerings that reach your desk, how do you select the most suitable securities for your bank's holdings?

Intelligent selection is important. A sound bond may be a good bond for your requirements. On the other hand, it may not. Much depends upon your bank's individual situation. Are your loans and deposits relatively stable over each season? Or do they show wide fluctuation? Are these facts taken into consideration when you select securities?

Drovers Investment Department for Banks extends an unusual

service in this connection. It is a valuable assistance in helping the bank to build an intelligent investment plan. In addition, this department carefully studies the entire bond market in order to select the best bonds for the individual bank.


Genuine, personal attention characterizes this investment service and we are always glad to work with you whether you have a large or small reserve to employ.

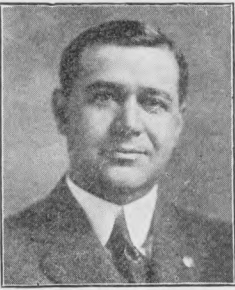


DROVERS
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TRUST & SAVINGS BANK
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IOWA SECTION

**Officers Iowa Bankers
Association**

<p>President.....Ray Nyemaster Davenport</p> <p>Vice president.....M. W. Ellis Charles City</p> <p>Treasurer.....E. E. Phelps Mt. Pleasant</p> <p>Secretary.....Frank Warner Des Moines</p>	 <p style="text-align: center;">FRANK WARNER Secretary</p>
---	---



RAY NYEMASTER
President

Annual Dinner for Iowa Ex-Presidents

J. M. DINWIDDIE, President of the Cedar Rapids Savings Bank and Trust Company, entertained the ex-presidents of the Iowa Bankers Association who were in attendance at the annual convention in Cedar Rapids this year.

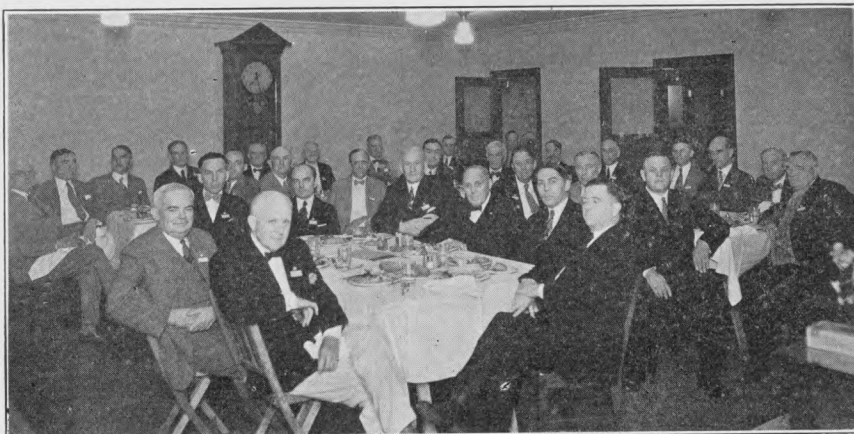
Included with these former presidents were additional guests of Mr. Dinwiddie's, who enjoyed the very fine dinner served in the new and delightful dining quarters in the basement of Mr. Dinwiddie's bank.

Following the dinner short talks were given by many of the guests present.

The accompanying photograph is a flashlight picture taken of the banquet and the following is a list of those present:

L. A. Andrew, Superintendent of Banking, Des Moines; Grant McPherrin, Pres., Central State Bank, Des Moines; Alfred C. Smith, Pres., City National Bank, Clinton; H. M. Gage, Pres., Coe College, Cedar Rapids; A. M. Henderson, Cash., First National Bank, Story City; Chas. Shade, Pres., First National Bank, Rock Rapids; Chas. T. Schenck, Pres.,

First National Bank, Red Oak; C. J. Wohlenberg, Pres., Holstein Savings Bank, Holstein; Geo. J. Schaller, Pres., Citizens First National Bank, Storm Lake; H. M. Carpenter, Pres., Monticello State Bank, Monticello; E. Webbles, Pres., First Iowa State Trust & Savings Bank, Burlington; Frank Epperson, Pres., Manning & Epperson State Bank, Eddyville; Wall G. Coapman, Sec., Wisconsin Bankers Association, Milwaukee, Wis.; M. H. Calderwood, Pres., Eldridge Savings Bank, Eldridge; L. J. Derflinger, Cash., Cedar Rapids Savings Bank & Trust Co., Cedar Rapids; L. T. McFadden, Member of Congress, Washington, D. C.; Thornton Cooke, Pres., Columbia National Bank, Kansas City, Mo.; Evans Woollen, Pres., Fletcher Savings & Trust Co., Indianapolis, Ind.; J. K. Deming, Pres., Consolidated National Bank, Dubuque; J. M. Dinwiddie, Pres., Cedar Rapids Savings Bank & Trust Co., Cedar Rapids; Chas. H. Martin, Pres., Peoples Savings Bank, Des Moines; Thos. R. Preston, Pres., American Bankers Association; George Woodruff, Vice Ch., National Bank Republic, Chicago, Ill.; J.



Snapped at the annual ex-presidents' dinner in the basement of the Cedar Rapids Savings Bank and Trust Company

F. Rall, Mayor, Cedar Rapids; Parley Sheldon, Pres., Story County Trust & Savings Bank, Ames; V. C. Bonesteel, Pres., American National Bank, Aurora, Ill.; Frank B. Yetter, Vice Pres., American Commercial & Savings Bank, Davenport; Ed Kaufmann, Pres., American Commercial & Savings Bank, Davenport; George L. Parker, Pres., Pasadena National Bank, Pasadena, Calif.; Frank Warner, Sec., Iowa Bankers Association, Des Moines; Clifford DePuy, Publisher, Northwestern Banker, Des Moines.

Resigns

R. M. Bulter, recently handed in his resignation as cashier of the Farmers Savings Bank, of Ringsted, Iowa.

At a meeting of the board of directors S. C. Hoen was elected cashier of the bank and W. B. Mangold was elected assistant cashier.

Elected Cashier

Directors of the Farmers Trust and Savings Bank of Spencer, Iowa, recently elected Clarence W. Bittinger cashier of that institution, succeeding M. A. Cavanaugh, who resigned. George Guyan was given Mr. Bittinger's place as assistant cashier and A. J. Prechel was made an assistant cashier.

Mr. Bittinger has been an assistant cashier in the Farmers Trust and Savings Bank since 1920. Before that he was with the Citizens National Bank of Royal for a year.

Married

Joe Kruse, cashier of the Silver City, Iowa, Bank, and Miss Essie Walker, daughter of Mr. and Mrs. J. H. Walker of near Randolph, were married recently at Council Bluffs. They will make their home in Silver City.

First National Progress

The First National Bank of Mason City, the oldest and largest banking institution in North Iowa, was organized in 1869 and first occupied the site which is now the Glanville grocery.

The institution at that time was known as the Cerro Gordo Bank, under which title it continued until 1881, when it was reorganized under the national banking laws and became the First National Bank with C. H. McNider as assistant cashier.

Mr. McNider entered the institution as bookkeeper and office boy at the age of 15 years in 1875. At that time the bank had total deposits of \$18,000. In the 50 years of history since that time the deposits have grown to a total of \$9,600,000.

At the time Mr. McNider entered the institution the bank was headed by J. V. W. Montague and H. I. Smith, father of R. P. Smith, the present cashier. The

Northwestern Banker July 1928



*Rendering a
different kind
of
correspondent
service,
backed by
able and ample
facilities*



Chas. H. McNider
President
Willis G. C. Bagley
Vice President
Carl A. Parker
Vice President
Fred E. Keeler
Vice President
Hanford MacNider
Vice President
Robert P. Smith
Cashier
Harold V. Bull
Assistant Cashier
Harry C. Fisher
Assistant Cashier
William W. Boyd
Assistant Cashier
Roy B. Johnson
Assistant Cashier

Resources \$10,000,000.00

**FIRST
NATIONAL
BANK**
MASON CITY, IA.

bank was moved to its present site in 1882 when the corner was occupied by a two story building. In 1910 the bank was moved to temporary quarters and the present six-story fireproof structure was built.

Mr. McNider became cashier of the institution in 1897, when Mr. Smith was elected president. Four years later Mr. McNider was elected president, a position he has held since.

W. G. C. Bagley, vice president, has been with the bank 37 years. He, like Mr. McNider, began with janitorial duties. He was made assistant cashier in 1901. In 1908 he became cashier which position he held until 1920, when he was advanced to his present position.

At Sioux Falls

Several Sioux City, Iowa, bankers attended the annual convention of the South Dakota Bankers Association, at Sioux Falls, S. D.

Carl Fredrickson, cashier of the Live Stock National Bank; Harry J. Crouse, assistant cashier of the Toy National Bank; Arthur B. Darling, president, and Delko Bloem, assistant cashier of the Security National Bank, and John L. Mitchell, president of the First National Bank, and L. M. Ashley, assistant cashier, were there.

Need Tariff Revision

American agriculture is greatly in need of a revised tariff schedule, according to Jno. W. Foster, veteran banker of Guthrie Center, Iowa. Commenting on this point in a recent letter to THE NORTHWESTERN BANKER, Mr. Foster says:

"My attention has been called to the nice spread you gave me in the NORTHWESTERN BANKER on account of my Perry talk, and I wish to thank you very much for the same. You have amplified the

talk and illustrated it by a very striking cartoon.

"You know I really think we have plenty of laws if we can only get them well administered.

"Instead of the McNary-Haugen bill, a tariff regulation properly administered that will give the American farmer exclusively the American markets, would be much more to the point.

"I note recently that Charlie Curtis, at Ames, says that the present high price of cattle is due to the foot-and-mouth disease in South America, and he also says that if the quarantine were lifted Argentina would flood New York with beef upon which it could pay 3 cents duty and still knock 5 cents per pound off the price of American cattle within a period of thirty days. If this is true, I am wondering if Mr. Hoover would give the farmer the benefit under the sliding scale provided for administration by the tariff commission.

"This is a much more serious question from my standpoint than any McNary-Haugen law, although I would have no particular objection to experimenting with the later."

Meet in Algona

All but five Kossuth county banks were represented at a bankers' banquet held at Algona, Iowa, recently. The two Algona banks were hosts. Following a three-course dinner served by the hotel, T. H. Chrischilles gave a chalk talk, and Alice Rist gave a reading.

Jos. Auner, speaking for the Algona banks, then turned the meeting over to Guy Butts, Wesley, president of the association, and Wm. Boyken, Titonka, secretary. The latter gave a report of a group meeting at Storm Lake, and the remainder of the evening was spent in discussing problems of banking.

"Ability and Trustworthiness"

Thus equipped we merit such a permanent and trustful relationship with our clients that we may serve them many years with sound investment guidance.



PRIESTER-QUAIL & CUNDY-INC.



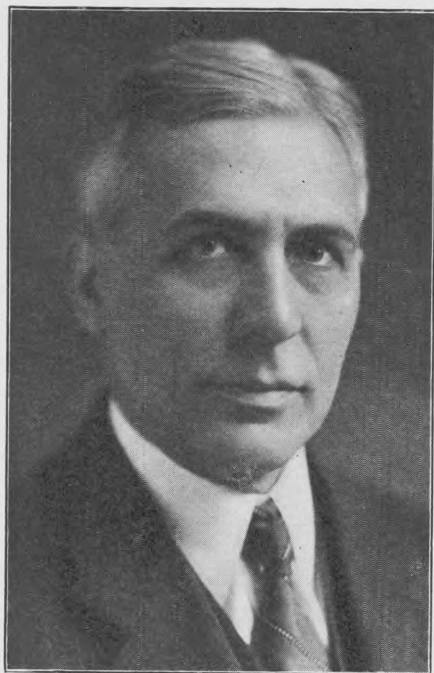
BONDS FOR INVESTMENT

American Bank Building

DAVENPORT, IOWA

I. J. Green Heads First National

AS THIS goes to press, announcement comes from Davenport, Iowa, that several important changes in the officary of the First Na-



IRVIN J. GREEN

tional Bank of that city have been made.

Senator A. F. Dawson has resigned as president, effective July 1st, and I. J. Green, formerly cashier, becomes president. W. M. Brandon, formerly assist-



W. M. BRANDON

ant cashier and credit manager of the Iowa National Bank of Des Moines, be-

comes cashier, succeeding Mr. Green. Two assistant cashiers, Clarence F. Schmidt and Paul L. Tornquist, remain in their present positions, while A. A. Georgen, paying teller, and Albert L. Sessler, manager of the savings department, become assistant cashiers. All changes are effective July 1st. Joe R. Lane retains his position as inactive vice president. The retiring president, Mr. Dawson, has as yet announced no plans for the future.

The First National Bank of Davenport

is the oldest national bank in the United States, so far as operation is concerned. It holds charter No. 15, while the First National of Philadelphia holds charter No. 1, but the latter bank did not open its doors until several days after the Davenport bank had been opened for business.

The New President

I. J. Green, the new president, has been with the First National since 1919 and in that time has made a name for himself as an able banker and as a leader

At their regular weekly meetings, this bank's directory board reviews each loan made during the preceding week. In this way, they are actively in contact with matters that are to the best interest of our depositors.

Together with financial resources, a bank's most valuable asset is a strong, active directory board

DIRECTORS

PAUL BEER,
President, The Flynn Dairy Company

DR. O. J. FAY,
Surgeon

HENRY FRANKEL,
Treas., Younker Bros.-Harris-Emery Co.

J. G. GAMBLE,
Attorney

J. W. HOWELL
Vice Pres. Warfield-Pratt-Howell Co.

J. W. HUBBELL,
Vice Pres. F. M. Hubbell Son & Company

S. L. SHEUERMAN,
Secretary, Sheuerman Bros., Inc.

B. F. KAUFFMAN,
President

B. B. VORSE,
Vice President

L. B. BARTHOLOMEW,
Vice President

S. C. PIDGEON
Secretary



BANKERS TRUST CO. BANK

Cor. 6th and Locust Sts., Des Moines
Capital \$1,000,000.00 Surplus \$200,000.00

in community affairs. He came to the bank as cashier, succeeding L. J. Yaggy, and in the past nine years has become a big figure in the administration of this oldest of Davenport banks, and in the financial life of Davenport as well.

Known as a deep student of banking affairs, he has for two years past headed the Tri-City chapter of the American Bankers institute and has given freely of his time to instruct the younger bankers of the city in the fundamentals of finance and in commercial law.

The later years of the First National

Bank, with Mr. Dawson as president and Mr. Green as cashier, and with each an important figure in the bank and in the community, have seen one crowning achievement, the erection of the beautiful million dollar home and office building which now stands on the southwest corner of Second and Main streets, on the site of the former home, destroyed by fire. The new edifice was completed in December of 1924.

Mr. Green has been a prominent figure in state banking circles. He has served with distinction on the agricultural com-

mittee of the Iowa Bankers Association, holding the post of chairman of that important body, and many other honors and opportunities of service have fallen to his share.

Mr. Green was born in Pattonville, Mo., in 1882. He was the son of a Baptist minister and his early boyhood was spent in Illinois and Indiana.

The family moved to White Hall, Ill., in 1893, and lived there for many years. From the time he was 13 the young man worked in stores and on farms while attending school. He was educated at the high school there and at the State Normal University in Bloomington, Ill., later teaching for six years in various schools.

Then he became bookkeeper and traveling salesman for the White Hall Sewer Pipe & Stoneware Company, and in 1903 went to Minter City, Miss., and became manager of the second factory manufacturing drain tile in the state of Mississippi.

In 1909 he came to Davenport as an instructor at Brown's, but within a month was sent to Rock Island as principal. When the John Deere Plow Company was seeking to perfect its sales organization in 1911, Mr. Green took the post of accountant in the cashier's department. That same year he became a teller for the Rock Island Savings Bank.

In less than two years he was assistant cashier of the Rock Island institution, and in August, 1919, was appointed cashier of the First National Bank of Davenport.

Wm. M. Brandon

Wm. M. Brandon, the new cashier, is an Iowa product. He graduated from the Hampton High School and from Cornell College at Mt. Vernon, Iowa, and then became affiliated with the Citizens National Bank at Hampton. He then took post graduate work at Columbia University, New York City.

When the World War came on Mr. Brandon had received a first lieutenant's commission at the celebrated Plattsburg officers training camp and soon afterwards went overseas, serving a year in the A. E. F. He was made an instructor in the A. E. F. University at Beaune, France, before returning to this country. On coming back to the United States, Mr. Brandon entered the employ of the National Bank of Commerce of New York City, spending three years in the credit department there. He was then called to Des Moines, being made credit manager and assistant cashier of the Iowa National Bank there, a position he has held for the past five years.

With A. J. Boldt & Co.

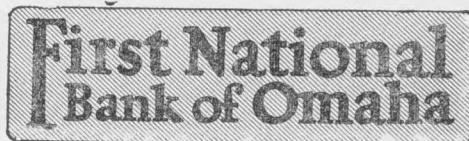
A. J. Boldt, President, A. J. Boldt & Co., of Davenport, Investment Bankers, has announced the appointment of A. R. Neimand as one of the company's representatives in the tri-cities. Mr. Neimand

A Message Will Bring Our Representative to You

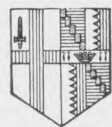
A TELEPHONE call or just a short note will be sufficient to bring one of our representatives to your office to explain our complete banking service. Through our First Trust Company we offer a specialized investment service. The First Trust Company carries on hand a wide range of offerings, giving you a large selection.

Without cost or obligation, you may have any investment information concerning securities.

F. H. DAVIS
President



C. T. KOUNTZE
Vice President
and Chairman



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 over 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.

AMERICAN DEPARTMENT: POULTRY, LONDON, E.C.2

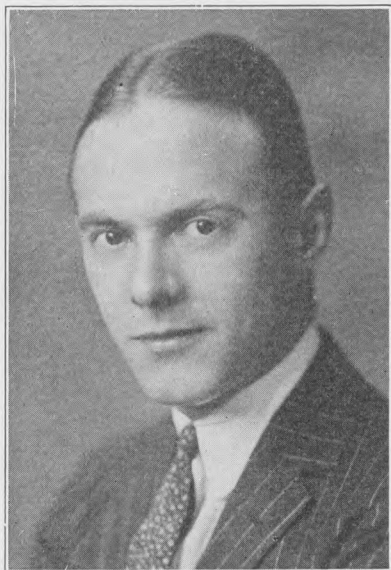
MIDLAND BANK
LIMITED

HEAD OFFICE. 5 THREADNEEDLE STREET, LONDON, E.C.2

is a graduate of the University of Wisconsin and was formerly manager of branch offices for the Gordon, Van Tine Company.

Attend Iowa Convention

Among the prominent bankers who attended the Iowa convention held last month in Cedar Rapids, was A. S. Bagnall,



A. S. BAGNALL

nall, assistant cashier of the Stock Yards National Bank of Chicago. Mr. Bagnall travels Iowa territory and is well acquainted with most Iowa bankers. His institution was also represented at Cedar Rapids by George E. Emery, vice president.

Becomes Cashier

F. M. Lindenmeyer, superintendent of the schools of West Chester, Iowa, for four years, has been elected cashier of the West Chester Savings Bank, succeeding L. P. Jackson. Mr. Jackson assumes the position of vice president, in which he will serve in active capacity. D. A. Boyer, president of the bank for 28 years, retires and will be succeeded as president by Henry Witthoft.

Elect Judge Ely

At the regular monthly meeting of the directors of the Jackson State Savings Bank, Maquoketa, Iowa, a new presiding officer was named to fill the vacancy caused by the recent death of C. A. Leach. The board selected Judge C. L. Ely as the new president. For many years Judge Ely has been associated with the bank as a director.

At Walker

D. T. Eells, who resigned as assistant cashier of the Security Trust & Savings Bank, of Cedar Falls, about two months ago to accept a position as eighth dis-

trict examiner for the Federal Farm Loan Bank, has resigned the federal position to accept cashiership of a new bank organized at Walker, Iowa.

Banker's Wife Dead

Mrs. J. L. Edwards, prominent Burlington woman and native of Iowa, passed away recently at the Mayo Bros. hospital in Rochester, Minn., after an illness of almost five years and in her passing Burlington loses one of her best known and highly respected women. She was the wife of J. L. Edwards, president of the Merchants National Bank of Burlington, and a sister of Emil Brandleon,

president of the Wyman & Rand Co., of Burlington. They were at her bedside at the time of death.

Buys Burton Property

A real estate transaction has just been concluded by which the Kellogg Savings Bank, at Kellogg, Iowa, under the presidency of E. H. Maytag, acquires the bank property of the Burton & Co., Savings Bank of Kellogg. Possession of the Burton bank building was taken by the Kellogg Savings Bank on July 1st, and after extensive redecoration and improvement, the savings bank will move in. It is expected that the Kellogg Sav-

As Correspondents

CLOSE co-operation with our correspondents for their best interests, and ours, is one of our traditional policies.

May we analyze your institutional requirements and show you the advantages of a connection with us?



THE OLD RELIABLE CENTRAL STATE BANK OF DES MOINES

Banking, Trusts and Investments
Safe Deposit Vaults

Member Federal Reserve System

ings Bank will begin business in the new location about September 1st.

Addresses Kiwanis

Pointing out that the country derives considerable income from the farmers of the nation, a new wealth, E. E. Mason, cashier of the First National Bank, of Webster City, Iowa, addressed the members of the Kiwanis club in regular session recently.

"Half of the population of the United States is dependent upon the farmer and it is of vital importance that agriculture should be a profitable industry," Mr. Mason declared. "When the farmer is in a good financial condition, we of the cities are directly benefited.

"The farmer is ever confronted with problems that demand considerable attention. He plants his crops and the harvest is in doubt with the weather conditions playing an important part. He has to gamble on whether the weather will benefit him; gamble on his ability to raise the crops; and if raised successfully, how to place it on the market to enable him to obtain a fair return for his time and labor.

Heads County Bankers

A. F. Anderson, American Trust & Savings Bank, Burlington, Iowa, was re-elected chairman of the Des Moines County Bankers Association at its annual meeting, and W. R. Clampitt, Dan-

ville, re-elected secretary-treasurer. Plans were made for the county bankers' annual picnic, which is a mid-summer event, and report upon the county vigilantes' activities was submitted.

Resigns

Miss Lillian M. Kitson, who has been employed by the Atlantic, Iowa, National Bank in the capacity of stenographer and in charge of remittances for the past ten years, has resigned her position with that bank.

To Davenport

H. R. Boles, assistant cashier of the Peoples Trust and Savings Bank, Clinton, Iowa, announced recently that about August 1st, he will assume charge of the bond department of the American Commercial and Savings Bank, of Davenport.

Mr. Boles has been associated with the Clinton bank for the last seven years as manager of the bond department. Prior to that he had been a salesman in the employ of a financial service in Minneapolis.

During the time that he has been in Clinton, Mr. Boles has been active in civic and community affairs. He has served as director of the chamber of commerce and the Y. M. C. A., president of the Kiwanis club, and is a past commander of June Van Meter post of the American Legion.

Goes to Clarinda

J. H. Peterman of Indianola, was recently elected vice president and manager of the Page County State Bank at Clarinda, Iowa. Mr. Peterman came to Indianola thirty years ago and began working for Anderson & Perley as a grocery clerk. Later he was in the grocery business for himself for four years, and then went into the Warren County State Bank as bookkeeper, later rising to assistant cashier and cashier, remaining with that institution fourteen years.

For Farm Information

The Iowa State Bankers Association has set on foot a plan to secure conclusive information dealing with farm sales, farm values and general financial conditions of the agricultural industry, which is the greatest asset of Iowa and the foundation of banking and merchandising.

The information will be compiled by unprejudiced experts and will be taken from the records.

The purpose of the State Bankers Association seems to be, so far as possible, to obtain a list of all sales, of prices paid, of the percentage of cash transactions, the volume of mortgages, the relative level of mortgage indebtedness, the number of sheriff sales, acreage and amounts



A Distinctive Service

for

Banks and Bankers

Through a special division, handling exclusively the accounts of banks, a service is offered which is complete, efficient and distinctive. This division, in charge of four officers, is co-ordinated by the officers with other divisions and departments of the two banks. Our service for banks and bankers, developed since 1863, is completely outlined in a booklet which bankers have found helpful. We will gladly mail you a copy on request.

FIRST NATIONAL BANK OF CHICAGO

Affiliated

FIRST TRUST AND SAVINGS BANK

Resources Exceed
\$450,000,000.00

Frank O. Wetmore, Chairman
Melvin A. Traylor, President

involved, and, in short, all dealings that affect the ownership of land.

Stockholders Meet

The annual meeting of the stockholders of the West Side State Savings Bank was held in Denison, Iowa, recently with all of the stockholders represented.

Stockholders elected the following board of directors to serve for the ensuing year: Gustav Gredert, J. W. Miller, Jr., J. J. Miller, Henry Hoffmann, Jr., Herman Hoffmann, L. C. Thiedeman and Paul Schoening.

At a meeting of the board of directors the following officers were elected: L. C. Thiedeman, president; J. W. Miller, first vice president; Gustav Gredert, vice president; Frank Hoffman, cashier, and Paul Schoening, assistant cashier.

Elected Cashier

George Wollenhaupt, until recently cashier of the Yorktown, Iowa, Savings Bank, has been elected to a similar position with the Gravity State Bank. Mr. Wollenhaupt succeeds C. G. Jones in the position of cashier, the latter remaining with the bank as vice president.

Consolidate

Directors of the Citizens Savings Bank and Farmers State Bank, both of Gilman, Iowa, decided upon consolidation of the two institutions at a joint meeting held recently. The Farmers State Bank will retire from business and the Citizens Savings Bank will assume the deposit liabilities of the other bank.

The consolidation is the result of negotiations which have been carried on for some time and will result in Gilman having but one bank.

Boyer Retires

Captain D. A. Boyer, Civil War veteran and oldest bank president in Washington county, is retiring as head of the West Chester Savings Bank of West Chester, Iowa.

He was one of the principal organizers of the bank in 1900, and has served continuously as president for the last 28 years.

Captain Boyer's successor as president will be Henry Witthoft of Cedar township, who has been a member of the board of directors for several years and is well qualified to take up the work laid down by Captain Boyer.

Meet in Davis City

The Decatur County Bankers Association, the members of the vigilance committees from every bank territory, the sheriff, deputy sheriff, county attorney, and several directors and officers, with their families, met at Davis City, Iowa, recently, and held their picnic. A little over one hundred were present.

The program consisted of vocal and instrumental music, readings, and an address by the county attorney.

After the program, they held the county shoot, in charge of Deputy Sheriff Lorey, with twenty-eight vigilantes present, out of the total number

of forty-three in the county, participating in the competitive match. Much interest was taken in this contest. Some very high scores were made, the highest being made by C. E. Bootman, chief of the vigilance committee from Lamoni, Iowa. At the close of the shoot, F. L.

Reputation

Foshay Management Has Earned
The Reputation Of Success
In Directing And Financing Public Utilities
And Industrials
Because Of Experience, Ability And Foresight
Of The Men In The
Foshay Organization

Investors Should Know About
Our Management Policy

W.B. FOSHAY CO.

Incorporated August 31, 1917

"For Over Ten Years—All Your Money—All The Time—On Time"

FOSHAY BUILDING - MINNEAPOLIS

LOS ANGELES	NEW YORK	SPOKANE	PORTLAND, ME.
DES MOINES	CHICAGO	SEATTLE	SAN DIEGO
SAN FRANCISCO	BOSTON	DENVER	PORTLAND, ORE.
MANCHESTER, N. H.	HARTFORD	ST. PAUL	STOCKTON, CALIF.

Tile Drainage—Farm Relief

(Little Talks on Tiling No. 35)

TODAY, farming is a greater problem than ever before. Yet the solution is not in the cropping of more land and thereby increasing production. The real solution is in efficient production, which is possible through larger yields per acre. More bushels of corn from the same acre, more tons of hay,

more bushels of grain.

Tile drainage is an essential step in "stepping up" production. Drain tile will make the worthless acres bring good returns. It will lengthen the regular growing season and ventilate the soil. It keeps the water table more constant, and—it adds dollars to the annual farm income.

Tile Drainage Brings Greater
Returns from Fewer Acres

Mason City Brick and Tile Co.

312 Denison Bldg. Mason City, Iowa

Lorey, deputy sheriff, of Leon, Iowa, was unanimously chosen as the county chief.

Reduced Rates

The entire banking system of Pottawattamie county, Iowa, will observe a reduction in interest rates, beginning July 1st, according to a resolution passed by the Pottawattamie County Bankers Association, at a recent meeting at Neola. This decrease in rates will be equivalent to that adopted in Council Bluffs banks some time ago.

Rates on savings accounts in banks throughout the county will be reduced to 3 per cent annum; on time certificates of

deposit for one year, 4 per cent; on time certificates of deposit for less than a year, 3 per cent.

The resolution was passed for the benefit of the member banks of the county outside the city of Council Bluffs, the banks in the city having reduced their rates to 3½ per cent and 3 per cent some time ago.

Hold Annual Meeting

The annual meeting of the stockholders of the Farmers Savings Bank, Albert City, Iowa, was held recently at the bank office.

All of the old directors, Chas. A.

Swanson, Chas. J. Blomgren, Chas. Swanson, Paul Anderson, J. Buland, A. E. Peterson and Gust Hackerson were re-elected.

The following officers were re-elected: A. E. Peterson, president; Chas. Swanson, vice president; C. E. Kindwall, cashier, and C. B. Kindwall, assistant cashier.

Change in Personnel

At the annual meeting of the stockholders of the Farmers Savings Bank of Victor, Iowa, several changes were made in the personnel of officers and directors.

Max Speck, for years a director, declined to accept reelection and his place on the board was filled by the election of H. W. Chittenden, present cashier.

Henry Wahl, president of the bank, presented his resignation, and H. L. Mussetter, the vice president and a director, was elected president, and A. D. Park, vice president. H. W. Chittenden was renamed cashier and W. R. Chittenden and Grace De Decker were reelected as assistant cashiers.

Chief Speaker

A. F. Dawson, president of the First National Bank of Davenport, and former congressman from the Second Iowa district, delivered the principal address at the big Herbert Hoover celebration in West Branch, birthplace of the Republican presidential nominee.

Banker Dead

John McCollister, 70 years old, president of the Hills Savings Bank, died recently.

He had been a resident of Iowa all his life, having been born at Richmond in 1858. He lived in Iowa City until two years ago when his wife died. He then moved to the home of his daughter, Mrs. J. W. Warren, south of Iowa City.

Meet in Iowa City

Reelection of officers to serve for the coming year was the principal business transacted at the meeting of the Johnson County Bankers Association held in Iowa City recently. J. B. Vanhorn, cashier of the Citizens Savings and Trust Bank of Iowa City, was reelected president of the organization. The other officers reelected are: H. C. Buell, cashier of the Lone Tree Savings Bank, vice president; G. H. Walker, cashier of the Johnson County Savings Bank, secretary, and A. F. Droll, cashier of the Hills Savings Bank, treasurer.

Elgin Meeting

The stockholders of the Citizens State Bank of Elgin, Iowa, held their annual meeting at the bank rooms recently.

Following the stockholders' meeting the new board organized and reelected



Capital - - One Million Dollars
Resources - Ten Million Dollars

Prompt, intelligent service is rendered correspondent banks by every good bank, but the outstanding feature of the **FIRST NATIONAL BANK OF SIOUX CITY** service is our real co-operation in meeting the needs of correspondent banks in the extension of credit and helpfulness in securing high class investments for their secondary reserve.

WE INVITE YOUR ACCOUNT

DIRECTORS:

- | | | |
|---|---|--|
| R. J. ANDREWS
Real Estate and Insurance | RALPH J. HALEY
President, Haley-Neeley Co. | W. A. KLINGER
Constructor |
| F. B. BUCKWALTER
President, The Buckwalter Co. | A. S. HANFORD, SR.
President, Hanford Produce Co. | W. S. KNAPP
President, Knapp & Spencer Co. |
| E. C. CURRIER
President, Hansen Glass & Paint Co. | H. A. GOOCH
Vice President | J. L. MITCHELL
President |
| DAVE DAVIDSON
President, Davidson Bros. Co. | L. H. HENRY
Vice President and Chairman | D. C. SHULL
Attorney |
| E. B. FLINN
President, M. L. Flinn Paving Co. | JOHN B. KEEFE
Secretary-Treasurer, M. L. Flinn Paving Co. | HENRY G. WEARE
Ranchman and Banker |

all the old officers again who are as follows: President, Ern Schori; vice presidents, T. J. Capper and Max Thoma; cashiers, W. F. Kohler and Ernestine Schori.

The board which served last year and was reelected comprises the following members: B. M. Benson, J. E. Bilden, K. H. Groth, Max Thoma, J. I. Phillips, Ern Schori, B. J. Baumgartner, T. J. Capper and F. E. Kohler.

Adopt Service Charge

The banks of Manchester, Iowa, have adopted a service charge which will be put into effect July 1st. Banks in common with other lines of business have found it necessary to do less of their business for nothing, and charge for services rendered is being generally adopted over the state. A charge of 50 cents per month will be made on checking accounts having less than \$50 average daily balances, a small fee for issuing drafts, a charge for overdrafts, and the customer will be charged with the actual cost of printing check books bearing his individual or firm name.

Takes Over Farmers State

Buena Vista county, Iowa, has one less bank as the result of the assumption of the deposits of the Farmers State Bank of Sulphur Springs by the Citizens First National Bank of Storm Lake. The building occupied by the Sulphur Springs institution is not included in the deal.

T. F. Mernin has been president of the Sulphur Springs Bank and E. R. Norton has been cashier. On the directory board were these two and Henry Sievers, P. C. Bodholdt, H. C. Bodholdt, W. G. Avenell, Thomas Keal, John H. McKenna, Fred Nehring. The bank was formed in 1920 with a capital stock of \$25,000. At the time of its taking over, it had deposits of around \$50,000. The bank has 72 stockholders in Sulphur Springs and vicinity.

Page County State Meets

The regular annual meeting of the stockholders of the Page County State Bank was held recently in Clarinda, Iowa. A large majority of the stockholders were present, including some new stockholders and some changes were made in the organization and the management of the bank. New stockholders include: J. H. Peterman, C. S. McKee and Fred A. Fisher. Mr. McKee and Mr. Fisher are well known in the community and will add their business experience to the management. Mr. Peterman comes from Indianola, Iowa, where for fourteen years he was with the Warren County State Bank, the largest bank in Warren county, and he has also had four years' experience with the Superintendent of Banking of the State of

Experience

Our contacts with business and agricultural interests local and nation-wide enable us oftentimes to solve puzzling problems of an unusual and seemingly difficult character.

If our broad service facilities, our ripe experience or our impartial counsel will help you, it will pay you to talk it over with us.

SECURITY STATE BANK

KEOKUK

*"The Bank That Makes Friends
and Keeps Them"*

IOWA

E. E. COOMBS, President

M. E. TATE, Vice Pres. and Cashier



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

IT IS easy to talk service, but it takes careful thought to give the right kind of service to every correspondent customer, big or little.

We are willing to let our past performance be our best recommendation.

First National Bank

Waterloo, Iowa

1876

1928



YOU may call on us only occasionally for assistance, but what a satisfaction it is to know that when you do you will be served just as promptly and efficiently as if you were a daily user of our complete correspondent facilities.

Ask the Consolidated National to help you at any time. We are yours to command



Consolidated National Bank

UNITED STATES DEPOSITORY

DUBUQUE, IOWA

J. K. Deming, President
 Geo. W. Myers, Vice President Herman Eschen, Secretary
 Jos. W. Meyer, Cashier

Iowa. Noros H. and George E. Martin having recently become more financially interested and closely associated with the management of the institution, Noros has consented to accept the position of president. Hugh Miller, who has been with the institution for many years, has resigned to locate in Chicago. The new board of directors, with G. Wm. Richardson elected as chairman, now consists of the following: G. Wm. Richardson, N. H. Martin, George E. Martin, J. H. Peterman, F. V. Hensleigh, W. S. Richardson, C. S. McKee, Fred A. Fisher and C. E. Bradley. The following are the new officers of the bank: N. H. Martin, president; J. H. Peterman, George E. Martin and F. V. Hensleigh, vice presidents; C. E. Bradley, cashier; L. D. Garton, assistant cashier.

TWELVE HUNDRED ATTEND IOWA CONVENTION

(Continued from page 22)

be more than offset by the money saved."—Merl Holloway, assistant cashier, Corn Belt Savings Bank, Cedar Rapids.

Financial Statements

1. "Every bank should ask for financial statements from its customers. By so doing they stimulate the morale of their borrowers. Each statement should be sworn to before a notary public."—J. A. Nelson, cashier, Farmers Savings Bank, Wallingford, Iowa.

Creamery Checks

1. "We handle the creamery check nuisance by charging 4 cents a check up to \$40 and 10 cents per hundred for all checks above \$40 which are presented to us for payment."—F. L. Bush, president, First National Bank, Kanawha, Iowa.

Investments

1. "It is sound banking to loan on good stocks listed on the New York Stock Exchange, provided your loans are based on a 20 per cent margin or more. Brokers' loans are O. K. as secondary reserve and are payable on demand after 30 days."—C. C. Jacobsen, vice president, Security National Bank, Sioux City, Iowa.

Statements

1. "Because of other closed banks in our community we had a 'young run' on our bank. So one Sunday afternoon I called in three of the leading business men in our town and told them about our bank, and went over our statement of conditions with them in detail. I knew they would tell the other people in the community and this they did. As a result confidence was restored in our bank because of this information which I had given them. People must be educated about a bank's condition and I believe that a bank's published statement should be fully explained."—A. M. Henderson, cashier, First National Bank, Story City.

Speculation

1. "Present speculation should and must be curbed. Present prices will recede in time to a place where the return is commensurate with the investment.

"Good Iowa lands can be bought at the lowest price ever while stocks are the highest ever—let's arouse the people to take advantage of their bargains at home."—Herbert L. Horton, vice president, Des Moines National Bank.

Other Real Estate

1. "Real estate should be taken out of banks as soon as possible. Many banks are organizing companies with their own officers and taking out real estate. We must renew the faith of Iowa people in Iowa land."—L. A. Andrew, Superintendent of Banking for Iowa.

Interest

1. "Savings deposits should bear a higher rate of interest than C. D.'s because C. D. customers frequently impose on you but savings depositors follow the rules outlined in their savings books and therefore their accounts are more profitable to the bank."—J. W. Ryberg, cashier, Harcourt Savings Bank.

2. "A 'C. D.' is a written acknowledgment by a bank of the receipt of a sum of money on deposit which the bank agrees to pay to the bearer or to order.

"It is in legal aspect a promissory note and is governed in most respects by the same rules."—Ray Nyemaster, vice president, American Commercial and Savings Bank, Davenport, Iowa.

3. "The service charge has been in effect in our bank for some time and has been working very successfully."—J. H. Byers, vice president, Citizens Savings Bank, Cedar Falls, Iowa.

4. "People put money in a savings account to build up a fund to use in buying a home, making investments or starting in business.

"Money put in a savings account is put there for safety and is not considered primarily as an investment."—R. A. Jones, cashier, Citizens First National Bank, Storm Lake, Iowa.

5. The different methods of figuring interest on savings deposits and showing which method is the most fair both to banks and customers was explained by John Kelsen, auditor of the State Savings Bank of Council Bluffs.

Guaranty of Bank Deposits

In answering the question, "Did the recent Iowa primary election demonstrate that the guaranty of bank deposits fallacy is now understood by the people of the state?" Leo J. Wegman, president of the American Savings Bank of Carroll, said, "H—l, yes! It is dead. Sanity is returning to Iowa. Bowman is no longer a Moses who has come out of the bullrushes. The people of Iowa have ceased to listen to these self-appointed apostles who try to tell us that the guar-

58 Years of Successful Conservative Banking

Statement of Condition of

THE CITY NATIONAL BANK of Clinton, Iowa

JUNE 11, 1928

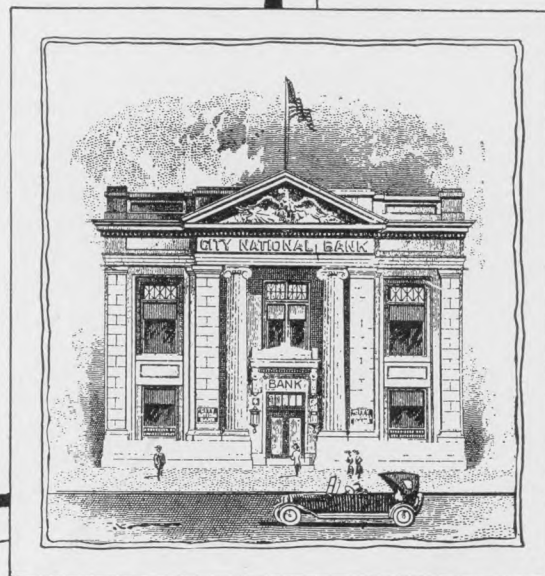
RESOURCES

Time and Demand Loans	\$5,819,101.25
U. S. Bonds	393,800.17
Stock in Federal Reserve Bank	19,500.00
Banking House and Real Estate	96,721.09
Cash and Due from Banks and U. S.	1,162,549.28
	<hr/>
	\$7,491,671.79

LIABILITIES

Capital	\$ 300,000.00
Surplus	350,000.00
Undivided Profits	178,883.21
Circulation	300,000.00
Deposits	6,362,788.58
	<hr/>
	\$7,491,671.79

Established 1870



The City National Bank

CLINTON IOWA

DIRECTORS AND OFFICERS

- ALFRED G. SMITH, Chairman
- ALFRED C. SMITH, President
- G. L. CURTIS, Vice President
- President, Curtis Companies, Inc.
- G. W. DULANY, JR., President, Eclipse Lumber Co.
- Chairman, Climax Engineering Co.
- H. W. SEAMAN, President Clinton Wire Cloth Co.
- M. J. GABRIEL, President Gabriel Lumber & Fuel Co.
- J. PETERSON, Peterson-Bowman Implementation Co.
- 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 & Hypes Co.
- O. P. PETTY, Cashier

- J. H. NISSEN, Assistant Cashier
- H. G. KRAMER, Assistant Cashier

Northwestern Banker July 1928



This Investment Service

*will assist you to build
a secondary cash reserve*

A constantly increasing number of Banks are today building a secondary cash reserve by the purchase of bonds of proved safety, satisfactory interest yield and ready marketability.

To these Banks The First National Bank of Davenport is rendering a most appreciated Investment Service.

Every bond offered for sale by The First National Bank was originally purchased for its own investment. Each offers, in our opinion, a high degree of safety, attractive interest yield and marketability.


In addition, our Investment Department keeps careful check of bonds that are called for payment, and of changing market conditions that may make the sale of your bonds advisable. They will also clip the coupons and deposit the amounts to your credit, or, forward them to you.

We shall be pleased to tell you more about our Investment Service for Banks. May we suggest that you write us today?

First National Bank



At Second street and Main
Davenport, Iowa

Founded with vision  *Built by Service*

anty of deposits is a success when it has failed in every state where it has been inaugurated."

Selling Bank Services to Meet Present-Day Competition

1. "Depositors have more money today than ever before, but there are more places to put it.

"Savings deposits are decreasing as compared with previous years.

"Individual America has the dollar but it is not going into the bank—the radio, autos, and stocks are getting the business because of advertising.

"Manufacturers spent last year in the United States for advertising, \$1,500,000,000, while all of the banks combined spent only \$50,000,000.

"You must sell the advantages of your service and point out that a savings deposit has a value of 10 per cent all the time although bonds and stocks may fluctuate.

"To build and increase the bank balances of your customers is of more value to you than getting a monthly service charge when these balances are below a certain average.

"The banks of the future will have a sales manager whose duty it is to keep the public constantly informed as to the various services which it can and does render."—W. C. Devlin, General Advertising Counsel for the Illinois Bankers Association, Chicago.

The Interest Rate on Time Money and the Service Charge

1. "Real estate is the problem of most of the rural banks. In 1927 the banks of Wisconsin charged off \$3,300,000 in land values.

"Banks should have a 2 per cent margin to be successful.

"The borrowers built your community and you are now penalizing them for this.

"Some banks are not making enough money now to absorb their losses, therefore they must reduce interest rates or be absorbed or consolidated with other banks. The banker who says he doesn't care what the other fellow does is an obstructionist.

"Sixty-seven per cent of the banks of Wisconsin pay 3 per cent interest on deposits.

"Even if your deposits drop 40 per cent because of reducing the interest rate to 3 per cent, banks can make money.

"Educate your board of directors that you need their advice and service. We need bank directors today who will direct."—C. F. Schwenker, Commissioner of Banking, Madison, Wis.

Attends Convention

Leo J. Wegman, cashier of the American Savings Bank, of Carroll, Iowa, was in Cedar Rapids recently attending the forty-second annual convention of the Iowa Bankers Association. Mr. Weg-

man, who is prominent in state banking circles, presided at a banquet given at the Montrose hotel for all bankers who had served on the administration board of the association.

Straus National Bank and Trust Company Opens

Entrance of S. W. Straus and associates in the commercial banking field took place last month with the opening of the Straus National Bank & Trust Company of Chicago.

The charter for this new bank was granted by the Comptroller of Currency. The new institution is another down town national bank which, as organized under



The Straus National Home

the McFadden banking act, will also enter the trust company field.

S. W. Straus & Company was founded in Chicago in 1882 and became the largest house specializing in the underwriting of real estate mortgage bonds. The company has financed many of the largest office and hotel buildings in the nation.

The company maintains its own office buildings in Chicago, New York and San Francisco, and in addition has branch offices in approximately fifty cities. In its development, S. W. Straus & Company has become a nation wide organization, recognized by business interests generally as authority in the building field. Both the Straus buildings in New York and Chicago are regarded as office buildings of the highest type and examples of the maximum of efficiency.

The entrance of the Straus organization into commercial banking comes at a

BANKING

for Bankers
in Iowa . . .

KNOWLEDGE of local conditions and familiarity with local problems, coupled with the complete modern facilities of a strong banking house, have developed many correspondent connections with Iowa Banks into most cordial business relationships.

E. W. MILLER, *President*
JAMES M. GRAHAM, *Vice President*
H. W. WENTE, *Cashier*
S. C. KIMM, *Assistant Cashier*
R. L. PENNE, *Assistant Cashier*
C. S. MCKINSTRY, *Assistant Cashier*



The COMMERCIAL NATIONAL BANK

CAPITAL AND SURPLUS — ONE-HALF MILLION DOLLARS

WATERLOO, IOWA

time when the policies of the company are being broadened to include the underwriting and selling of general securities.

From the date of the founding of the firm of S. W. Straus & Company the name of S. W. Straus has been linked with the financial life of Chicago.

The new bank, which will be authorized to carry on a general commercial and savings bank and trust business, will take over substantially all the business of the Straus Trust Company, organized in 1924.

S. W. Straus will be president of the new bank; S. J. T. Straus, executive vice president of S. W. Straus & Company, will be vice president.

John H. Krafft will become vice president and cashier as well as executive officer of the new bank. Mr. Krafft joins the Straus bank after a banking experience of 25 years, having been associated with the First Trust & Savings Bank of Chicago and several financial institutions in Ohio. At one time he was managing director of the Columbus Joint Stock Land Bank.

J. R. Frazer, vice president and trust officer of the Straus Trust Company, will be vice president and executive trust officer of the Straus National Bank & Trust Company of Chicago. N. H. Oglesbee, at present treasurer of S. W. Straus & Company, will be controller of the bank.

The directors will be as announced for purposes of organization—S. W. Straus, S. J. T. Straus, A. W. Straus, S. H. Kahn, M. L. Straus and H. N. Gottlieb.

The financial structure of the new bank will be represented with \$1,000,000 capital stock, \$250,000 surplus, and \$50,000 as a special reserve for contingencies, making total assets of \$1,300,000.

The entrance of the Straus interests into the commercial banking field is not a new venture. For many years the

same interests have controlled an outlying bank, the Franklin Trust & Savings Bank, a successful institution of the near south side.

The growth of Chicago as an industrial, commercial and financial center was given by the officers of the company as the reason for the founding of the new institution. In the Michigan Avenue territory there is no national bank near the Straus building and, accordingly, it was felt that there was not only an opportunity but also a demand for a complete commercial and savings banking service in that location.

Plan Great Convention

Many a bank advertising man sighs wearily after a hard day's work, wonders what it is all about. There is a distinction between hard work and productive work because while many of his days are filled with activity, little productive work results. The steady procession of salesmen selling trick advertising devices, the swarm of bank customers getting out programs, year-books, theatre curtains, etc., ("and we thought it would be so nice if your bank would put an ad in it") the bank employes and officers dropping in for wrapping paper, pictures of this and that, suggestions, complaints, Dr. Bell's damnable invention which rings just at the time when the budget, a new advertising idea, or dictation is under way—all combine to make the day a busy one but not of much value to the advertising man or his bank.

Those more important duties, such as next year's budget, copy for next month, and the study of the more important angles of his job simply cannot be done under these circumstances.

The Financial Advertisers Association Convention comes as a godsend to the bank advertising executive because at this convention, he can devote as much

time as he pleases to the important side of bank advertising. He will be free from all petty interruptions and can discuss his job and his problems with other men who have the same worries. Best of all, he can temper his business sessions with periods of relaxation which will freshen him up for the next session.

Robert J. Izant, Vice President of the Central National Bank of Cleveland, and Chairman of the Program Committee, is rapidly putting into shape a real, worth while program for the convention. Rather than announce part of it now, we will withhold the program until next month. We can assure you that it will be something very unusual, as programs go. For instance, the first session of the convention will be held in a Utica theatre and the stage used to dramatize the keynote theme—but more of the program next month.

On Monday, September 17th, golf and tennis tournaments will take place. Many fine prizes have been donated and the lucky contestants will surely be pleased with the trophies they win. In fact, when members see the prizes, we expect many more contestants than have now signified their intention of playing.

On Monday night, the big event will be a dinner dance at the Country Club for all members and their friends. There will be much entertainment at this dance and Mills says "All I care to tell you now is that we will have a male quartette. The other features planned will be kept secret and you won't know what's coming off until you get there."

Tuesday night, there will be a theatre party for the entire convention.

Wednesday night will be banquet night and the entertainment will be furnished by soloists and an orchestra.



Valley Bank Building

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

Valley National Bank
AND
Valley Savings Bank
DES MOINES, IOWA

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

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

Tallest Hotel
in the World
46 Stories High

Most Central
in the City

Home of the
Terrace Garden



Chicago's
MORRISON
HOTEL

Corner of Madison & Clark

1944 Outside Rooms
Each with Bath, \$2.50 up

All rooms have running ice water, telephone, bed-head lamp and Servidor.

Write or wire for reservations

Legalizing Acts Beneficial

THE Iowa legislature performed a very important and valuable service for the people of the state at the last session by the enactment of three important legalizing bills. Just one of the three bills saved one department of the state government over \$20,000 (almost as much as the entire cost of the special session) and in addition thousands of individuals and firms will save money through this legislation.

The importance of the three legalizing acts passed by the special session of the Iowa legislature, have been outlined in letters to Secretary Frank Warner of the Iowa Bankers Association, by State Senators F. C. Gilchrist and C. F. Clark. Senator Gilchrist's letter to Mr. Warner follows:

I have your letter of today asking for a statement of my views upon the legalizing act passed by the extra session of the Forty-second General Assembly, concerning certificates of acknowledgment, and I thank you for your generous references to Senator Clark and myself in connection with such legislation.

On the fifteenth day of November, 1926, and in the case of "In re Branson," found in 17 F. (2d) 377, in the United States District Court for the Southern District of Iowa, Judge Wade decided that the present section 10096 of the Code of Iowa, 1924, provides that certificates of acknowledgment in order to entitle the instrument to record must state the title of the officer who made the certificate; that the caption and signature were not parts of the certificate, but preceded and followed it; that section 10103, Code of 1924, prescribing the form of the certificate, requires a statement should be made in the body of the certificate giving the name and the title of the officer making it. Judge Wade held that the statute is mandatory and the form given in section 10103 of the Code must be substantially followed to entitle the instrument to be recorded and to give constructive notice of its contents. Among other things, Judge Wade said:

"My first impression would be that 'M. B. Haines, Notary Public in and for Montgomery county, Ohio,' was part of the 'certificate'; but it seems that the Supreme Court viewed the certificate as consisting only of the words from 'on the 17th day of February' to 'the voluntary act of said corporation'."

In accordance with this view of the law, Judge Wade held that the act of a referee in bankruptcy in allowing the Dayton Seale Company a priority or preference in a bankruptcy matter on account of its claim to have a conditional sales contract, must be reversed, because such contract did not have attached to it any legal certificate of acknowledgment and the record thereof did not impart notice.

Section 10103 of the Code of 1924 relates to, and gives the form of, certificates of acknowledgment. This same matter was covered in section 2959 in the Code of 1897. An examination of these two forms will show some differences, especially in this, that the form under the latter law contains the following in fine print below the blank designated for the name and title of the officer, to wit:

"Insert title of acknowledging officer."

The fine print quotation does not appear in the corresponding section of the statute in the Code of 1897. This is a very moving reason why the law was announced by Judge Wade as above stated.

It is perhaps doubtful how our own Iowa Supreme Court will decide the matter when it is presented. Many lawyers whose opinion is entitled to great respect openly state that our own supreme court will not follow Judge Wade in this decision. And when our own court decides the question it will be final and its decision will bind the federal courts because the construction given to a state statute by the highest court in that state is controlling both in the state and the federal courts. So that one whose rights are affected by this decision of Judge Wade, is advised to test the matter in the state court if there is a sufficient amount involved to warrant the test.

It will be noted also that the Code of 1924 came into force on October 28, 1924, and that the present decision affects acknowledgments taken on or since that day but not before. So that one having an instrument which was acknowledged in the old way and under the old form and which was taken prior to October 28, 1924, is protected. The question relates simply to those instruments which have been taken commencing with October 28, 1924, and running down to the present time.

Following the old law, which had been in force for practically two generations of men, the printers of the state had prepared blank forms of deeds, mortgages, chattel mortgages, bills of sale, articles of adoption, powers of attorney and many other forms of instruments. These printed forms had come into general use. All of the banks, notaries public, attorneys and scrivener of the state had a supply of these on hand and were continuing to use them. These folks still continue to use them. Their attention has not been called to the change or apparent change in the law nor to the thing on which Judge Wade based his decision. The result has been that probably one-half of the instruments affecting title to real estate and to personal

property are defective. I have heard the estimate made that nine-tenths of such instruments are defective. No one knows exactly what percentage of such instruments is involved in the mistake. But at any rate there is a very high percentage of instruments open to the objection, and which cannot be held to have been legally acknowledged under the decision of Judge Wade.

This condition is intolerable. In many cases it exposes the title to our lands to criticism and doubt. It likewise affects the legality of bills of sale and chattel mortgages as between the mortgagee and third persons. It does not, of course, affect in any way the legality of these instruments when brought in question between the original parties to them. The mortgagor himself cannot take advantage of this defect. The vendor in a deed cannot take advantage of it. It is, however, directly involved in hundreds of cases where the question may come up as between a third party and the holder of the instrument.

The legalizing acts passed by the General Assembly take care of these matters and do away with all doubt, so that hereafter the certificates of acknowledgment are made effective and any instrument containing such a defective certificate will nevertheless be admitted to record and the record thereof will give constructive notice to the world of the contents of such instrument.

The act also provides for a thirty-day limitation or statute of limitation whereby one whose rights are adversely affected by the act can start his suit within thirty days within the taking effect of the act and if his rights are vested and complete they will be protected. Anyone who now holds an instrument which was defectively acknowledged and whose rights are affected by the remedial statute must bring his action at once and within thirty days, else he will be barred and he cannot thereafter urge any defect in his certificate of acknowledgment in a prior instrument. I think there will be very few instruments of this kind. The remedial force of the new statute takes effect at once.

(Signed) F. C. GILCHRIST.

At your service—

in Eastern Iowa
and
Western Illinois

PEOPLES
TRUST &
SAVINGS
BANK

Peoples Trust & Savings Bank

CLINTON, IOWA.

Remember it this way—"PEOPLES TRUST"

Northwestern Banker July 1928

IN THE DIRECTORS ROOM



No Brains

First Fraternity Brother: "Have you seen the hat I lent you yesterday?"

Second Fraternity Brother: "I lent it to Bill."

First Fraternity Brother: "You fool! Didn't I tell you it was his hat?"—*The Crescent*.

Speed Mad

Teacher to seven-year-old: "So you have broken off a tooth, have you? How did you do it?"

Seven-year-old: "Oh, shifting gears on a lollipop."

Real Evidence

Teacher: "Surely, you know what the word 'mirror' means, Tommy. After you've washed, what do you look at to see if your face is clean?"

Tommy: "The towel, sir!"

Latest Model

Old Lady (to little girl): "And how old is your baby, dear?"

Little Girl (modern): "He isn't old at all. He's this year's model."

New Office Boy: "I've added those figures up ten times, sir."

Employer: "Good Boy!"

New Office Boy: "And here's the ten answers, sir!"

Bill Nye and His Deposit

In his biography published by the Century Company, Bill Nye tells how he once tried to make a deposit in a bank. He had to be identified. The following conversation ensued between Nye and the bank cashier:

"Our rules are that a man who makes a deposit here must be identified."

"All right," says Nye. "Do you know Queen Victoria?"

"No, sir; I do not."

"Well, then, there is no use disturbing her. Do you know any other of the crowned heads?"

"No, sir."

"Well, then, do you know President Cleveland or any of the cabinet or the senate or members of the house?"

"No."

"That's it, you see. I move in one set and you in another."

Northwestern Banker July 1928

Florida vs. California

A Floridan and a Californian were going to a convention in a Florida city. They had argued about the respective size and virtues of their states all during the trip.

When they arrived at the convention city, their beds were adjoining. The Floridan obtained a large turtle and placed it in his neighbor's bed. When the Californian's foot touched it, he leaped out of bed shouting, "What in the world is that?"

"Only one of our Florida bedbugs," said the Florida man, laconically.

The Californian squinted at it carefully again, yawned, and said:

"Little son-of-a-gun, ain't he?"

The Winning Color

A wealthy girl from America was attending a social function at a country home in England.

"You American girls have not such healthy complexions as we have," said an English duchess to the girl. "I always wonder why our noblemen take such a fancy to your white faces."

"It isn't our white faces that attracts them," responded the American girl, "it's our greenbacks."

The Scapegoat

Teacher: "I shall not keep you after school, Johnnie. You may go home now."

Johnnie: "I don't want ter go home. There's a baby just come to our house."

Teacher: "You ought to be glad, Johnnie. A dear little baby—"

Johnnie (vehemently): "I ain't glad; Pa'll blame me—he blames me for everything."

At Last

The minister had been away for some time, having undergone an operation for appendicitis, and his assistant, after announcing his safe recovery after service one Sunday, added: "We will conclude by singing the hymn 'Peace, Perfect Peace,' in the appendix."

Winning a Crown

Teacher: "Johnnie, give me a sentence using the word 'diadem.'"

Johnnie: "People who drive on to the railroad crossings without looking diadem sight quicker than those who Stop, Look and Listen."

Fifty-Fifty

"Where were you last night?" demanded the wife.

"I was home in bed," answered the husband righteously. "Where were you?"

"Why," she stammered, flustered. "I was—er—er—over to Mabel's—and it got so late—that is—well, you win. What are you going to do about it?"

"Ye gods!" he exclaimed. "So you weren't home last night, were you?"

Get-Rich-Quick Maggie

"Yes, sister Maggie is a very fortunate girl."

"Yes? Why?"

"Dunno. But she went to a party last night and played blind man's buff all the evening. The gentlemen hunt around and find a girl, and then they must either kiss her or give her a dollar."

"Yes?"

"Maggie came home with thirty dollars."

Returned

Bill: "Where did you get the black eyes?"

Will: "You know that lady down the street whose husband is in China?"

Bill: "Yes."

Will: "Well, he ain't."

Yes, Bill Did

The story is told that Grand Secretary W. M. Huffman was recently speeding merrily along the road when he caught up with a party of children on their way to school. He asked them if they cared to ride, and for an answer they piled into his Ford, until it was so completely filled that one little girl had to sit on Brother Huffman's lap. She was a plump little thing and the driver cuddled her close to keep her away from the steering wheel.

"Do you like school?" he asked her.

"Yes, sir," she lisped.

"Do you go every day?"

"I haven't missed a day this year," the little girl said.

"Good little girl!" said William, kissing her soft cheek. "Do you like your teacher?"

"Yes, sir," said the girl, "I'm the teacher."

And the Ford darned near went into the ditch!



Des Moines National Bank

Every Iowa Banker—

either for business or pleasure, has occasion at some time to visit Des Moines, his Capital City.

On your next visit, drop into the Des Moines National Bank, and let us know you are here.

We will be genuinely glad to welcome you, and to offer you any courtesy within our power.

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An

ANAKIN

ANNOUNCEMENT

by

JOHN H. TAFT

President

Our VAULTESCAPE is too important to announce as an ordinary item. It merits personal attention over the signature of the president of this company just as it deserves personal attention of the highest executive of the greatest bank.

Usual methods might advertise the mechanical make-up of this most revolutionary device—might stress that in building the VAULTESCAPE into any pressure bar vault door there will be nothing done to mar or affect the most expensive door ever made—might show that this gear meshes with that, that this clutch engages that shaft. But I prefer to make broader statements with full responsibility for our every word and meaning.

The VAULTESCAPE is intended to remove for all time the chance of anyone being locked in a vault and being unable to get out. It does exactly what its name implies, makes it possible to open the vault door from the inside. It will be as necessary to vault doors of the future as four wheel brakes to every automobile. It is basic.

If your vault door is of the pressure bar type—find out if you do not know, although in general all heavy doors have this closing process—you can not open the door from inside.

The VAULTESCAPE is not an external device or attachment, is not visible nor can it be removed or defeated. Even if pressure bar system has been closed, even if bolts have been thrown, combination set and time lock in operation, the VAULTESCAPE method will let anyone of the bank force open the door from inside and walk out a free man.

And our patents are broad enough to substantiate our claim that no one else can duplicate the performance of the VAULTESCAPE.

Even should the pressure bar pilot wheel be tied—it is almost Houdini-like to see the most massive vault door swing open. And the average time needed is not more than the usual time required to open the same door from the outside. It will amaze you.

Saving human life is paramount. At the First National Bank of Cushing, Oklahoma, 45 persons were locked in a vault 10'x20' on April 26th last by the Kimes gang of bank robbers. The VAULTESCAPE let them out.

At the First National Bank of Sand Springs, Oklahoma, 7 were locked in a small vault only on December 9th. Again the VAULTESCAPE let them out easily. But no matter whether in small town or largest city, the daylight hold-up is using this means of insuring a getaway. And the fear of being locked in the vault, either through accident or by design, demands that you provide some sure way to get out. The VAULTESCAPE answers that need—is guaranteed to perform to your satisfaction.

What other means would serve to save the lives of 45 people in one vault? Or 7, for that matter? What can be so certain, so sure? What can be tested—anytime—to prove that it will work, anytime, as the VAULTESCAPE will? You owe it to yourself, your bank, your clients to investigate, NOW! I urge your inquiry without obligation.

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ary reserves, particularly in respect to liquidity.

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