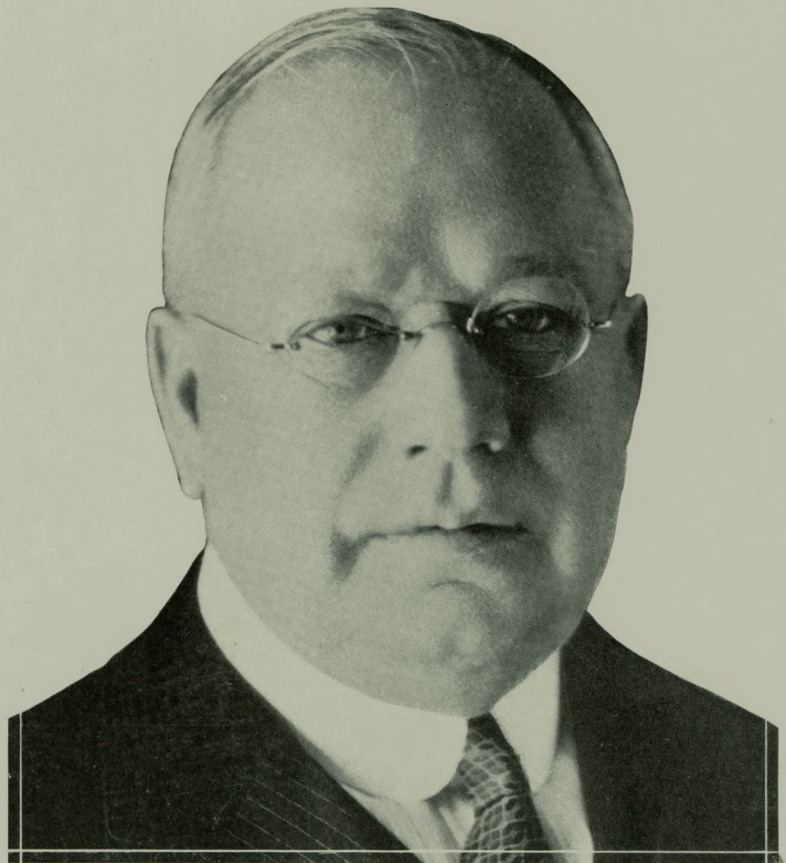


*“From  
Panora to Power”*

(See Pages 10 and 34)



GEORGE M. REYNOLDS  
Chairman, Continental Illinois Bank and Trust Company

*October 1928*

# Northwestern Banker

# The Importance of Marketable Reserve Assets

¶ *Rate of Return: Earning power expressed in average yield over a representative period of time.* ¶

**A** PROFITABLE secondary reserve account is the reward of sound judgment and financial experience. Constant study of business conditions and the application of sound investment principles are essential if the reserve account is to yield a fair return and still possess security and marketability.

The banker's problem, and it requires a high degree of skill, is to select bonds that will yield a fair return and also meet these cardinal requirements. To compromise with either security or marketability may result in increased immediate profit but over a period of years will defeat the purpose of the account and result in a lessened income. The rela-

tion of the individual purchases to the account as a whole should also be kept constantly in mind, for it is the average of all these issues which will determine whether or not the account is profitable.

The investment banker is eager to help you build a profitable reserve account. His knowledge and experience will supplement your own and aid you to obtain an ample income and avoid unsuitable investments.

For nearly half a century The Minnesota Loan and Trust Company has acted in an advisory capacity to banks and institutions throughout the Northwest. We hope that you will feel free to consult with us in the solution of your own problems.

## THE MINNESOTA LOAN & TRUST COMPANY

405 Marquette Ave.



Minneapolis, Minn.

AFFILIATED WITH NORTHWESTERN NATIONAL BANK

READ THIS SUMMARY OF WHAT YOU'LL FIND  
*In This October Number*  
 of the **Northwestern Banker**  
 Des Moines

**Just Between Us**

**Gives the Information**

Says V. H. VanKirk, now a resident of Scottsbluff, Nebraska: "Since I am no longer with the Bank of Cody, please send the Northwestern Banker to me at Scottsbluff. Even though I am not now in the banking business, I wish to keep in touch with it and I feel that your magazine will come nearer giving me the banking information I want than any other publication."

**A Progressive Record**

"Our officers and employes have been constant readers of the Northwestern Banker for 31 years. I have been associated with this bank for 29 years.

"We have watched with great interest the growth in circulation of the Northwestern Banker merited by the constantly increasing attractiveness in the 'make-up' of the publication and the high quality of informative and helpful articles always therein found.

"It is very interesting to note that the 'progressive' record of your publication continues under your most efficient management, and we wish for you continued success and gratifying satisfaction in publishing the best financial magazine in America."  
 —A. W. Crossan, vice president and cashier, First National Bank, Eldora, Iowa.

**"It Is a Leader"**

"It is 31 years since we subscribed first to the Northwestern Banker. I can say sincerely that during all these years, yours is one of the few periodicals that I never miss reading, always with interest and often with great profit.

"The news you print is of the kind we need to learn, the articles are sane, unbiased, and illuminating. The Northwestern Banker is a leader now as it was when we were first attracted to your subscription list; a leader in every movement that is beneficial to Bankers and their customers."—C. J. Weiser, president, Winneshiek County State Bank, Decorah, Iowa.

**We Re-Read Each Issue**

"With reference to the Northwestern Banker, we read and re-read each issue, all of us, from the president down to the last man, and it is as necessary to the proper functioning of this institution as 'service charges' are to the successful operation of any bank."—F. S. Ferring, cashier Farley State Bank, Farley, Iowa.

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33rd Year

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**The Oldest Financial Journal West of the Mississippi**

*Member, Audit Bureau of Circulations*

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*Northwestern Banker* October 1928



# 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

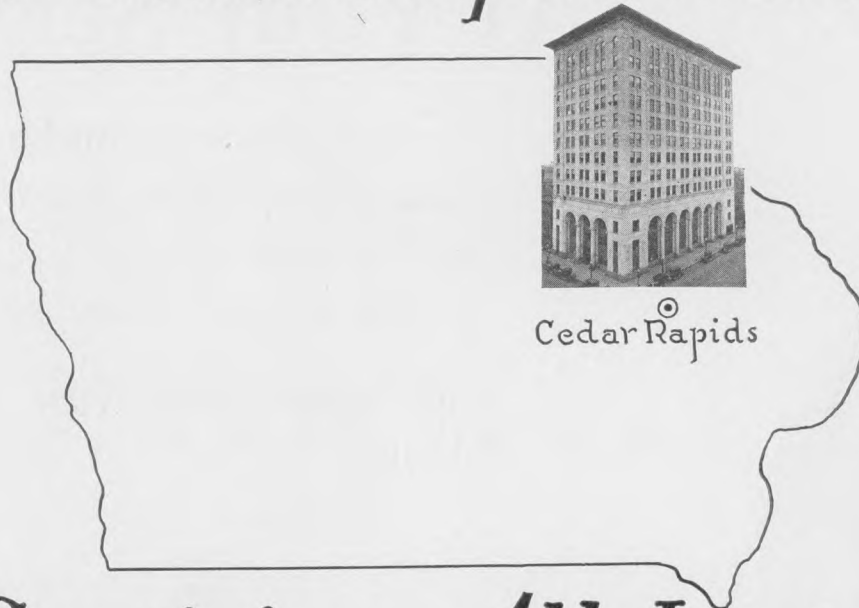
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HOME OFFICE - - - DAVENPORT, IOWA

*Casualty Insurance—Surety Bonds*

# *A Cedar Rapids Bank*



## *Servicing All Iowa*

**A CAREFUL STUDY** of the requirements and most efficient manner in which to handle each of the many correspondent items sent to us, far in advance of current activities, is only one of the reasons why Iowa Bankers prefer the Merchants National Bank in this territory.

If nearly a half century of banking experience means anything to you, send your Cedar Rapids Items to the Merchants National.

## **MERCHANTS NATIONAL BANK**

**Cedar Rapids**

**Iowa**



# “At Your Service”

Ample resources and complete organization assure to the Bankers of Iowa the best service in our history.

Call when you visit Des Moines.



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# IOWA NATIONAL BANK

DES MOINES SAVINGS BANK AND TRUST COMPANY  
Des Moines

# McCormick-Deering Farmall

THE existence of antiquated methods never justifies their continuance. Neither do mere numbers, in themselves, prove a point. The recent pronouncement of animal-power interests, that "Twenty million horses can't be wrong," is a beautiful example of incomplete reasoning. About as well say "Forty billion mosquitos can't be wrong." Or to have said, in 1830, "Twenty million scythes, cradles, and reaping hooks must be right."

This is still only the beginning of the tractor age. While the horses have done their level best to be right, eight hundred thousand tractors have displaced great droves of them. Develop-

ment of the Farmall alone has greatly accelerated the drift toward power farming.

The original Farmall features, of International Harvester design—square turn, wide tread, high clearance, etc.—have made it the true all-purpose, all-crop tractor. It serves through drawbar, belt, and power take-off, and with it the row crops are handled to perfection along with the others. It is a force working toward economy of production. It is a great community builder. The Farmall has the endorsement of the practical engineer and the practical farmer. It could not have both without being very good indeed. *The Farmall catalog will be sent on request.*



**INTERNATIONAL HARVESTER COMPANY**  
606 So. Michigan Ave. **OF AMERICA** Chicago, Ill.  
(Incorporated)

Farmall Special Equipment includes 2 and 4-row planters and cultivators, 7-ft. mowers and 7-ft. trailer mowers, middle busters, 4-row lister cultivators, sweep rakes, beet tools, and potato tools. The Farmall is thoroughly efficient at plowing, at all belt jobs, and at general farm power work the year around.

## FARMALL FITS EVERY FARM!



**GIVING** our many clients the best there is in correspondent service isn't enough. We are constantly asking, "Isn't there a better way?" "Would some other method be more efficient?"

Consequently, every day or two we are finding ways to give you service that make our best much better. A trial will convince you of what we mean.

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**RESOURCES OVER ELEVEN MILLION**

# FIRST IOWA STATE BANK TRUST & SAVINGS

**BURLINGTON**





## CONVERTING THE CROP INTO CASH

**A**S the harvest gets under way and the stream of golden grain pours into the mills and elevators of the terminal cities, the conversion of the crop into cash becomes the chief concern of farmers and bankers in the grain raising states.

Banks in the Ninth Federal Reserve District have learned from experience that sending grain drafts to the First National in

Minneapolis is assurance of the speediest possible collection. We're located just four short blocks from the Grain Exchange and our Collection Department is equipped with an experienced personnel large enough to handle every day the drafts received in the morning mails.

For quick collection, send your grain drafts to the First National.

**FIRST NATIONAL BANK**  
ORGANIZED 1864  
**FIRST MINNEAPOLIS TRUST COMPANY**  
ORGANIZED 1888

MINNEAPOLIS, MINNESOTA

Stockholders of these two institutions are identical.

Combined Resources total over \$140,000,000.



## Across the Desk from the Publisher

*By Clifford DePuy*

### **American Prosperity**

Paul M. Mazur has just written a book entitled "American Prosperity—Its Causes and Consequences," which is a most interesting analysis of the fundamental factors underlying our present prosperity, together with a look into the future.

The eight factors which Mr. Mazur has pointed out as the reasons for our present prosperity are as follows:

1. The power of advertising.
2. High-pressure marketing.
3. Obsolescence.
4. Installment buying.
5. Our building program.
6. The balance of exports over imports.
7. Hand-to-mouth buying.
8. Instruments of distribution.

Each one of these eight causes of our American prosperity are carefully analyzed and their advantages discussed.

The problems of the future which confront American industry, according to Mr. Mazur, are, "The growing gap between the economies of large scale manufacturers and the expenses of high-pressure distribution; the threat which obsolescence and its corollaries make upon standardized mass production; and finally, the question of what will happen when our debtor, Europe, ceases to be able to afford a market that will continue the favorable export balance."

Some day Europe must pay us the money she has borrowed, both through private loans and Government financing. This money must be paid to us either in gold or goods. In view of the fact that we have practically one-half of the world's gold supply, Europe cannot very well pay in gold; therefore, she must pay in goods. This means that if we allow European goods to be imported to America, American manufacturers will suffer accordingly; conse-

quently there will be a tendency to raise the tariff in order to protect American industry. If this is done European manufacturers cannot export their goods to the United States, and will therefore be unable to pay the loans which they have incurred.

"The results of a loss of our favorable balance of trade," says this author, "constitute the greatest single threat to American business which it is possible to foretell for the near future."

This sad outlook in Europe is answered by the fact that only a small percentage of American industrial production is sold abroad, and that so long as the powers of consumption of America can be expanded, American industry is safe.

"The inherent needs and desires of people are great," says Mr. Mazur. "But the needs and desires to which the American consumer has been educated are even greater."

The American banker has taken and will continue to take an active part in the industrial development of America. The progress of business and banking must go hand in hand. They are inseparable.

American prosperity will be continuous if we continue to analyze carefully the causes and the consequences which have thus far made us the richest nation on earth.

### **From Panora to Power**

"From Panora to Power" might well be the title of an article describing the

progress made by George M. Reynolds and Arthur Reynolds in the banking world.

In the January, 1906, issue of the NORTHWESTERN BANKER, or twenty-two years ago, we announced the election of George M. Reynolds as President of the Continental Bank. He began his banking career in the Guthrie National Bank of Panora, Iowa. He later became associated with the Des Moines National, and was elected its President in 1985. In

1906 the Continental had a capital of \$3,000,000, surplus of \$1,000,000, and deposits of \$51,000,000.

In this same January, 1906, issue of the NORTHWESTERN BANKER there is a story, the first paragraph of which says: "The largest Des Moines banking deal in recent years has just been completed in the purchase by President Arthur Reynolds and Vice-President John Blair from the Hubbell interests of the capital stock of the Des Moines National Bank, amounting to 1,177 shares."

From this institution Arthur Reynolds came to the Continental National Bank as Vice President. And now, with the consolidation of the Continental National Bank and Trust Company and the Illinois Merchants Trust Company under the name of the Continental Illinois Bank and Trust Company, we find George M. Reynolds and Arthur Reynolds in positions of power as the guiding factors in the second largest banking institution in America, with a capital of \$75,000,000, Surplus of \$65,000,000 and deposits of \$900,000,000.

### **Artificial Farm Values**

E. D. Schumacher, of Richmond, Virginia, President of the Mortgage Bankers Association of America, which held its fifteenth annual convention at Cleveland last month, pointed out the fact that, "Abolishing artificial farm values will do much to aid the plight of the farmer, by bringing about a more stabilized farm real estate market."

As a matter of fact, it was artificial farm values which caused the farmer's downfall. The farmer who paid \$200 an acre for his farm, and thought it worth \$400 during the boom, and was able to secure a mortgage of fifty per cent of the value based on this inflated price, eventually woke up to the fact that he had this farm mortgaged for its full value, or for \$200 an acre, which was the original purchase price.

A farm is worth what it will produce on the investment. Any farm should represent a five per cent return on the capital. Many farms have not done this, even on a conservative valuation; but also, many farmers have put such a high valuation on their property that even when they did receive a fair return they thought it was unsatisfactory, because they still figured their land on the basis of inflated values.

Anything which can be done to abolish artificial farm values will be a step in the right direction.

### **George G. Hunter Passes Away**

George G. Hunter, of Des Moines, President of the Iowa Investment Mortgage Company, and founder

of THE NORTHWESTERN BANKER, died on September 10th, at the Iowa Methodist Hospital.

In addition to establishing THE NORTHWESTERN BANKER in 1896, he also established the Southwestern Banker of Kansas City, the name of which was later changed to the Trans-Mississippi Banker and eventually merged with Bank News. He also established the Southern Banker of Atlanta, Georgia.

Mr. Hunter was born on a farm in Jackson County, Iowa, January 21, 1865. He was therefore 63 years of age at the time of his death. He attended Brown University at Providence, Rhode Island, and while there established the Brown Daily Herald.

Mr. Hunter published THE NORTHWESTERN BANKER from 1896 to May, 1907, or a period of 10 years and 4 months, when he sold it to Emerson DePuy, who published it from May, 1907, to July, 1912, when he died, or a period of 5 years and 2 months. Since the July, 1912 issue, a period of 16 years and 2 months, it has been under the present management.

Mr. Hunter was a man of integrity, honesty, and possessed of an unusual amount of business ability. His passing will be keenly felt by his large circle of friends and business associates.

### **The Joys of Competition**

Lyda Collins, who writes the very delightful department in the NORTHWESTERN BANKER, "The Banker's Wife," tells of the bitter rivalry which used to exist in small communities between competitors in all lines, and illustrates it with this story:

"A woman whose father was a pioneer Methodist minister said she was a girl well along in her 'teens before she knew why there were two churches in the small town in which he preached. It was so that the two druggists, the two general merchants, the two lumbermen, and the two bankers, could go to church without having to speak to each other."

Happily, these conditions are passing. This is the day of bankers' conventions, Clearing House organizations, County Bankers' associations. These organizations are based on the principle of helping each other by exchanging ideas and studying better banking methods.

True, there is keen competition; and there should be. Certainly competition of the right sort is most desirable. But bankers, like other groups of business men, have found that collective thinking and planning for the profession as a whole is more beneficial than leaving the same problems to be solved by each banker in his own way.



A THRILL BEFORE BREAKFAST

"A THRILL BEFORE BREAKFAST"

Copyrighted by  
The Thos. D. Murphy Company  
Red Oak, Iowa

Northwestern Banker    October 1928



The accounts of celebrities are always good publicity in an employes savings campaign. Above is Colonel Wm. G. Edens, vice president, the Central Trust Co. of Illinois, receiving the account of Tito Schipa, Chicago Opera star, during a savings account contest staged by 500 employes of that bank.

**T**HE following high lights on New Business Contests have been gleaned from information supplied by banks throughout the United States to the Committee on New Business Contests of the Financial Advertisers Association.

In its quest for details the committee received splendid cooperation, and as a result succeeded in adding many samples of literature to the portfolios on Employees Contests that are maintained at the central headquarters of the Financial Advertising Association in Chicago for the use of members.

A survey of the replies received shows that banks generally agree that some sort of a drive or campaign is necessary to keep employes and officers constantly alert and aggressive in the battle for new business. Whether or not these campaigns should be short and intensive or of the continuous type is a much debated question.

That the mortality rate among accounts obtained in contests is relatively high is admitted in all quarters, some bankers even asserting this factor makes a drive of doubtful value, while others say the amount of business that remains on the books and the increase in the size of these accounts makes the campaign a profitable affair.

One large eastern bank reported that at the end of the first year 75% of the new

## PROFIT OR LOSS

*from*

# *New Business Contests*

counts; at the end of the second year an increase of 147%; third year, 138%; fourth year, 135%; fifth year, 120%.

It is apparent from the survey that comparatively few banks make an exhaustive study to ascertain how much of

the new business resulting from a campaign remains for a long period. Some of them have checked for the first few months or a year, but usually not beyond that period. It would seem from the reports received on this phase that the average bank can expect to find from 50% to 75% of new business on its books at the end of the first twelve months' period. This of course will depend largely upon the type of accounts obtained and whether undue sales pressure was used in the campaign.

Many bankers object to special campaigns on the basis that too much of the new business brought in is taken from other banks and is not actually new: that accounts are opened temporarily to oblige some worker and give him credit, only to be transferred later to the bank from which the money originally came.

One bank replies as follows to this criticism: "We feel no hesitancy in saying that actual new business has been created in our campaign. To date we have rented a good number of safe deposit boxes, and naturally practically all of this business

(Turn to next page, please)

*Northwestern Banker* October 1928

### An Extensive Survey

The article on this page is based on a nation-wide survey of banks conducted by a special committee of The Financial Advertisers Association composed of the following persons:

G. V. Kenton, Chairman, Committee on New Business Contests and Advertising Mgr., National Bank of Commerce in St. Louis.

Committee members: J. H. L. Janson, Jr. Trust Officer, Bronx Borough Bank, New York; Mrs. Amy R. Hyde, Adv. Mgr., Union Bank of Chicago; Mark B. Peck, V. P., Griswold, First State Bank, Detroit; A. G. Maxwell, V. P., Citizens & Southern National Bank, Atlanta, Ga.; I. J. Mitchell, Asst. V. P., Security Trust & Savings Bank, Los Angeles.

business acquired in a campaign remained on its books; at the end of the second year, 60%; third year, 52%; fourth year, 45%; fifth year, 40%. This same institution found that by the end of the first year there had been an increase of 160% in the total balances on these new ac-

## Profit or Loss from New Business Contests

(Continued from page 13)

comes from people who never rented a box before. The same applies to savings accounts, commercial accounts and bond sales. There is no question but that we have taken some business away from competitive banks. We feel that we have done this in a clean cut, ethical manner and sold our new customers on the idea that we could serve them better than their former connection. At practically every employees' meeting we stressed the point that drive members should have nothing but praise for our competitors."

It is generally agreed that the intensive campaign should be a short, vigorous one, say of 60 to 90 days, so that enthusiasm and action may not be allowed to lag. A campaign that goes beyond three months usually is found to wane in interest, with a resultant decline in anticipated business. A majority of the banks reported that they have found it advantageous to conduct their own drives, the new business department or officers from other departments being chosen to supervise the activity. Special prizes, bonuses and commissions are offered to stimulate solicitation.

A few of the replying banks said that the intensive campaign tends to create too much confusion and too many petty jealousies among employees, thus lowering the morale among a large percentage of the workers. But this criticism seems to be well answered by others who have found that the campaign offers just the right kind of stimulation and incentive for better cooperation throughout the bank. A campaign, it is argued, develops creative ability among employees, teaches them facts they have never known before about the service, functions and history of the institution, in addition to giving them priceless instruction in teamwork and salesmanship. To substantiate this view of increased efficiency, it is pointed out that many campaigns gain enough momentum to carry on new business efforts in effective style for a year or

two after the drive has officially ended. Most intensive campaigns are conducted at intervals of two or three years, the general belief being that it is unwise to approach the public too often with contests. In some cases banks have noted

which conduct the intensive campaign. Among the institutions which have conducted several campaigns of the intensive sort there is observed a tendency to discontinue this method in favor of the continuous, year-in year-out effort. Why should it be necessary, proponents of the latter plan argue, to speed up the new business machinery to a high pitch every so often when it should be the duty of bank employees to be on the alert every day of the year for new business of all types? And so the new plan sets about organizing the workers so that they make the best of opportunities at all times.

A notable instance of an institution which has gone over to the new plan after conducting its fifth successful intensive campaign is that of a Los Angeles bank, which has announced that hereafter it will operate under the Permanent Payment Plan, under which new business is secured through normal, steady and constant effort, without prizes and other stimulants that formerly were a part of the intensive drive. The new plan provides for a regular schedule of pay, or rewards, for new business and for frequent conferences for discussion of the best methods of obtaining this business.

An excellent example of this continuous business effort is revealed in an outline furnished by a bank operating in a northern state. The New Business Department manager presents his views and methods as follows:

"We have never taken seriously the idea of staging new business drives. Perhaps we have not gotten to that point of efficiency as yet, or perhaps we may have outgrown the idea. Our thought on the subject is to organize our staff of employees so thoroughly along new business lines that they

are continually on the lookout for new business, forever and a day, so to speak. Our staff is composed of about 700 employees, which include the main office, our trust company and seven branches. These

(Turn to page 83, please)

### Outline of a Well Rounded Employees' Contest

Although it is rather difficult to summarize an ideal campaign because there is so much individual variance, an attempt is made herein to set forth the salient features of a well-rounded employees' contest. The outline is as follows:

1. Entrance to a campaign should be deliberate and cautious, an effort being made to obtain the views of officers and department heads so that their ideas may be incorporated into the general plan.
2. The General Plan is usually set forth in a printed booklet or in a multigraphed set of instructions. The General Plan should include:
  - (a) Goal to be reached, that is amount of new business it is hoped to obtain.
  - (b) Length of contest.
  - (c) Organization of Campaign Committee with certain individuals to handle definite details of record keeping and other duties.
  - (d) Division of employees, officers and directors, and, sometimes stockholders, into as many teams as is desirable, with a capable leader for each.
  - (e) Table or summary of awards and prizes for new business. Sometimes credits are given and bonuses are based on these credits.
  - (f) Any other general instructions that are desirable. Often a list of team members is included in the instructions.
3. Many banks offer monthly or weekly prizes in addition to compensation for new business, in order to inject more enthusiasm into a drive. Sometimes prizes are offered in each department, such as Savings, Checking, Trust, Safe Deposit, or Investment.
4. The table of awards for new business necessarily must vary to meet the conditions of each bank.

Rewards usually are computed on the estimated average balance, for a definite period, say for the first thirty days the money is on deposit. If account is closed within 30 days, no reward is allowed.

#### SAFE DEPOSIT BOXES

Rewards are based on 25% of the first rental fee.

5. The campaign often takes the form of two armies, striving to outdo one another, an automobile race to a given point or some other method of inciting the workers to more active competition. During the campaign maps and posters are displayed so as to chronicle the progress of the teams, or divisions, and bulletins are issued frequently to give further detailed information.
6. Claims are adjusted and credit sheets are kept by the Campaign Committee. Those who contemplate starting an Employees' Contest should write to Preston M. Reed, Secretary of The Financial Advertisers Association, 231 S. LaSalle Street, Chicago, and ask for the portfolio on Employees' Contests, which contains many samples of material used in actual campaigns.

a drastic reaction on the part of the public because individuals have been solicited too repeatedly or too vigorously for business. It would seem wise to give customers and prospective patrons a rest in between times, and this is done by most banks

# Poor Roscoe's ALMANAC

Ye true description of ye  
events and happenings  
of ye country banker

By ROSCOE MACY

**October 1st:** Hessian-fly—free date. Sow winter wheat. Repair screen on back door.

**October 2d:** Battle of Brandywine, 1777. Test batch of home brew in furnace room.

**October 3d:** Amos Matthews died, 1794. Life insurance premium due.

**October 4th:** Battle of Hastings, 1066. Monthly meeting of directors. Apply for salary increase. "A rolling stone spoils the Broth."

**October 5th:** November article due for NORTHWESTERN BANKER. Sixty-six shopping days before Christmas. Plenty.

**October 6th:** Last Quarter. Naaman bathed in River Jordan, B. C. 1809. Falls on a Saturday this year, too. Draw balance of October salary.

**October 7th:** Equinoxial rains. Polish clubs. Take family to church unless rain lets up.

**October 8th:** Last day to pay life insurance premium due September 10th. Deliver lecture at high school on "The Habit of Thrift." "Who steals my purse steals trash."

**October 9th:** Finished paying off War Finance Corporation, 1921. Pay last winter's coal bill. Order coal for winter of 1928. High winds, with falling temperature.

**October 10th:** John Adams assassinated, 1792. NORTHWESTERN BANKER article five days overdue. "A stitch in time is worth two in the bush." Pay electric light bill. (4:00 p. m.)

**October 11th:** Armistice Day, 1918, (only that was in November). Prepare for telephone call from editor of NORTHWESTERN BANKER, who will expect an answer to the following questions: "Where-nell's that article? Whadda ya think this is? See that it's in the mail tomorrow morning, etc." Phone to see why coal has not been delivered. Collect November salary and make partial payment demanded.

**October 12th:** Columbus discovered 100% American, 1492. Federal Reserve Bank discovered Iowa, 1920. Iowa discovered Brookhart. Mallards on the Big Marsh.

**October 13th:** New Moon. Columbus, too late, regrets his rashness, 1492. So does Iowa, following 1920. Naaman returned, B. C. 1809, but found river frozen over.

**October 14th:** Finals in fifth flight at country club. Begin work on November article for NORTHWESTERN BANKER.

**October 15th:** Interest due on Fourth



"I pay my World's series bet, while the inhabitants of our merrie village look on."

Liberty Loan; also on the \$32.00 I owe Henry Simmons. Send NORTHWESTERN BANKER article.

**October 16th:** Jezebel impaled on Ahab's spear, circa 3000 B. C. Went away over night and forgot to close attic windows, 1922. (P. S. Yes, it poured.)

**October 17th:** Overdraft invented, in London, by Solomon Levitch, 1660. Drain Ford radiators.

**October 18th:** Invention of excuse for overdraft, by Solomon Levitch, 1660. He blamed it on Mrs. Levitch. First snow of season. Fix basement window.

**October 19th:** Second notice of premium due October 3d. Appointment with Gus Blake about taking out additional insurance.

**October 20th:** Brought down my first mallard, 1908. Winged another, 1921. Mow the lawn for the last time again. Pay World's Series bet.

**October 21st:** First Quarter. Drop it in collection plate.

**October 22d:** Third payment on car. Address eighth grade students on "The Thrift Habit." Send notices on notes due in October.

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**October 23d:** Eli Whitney invented cotton gin, 1832. Committee on Standards declared it a poor drink, 1923. Decided to vote for Hoover, 1928.

**October 24th:** Collect first half December salary. Mark it "balance October." Bank examiner due.

**October 25th:** President declared farmers should observe economic laws, 1927. Decided to vote for Smith, 1928.

**October 26th:** Argue with Republican friend who has heard decision to vote

for Smith. Decided to vote for neither Hoover nor Smith, 1928.

**October 27th:** Collect balance November salary again. Get out children's Christmas presents and play with them to see if they work all right. Second notice from county treasurer that 1927 taxes are delinquent.

**October 28th:** Horatius holds perfect bridge hand, B. C. 297. Political sermon at church. Decide to vote for neither Smith, nor Hoover, nor Prohibition candidate.

**October 29th:** General Washington crossed the Delaware, Lackawanna, and Western, 1777. Nero started furnace fire, 276. Fourteenth run on our bank opened, 1926.

**October 30th:** Full moon. Halloween. Brace outbuildings and take in porch furniture.

**October 31st:** Straighten buildings and things up again. See about getting spring wagon removed from roof of bank. Collect balance October salary.

# When the Bank Fails, What Can the Draft Holder Do?

By THE LEGAL DEPARTMENT

WHEN a bank becomes insolvent and closes its doors, there are generally many parties who hold drafts issued by the closed bank that have not been honored and paid. Every possible effort is usually put forth by the holders of these drafts to secure full payment thereof. A claim is filed in Court by the holder in many instances asking that the amount of the draft be declared a preferred claim and paid in full from the assets of the bank in the hands of the Court for liquidation.

The Court is at all times particularly interested in conserving any and all assets of the insolvent bank and to give no creditor any preference in settlement of his claim against the bank that is not as provided by law. After an allowance of the claim is made by the Court, it is then determined whether the holder of the draft is entitled to a preference over other creditors of the failed bank. The Court then establishes the holder of the draft as a general or preferred claimant.

A customer of a bank for a long period of time has been purchasing drafts at the bank and paying cash for the amount thereof. After the failure of the bank, three of the drafts purchased by this customer were returned dishonored.

The bank in which the closed bank carried its account on which the drafts were drawn was overdrawn at the time. The issuing bank forwarded funds sufficient to meet these drafts but failed before they were paid.

The first draft in question was purchased and paid for on April 2nd in the amount of \$444. The second draft was purchased on April 3rd, and was in the amount of \$989. The third draft was purchased by the customer of the bank on April 4th for \$33. None of these drafts were ever paid.

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## Unless Fraud Exists

*"The holder of these drafts is only entitled to share as a general creditor in the assets of the bank. This is the usual status of holders of drafts of failed banks except in an instance where fraud exists in the issuance thereof."*

The draft of April 2nd was presented through the clearing house and was marked "paid" on April 5th in the clearance. The draft of April 3rd, was presented through the clearing house on April 6th and likewise was marked "paid" through the clearance. These endorsements of payment were later cancelled. The third draft does not appear to have been presented, and, in any event, the formality would have been used.

### In Recent Years

In recent years, a large number of cases wherein holders of drafts against insolvent banks have sought preference on a theory of trust have been brought before the Courts for consideration. In the absence of fraud, the relation between the purchaser and seller of the draft is that of creditor and debtor, and the Courts have accordingly denied the claim of preference in such cases.

The purchaser of the drafts claims above was not a depositor in the insolvent bank. The drafts were not purchased by the use of funds already on deposit. The purchase price in each instance was carried to the bank and cash received by the bank enriched the assets of the bank.

The purchaser of the drafts claims that the bank accepted payment therefore, at a time when it was insolvent, and known by its officers to be insolvent. At the time of the issuance of each draft, it was shown, the bank did not have sufficient funds with the drawee bank to meet said drafts. Its accounts with its correspondent bank was overdrawn. It is not claimed that there was actual fraud in the sale of the drafts unless knowledge of the insolvency can be imputed under the evidence to the officials.

The liability of the issuing bank upon its draft to the purchaser thereof, was precisely the same whether its account with the drawee was replete or was overdrawn. If the bank officials issued these drafts knowing or believing that they would not be paid upon presentation, then a case of fraud would be presented.

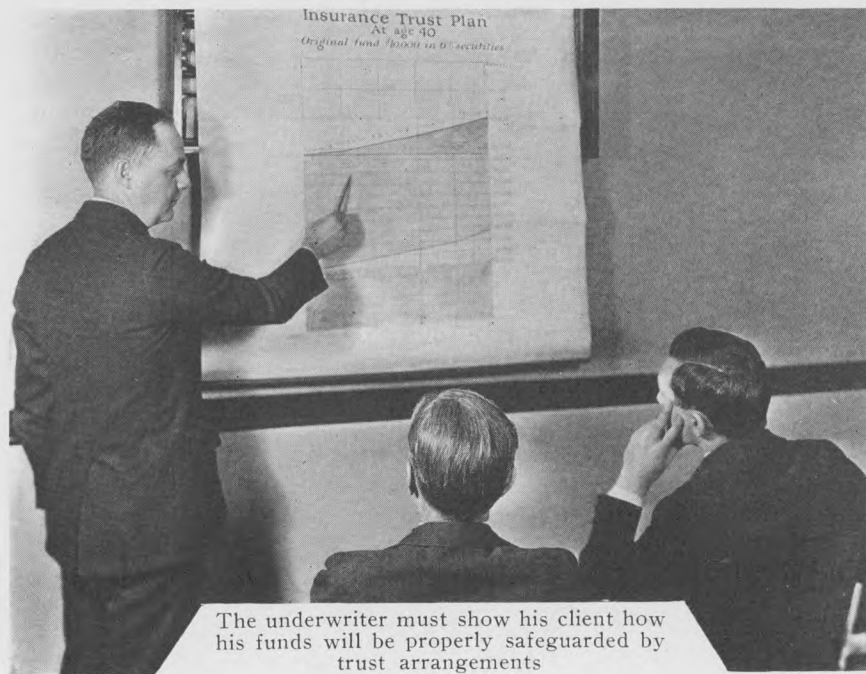
### Fluctuates in Amount

The deposit account of a bank with its correspondent, kept for the purpose of issuing drafts thereon, necessarily fluctuates in amount. It necessarily depends upon the amount of exchange called for by the customers of the depositing bank from day to day. If the call for exchange should be unusually large on a particular date, it would necessarily tend to exhaust the account. Such account is necessarily maintained by successive remittances of other exchange and collectible items. The mere fact, therefore, that on a particular date the account may be, depleted or overdrawn, is not of itself impeaching in its significance.

On the same day the last draft was issued, a remittance was made by the bank to its correspondent bank on which the drafts were drawn. Such remittance was abundant in amount to meet all drafts

(Turn to page 110, please)





The underwriter must show his client how his funds will be properly safeguarded by trust arrangements

UP to within a very recent date trust companies and life insurance companies have been traveling parallel paths of service.

The life insurance companies supplying the money to discharge the obligations that death did not liquidate—i. e., creating estates.

The trust companies supplying "Business Management" and "Conservative Judgment" in the handling and investing the funds of the estate—two factors of safety which cannot be bequeathed but which are so necessary to the permanent happiness and contentment of the beneficiaries.

#### Value of Cooperation

Assuming that we all understand the common ground of service existing between life insurance companies and trust companies we should readily recognize the value of co-operation with each other.

It has always been my contention that the insurance man has a real service to perform to humanity. He classifies, in my mind—with the doctor—the lawyer and other men in similar occupations. That being true, his duty to his client does not end with the delivery of the policy and the collection of the first premium—the high class insurance underwriter has an ideal that he should regularly adhere to—that ideal being "The interests of my clients are paramount." In the ideal, the interest of the client should come ahead of the underwriter's own compensation.

Men buy life insurance with various plans in mind, but principally with that of protection. In a large percentage of

## Where Trust Service

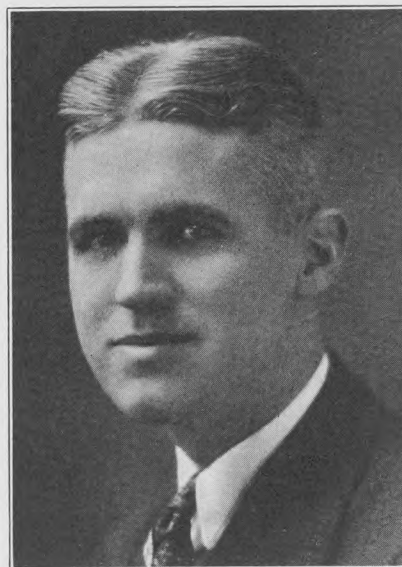
### BEGINS!

By J. M. HUTCHINSON

*Assistant Cashier, Cedar Rapids Savings Bank and Trust Company*

cases what has been bought as protection, does not turn out to be protection.

The underwriter is duty bound to assist his client in properly safeguarding



J. M. HUTCHINSON

the funds which will be available at his death—for the underwriter to complete

his task, he must enlist the services of the trust company, attorneys and other such

experts as his co-adjustors.

Very few insurance men believe and recommend "lump sum settlements" because only in rare cases are they at all advisable. Without question the majority of underwriters believe in option settlements, but would they always be justified in recommending them?

Whenever there is need for flexibility—the insurance company passes out of the picture and the trust company enters.

#### Some Questions

If, in 1913, a man were arranging the option settlement of his insurance so that when his daughter arrived at the age of eighteen she was to be paid an amount sufficient to take her through college, he would arrange for her to receive \$500 per year, which at that time would be sufficient to take her through the school year. But, supposing he did not take his demise until 1928—\$500 would about take her through the first semester.

If one of his daughters had a serious accident or illness necessitating a major operation, followed by a trip to California for the convalescent period—would the monthly installments be sufficient?

Presuming that the home his family owned be depreciated by the building of a commercial or industrial structure in the neighborhood—would the installments assist his beneficiaries in providing a new home?

Supposing his son would have a natural aptitude and the ability for dentistry (Turn to next page, please)

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## WHERE TRUST SERVICE BEGINS

(Continued from page 17)

try—would the installments assist him to get established in that profession?

Should his daughter show unusual musical ability—would the option plan provide the funds to further her education?

These are a few of the many cases where discretionary judgment is necessary upon the part of the organization controlling the estate whether it be the proceeds of insurance or other funds.

In most cases the responsibility of the insurance company ends with the delivery of the monthly check, whereas the trust company can assist the widow in the many problems that will be hers when the insured does—sound business advice will be of great value to her. She cannot be around the trust company very long without realizing that it is rendering a valuable service to those whose protectors have been taken away. The unforeseen contingent may be the important one—some one should be on hand to cope with it in the light of actual conditions. The trust company fulfills the requirement.

### A Simple Instrument

The insurance trust is a simple instrument, automatically effective without expense or publicity, making the funds available at death long before the assets of his estate are available—unlike a will it is incontestable and has the protection of courts—it does not have to be probated—there are—

No court costs.

No attorney fees.

No administrator fees

No inheritance tax.

No reports to the courts since the trustee is responsible to beneficiaries alone.

Life insurance companies create estates.

Trust companies conserve them.

Co-operating with each other we perform a real service to your client who becomes our mutual customer.

Through the trust agreement the insured sees, as he can see in no other way whether he has sufficient insurance to provide his heirs with freedom from financial and business worries.

I want to close by quoting a paragraph which Mr. A. C. Robinson of Pittsburgh used in addressing one insurance group:

"I can think of no other slogan for you underwriters to carry away from this meeting than 'Creation plus conservation,' because these three words summarize the spirit of this meeting. The man or woman who is sold on the necessity of providing adequate life insurance needs little urging to go a step

farther where it is clearly shown by experience that the percentage is against his heirs if the money is left without guidance for its wise use. Am I putting it too strongly when I suggest that failure of a life underwriter to sell conservation as well as creation calls into question his understanding or acceptance of the high idealism for which the institution of life insurance stands. \* \* What an opportunity to go the extra mile!"

### Eastern Representative

The Central Trust Company of Illinois, Chicago, has appointed George B. Cortelyou, Jr., as its Eastern Representative.

Mr. Cortelyou will open his Eastern Office in the new Chase National Bank

Building, 20 Pine Street, New York, October 11th. A direct wire connects it with the bank in Chicago.

Although Mr. Cortelyou has lived in Chicago for many years, he is well known in Eastern banking circles. He is a son of George B. Cortelyou, former Secretary of the Treasury and now president of the Consolidated Gas Company of New York.

Wherever we see a great human life in progress, in the production of notable results, we always know that there is something within it which drives it—a motive power.—Holland.

How much better it is to see men live exactly than to hear them argue with subtlety!

# What the President DID NOT Tell His Directors

(A convention report that has never been made by a country banker)

Our annual convention of bankers was a complete success. Feeling you will be interested in the proceedings of the convention, I submit the following report:

Upon my arrival at the convention city I was joyfully greeted by the vice president of our Chicago correspondent bank, who introduced me to a gentleman from Milwaukee—a most likeable fellow. After the usual pleasantries we decided the first morning's program was not of great interest to us, so we got a foursome together, out-talking each other at 10c a hole.

The next day's program promised to be very instructive, so I decided to retire early that I might be in good trim to attend it. Just as I was taking off my collar and tie, a knock sounded at my door and upon opening the door I discovered the gentleman from Milwaukee, who invited me to Room 1027, where, he said, some friends were exchanging pleasantries. \* \* \* The golf game yesterday seemed to tire me greatly—I did not awaken until noon; most unusual for me. After a hurried bath I dressed and rushed down to the dining room for a bite to eat—not feeling very hungry—that I might not be late at the one o'clock meeting presided over by our State Superintendent of Banking. I was most anxious not to miss this meeting.

Coming out of the dining room I encountered some of last night's party and

after considerable discussion we decided that it would be for two bits a hole. The game appears in my expense account under "entertainment." That evening the annual convention dance was being held at the Shrine Temple. Not caring much for dancing, I merely dropped in to view the Temple, remembering my assessment and expecting something very fine. Again meeting the gentleman from Milwaukee we exchanged pleasantries and this fella introduced me to a lot of swell dancers. \* \* \*

Can't understand why I'm so tired in the mornings. Never heard a thing this morning until eleven o'clock, when the fella from Milwaukee phoned me that the gang was waiting in Room 1027. I begged to be excused, saying I was most anxious to hear the talk on rediscount rates, but after a hurried breakfast and lunch combined I discovered I had left my hat in Room 1027, so had to go up after it. \* \* \* Fella who was with us at a dinner party that night said I didn't miss much. Said fella who talked on rediscounts read his speech. Never did like to hear fella read his speech.

Of course, gentlemen, you noted in the newspapers the general convention news. Not wishing to trust my memory for all the important details of the various speeches, I arranged with the secretary to have verbatim copies sent you.

# Making New Conditions Work

to our

## ADVANTAGE

By **HERBERT L. HORTON**  
*Vice President*  
*Des Moines National Bank*



HERBERT L. HORTON

(From address before Polk County Bankers Association)

IT SEEMS entirely pertinent to any address on banking in this section these days that we should be again reminded that we must never forget for a moment the chief contributing causes of the bank failures of recent years. The same or similar mistakes certainly should not be made by this generation of bankers.

All bankers recognize the serious importance of following strictly the banking laws and regulations, and cooperating fully with the State and National Departments and their examiners. It seems to me that the departments are more highly and efficiently organized today than ever, and are doing consistently helpful and constructive work. The unusual experiences through which we have passed in the last ten years have taught us all many lessons of great value.

### Conditions Changing

There was probably never a time when business conditions were so complex and changing so rapidly as today, and for all of us new problems are constantly arising. A recent development has proved to all bankers that bonds, even U. S. Government bonds, do not constitute an entirely satisfactory secondary reserve. The good listed bonds are always marketable but certain conditions may easily come about in the money market which tend to depress the market price of all bonds. As interest rates on loans go up, bond prices go down; for the same reason, the liquidity of good first real estate mortgages may be affected. It appears now that the present high interest rates for money

*Every banker should equip himself with a knowledge of practical economics if he wants to make changing conditions in banking and finance work for instead of against him.*

would continue for several months at least, and of course no one knows just how long. In talking with a farm mortgage man a few days ago I asked the question as to whether or not farm mortgage rates might be raised. He replied that if interest rates on all other types of paper continued at the present high level there might be a slight increase in mortgage rates or commissions. Should that happen immediately the marketability of mortgages at par would be difficult. It would seem that our surplus funds which may be needed at certain seasons of the year to meet demands from our borrowers should be invested in commercial paper, acceptances, or other short term paper. The demand for money in Iowa usually comes in the fall of the year and all of us should have some outside paper maturing at that time. There is an im-

portant place for good bonds in the investment plan of any bank. They furnish a diversification which is essential, and represent an ideal investment for surplus funds which are of a rather permanent nature.

We are passing through at this time a most interesting and fascinating period of American business and finance, and the immensity of the picture and the speed with which things move are positively astounding. It is only a short time ago that bankers in Iowa had no occasion to follow at all closely the activities of industry and commerce outside of our own state, but that day has passed. It seems to me that all of us can to real advantage and profit equip ourselves with a knowledge of practical economics. All of us ought to keep in close touch with the new ideas and practices which are constantly being developed by our State association and the American Bankers Association. We should receive regularly and read carefully the trade letters of the big Chicago and Eastern banks, and a good local banking publication. This sort of preparation may seem somewhat premature to bankers outside of the cities, but if you are going to own bonds, invest in commercial paper, acceptances, short term notes, you will have need for a full knowledge of practical economics and current trade and financial conditions. The period of unprecedented expansion and prosperity in industry since the war has attracted the attention of almost every citizen of means in this nation, and the people seem

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SHEEP ADD BEAUTY TO THE LANDSCAPE AND RETURN A HIGH DIVIDEND



BUCKWHEAT, A LATE SEEDED CROP, WHICH HAS BECOME PROFITABLE



HARVESTING FLAX IN SOUTHERN MINNESOTA

TURNING SUNSHINE  
into  
DOLLARS



THE OATS GROW TALL ON NORTH DAKOTA FARMS



TWO STAPLE PRODUCTS OF NORTH WEST FARMS

Photographs courtesy Soo Line. Cut, courtesy "Minneapolis" Magazine.

*Does the Middle West have liver trouble which prevents it from seeing and talking anything except farm relief?*



C. J. CLAASSEN

By

**C. J. Claassen**

*Vice President, Peters Trust Co., Omaha*

*(From address before Mortgage Bankers Association)*

## What's Wrong with *the* MIDDLE WEST?

I FEEL like a botanical perennial on your program, and that farm relief should be exercised upon you as victims, including the full equalization fee. Having no forensic aspirations or qualifications, I triply appreciate the high honor of being asked to address you three times in succession.

There is a saying, "The old Ford is not lazy, only shiftless." And—one of my very much admired editorial friends recently wrote: "Let me tone up the stomachs and stimulate the livers of the country and I care not who writes its songs, makes its political platforms or frames its laws—it won't matter." Accordingly, I have relabeled my speech, "What Ails Us?"

Of the nearly four million (3,868,332) farm owners reported in the 1925 U. S. census of agriculture, approximately 64 per cent (63.9) are entirely clear of any indebtedness. The 36.1 per cent encumbered farms have a debt ratio of 41.9 per cent to assessed valuation. We all concede that assessor's values are conservatively one-third below actual. Why, then—with this satisfactory balance sheet and the banking resources in our agricultural states at the highest figure of all times—are 10,300 farmers from the seven states of Nebraska, Iowa, Illinois, Kansas, Minnesota and the two Dakotas, buying wild land in Saskatchewan and Alberta, Canada, at \$30.00 an acre—since January 1, 1928—instead of bidding on their distressed neighbors' farms in developed and stabilized communities?

This lop-sided phenomena has its birth in the unthinking disloyalty of your and my own communities. I lived on my father's farm in Gage county, Nebraska, until becoming cashier of a bank. Last summer, while stopping at the court house—where authentic information is supposed to be available—to inquire about the county's indebtedness, the Recorder promptly volunteered that 80 per cent of the farms in the county were mortgaged. I told him this could hardly be true, as our Bankers Association had a survey of four other representative counties, which showed from 52 to 58 per cent clear farms. The matter was taken to the local Chamber of Commerce whose check found less than 40 per cent of the farms mortgaged and more than 60 per cent entirely clear of any indebtedness. I was unacquainted with the Recorder and might have been any business man

or farmer from out-state making an inquiry with view of a future location. Think of the depths to which unfortunate public opinion has sunk this Recorder! He has become an unthinking wrecker of the community he has sworn to further and uphold, through a fallacious atmosphere outweighing the facts in his own books right before him. Unhesitatingly—with that picture of gloom—anyone would prefer wild lands in Borneo.

Although farming needs the constant vigilance of a board all its own and ranks in importance with interstate commerce and the protective tariff, no more

economically dishonest or unpatriotic propaganda has ever been seen in this country than that which has wrecked the many hundreds of thousands of farm homes, who in the hour of their "valley of the shadow of death" had a right to expect a certain currency for their only commodity—farm lands. No, instead of bidding on

### Good Returns

*"There are many general proofs that farm lands are yielding good returns—such as continued high bank deposits, life insurance sales, mail order and automobile purchases, not to mention the \$100,000,000 road bond issue authorized this spring by the Iowa legislature and Nebraska's \$12,000,000 capitol building."*

their neighbor's farms, the earnings of the last few years of successful farming has followed the lure of the far-away, increased bank deposits, or gone into luxuries, etc. Everyone is supposed to

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# The BANKER'S WIFE

Says:



LYDA COLLINS

By LYDA COLLINS

## Why Can't Bankers LOVE ONE ANOTHER?

Dear Helen:

Yes, I'll be truthful. It isn't always sunshine and roses in our little town. We do have some unpleasant people and some disagreeable competitors, but the big, broadminded, wholesome folks and the square competitors so far outnumber the other kind that they are lost in the shuffle and forgotten.

We do have one rare specimen among us, however, that we have had more good laughs over than any comedian we have ever seen in the movies.

When we came to this little town, this man was all smiles, so cordial and



friendly. In fact, he was so very solicitous as to our welfare, that we began to be a little suspicious, afraid it wouldn't last. Sure enough, it didn't.

There came a day when scowls greeted us instead of smiles. If he met us on the street, he would toss up his head and look the other way or cross to the other side, like a ten year old school boy. Wouldn't even sit on the same side of the church with us!

What it was all about, we hadn't the slightest idea.

An old-timer who had noticed the change, told us to let him alone, that he got that way occasionally, over some fancied wrong but he would come out of it in time and send his "man Friday" (the cashier) to smooth things over for him and all would be fine and dandy again.

### Wouldn't Cooperate

When banks were closing in every town around us and business men were straining every nerve to keep a cool head and

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### A Contest for Bankers' Wives

Editor's Note: Every banker's wife has at some time had an "unusual" experience. This department, conducted by Mrs. Collins, offers three prizes of \$10, \$5 and \$3 for the best "unusual" experience stories of not over 500 words submitted. Address all letters to "Bankers Wife" department of the NORTHWESTERN BANKER, Des Moines, Iowa. The contest opens October 1st and letters will be accepted up to October 20th.

Mrs. Collins submits the following "unusual" story as an example of the kind desired in this contest:

"It was house cleaning time. Painters and paper hangers were busy everywhere. I had gone to bed early, dead tired, but was awakened about 11 o'clock by my husband to tell me he had brought home an old banker friend of his to spend the night. Sleepily, I told him to put the guest in the boy's room as it was the only one ready and with fresh linen. We had been taking our meals out, mostly, since the cleaning began and I began to wonder what we would have for breakfast so I slipped over to the 'guest room' where friend husband was supposed to be sleeping and leaning over the bed said, in subdued tones:

"What will we feed the old man in the morning?"

"Imagine my surprise when the guest replied: 'Any old thing, he isn't particular.'"

steady hand so disaster wouldn't strike us, he absolutely refused to cooperate in any way. Said he had plenty of money to weather any storm that might come and if others hadn't been wise enough to foresee and provide for such an emergency—let them suffer.

If he chanced to meet a bunch of farmers at the grain elevator where they often congregate, he would put on a long, worried face, shake his head and say that the situation was awful; there were more weak banks that would have to go; the thing to do was to hook up with some strong institution (meaning his own) that had plenty of money; take no chances; play safe, etc, etc.—

It was anything but a time to be throw-

ing a scare into the people and rocking the boat. It needed clear thinking and calm judgment to keep business moving along as usual.

He forgot that the fellow sitting on top of the heap today is often at the bottom tomorrow and that men in this day and age take the broader view of service to the community and their fellowmen rather than a selfish one.

The strain was terrific. Bankers come from near and far to talk over the situation with the "Skipper" and many a conference in the old back room of the bank lasted away into the night.

Not this man!

He would be out on a pleasure jaunt  
(Turn to page 35, please)

# Making Money from CHRISTMAS CLUBS

THE other day I was visiting with a banker in another city who made the statement that he did not consider his Christmas Club worth while, although the membership was approximately 10,000 with deposits of half a million. The reason for his statement was, of course, the fact that his bank is paying 4 per cent interest on these deposits and undoubtedly losing money in the present market.

I suggested to him that he cut his interest in half, but he did not think this possible without incurring a great deal of ill will and decreasing the membership to a large extent. Certainly there are many other bankers who feel themselves to be in the same difficult position, and for this reason it occurred to me that our experience might be particularly helpful.

### Here Is Our Experience

Eight months have passed since we reduced the interest rate on our Christmas Club accounts from 4 per cent to 2 per cent and yet deposits are 85 per cent of the amount in the Club a year ago.

Our Christmas Club was just a year old when we realized that to make it pay we would have to reduce the interest rate.

The situation was still further complicated because the local savings bank, a mutual institution, could not conform to the clearing house agreement made by the commercial banks. The officers of the Savings Bank did agree, however, that they would not advertise the difference between their four per cent and the Clearing House two per cent rate in an aggressive way.

It was decided that no newspaper advertising would feature the change. Show cards bearing the legend "Interest at the rate of 2 per cent will be paid on 1928 Clubs" were placed in the Christmas Club teller's window.

When depositors objected to the reduced rate of interest, they were told that it was being done in order to place the Christmas Club on a paying basis. If they did not accept this explanation, they were then told that a regular savings account in

By VIRGIL D. ALLEN, JR.

Assistant Vice President  
First Bank and Trust Co., Utica

the savings department still paid four per cent.

There were some who availed themselves of this service, especially those Christmas Club depositors who had maintained \$5 and \$10 Clubs. Many depositors failed to reopen their clubs, however, and yet in spite of this, our membership showed an increase over the previous year.

Our plan embodied two rather interesting features; first, a membership drive by employes; second, a prize essay contest for the public.

The membership drive was announced at a dinner meeting of the First Bank Club. The competition was for prizes offered by the directors of the bank and consisted of articles manufactured by concerns in which they were interested. The articles included furniture, underwear,

breakfast food, and ginger ale. The rules of the drive merely prescribed that the employes who obtained the largest number of new Christmas Clubs would have first choice of prizes and so on. The bank supplemented the prizes offered by the directors by providing ten gold awards to go by lot to employes who qualified with a certain number of new clubs to their credit.

### How It Was Done

Each employe was provided with folders describing the Christmas Club and the prize essay contest for the public. These folders featured our attractive Christmas Club pass book and were designed to tie up with car cards and newspapers.

A signature card was made a part of each folder and on the back of each card was a map showing the three convenient offices of the bank. Introduction by means of these cards established credit for the account if an employe's name was noted.

These folders were distributed freely. Executives in local industries were induced to enclose the folders in pay envelopes. The tellers who made up payrolls were able to help secure distribution in this way.

It was felt that the Christmas Club provided opportunity to get the name of the "First" before a great many people. Thus, from an institutional standpoint we were able to capitalize the "Buy Christmas Cheer throughout the year" appeal.

Of course interest in the personal solicitation work by employes was maintained by posting weekly scores on bulletin boards to which only the working force had access. The First Bank News, also functioned to keep solicitation efforts at a maximum, and several meetings were held.

The prize essay contest was somewhat of an innovation. And we did not plan it with-  
(Turn to page 106, please)

## Buy Christmas Cheer Throughout The Year



### "CHRISTMAS CLUBS HELP PAY INSURANCE PREMIUMS"

—Mr. J. L. Train

As Treasurer of the Utica Mutual Insurance Company, Mr. J. L. Train knows that a great many people use part of their Christmas Club money to pay insurance premiums.

Figures from all over the country also show that a large portion of Christmas Club funds are set aside for insurance purposes.

About \$23,000,000, of the Christmas Club fund distributed by banks in the United States, is accumulated for various kinds of property and life insurance payments.

More than 8,000,000 American people have Christmas Clubs. More than 23,000 people in Utica alone, use the Christmas Club. Join today at one of our three convenient offices. Pay your insurance premiums by the Christmas Club method.

Another good reason for a Christmas Club

### PRIZE CONTEST

To Select the Best Reasons

"Why I Have a Christmas Club"

#### Rules

The contest is open to everyone who intends to have a Christmas Club in 1928.

In selecting the Best Reasons why Christmas Clubs are so popular, the contest aims to determine the proportion of Christmas Club money spent for gifts, taxes, insurance, etc., and the proportion transferred to permanent Interest Accounts.

Best Reasons must be given in less than two hundred words, with the name and address of the author plainly written on the copy submitted.

Contestants may bring or mail their Best Reasons to the Christmas Club windows at any one of the three offices of the "First."

The contest will close at 3 p. m. o'clock, December 30, 1927. Winners will be announced January 10, 1928, and awards made as follows: first prize, \$25.00; second prize, \$15.00; third prize, \$10.00; and five prizes of \$5.00 each.

#### Judges

Mr. A. M. Dickinson Treasurer Utica County	Mr. J. L. Train Treasurer Utica Mutual Insurance Co.
Mr. W. F. Roberts Vice-President John F. Roberts & Co.	Mr. F. P. McGinty Vice-President First Bank & Trust Co.

Send us your reasons for a Christmas Club



## FIRST BANK & TRUST CO. of Utica

An advertisement used by the First Bank & Trust Co., to advertise its Christmas Club



MISS BESSIE M. SEELY

*Answering the  
Question:  
"Can Women Fit  
in As Banking  
Executives?"*

**C**AN a woman executive fit in with the business of banking? Can the business woman make for herself a place, for example, in a trust department?

These questions are answered in the affirmative by an outstanding woman executive, Miss Bessie M. Seely, for several years assistant trust officer of the Syracuse Trust company, now with the Women's Service Union Trust company of Detroit.

Speaking of women in banking, Miss Seely said, at the last convention of the American Institute of Banking:

"There is indeed a big place for women in the work of a bank or trust company today. Women can meet many situations in the banking world which require all the tact and intuition that tradition and experience have proved their sex to possess. Not only the routine clerical jobs, but executive positions in personnel departments, safety deposit vaults, advertising and publicity work, and junior officerships of the modern bank and trust company are being filled by the wide-awake, progressive business woman of the Twentieth Century."

Commenting further on her work, "Woman and Her Money," official publication of the National Committee for the education of women in financial matters, she says:

"The work of a trust company is one of the most congenial of all fields of business for women, because it deals with people and with their problems

## *The* **W O M A N** in Banking

and personalities. A trust company, like a bank, is no longer concerned solely with securities, mortgages and wills, with figures, checks and bills of exchange. It touches life—the lives of its clients—at every point from the cradle to the grave—before the cradle is brought into use, and after the tombstone is erected and the flowers planted at its foot. It makes many things possible, and its value to the community depends only partly upon its solidity, its ability to guard the property confided to it. The more important of its work is not always considered because it is not stated in its agreements, or provided for in its by-laws. It is the humanizing of its contacts that gives a woman a chance to exercise her gift of service."

Miss Seely says:

"While the money wages that go to the woman who is engaged in trust company work may be comparatively smaller than those which go to the woman who sells on commission, the mental wages are al-

most unbelievably high. There is prestige and distinction attached to her affiliation with a financial institution, that commands for her universal respect. The field for women in the trust department alone is wide indeed. There, their duties may range all the way from occupying the family pew at the wedding of a ward of a trust company, to the overseeing of final funeral arrangements for a client."

Miss Bessie M. Seely speaks from the most practical of all backgrounds, that of her own experience. She came to the Union Trust Company from the Syracuse Trust Company, Syracuse, New York, where she had for years been assistant to the trust officer. Miss Seely is a law graduate of Syracuse University and has the distinction of being the first woman to receive a law degree from that well known educational institution. For several years prior to her affiliation with the Syracuse Trust Company, she was with the law firm of Walrath and Clymer in Syracuse, New York.

Miss Seely writes a monthly article of financial advice and information for women in the Union Trust Company's publication which goes to six thousand actual or prospective women clients. This publication is known as the "Woman's Bulletin."

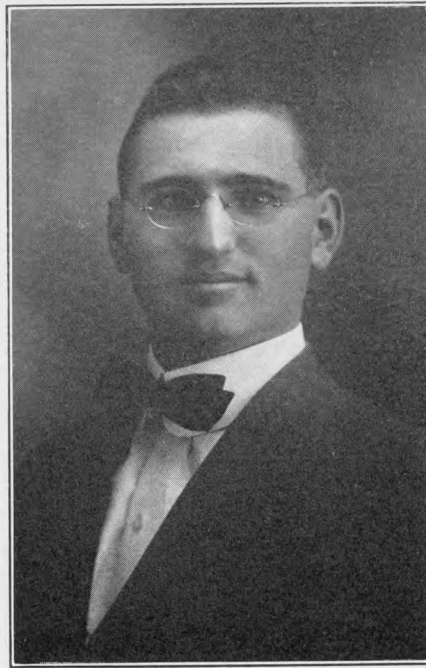
"In these articles we are trying to educate the great group of women who are potential buyers of securities, homes  
(Turn to page 92, please)



THIS is the question that is being asked since the courts both state and federal have decided that the South Dakota four mill tax on moneys and credits fixes the limit of taxation on the capital employed by the banks in the state. Undoubtedly the next session of the State Legislature which convenes in January will have numerous methods presented to it for raising the revenues necessary to pay the ever increasing expenses of government. Some of these will affect the banks.

If a man invests his money in a perfectly safe first mortgage on real estate everyone seems to think that a four mill tax on his investment is high enough. But should he decide to invest in bank shares instead, his money immediately becomes more valuable and for some magical reason should be taxed higher. This seems to be about all there is to the argument. It has been said so many times, even by prominent bankers in the state, that banks are not paying their share of taxes, that one ought to take their word for it. But before accepting the statement as final I decided to find out whether the bank with which I am connected is really failing to do its share towards supporting the state government.

The table on this page shows the amount of state and local taxes paid by the First National Bank of Parkston during the past ten years and does not include excise and income taxes paid to the



WM. C. REMPFER

By WM. C. REMPFER

*Cashier, First National Bank  
Parkston, South Dakota*

## Are We Paying Enough TAXES?

Federal government. The first column shows the taxes paid annually on the bank building except for the years 1924 and 1925, which include taxes on other real estate held by the bank at that time. The second column includes the taxes paid by the bank on shares at the general tax levy for the first five years and on the four mill tax basis for the last five. The fourth column shows the net profits of

the bank during the years indicated and the fifth shows what per cent of the net profits was paid out in taxes.

When one stops to consider that the bank paid out in taxes over 53 per cent of its earnings during the first 5 years and 16½ per cent of its earnings over the 10 year period it would seem that it is bearing its share of the burden. These figures do not include the sum of \$1,321.99 paid by the bank to the U. S. government in the form of income and excise taxes during the period.

It is obvious that the tax burden has not been as heavy the past five years as far as state taxes are concerned, but the Federal government has received its share during these years.

But the question to be determined is whether the bank has been favored during the past five years compared with farm lands and other property in the state. It is commonly accepted and positively affirmed that farm lands are now taxed much more heavily than bank investments.

Table No. 2 presents a comparison of the taxes paid by the First National Bank of Parkston and the taxes that the owners of the bank would have paid on real estate had they invested their money in Hutchinson County (the county in which this bank is located) farm lands at the average price of \$100 per acre, which is a fair average price during the period. The first column shows the capital funds invested in the

TABLE NO. 1  
Taxes paid by the First National Bank

	On real estate	Personal and Money & Credit	Total Taxes Paid.	Net profits of bank.	Per cent of profit paid in taxes.
1918.....	\$ 181.16	\$ 410.00	591.16	\$2,361.00	25.1
1919.....	151.88	1,029.00	1,180.88	3,205.00	36.2
1920.....	172.80	1,179.51	1,352.31	2,218.00	61.0
1921.....	212.88	1,138.83	1,351.71	1,408.00	96.00
1922.....	188.70	715.00	903.70	965.00	93.6
1923.....	195.30	143.15	338.45	3,788.00	8.9
1924.....	308.16	100.03	408.24	3,263.00	12.5
1925.....	313.63	65.65	379.28	7,554.00	5.0
1926.....	184.04	124.44	308.48	7,728.00	4.0
1927.....	195.66	150.62	350.29	10,752.00	3.2
Total .....	\$2,104.21	\$5,050.28	\$7,160.49	Average,	16.5

TABLE NO. 2

	Capital, Sur. & Und. Profits	Number of Acres Mut. Co. land at \$100 per A.	Average taxes paid on said farm land.	Total taxes actually paid by bank.
1918.....	\$49,833	398	\$238.80	\$ 591.16
1919.....	43,200	432	283.39	1,180.88
1920.....	48,691	486	423.30	1,352.31
1921.....	47,524	475	332.50	1,351.71
1922.....	44,819	448	312.25	903.70
1923.....	46,518	465	291.09	338.45
1924.....	49,148	491	299.51	408.24
1925.....	54,202	542	254.74	379.28
1926.....	59,430	594	297.00	308.48
1927.....	70,132	701	393.40	348.28
Total for ten years .....			\$3,125.98	\$7,160.49
Total for last five years.....			1,535.74	1,780.73

bank during each year under consideration. The second column shows the number of acres of Hutchinson County farm land which could have been purchased with the funds available at the average fair price during the period of one hundred dollars per acre. The third column shows the amount which would have been paid in taxes on the number of acres involved at the taxing rate for the year. The fourth column gives the actual amount paid by the bank as shown in the third column in the first table.

The stockholders of the bank thus paid more than two and one-fourth times as much in taxes during the ten years as they would have paid if they had invested a like amount in agricultural lands near Parkston. The most interesting point in this whole analysis is the fact that during the last five years when

the four mill tax was fully in operation, the stockholders paid more taxes on their bank investment than they would have paid had they invested in farm lands. The taxes actually paid by the bank amounted to \$1,780.73, and on farm lands near Parkston the amount would have been \$1,535.74.

It would be interesting and instructive to know whether the figures for the other banks in South Dakota would show the same results as those given above. It is confidently asserted that those in the southeastern part of the state are approximately the same. It is the writer's positive opinion from data at hand that the above figures do not overstate the situation as it affects the other banks in Hutchinson County.

Just what effect excessive taxation of banks in South Dakota has had in con-

tributing to bank failures in the last ten years may never be known, but that it has contributed is certain. The banks in South Dakota do not want any undue advantage. They want to pay their share of taxes. In this connection it might be stated that Pennsylvania has had the 4 mill tax rate for banks for the past 40 years and there is no agitation of any kind for a change.

The banks which weathered the storm and are gradually recovering and strengthening their position should be given every opportunity to function and furnish the service which every community needs. Under the circumstances would it not be wise for the state legislature "not to rock the boat" at this time and to leave the matter of taxation of banks just where it is?

## Bank News in Brief

### IOWA

#### Consolidations.

Adel—Adel State Bank takes over First National Bank.

#### Reorganizations.

Tipton—City National Bank reorganizes and becomes Tipton National.

#### Changes in Officials.

Eddyville—Miss Nell Sullivan becomes cashier of Manning & Epperson State Bank.

Tabor—Nelson Delavan resigns as vice president of First State Bank.

Castana—E. R. Norton becomes cashier of Farmers Trust & Savings.

Lamont—Harlow Chapman becomes assistant cashier of Farmers State.

Boxholm—Axel Henderson resigns as cashier of Farmers State Bank.

Shenandoah—Paul Welty becomes associated with Shenandoah National.

Walnut—John Reimers becomes associated with Exchange State Bank.

### MINNESOTA

#### Re-opened.

Cobden—State Bank of Cobden re-

*Northwestern Banker* October 1928

opens with capital of \$10,000 and surplus of \$2,000.

#### Consolidations.

Walker—First National Bank absorbs Farmers State Bank.

Minneapolis—North Side office of First National Bank takes over North Commercial State Bank.

#### Voluntary Liquidation.

New Ulm—Farmers Trust & Savings Bank is liquidating affairs.

#### Change in Name.

St. Paul—Guardian State Bank changes name and incorporates under name of Foshay State Bank.

### NEBRASKA

#### Change in Officials.

Omaha—Henry Hovey elected assistant cashier of Stock Yards National Bank.

Crete—Dorothy Walklin becomes associated with First State Bank. W. S. Collett elected president of Crete State Bank. J. G. Miller elected first vice president of same institution.

Crofton—Jessie Hartman takes position with First National Bank.

Ainsworth—E. J. Tongish elected assistant cashier of Commercial National Bank.

Grand Island—L. A. Horn appointed teller of Commercial State Bank.

### SOUTH DAKOTA

#### Change in Officials.

Whitewood—J. W. Davis becomes assistant cashier of Whitewood Banking Company.

Clark—A. R. Blakenburg elected assistant cashier of the Security Bank.

Midland—Enoch McKay resigns as cashier of the Midland State Bank. Mr. Willoughby becomes cashier.

### NORTH DAKOTA

#### New Charter.

Marion—Marion State Bank.

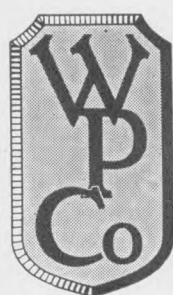
#### Reopened.

Rolette—Rolette State Bank reopens with C. O. Myhre as president and M. E. Mortensen, cashier.

*The* **WHITE PHILLIPS COMPANY**  
 INVESTMENT BANKERS  
 DAVENPORT, IOWA                      CHICAGO, ILLINOIS

**MATURE** in years—  
 wide of  
 experience—open of mind—and  
 sincere in purpose—members of  
 the House of White-Phillips give  
 to their clients a quality of organi-  
 zation service that is unsurpassed.

Please feel free to consult with  
 us on any phase of your invest-  
 ment problems. If we are able to  
 help you, we will be genuinely  
 pleased.



**THE INVESTMENT  
 BANKING HOUSE OF SERVICE**



*Northwestern Banker*    October 1928

# NEWS AND VIEWS OF THE BANKING WORLD

By Clifford De Puy

**Andrew W. Mellon**, well known Secretary of the Treasury of the United States, in a recent statement spoke optimistically of the present state of trade throughout the United States. The secretary referred to the coal and textile industries as two groups which were not enjoying the same amount of prosperity as the balance of the country.

The agricultural sections are the best they have been for a number of years, with wonderful crops and good prices.

**Ray Nyemaster**, vice president of the American Commercial & Savings Bank of Davenport and president of the Iowa Bankers Association, together with Col. G. W. French of Davenport, acted as private escorts to Senator Curtis when he made his speaking tour through Iowa last month.

**George Woodruff** and his associates at the National Bank of the Republic voted recently to split up the bank stock into shares of \$20 par value and adopted a new policy whereby stockholders will receive both cash dividends and rights to subscribe to new stock.

After the announcement of this plan the shares of the bank on the Chicago Stock Exchange rose from \$770 to \$900 or an increase of \$130 in three days.

The National Bank of the Republic has had a very fine growth in the last five years and it is just another tribute to good management.

The **Continental Illinois Bank & Trust Company** consolidation involved a so-called melon of approximately \$280,000,000. Of this amount \$192,000,000 goes to stockholders of the Illinois Merchants Trust Company and \$87,500,000 to stock-



holders of the Continental National Bank & Trust Company.

When melons of this kind are harvested every stockholder knows that the crop has been a success.

**Rabbi Stephen S. Wise** of New York, speaking before the National Association of Life Underwriters at their conven-

*Northwestern Banker* October 1928

tion in Detroit on the subject, "My Personal Vision of Life Insurance," believes that insurance companies should decrease their premiums if the policyholder lives a certain number of years.

"I know that premium costs are reduced by annual dividends," says Rabbi Wise, "but my suggestion is that after the first five years of the life of any policy there might be a reduction in costs of insurance of 1 or 2 per cent, increasing annually, say 1 per cent until 5 or 10 per cent is reached, as a special reward to the man who has helped to keep himself alive."

This is perhaps based on the theory which is followed in some foreign countries where the doctors are paid a salary as long as you are well but receive nothing when you are sick.

**Reginald Wright Kauffman**, in a recent issue of the *Rotarian*, points out that "good will" is one of the greatest assets that any individual or concern can have.



"You know you've got to have good will," says Mr. Kauffman. "It is more than stock, more than credit. Good will is the 'good' in good business. In the real game it proves the sole player on your eleven that can carry the ball over the profit line. Strange to say the only way to buy good will is to give it away. Therefore, even in the very act of selling anybody anything, you ought to be a customer—you ought to purchase his good will with your own."

Certainly in the banking business, good will is one of the finest assets that the business can have. In every bank that gives away good will, it accumulates more for itself than it could possibly acquire in any other way.

A bank for motorists is the novel idea worked out by the **Citizens National Bank & Trust Company of Terre Haute, Ind.** This progressive institution built a teller's cage on the sidewalk in front of the bank, so that passing motorists could cash checks, make deposits, and transact other banking business without leaving their cars.

No doubt the bank figured that if a motorist could stop and buy ice cream cones, pop corn, and get gasoline without



leaving his car, why shouldn't he also be able to transact his banking business—thus they have been able to increase their business and also the popularity of their institution.

To prove how careless the average American investor is, statistics have been compiled which show that over \$50,000,000 of liberty bonds have not been redeemed by the original holders. These are issues which have already been called by the government and interest on which has been stopped. Incidentally, the loss of interest on these bonds at 4 per cent to the investors, is \$2,000,000 per year. It is doubtful if any other class of people in the world is as careless about its personal investments as the money-mad, get-rich-quick American.

Now that politics is all the rage and you are either going to vote for **Al Smith** or **Herbert Hoover**, the following interesting story sent to me by one of my banker friends, concerning the vice presidential candidates, may prove apropos:

"Edward Simms, 74, negro itinerant parson who has been a barber in the Senate half a century, proved himself a diplomat when questioned as to his preference in the vice presidential contest by Senator Robinson, democratic nominee for that office.

"Who are you for, myself or Senator Curtis?" asked Senator Robinson.

"Well, it's like this," replied the old barber, "I admire you both and I prayed for the nomination of each, and now you've got to dig in and help yourselves. I'm through."

When **President A. Lawrence Lowell**, of Harvard University, bought \$70,000 of the securities of the Missouri-Kansas Farm Company, and the Farm Company of Massachusetts, he thought that he was making a good investment and at the same time would be helping the farm situation in the territory covered by these companies as the money was to be loaned to farmers, but through the misappropriation of these funds his investment has turned out to be an entire loss.

These companies were supposed to take second mortgages on farms that were

(Turn to page 30, please)



## Sound Investment Bonds for Iowa Banks

**T**HE high grade bonds which this Company offers to Iowa banks are selected with seasoned judgment—the result of years of investment experience. That they are satisfactory as bank investments is proved by our steadily increasing bank clientele. A large percentage of the Iowa banks which buy bonds are now customers of this house.

Our list of offerings suitable for bank investment includes sound bonds of several different classes permitting the customer to diversify his selections.

Bankers are invited to write for our October list which will be mailed 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**

## Displaying Flowers and Feminine Beauty



Miss Pauline Kunderd with some of the hundreds of prize-winning gladioli on display at the Illinois Merchants Trust Company of Chicago recently. The flowers were exhibited by A. E. Kunderd, famous plant hybridizer, who is considered the world's foremost originator of new gladioli

### NEWS AND VIEWS

(Continued from page 28)

already mortgaged by the Federal Joint Stock Land Bank.

It turned out in the investigation that the money was never used for the purposes intended and that the securities which were taken over by **Guy Houston** and his associates in charge of these companies are entirely worthless, these securities having been turned in to the company at full face value. Investigation further showed that farms which had been foreclosed had been transferred to the company at three or four times their value.

While \$70,000 is a fortune to some men, it will not embarrass President Lowell who is already rated as a millionaire.

**C. J. Claassen**, vice president of the Peters Trust Company of Omaha, Nebraska, in an address before the Mortgage Bankers Association Convention pointed out that farmers were in a prosperous condition and proved his statement by saying that "Farmers in many states are making as much as 29 per cent gross annual return on their invested capital and continued high bank deposits, mail order

purchases, authorization of million dollar road bond issues, and the high gross crop money shows farmers to be generally prosperous."

He further amplified his statement by saying that 64 per cent of the farms in the United States are owned entirely clear of indebtedness and that the 36.1 per cent encumbered farms have a debt ratio of 41.9 per cent of the assessed valuation.

**Mr. Claassen** blamed the dissemination of inaccurate information as the basis for much of the unfavorable attitude toward farm lands as good investments.

**F. A. Irish**, vice president of the First National Bank of Fargo, in a recent letter to the *NORTHWESTERN BANKER*, told how the Fargo Clearing House Association protected all of the depositors of the closed Security National Bank recently as a result of the cooperation of all members of the Fargo Clearing House.

In an announcement issued by **E. J. Weiser**, president of the First National Bank of Fargo and also president of the Fargo Clearing House Association, he said, "In assisting once more in preserving the integrity of the Fargo banks and in protecting the interests of their de-

positors, the Fargo Clearing House Association proclaims anew the solidity of its financial structure and of its member banks, and the continuance of the policy of the banks of Fargo in standing together for the protection of each other and of their depositors."

When a clearing house performs that kind of service in its community it has a real reason for existing and reflects credit upon itself and upon its member banks. But when a clearing house association fails to do that, it is remiss in its duty and blackens and besmirches the banners and emblems under which it is supposed to operate.

**L. W. Wallace**, executive secretary of the American Engineering Council, in addressing the 15th Annual Convention of the Mortgage Bankers Association of America, recently said that "Agriculture now spends 2.18 hours in production to each hour spent by industry." **Mr. Wallace** attributed this to the fact that the farmers themselves either do not realize that they are now engaged in a commercial enterprise or cannot cope with the changing times that have put them in this position.

**Mr. Wallace** believes that the farmer must adopt the same high standard of management and organization that makes business profitable to those engaged in it, if the farmer is to make a real success of his enterprise.

It is interesting to note, however, that **Herbert Hoover**, in his acceptance address, said that the farm problem was not based so much on production as it was on marketing and distribution, and that mass production could not easily be applied to farming.

There is one thing sure about the farming situation, and that is with the best minds in America concentrating upon it, we are sure to have conditions greatly improved and definite solutions worked out which will be for the benefit of the farmers and the public.

**J. L. Mitchell**, president of the First National Bank of Sioux City, in replying to a letter sent out by the *NORTHWESTERN BANKER* on general business conditions in this territory, said: "I have read your letter very carefully and the optimism shown therein is not optimism but a real truth of better business conditions. With the wonderful production in the four states named and the interest that is again being shown in the really great asset of this whole agricultural territory, which is land, and with such purchases continuing as you mention in your letter, things certainly will be going up."

**Blair Phillips**, president of White Phillips Company, investment bankers of Davenport, reports a fine increase in his



## OFFICERS

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

CAPITAL  
 \$1,500,000.00

SURPLUS AND PROFITS  
 \$1,500,000.00

TOTAL RESOURCES  
 OVER  
 \$32,000,000.00

**P**ROMPT service, accurate sources of credit information, facilities for handling every type of transaction—these are a few of the services a customer bank looks for in selecting a correspondent.

In Davenport and in eastern Iowa, you will receive the best of correspondent service from the American Commercial and Savings Bank. A bank with a record of sixty years in serving financial institutions that stay with it year after year.

We are equipped to give your business prompt, efficient and experienced attention every banking day of the year.

*Member Federal Reserve  
 System*

# AMERICAN COMMERCIAL *and* SAVINGS BANK DAVENPORT IOWA

business this year as compared with last year. Mr. Phillips is a close student of the bond market and believes that the outlook for the bond business in this territory is most excellent during the coming year.

**Edmund W. Miller, Jr.**, son of **E. W. Miller**, president of the Commercial National Bank of Waterloo, entered Dartmouth this year after having finished his work at Morgan Park Military Academy in Chicago.

It is to be hoped that Edmund Miller, Jr., will follow in the illustrious footsteps of his father, who has made such an excellent success of the banking business.

**L. R. Manley**, president of the Security

National Bank of Sioux City, was host recently at the annual picnic of the employees of his institution. There were 45 people attended the picnic, including the wives and families of the employees. The picnic was held at Stone Park, following which prizes were given for various athletic contests.

**Irvin J. Green**, president of the First National Bank of Davenport, is one of the most successful banker gardeners in Iowa. His very beautiful residence is situated on a piece of land occupying two and one-half acres and in the back of the lot Mr. Green has planted every known variety of vegetable, including beets, carrots, lettuce, tomatoes, cucumbers, squash, sweet corn, rutabaga, and whatever else is good to eat. Mr. Green does

all the planting, weeding, cultivating and harvesting of his various crops. Before going down to the bank in the morning and after returning home at night is when he does his work. He says that it is much better than golf because you never have to worry about lost balls.

**Fred H. Wray**, vice president and cashier of the Pioneer National Bank of Waterloo, is a very fine golfer. In fact, most any sunny afternoon during the golf season you can find him out in the links after banking hours enjoying his favorite sport.

One of his favorite golf stories is about a professional golfer who was about to be hung and the judge asked him if there was anything he would like to say before the final ceremonies were completed, and the professional replied: "I wonder, Judge, if you would allow me a couple of practice swings?"

**John J. Quail**, vice president of Priester, Quail & Cundy, of Davenport, returned recently from Europe where he was accompanied on his trip by Mrs. Quail.

While over there Mr. Quail made a special investigation of electrical development in the Irish Free State.

In commenting upon this, he says: "I have always been interested in electrical development and I made a special effort to familiarize myself with the electrification of the Irish Free State or the 'Shannon Scheme' as it is called over there. They are connecting all parts of the Free State with steel tower lines which will carry the current practically everywhere. The water power development on the Shannon river is to be a very large unit and together the existing steam generating plants will constitute a super-power system in the entire Free State. The work is apparently progressing very satisfactorily and, of course, the whole country is keenly interested, it being managed by the Electrical Board which is practically a government body. This was one of the most interesting developments that I saw in Europe."

**Millar Brainard** has been appointed a vice president of the First National Bank of Boston. Mr. Brainard is a graduate of Harvard in the class of 1915 and upon leaving college joined the staff of the Central Trust Company of Illinois in Chicago. During the war he was financial manager for the War Department, with the rank of captain in charge of Government disbursements in Connecticut and western Massachusetts. After the war he returned to the Central Trust Company, where he has held the office of vice president since 1925.

Mr. Brainard is married and has two sons.

(Turn to page 59, please)

## SHORT TERM INVESTMENTS FOR BANKS



**OUR short term obligations have been purchased by more than 6,000 banks in the United States.**



## GENERAL MOTORS ACCEPTANCE CORPORATION

Executive Office • BROADWAY at 57TH ST. • New York City

Capital, Surplus & Undivided

Profits . \$52,156,000



# State Banks Want Banking Reforms

WIDE discrepancies between the reserve requirements of state and national banks, as revealed in a report made before the State Bank Division meeting of the American Bankers Association convention called forth the recommendation that state banking laws be remedied so as to correct the situation. The report, presented by M. Plin Beebe, president of the Bank of Ipswich, South Dakota, as chairman of the public service committee, said in part:

"State banks are not able to compete with national banks along specific lines of income. With the exception of about fifteen reserve national banks, the required reserve of all national banks is but 7 per cent of their demand and 3 per cent on their time deposits. Besides these reserves, which are carried in the Federal Reserve Bank, they are of necessity required to carry additional reserves to conduct their business. Considering these facts, why should only 20 per cent of our states require their reserve banks to carry practically the same reserve as national banks on demand deposits while 80 per cent require reserve from 10 to 25 per cent?"

"You would naturally think that non-reserve banks would be required to carry a smaller reserve on demand deposits, but we find that only 8 per cent of the states allow their banks to compete with national banks on an even footing against 20 per cent of the reserve state banks. If these percentages were reversed they might come within the rule of reason. We have ascertained that 23 per cent of the states have no reserve requirements for reserve banks on certificates of deposits while 20 per cent meet the national requirements, although 32 per cent of the states demand a reserve of from 15 to 25 per cent on this class of deposits. From nonreserve banks the requirements are not so high, with savings accounts a trifle less.

"When it comes to reserve on 'other deposits' we discovered that 53 per cent of the states require a reserve bank to keep from 15 to 25 per cent on this class of deposits and 43 per cent of the states require a like reserve from their nonreserve banks. We are baffled when we learn that 33 per cent of the states require a reserve of 15 per cent on checking accounts from reserve banks and 40 per cent require the same reserve from nonreserve banks. By all good reasoning, and logic this should be the reverse.

"No state should force its banks to compete with the national system on the surprising unfair basis that our study discloses. We hope that each state will



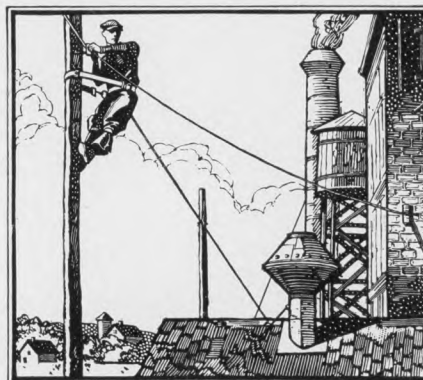
M. PLIN BEEBE

remedy its statutes as needed. We do not believe the reserve requirements of national banks should be taken as a basis

but the sole question to be considered in each state should be 'What is a safe and consistent reserve on each class of deposits?'

"State banks feeling that their reserve requirements were not consistent and too high have appealed to their legislatures. This has resulted in 46 per cent of the states allowing state banks to invest a certain portion of their reserve in United States bonds, 13 per cent of which allow an investment of from 50 to 60 per cent of their reserve; 24 per cent of the states go further and allow the bank to invest in its state bonds in lieu of United States bonds.

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System has grown and is growing with the nation. Its management is far-sighted, conservative, and yet progressive. The system has a plant investment of more than \$3,250,000,000. It operates more than 60,000,000 miles of wire, of which more than 40,000,000 miles are in underground cables. American Telephone and Telegraph Co. owns more than 93% of the combined common stocks of the Associated Companies in the Bell System.

*Write for booklet "Some Financial Facts"*

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New York City

Northwestern Banker October 1928

# "From Panora to Power"

How George M. Reynolds has climbed from the prairies of Iowa to head of Chicago's new billion dollar bank

WITH the merger of the Continental National Bank & Trust Company and the Illinois Merchants Trust Company, into a billion dollar financial giant, bankers of the Middle West are again pointing with sectional pride to the figure of the chairman of the merged bank, George M. Reynolds.

For Mr. Reynolds is a prairie product, a son of Iowa, the Hawkeye state. His

banking career is at the same time both a romance and an inspiration to the youth of today. Here are a few of the outstanding events in his long and interesting career:

He has been a director of the Federal Reserve Bank of Chicago since its organization and has been chairman of the Chicago clearing house committee since 1922. He is a director of the following corporations: Peoples Trust & Savings

Bank of Chicago, Continental Insurance Company of New York, New York Life Insurance Company, Union Carbide and Carbon Corporation, Continental National Company, the Investment Securities Company affiliated with the Continental National Bank & Trust Company.

## Helped Build Chicago

Mr. Reynolds has been a dominant factor in the upbuilding of banking in Chicago. And for twenty odd years he has been an outstanding figure in the field of American banking. He had long been identified with the American Bankers Association, when in 1908 he was elected its president. The same year he accompanied the National Monetary Commission to Europe.

Mr. Reynolds first became a bank official in 1888, when he was elected cashier and manager of the Guthrie County National Bank of Panora, Iowa. He was elected cashier of the Des Moines National Bank, Des Moines, Iowa, in 1893, and later was made president and director of the same bank.

In 1897 Mr. Reynolds went to Chicago as cashier of the Continental National Bank. He was elected vice president in 1902, president and director in 1906, and continued as president of the consolidated institution when the Continental National Bank and the Commercial National Bank were merged in 1910. He was made chairman of the board of the Continental & Commercial National Bank in 1921 and was elected to the same position at the time of the consolidation of the Continental & Commercial National Bank and the Continental & Commercial Trust & Savings Bank, under the title Continental National Bank & Trust Company.

## History of Two Banks

The Continental National Bank & Trust Company of Chicago, at the time of the last published statement—June 30, 1928—reported invested capital of more than \$73,000,000. Its deposits were \$532,560,653 and its resources amounted to \$649,138,202.

This bank was the result of a consolidation, December 1, 1927, of the Continental & Commercial National Bank of Chicago and its affiliated state bank, the Continental & Commercial Trust & Savings Bank.

The Illinois Merchants Trust Company at the time of the last published statement—June 30, 1928—reported invested capital of \$45,297,397. Its deposits were

UNDER ONE CONSISTENT MANAGEMENT POLICY FOR NEARLY 60 YEARS

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EXTENSIVE PRIVATE WIRES

**UNION TRUST COMPANY**  
CHICAGO

A BANK OF STRENGTH AND CHARACTER

Northwestern Banker October 1928

\$362,482,742 and its resources amounted to \$461,855,685.

This bank was the result of a consolidation, agreed to in 1919, of the Illinois Trust & Savings Bank, the Merchants Loan & Trust Company and the Corn Exchange National Bank. But these banks continued to operate in their own buildings and under their separate names until April 9, 1923, when the Illinois Trust & Savings Bank and the Merchants Loan & Trust Company moved into the completed half of the new building at 231 South La Salle Street and took the name Illinois Merchants Trust Company.

On the completion of the building, the Corn Exchange National moved into the new quarters. The physical consolidation was effected September 29, 1924. The charter of the Corn Exchange National was surrendered and the three banks operated under state charter as the Illinois Trust Company.

### THE BANKER'S WIFE SAYS

(Continued from page 22)

somewhere but he always left "feelers" out to see if he could find out what was said or done.

How the man escaped being murdered, I don't know, but the reaction came slowly and surely, as it always will. Real men demand honest motives and fair play and public opinion will swing that way, in time.

#### Others Really Helped

But Helen, for one such fellow as this, there were many noble men who were helpful in this crucial time. Such littleness can well be forgotten when other men, brave and true, grasp you by the hand and say, "How are you fellows fixed. Do you need any help? We don't want anything to happen to the banks in this town, by cracky. There won't either, if we all hang together. We're pretty well fixed, not because of any superior brains on our part but just fool luck.

"You see, we loaded up all we dared on Liberty Bonds, then my wife's father died and left a bunch, my Dad had some, and we were lucky to get rid of 'other real estate' that we'd been carrying since the Dark Ages. You've been doing a fine piece of work yourself, we've had our eye on you—just give us the 'high sign'—so long——" and with a smile and a wave of the hand pass on.

What a grand and glorious feeling to find a BIG SOUL like that when the load gets too heavy for human endurance and it doesn't seem worth the effort to carry on.

A well known elocutionist of the Middle West, whose father was a pioneer Methodist minister, said she was a girl well along in her 'teens before she knew why there were two churches in the small town in which he preached. It was so the two druggists, the two general mer-

chants, the two lumbermen and the two bankers could go to church without having to speak to each other.

Fortunately, this state of affairs is fast disappearing and it is only an isolated case, like our specimen, that you find, now and then.

This was not confined to the little towns, entirely.

You and I can remember when men in the same line of work thought they had to knife the other fellow in the back and to discredit him whenever possible.

Then, one day, some one awakened to the fact that this was all wrong, that the way to get results was for all to work for the common good. The Kiwanis, the Lions and the Rotary Clubs sprang into being. Now we have the Golden Rule and Brotherly Love idea impressed upon

men in their business relations and how much happier all are for it.

Life is so short at best, why not boost the other fellow a little and help him with his load for we never know what lies in wait for us, at the turn of the road.

You insisted, Helen, on unearthing the skeleton in our closet, but thank goodness, it's the only one there.

I'm going to tell you about some of our interesting customers, next time. Maybe, Palmyria, Ray's particular friend (Ray's our Vice President), so let's all rise and sing:

"Love one another, thus saith the Savior,

Children obey thy Father's command," etc.

So long,

LYDA COLLINS.



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THE innumerable detail that constantly arises in your business requires expert and personal attention. Here, detail is given prompt and intelligent service. The spirit of friendly co-operation is the foundation of our correspondent bank business. Our worldwide facilities make this an ideal banking connection for you.

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## What's Wrong with the Hog Market?

By WALTER P. NEFF

Editor, *Kansas City Daily Drovers Telegram*  
(From statement before Agricultural Committee of the U. S. Senate)

Having been all my business life connected with the *Daily Drovers Telegram*, the official live stock paper published at the Kansas City stock yards, I feel I am qualified to speak of conditions governing markets and factors that determine the trend of prices. The paper of which I am editor has reported market conditions exactly as they existed. That my paper, in common with all publications of similar purport at the larger live stock markets, has a reputation among its agricultural clientele for honesty and veracity is a guaranty that the markets have been reported intelligently and honestly.

With such an experience I come to this committee with the conviction that the hog producers, which is to say the farmers of this country, are now face to face with, not only an impending but an actual existing calamity in the direct purchase of hogs by packers, large and small. By direct buying of hogs I mean buying that is not effected in any one of what are known as open, competitive, public markets, where all the prospective buyers of hogs congregate daily and compete the one with the other for all the hogs available for that day's barter.

I would like to have this committee appreciate the fact that the problem of the direct buying of hogs is a problem of most concern to the producer of hogs.

I propose to speak for the actual producer. I am not concerned with the well being of the stock yards company, who, by the diversion of hogs direct to the packing house, are losing fees for yardage and profits from the sale of feed. I am not speaking of the commissions that are lost to commission companies. But I do want to present to the committee some fact and some observations that to me are conclusive proof that the American hog grower is not receiving all his hogs are worth because of direct buying.

The value of a hog in commerce is the worth of that hog as determined by the competitive bidding of all the interests that need it for converting it into meat for human consumption. The farmer has a right to expect that when he grows a hog for human food he will get in return what the animal is worth for that purpose, so that any competition that is less than 100 per cent is incomplete competition and is not giving the producer of the animal what he should receive.

The open, public, competitive live stock market is the only place where competition can be 100 per cent, for it is the only place where buying interests center. Such being the case, any regime

or innovation that takes from the open, public market any of its legitimate and normal 100 per cent demand is reducing thereby and to that extent the legitimate and normal competition to which every consignor to that market is entitled.

Hog producers of America are convinced that the open, public, competitive markets for their product have been and now are being greatly injured, and their own returns from the production of hogs reduced to a more or less unprofitable basis by the impairment of the public markets to the extent of the reduction of 36 per cent of the normal competition. This impairment and decreased competition may be chargeable to buying outside of the public markets. Such a conclusion seems warranted by the extreme reduction in the market price of hogs within the last year or so since farmers can find no plausible reason for such a price concession, except reduced competition on the markets.

On the first day of January, 1927, packers paid \$11.60 per hundred pounds for the best hogs purchased by them in the Kansas City stock yards. On the 31st day of December, a lapse of one year, the price receded to \$8.50, a reduction of \$3.10 or 26.7 per cent.

That such a severe and bankrupting break was not warranted by an abnormal supply of hogs at market is shown in the rather moderate receipts at the public markets. *Crops and Markets*, a government publication, reports that receipts of hogs at 67 markets in the year 1927 were 41,410,686 head, which, although 4.1 per cent greater than in 1926, were still 6,291,000 head, or 13.2 per cent, below the average for five years preceding.

So it is not possible to justify a year's break of 26.7 per cent in price when the year's receipts were 13.2 per cent below the average of five preceding years.

Nor can such a break in prices be laid to the reduced foreign demand for hog products in 1927. Exports last year were smaller than in 1926 by the equivalent of 900,000 hogs, but the president of the Institute of American Meat Packers assures us that this decrease in export demand was made up by the normal census increase here at home.

If, therefore, the great drop in hog prices can be charged neither to enlarged market receipts, nor to reduced foreign demand, farmers see in the impairment of open, competitive markets, through reduced competition, the cause of the trouble.

Dr. J. H. Mohler, chief of the bureau of animal industry, calls attention to the fact that there are 35,000,000 more people in the United States than 25 years ago, and that there are 22,000,000 fewer meat animals. We can not explain why it is that this increase in population and decrease in meat animals has resulted in abnormally high prices for beef and mut-

**"PLEASE** tell me why your statement shows unusual financial strength."

— a customer.

**\*HERE** is one reason:—Invested capital (capital, surplus and undivided profits) is more than \$50,000,000. This is nearly one-sixth of the deposits, which are shown as \$307,054,536.35, or a ratio of 6 to 1.

Statement of Condition  
at the close of business June 30, 1928

ASSETS

Cash on hand, in Federal Reserve Bank and due from Banks and Bankers . . . . .	\$ 59,431,540.98
United States Bonds . . . . .	36,132,924.01
Municipal Bonds . . . . .	6,196,169.02
Loans and Discounts . . . . .	237,755,586.04
Short Term Securities . . . . .	12,811,763.81
Bonds and Other Securities . . . . .	1,872,832.10
Stock in Federal Reserve Bank . . . . .	1,275,000.00
Real Estate . . . . .	3,295,000.00
Customers' Liability Account of Acceptances . . . . .	31,688,493.91
Interest Accrued . . . . .	1,788,251.18
<b>TOTAL . . . . .</b>	<b>\$392,247,561.05</b>

LIABILITIES

*Capital . . . . .	\$ 12,500,000.00
*Surplus . . . . .	30,000,000.00
*Undivided Profits . . . . .	7,604,841.86
*Deposits . . . . .	307,054,536.35
Dividend Payable July 2, 1928 . . . . .	1,000,000.00
Reserve for Taxes and Interest Accrued . . . . .	1,557,967.19
Unearned Discount . . . . .	384,350.92
Acceptances . . . . .	32,145,864.73
<b>TOTAL . . . . .</b>	<b>\$392,247,561.05</b>

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ton and abnormally low prices for hogs, except through impaired competition at market.

I am not able to find in my memory any time comparable to the present when hog prices persistently remained low in the face of rising corn prices. With No. 2 yellow corn at a dollar or thereabouts on the Chicago market, perhaps meaning

90c on the farms, hog prices should be above 10c per pound on the packer markets. Beef is higher than ever before in peace times, and high beef and high corn make inexplicable a low condition in hogs unless we share the farmer's belief that the hog market is manipulated by direct buying.

A few years ago, before direct buying,

all hog purchases were made on the public markets. One factor consisted of local packers, the other factor of local representatives of slaughterers in other cities. In normal times both factors entered the market at the opening and competed for the day's supply of hogs. On days of moderate supply the local packers often were so aggressive and bullish as to drive the order buyers out of the competition.

But today the local packers are the last to enter the market and because of having large supplies which they purchased in the country permit the order buyers, whom they used to run out of the market, to get all they want before the local packers show up at all.

Within a period of something like three years since the big packers have so intensively adopted direct or country buying, the practice has grown almost month by month until in the first 11 months of the year 1927 only 64 per cent of the hogs killed for interstate commerce were purchased in open, competitive public markets. That leaves 36 per cent of the farmers' hogs that were purchased outside of competition, and so instead of the public markets functioning on the basis of 100 per cent competition they are functioning today on 64 per cent competition.

The logic of such a situation is that hogs bought direct afford the killers larger profits than those bought in competition on the markets, and that being the case it is reasonable to presume that the increase in direct buying will continue, and that within a year, or possibly two, half of the hogs will be bought direct and market competition be reduced to 50 per cent. In fact, it is feared by the farmers themselves that in course of time public markets will be so far destroyed as to make the individual buyer instead of comprehensive demand the sole arbiter of values. That the fears of the farmers are well founded is proven in the effects of direct buying on the Kansas City market. Kansas City and Chicago, more than other markets, are what are known as basic points, which means that these two markets set the prices for all markets. These basic points receive the greater proportion of hogs that are bought direct, and so it is seen that the hogs that are secured in the country without competition come into the basic markets and are on hand each morning as 36 per cent of the day's supply. Some days the per cent of directs is vastly greater, usually on Mondays, as, for instance, on Monday, February 6, 1928, when 14,865 hogs out of a total of 23,624 at Kansas City were bought in the country and were in the local packing houses when the market opened.

Such a situation produces exactly the effect that might be expected. With all, or a large part, of the current day's kill on hand before the public market opens,

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ERNEST H. SCHNEIDER

*Capital, Surplus and Undivided Profits \$70,000,000*

the packers are independent, slow and bearish in attitude towards the hogs on sale.

#### What Our Records Show

I can substantiate this statement from the official record book kept by the reporter who prepares the daily market story for my paper. When he has secured the facts concerning the day's market he notes in this book his observations of market conditions, including the top price and who paid it and the attitude of the various buying interests. This book contains such daily notations for the past two years. It discloses some more or less startling facts relative to the participation of the packers in the Kansas City market during the 309 market days of the year 1927, during which period prices declined \$3.10.

From January 1 to December 31, 1927, Kansas City packers took the initiative in the hog market on 31 days, and on those 31 days paid the top price which established the day's quotations.

On 278 days the shippers and order buyers, who buy for killers outside of Kansas City, took the initiative and established the day's prices. These figures credit the local packers with "making the market" on 10 per cent of the days, while outsiders were in control 90 per cent of the days.

The 31 days on which the packers controlled the market were Saturdays when there is no outside demand because of the small receipts. The outside demand, under present conditions, is the first to enter the market in the morning. The filling of these outside orders establishes the range of prices for the early market. Now if the local packers had no hogs in their pens secured direct from the country, they would compete on that early market just as they used to before direct buying began and it is reasonable to presume that higher prices would result.

But being independent, they remain out of the competition until the outside orders are filled and then take the remainder of the supply at their own prices, which often are lower than the prices already established by the shippers. This book discloses the fact that in the year 1927 the packers came into the market on 278 days after the order buyers had established prices and on 51 of those days broke the market below the scale of prices established by the order buyers. These after-declines in the market are a disturbing and weakening factor in the market the succeeding day. An order buyer who pays \$8.50 this morning, only to have the market decline to \$8.25 later, frequently is censured from his house for buying above the market. Next day he is a bearish bidder.

The contention is made by the packing interests that any abridgement of the demand on the public markets due to

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of banking—for every  
correspondent—is the  
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W E L L E Q U I P P E D T O S E R V E



Continuous growth of the State Bank of Chicago made necessary this modern bank and office building. It is located in the center of the business and financial district.

## Growing With Chicago

The State Bank of Chicago has been identified with Chicago's growth for nearly half a century. The new building recently erected at La Salle and Monroe Streets is another mile-post indicating the institution's progress.

Out-of-town bankers are cordially invited to come in and inspect the new home of this old bank, and also investigate the prompt, efficient service offered to correspondents.

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*

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*Member Federal Reserve System*

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

direct purchases is counterbalanced by a corresponding reduction in supplies. That is to say, that if the market competition is reduced 36 per cent by direct buying, market supplies are also reduced 36 per cent, and that since the reduced demand exactly matches the reduced supply, market prices are not affected at all by direct buying. Such seems to be the supreme argument to show that direct buying is not harmful to market prices.

Now let us suppose a case. We will imagine that in Armour's Mistletoe yards this morning there were 90 cars of hogs that were shipped in from the country and that will be paid for this afternoon on the basis of prices prevailing on the open market today. We can see, of course, that it is to the interest of Armour to keep the open market as low as possible. Now let us imagine that Armour stays out of the open market until the order buyers have secured what they wanted. Let us assume that the order buyers paid \$8 per hundred pounds and that only ten loads of the day's market supply remain unsold after their orders have been filled. At this time, which may be as late as noon, Armour comes into the market and pays \$8, which would be a steady price. Then his 90 cars of Mistletoe hogs would be priced at \$8. But suppose that Armour since already he had 90 cars on hand, would bid \$7.90 for the ten cars and they were sold to him at that price. That concession of 10 cents per hundred pounds on the 10 cars of hogs bought on the market would save Armour \$160 on the 10 cars of market hogs and \$1,440 on the 90 cars of Mistletoe hogs, a total saving of \$1,600 by breaking the market 10 cents per hundred. The effect on the open market of the 90 cars of Mistletoe hogs is apparent. What a different condition there would be if Armour had no Mistletoe hogs and was compelled to get his day's supply on the open market. Then he would have to compete with other buyers or he would have no killing that day.

### As the Producer Sees It

This is the situation as the hog producer sees it and which is growing more destructive to the interests of the farmer through the impairment of the markets. The official figures for the month of January, 1928, reveal the situation at its worst so far as Kansas City is concerned. Stock yards receipts of hogs in January were 204,702 head, receipts direct were 123,245 head, the direct receipts being 60 per cent of the stock yards receipts. The decrease in yards receipts this January from January of last year was 3 per cent, while the increase in receipts direct was 31.8 per cent.

When the business of buying hogs direct is increasing at such a astonishing rate it is not surprising to find that the order buyers on the public markets "make



the market" on 90 per cent of the days, and that when the packers finally get into the market, they break prices on 51 of those 278 days.

Armour and Company have published a statement that they will buy hogs on the market if producers want to ship them there, or in the country if that is preferred, and yet we find that on ten days of this year when holdovers on the Chicago market were heaviest, Armour bought few hogs. On those 10 days Armour's Chicago purchases were about 37,000 head against 120,000 head unsold. On February 6, 13, and 23, Chicago received 261,000 head of hogs and Armour bought less than 14,000 or five per cent.

Only recently has the agricultural element awakened to this alarming situation. Through some kind of an arrangement, perhaps through a court injunction, the division of agricultural economies of the United States department of agriculture refuses to make public the arrivals of "direct" hogs by individual packers. On February 13, 1928, I applied in person to the office of agricultural economies in Kansas City for "direct" receipts by individual packers at Kansas City for the month of January. The official in charge informed me he could give me the total of all such receipts but not by individuals. I asked him if he would tell me why he could not give me the individual figures.

"Certainly," he replied. "The division feels that if the individuals want their figures given out they will give them."

Were these figures available for public scrutiny the apathy and independence of the packer toward the public market would be more understandable and the results traceable in descending markets. Concealment of these figures also has kept the farming element from appreciating earlier the death blow that was being struck at the public markets.

In the interest of more intelligent statistics of hog receipts day by day at the public stock yards of this country it is my belief that the division of agricultural economies should be in a position to analyze and make public the total supplies of hogs in sight on each and every day.

Hogs of commerce may be segregated into four classes:

1st—Hogs consigned to public stock yards for sale.

2nd—Hogs that are received in public stock yards that are not for sale but are consigned directly to the packers.

3rd—Hogs bought in the country by packer buyers and sent direct to packing houses, and hogs consigned direct to a packer at a private yard where they are supposed to be priced on the basis of that day's open market.

4th—Hogs unloaded at some stock yards, yarded, fed and watered while en route. Such hogs are counted at the yards where fed while en route and again at the destination.

## HOW WESSLING SERVICES GOT A NEW CLIENT



*This is a true story. Said one banker to another:*



*How loyal our clients are! We became a nation-wide institution in five years, partly because of the sincere, enthusiastic way in which our clients talk to their banker acquaintances about us. I am proud of this.*

*Wessling*

"I have used Wessling Services in three banks. The bank where I am now cashier used to spend too much money for advertising without getting results. So I contracted with Wessling Services at Lytton, Iowa, and they got results—for this bank just as for the other two banks where I used Wessling programs."

A banker in southwestern Iowa told this recently to a friend who had just come to take the active management of a bank in a near-by county seat.

"I would like to try Wessling Services myself," put in the newcomer banker. "But I found we already have a publicity program which has a year to run."

"We had one, too" was the reply. "But don't let that interfere. We didn't. You will find that Wessling Services have a way all their own of bringing you new business."

Without losing time, the newcomer banker sent a message to Lytton for a Wessling representative. His bank is now using a Wessling program, especially adapted, as every Wessling service is, to fit the particular local needs.

Wessling Services combine the advantages and economy of modern volume production with a unique way of preserving the local bank's own personal touch.

# Wessling

## SERVICES

PLANNERS AND CREATORS OF ORIGINAL BANK SERVICES

from  
IOWA  
at LYTTON

*If* the best of materials and skilled workmanship built into a product give it prestige and fame, then it is easy to understand why Fisher Company Bank Fixtures lead the industry.

We are driving for durability and perfection in every detail of bank fixture construction. When you buy Fisher Fixtures you know they are right—through and through.



*Our portfolio, "Better Bank Interiors by Fisher," is yours for the asking. Any other information you might desire regarding your fixture plans is yours also—without obligation. Write to us any time.*

*The Fisher Co*  
**BANK FIXTURE HEADQUARTERS**  
*Charles City, Ia.*

Outside of the packers no person connected with the hog trade can know from the statistics made public daily by the division of agricultural economics how many of the day's available supply of hogs are for sale, and how many are received direct and by whom they are received. In the mind of the public, stock yards receipts of hogs as published now are all on sale. The division of agricultural economics should be in a position to make an intelligent classification of the hogs in sight each morning that would show how many hogs are to be offered for sale that day, how many are simply passing through the public markets on the way to the packing houses, and how many are received at the packing house direct from the country and concentration points.

By thus classifying the day's visible supply of hogs the supply available for sale would be much smaller than the gross receipts indicate.

#### For Packers, Only

It has been an outstanding fact that the packers have persistently refused to having their direct receipts made public. And while that remains the case the packers are the sole possessors of information collected by an agency of the United States government supposedly for the people of that government.

Relief from this situation can not be expected from the beneficiaries of the system. If the packers are making greater profits by direct buying, as of course they must be, the farmer is paying the bill in lowered prices for his hogs, the hogs he sells direct to the packer and the hogs he sends to the market. If market hogs do not bring their full value by reason of a competition amounting to only 64 per cent of normal, the hogs that are bought in the country on that market basis lack just the same of being bought at their value. We dare not estimate what a gigantic total this loss must be, but if the farmer's hogs are selling for \$100,000,000 less than their value, the buyers are not the ones to look to for a change in the system.

I am going to take the time of the committee to say very little about the methods employed by the packers in their system of buying direct from the farmers: Any local buyer in a community that a packer invades either must accept the position of buyer for that packer or be forced to compete with a packer representative. Such competition lasts a very short time because the local buyer can not afford to pay the price which the packer representative is authorized to pay during the life of such competition.

I hold in my hand a letter written to my paper by O. F. Prior of Enders, Neb., which is in the southwestern part of that state. Mr. Prior says: "Keep up your fight on direct buying by pack-

ers. It is good work. Every regular shipper in this county, Chase, buys for Wilson & Company. I am told by a reliable Dundy county man that on January 28th, Wilson & Company paid 60c more per hundredweight for hogs in Benkelman, Dundy county, than the same firm paid at Wauneta, Chase county, an adjoining county where the packers hold the fort. Explanation—at Benkelman the shipping association has been revived. Packer buyers are visiting the fat cattle owners in these parts trying to buy their cattle. If any goodly number of cattlemen are tweedled into selling to them, then, Mr. Cattleman, look out." In explanation let me say that a shipping association, such as mentioned in this letter, is a group of neighboring farmers who employ one man to market their hogs. He takes the hogs to market and pays each man for his hogs out of the net proceeds. The packer buyer has disrupted nearly all such associations by offering one or more of the members a higher price for his hogs than could be obtained by shipping to market. Since the campaign against direct buying was inaugurated a few weeks since the shipping associations are returning to life as the farmers learn that in the destruction of the central markets they are paying a terrible price for the privilege of turning their hogs over direct to the packer.

On the average farm the price of hogs is the financial indicator that points either to profit or loss in the year's conduct of the farm. Today, were it not for the low price of hogs, the farmer would be sitting about as near to the top of the earth as he ever gets. Most of his products are selling at good or fairly satisfactory prices, but all such fair prices are more or less nullified by unsatisfactory prices of hogs, and the farmer would ask congress to see to it that any undue influence or condition is abated or removed, that the hitherto so-called mortgage lifter may come back into his own.

In this year when the farmer feels his hogs are selling below their worth because of the manipulation possible by means of direct buying, he looks at the daily papers and sees therein interviews with hog packers who are joyous and jubilant in the expectation of a profitable year in hog packing operations; a year of low prices for hogs while the manufacturing of hogs into meats is progressing, to be followed by a beautiful rise in pork products when the winter run of hogs dwindles into the moderate runs of spring and summer. The farmer also occasionally glances at Wall street quotations, and now while he is being manipulated out of a part of the worth of his hogs he reads that the listed stocks of the packing plants are all increasing in price as a reflection of the packing profits out of his low hogs.

*for the information  
of the business man*



## Hogs—Weather Proof

Hogs (a weather proof crop)  
brought \$26,064,000 in North

Dakota last year, and at the present rate of speed we will just double that cash figure by 1931.

THE GREATER NORTH DAKOTA  
ASSOCIATION  
FARGO, NO. DAK.

*Branches:*

Bismarck  
Devils Lake  
Grand Forks  
Minot  
Williston



*Branches:*

Dickinson  
Jamestown  
Mandan  
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Manufacturers and distributors of

## Burglar-Proof Protective Equipment

famous "Anakin Locks and Gas" for safes and vaults

"Vaultscape" vault door releasing device

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Gas weapons and ammunition

162 N. Franklin Street

CHICAGO, ILLINOIS

# 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	100	100 1/2	Danish Con. Mun. Loan 5 1/2s, 1955	99 3/4	99 1/2	N. Orleans Term. Co. 4s, 1953	91 3/4	92
Alberta, (Canada) 4 1/2s, 1956	95	97	Delaware & Hudson Co. 4s, 1943	91 3/4	91 3/4	New South Wales 5s, 1958	94 1/2	94 1/2
Amer. Chain Co. 6s, 1933	102 1/2	102 1/2	Denmark 5 1/2s, 1955	99 3/4	100	N. Y. Cent. Lines 4 1/2s, 2013	100 3/4	101
American Radiator 4 1/2s, 1947	98 3/4	99	Denmark, King of 6s, 1942	104 1/2	104 3/4	New York Edison Co. 5s, 1944	103 3/4	103 1/2
Amer. Roll. Mills Co. 5s, 1958	96 3/4	96 1/2	Denver G. & E. Lt. Co. 5s, 1951	100 1/4	100 1/4	New York Pr. & Lt. Co. 4 1/2s, 1967	93	93 1/2
Amer. Smelt. & Refg. Co. 5s, 1947	101 3/4	101 1/2	Det. City Gas Co. 5s, 1950	101 1/2	101 1/2	N. Y. Tel. Co. 4 1/2s, 1939	100 1/2	100 1/4
Amer. Sugar Refg. Co. 6s, 1937	103 3/4	104	Detroit Edison Co. 5s, 1949	102 3/4	103	Niagara Falls Pr. Co. 5s, 1932	101 1/2	101 5/8
Amer. Tel. & Tel. 4s, 1929	98 3/4	99	Dominican Republic 5 1/2s, 1942	98 3/4	98 1/2	Nor. Ind. G. & E. Co. 5s, 1929	99 1/2	100
Amer. Tel. & Tel. Co. 5s, 1960	104 7/8	105	Duquesne Lt. Co. 4 1/2s, 1967	101 1/4	101 1/4	Nor. Pac. Ry. Co. 4s, 1997	91 1/4	91 3/8
Amer. Tobacco Co. 4s, 1951	90	90 3/4	Dutch East Indies 6s, 1947	103 3/4	103 3/4	Nor. States Pr. Co. 5s, 1941	101	101 1/4
Anaconda Cop. Min. Co. 6s, 1953	105	105 1/4	Edison Elec. Illum. 4 1/2s, 1930	99 3/4	99 3/4	Norway, Kingdom of 5 1/2s, 1965	100 5/8	100 3/4
Appalachian Elec. Pr. Co. 5s, 1956	98 1/4	98 3/4	Elec. Pr. Corp. (Germany) 6 1/2s, 1950	95 3/4	95 1/2	Nuremberg, City of 6s, 1952	90 3/4	90 1/2
Appalachian Pr. Co. 5s, 1941	99 1/4	99 3/4	Finland, Rep. of 6s, 1945	96 3/4	97	Ohio Pr. Co. 5s, 1952	99 3/4	99 1/2
Argentine 6s, 1958	99 3/4	99 3/4	Fla. Pr. & Lt. Co. 1st 5s, 1954	92 3/4	92 3/4	Ohio Riv. Edison Co. 5s, 1951	100 3/4	100 1/2
Associated Oil Co. 6s, 1935	102 3/4	102 7/8	Ft. Worth Pr. & Lt. Co. 5s, 1931	99 1/2	99 1/2	Ontario, Prov. of, 4 1/2s, 1931	98 1/2	99 1/4
Atch. Top. & S. Fe. Ry. 4 1/2s, 1962	91 7/8	92	France 7s, 1949	107 3/4	107 1/2	Ontario Power Co. 5s, 1943	101 1/4	101 1/4
Atl. Coast Line R. R. 4s, 1952	93 3/4	93 3/4	General Elec. Co. 3 1/2s, 1942	94 3/4	94 1/2	Oregon Sht. Line R. R. 4s, 1929	98 3/4	98 1/2
Australia 5s, 1955	96 1/2	96 5/8	Gen. Motors Acc. Corp. 5s, 1929	99 1/2	100	Oslo, Norway, 5 1/2s, 1946	100 1/2	100 1/4
Austrian 7s, 1943	102 5/8	102 3/4	General Pet. Corp. 5s, 1940	100 3/4	100 1/2	Pacif. Coast Pr. Co. 5s, 1940	100 1/2	101
Baden Consol. Mun. 7s, 1951	97 3/4	97 1/2	Ga. & Alabama Ry. 5s, 1945	88 7/8	89	Pacif. Gas & Elec. Co. 5s, 1955	100 3/4	101
Bald. Loco. Wks. 5s, 1940	106 7/8	107	Georgia P. Co. 5s, 1967	97 3/4	98	Pacif. Tel. & Tel. Co. 5s, 1952	103 5/8	103 3/4
B. & O. R. R. 5s, 2000	102 5/8	102 3/4	Georgia Ry. & El. Co. 5s, 1932	99 1/2	99 3/4	Panama 5 1/2s, 1953	103 1/4	103 1/4
B. & O. R. R. 4 1/2s, 1933	98 3/4	98 3/4	German 7s, 1949	106 3/4	106 1/2	Penn. Edison Co. 5s, 1946	101	101 1/2
Bataviana Pet. Co. 4 1/2s, 1942	93 3/4	93 3/4	German Cen. Agr. Bk. 7s, 1950	99 3/4	99 1/2	Penn. R. R. Co. 5s, 1964	103 3/4	103 1/2
Bavaria, Germany, 6 1/2s, 1945	96 1/2	96 1/2	German Con. Mun. Loan, 7s, 1947	98 1/2	98 3/4	Penn., Ohio & Det. R. R. 4 1/2s, 1977	97 3/4	98
Belgium 6s, 1955	100 1/4	100 3/4	German Ge. Elec. Co. 6 1/2s, 1940	117 7/8	118	Penn. Pr. & Lt. Co. 5s, 1953	101 1/4	101 3/4
Bell Tel. Co., Canada, 5s, 1955	107 3/4	108	Goodyear T. & R. 5s, 1957	91 3/4	91 3/4	Peoples Gas Lt. & Coke Co. 5s, 1947	103 3/4	103 1/2
Bell Tel. Co., Penn., 5s, 1948	105 1/2	105 5/8	Grand Trunk West. Ry. 6s, 1936	106 3/4	106 1/2	Pere Marquette Ry. 5s, 1956	103 7/8	104
Berlin, (Germany) 6 1/2s, 1950	99 3/4	99 3/4	Grt. Nor. Ry. Co. 4 1/2s, 1976	98 3/4	98 3/4	Peru 6s, 1960	90 3/4	90 1/2
Berlin E. E. & Und. Rys. 6 1/2s, 1956	95 1/2	95 1/4	Great Western Pr. Co. 5s, 1946	101 1/4	101 3/4	Phila. Elec. Co. (Pa.) 4 1/2s, 1967	100 3/4	100 1/2
Beth. Steel Corp. 5s, 1936	100 1/4	100 1/4	Greek Gov't 7s, 1964	97 3/4	98	Pillsbury Flour Mills Co. 6s, 1943	103 3/4	103 3/4
Birmingham Ry. Lt. & Pr. 4 1/2s, 1954	92 1/4	93	Gulf Oil Corp., Pa., 5s, 1947	100	100 1/4	Potomac Edison Co. 5s, 1956	98 1/2	98 5/8
Birmingham W. Wks. 5s, 1954	99 1/4	99 3/4	Haiti, Republic, 6s, 1952	99 3/4	99 3/4	Pressed Steel Car Co. 5s, 1933	96 1/2	96 5/8
Brazil 6 1/2s, 1957	96 3/4	96 1/2	Hamburg, Germany, 6s, 1946	96 7/8	97	Prussia, (Germany) 6 1/2s, 1951	96 1/4	96 1/4
Bremen, (Germany) 7s, 1935	102	102	Hocking Valley R. R. 4 1/2s, 1999	100 7/8	101	Pub. Service Co., Okla., 5s, 1961	95 1/2	95 3/4
Brisbane, Australia 5s, 1957	93 1/4	93 1/4	Hudson County Gas. Co. 5s, 1949	101	101 1/2	Queensland, (Australia) 7s, 1941	113 7/8	114
British Columbia 4 1/2s, 1951	95 1/2	97	Humble Oil & Refg. Co. 5 1/2s, 1932	101 1/4	101 3/4	Republic Iron & Steel 5s, 1940	100 1/4	100 1/4
Brooklyn Borough Gas 5s, 1967	102 1/4	102 3/4	Hungary, Kingdom 7 1/2s, 1944	101 3/4	101 1/2	Rhine-Weste. Elec. Pr. 7s, 1950	101 3/4	101 7/8
Brooklyn Edison 5s, 1949	102 5/8	102 3/4	Hungary Municipal 7 1/2s, 1945	97 3/4	98	Rio Grande Do Sul 7s, 1966	98 3/4	98 1/2
Brooklyn Union Gas 6s, 1947	116 3/4	116 7/8	Idaho Power Co. 5s, 1947	100	100 1/4	Rio de Janeiro 8s, 1946	106 7/8	107
Buenos Aires 6 1/2s, 1955	100 7/8	101	Ill. Bell Tel. Co. 5s, 1956	104 1/4	104 1/4	Rotterdam, (Holland) 6s, 1964	104 3/4	104 1/2
Buenos Aires, Prov. 7s, 1952	99 3/4	100	Ill. Cent. Ry. 4 1/2s, 1966	100 3/4	100 3/4	St. L., Ir. Mt. & So. Ry. 5s, 1931	99 7/8	100
Buffalo Gen. Elec. Co. 5s, 1939	103 3/4	104 1/4	Ill. Pr. & Lt. Co. 5s, 1956	95 3/4	96	St. Paul Gas Lt. Co. 5s, 1944	100 3/4	101
Bush Terminal Bldg. 5s, 1960	100 3/4	100 1/2	Ill. Steel Co. 4 1/2s, 1940	98 3/4	99	St. Paul Union Stk. Yds. Co. 5s, 1946	100 1/2	100 3/4
Butte Electric Pr. Co. 5s, 1951	103	103 1/4	Ind. Mich. Elec. Co. 5s, 1957	100 3/4	100 3/4	Salvador 8s, 1948	111	111 1/4
Calif. G. & E. Co. 5s, 1937	103 1/4	103 1/4	Ind. Pr. & Lt. Co. 5s, 1957	99	99 1/4	San Joaquin Lt. & Pr. 5s, 1957	100 1/4	100 3/4
Calif. Pet. Corp. 5 1/2s, 1938	102 7/8	103	Inland Steel Co. 4 1/2s, 1978	93	93 1/4	San Paulo, City, 5s, 1952	107 1/4	107 1/4
Canada 4 1/2s, 1936	98 3/4	98 3/4	Internat. Paper Co. 5s, 1947	97 3/4	98	San Paulo, State 8s, 1936	105 7/8	106
Canad. Nat'l Ry. Co. 4 1/2s, 1930	98 3/4	98 3/4	Internat'l Ry. C. A. 6 1/2s, 1947	96 7/8	97	Saskatchewan, Prov. 5s, 1943	100 1/2	101 1/4
Canad. Pacific Rys. 4 1/2s, 1946	99 3/4	99 1/2	Interstate Pr. Co. 5s, 1957	95 1/2	95 5/8	Sauda Falls Co. 5s, 1955	101 1/4	101 1/4
Carolina Pr. & Lt. Co. 5s, 1956	100 1/2	100 3/4	Iowa Pub. Serv. Co. 5s, 1957	97	97 1/4	Saxon Pu. Wks. 7s, 1945	99 7/8	100
Cent. of Ga. Ry. 6s, 1929	100 3/4	100 1/2	Italy 7s, 1951	97 3/4	97 1/2	Shawinigan Wtr. & Pr. Co. 4 1/2s, 1967	94 7/8	95
Cent. of Ga. Ry. 5s, 1945	104 7/8	104 7/8	Japanese Gov't 6 1/2s, 1954	102 1/4	102 1/4	Shell Union Oil 5s, 1947	97 3/4	97 1/4
Cent. Ill. Lt. Co. 5s, 1943	101	101 1/4	Jones & Laugh. Steel 5s, 1939	103 1/2	104	Sherman Hotel Co. 5 1/2s, 1930	99	99 1/2
Cent. Ill. Pub. Serv. 5s, 1956	98 1/2	99	K. C. Pr. & Lt. Co. 5s, 1952	103 7/8	104	Siemens & Halske, A. G. 7s, 1936	100 7/8	101
Cent. New Eng. Ry. 4s, 1961	85 7/8	86	K. C. Southern Ry. Co. 5s, 1950	99 7/8	100	Sinclair Pipe 5s, 1942	93 3/4	93 1/2
Cent. Pacific Ry. 5s, 1960	102 1/4	102 3/4	Kansas Elec. Pr. Co. 5s, 1951	95 1/4	95 3/4	Sixty-one Broadway Bldg. 5 1/2s, 1950	99 3/4	100
Cent. Pr. & Lt. Co. 5s, 1956	97 1/4	97 3/4	Leclade Gas Lt. Co. 5s, 1934	100 3/4	100 7/8	Solvay Amer. Inv. 5s, 1942	98 1/2	98 3/4
C. & O. Ry. Co. 5s, 1929	99 1/4	99 3/4	Lehigh Valley R. R. 4 1/2s, 2003	99 1/4	99 1/4	So. Car. & Ga. Ry. 5 1/2s, 1929	100	100 1/4
C. B. & Q. R. R. 4s, 1949	95 3/4	95 1/2	Ligg. & Myers Tob. Co. 5s, 1951	100 7/8	101	Southern Calif. Edison Co. 5s, 1951	100 1/2	100 5/8
C. C. C. & St. L. R. R. 6s, 1929	100 1/2	100 3/4	Lorillard Co. 5s, 1951	87 3/4	89	So. Pac. Ry. 4s, 1929	99	99 1/4
C. C. C. & St. L. R. R. 5s, 1929	99 3/4	100	L. & N. R. R. Co. 4s, 1940	95 3/4	95 1/2	Southern Ry. Co. 4s, 1956	88 7/8	89
C. C. C. & St. L. R. R. 5s, 1963	99 1/4	99 1/2	Louisville G. & E. Co. 5s, 1952	102 1/4	102 1/4	Southwest Bell Tel. 5s, 1954	103 7/8	104
Chgo., Mem. & Gulf R. R. 5s, 1940	95 1/2	96	Louisville Lighting Co. 5s, 1953	102 1/4	102 3/4	Stand. Oil Co., N. Y. 4 1/2s, 1951	95 1/4	95 3/8
C. Mil. & St. P. Ry. Co. 4s, 1989	86 1/2	86 1/2	Lyons, City of, 6s, 1934	99 3/4	99 3/4	Stand. Mill. Co. 5s, 1930	100 1/4	100 1/4
C. & Nor. Wes. Ry. 4 1/2s, 2037	98 5/8	98 3/4	Maine Cent. R. R. 4 1/2s, 1935	94 3/4	95 1/4	Sun Oil Co. 5 1/2s, 1939	100 3/4	100 1/2
C. R. I. & P. R. R. 4s, 1934	93 3/4	93 3/4	Manitoba Power Co. 5 1/2s, 1951	101 3/4	101 1/2	Swedish Gov't 5 1/2s, 1954	103 1/2	103 5/8
Chgo. Union Stat. 4 1/2s, 1963	100 7/8	101	Mass. Gas Co. 4 1/2s, 1931	99 1/4	99 3/4	Swift & Co. 5s, 1944	101 3/4	102
Chile 6s, 1960	93 7/8	94	Mich. Cent. R. R. Co. 5s, 1931	99 3/4	100	Swiss Gov't 5 1/2s, 1946	102 7/8	103
Chile Mtge. Bank of, 6 1/2s, 1957	97 3/4	98	Mid. Steel & Ord. Co. 5s, 1936	99 3/4	99 7/8	Texas Pr. & Lt. Co. 5s, 1937	100 3/4	101 1/4
Cincinnati. St. Ry. 5 1/2s, 1952	98 3/4	99 1/4	Milwaukee Gas Lt. Co. 4 1/2s, 1967	99 1/4	99 3/4	Toronto, Canada 5s, 1934	100	100 3/4
Cities Service Co. 5s, 1966	94 1/4	94 1/4	Minnesota Pr. & Lt. Co. 5s, 1955	99 3/4	99 7/8	Union Oil Co., Calif. 5s, 1935	98 3/4	98 1/2
Clev. Union Term. 5s, 1973	104 5/8	104 3/4	Minn., St. P. & S. S. M. Ry. 4s, 1938	88 7/8	89	Union Pac. R. R. 4s, 1947	95 3/4	95 3/4
Cologne, (Germany) 6 1/2s, 1950	98 3/4	98 1/2	Miss. Riv. Pr. Co. 5s, 1951	101 1/4	102	U. K. Gt. Br. 5 1/2s, 1937	104 1/4	104 1/4
Colombia, Rep. of 6s, 1951	91 3/4	92	Mo., Kas. & T. R. R. 4s, 1990	87 1/2	87 5/8	United Steel Wks. 6 1/2s, 1951	90 7/8	91
Colorado Pr. Co. 5s, 1953	100 1/4	100 3/4	Mo. Pac. R. R. 5s, 1977	99 3/4	99 1/2	Uruguay 6s, 1960	96 3/4	97
Columbia Gas & Elec. 5s, 1952	99 7/8	100	Montana Power Co. 5s, 1943	103 1/4	103 3/4	Utah Lt. & Tr. Co. 5s, 1944	95 3/4	95 3/4
Columbus Ry. Lt. & Pr. 4 1/2s, 1957	92 5/8	92 3/4	Montevideo, (Uruguay) 7s, 1952	102 7/8	103	Va. Ry. & Pr. Co. 5s, 1934	99 3/4	99 1/2
Commonwealth Ed. Co. 4 1/2s, 1956	98 3/4	98 3/4	Morris & Co. 4 1/2s, 1939	96	96 3/4	Wabash Ry. 5s, 1975	98 1/2	98 5/8
Connecticut Lt. & Pr. Co. 4 1/2s, 1956	100 1/4	100 3/4	Mutual Fuel Gas Co. 5s, 1947	104	104 1/4	Ward (Montgomery) & Co. 5s, 1946	100 3/4	100 3/4
Cons. Gas, N. Y., 5 1/2s, 1945	105 7/8	105 7/8	Narragansett Co. 5s, 1947	99 1/4	99 1/4	West Penn Pr. Co. 5s, 1946	102 3/4	102 3/4
Consol. Hydro-El. U. Wurt. 7s, 1956	99	99 1/2	National Press Bldg. 5 1/2s, 1950	99	99 1/2	Western Electric Co. 5s, 1944	103 3/4	103 1/4
Consumers Pr. Co. 5s, 1952	103	103 3/4	National Tube Co. 5s, 1952					

# Bonds and Investments

## A Signal Tribute to Public Utility Securities

**M**UTUAL savings banks of the United States put the equivalent of 84.9% of their total increase of investments during the fiscal year which ended June 30, 1927, into public utility bonds. This important class of banks added \$117,246,000 to their investment reserve, of which no less than \$99,344,000 were public utility bonds.

It is doubtless true that a part of this wave of utility buying resulted from the fact that in two or three states, legislation governing the investments of savings banks had recently been liberalized in favor of public utility holdings. The record of the last five years, however, is ample proof that these banks have been leaning strongly toward utility securities. Between 1922 and 1927 their total investments increased by \$516,000,000, of which more than \$234,000,000 were public utility bonds. We have here, then, a five-year record in which the mutual savings banks took 45.4% of their increase of investments in the form of securities of this industry. We should have to look far and long to find a comparable endorsement from a whole class of important investors for a specific type of security.

Many people, even many investors, in this broad country are not acquainted at first hand with mutual savings banks, and they do not readily appreciate what great institutions most of them are, nor how large they figure in the total market for bonds. There are 618 mutual savings banks as compared to some 16,000 state (commercial) banks, and close to 8,000 national banks. However, the average size of a bond account in a mutual bank is \$6,000,000, while for national banks it is but \$800,000, and for state banks \$200,000. In gross amount of bond holdings, the 618 mutual savings banks exceed all the state (commercial) banks in the United States and are nearly 60% as large as all of the national banks. Practically one-half of the total assets of mutual savings banks are represented in their bond account, whereas for national and state banks this ratio is not more than 25%. If any one class of banks, therefore,

By **HARLAND H. ALLEN**

of  
*Halsey, Stuart & Co.*

should qualify more than any other as expert buyers of investment securities, probably the mutual savings banks would constitute that class. It is this type of banks which has been going on record during the last five years so strongly in favor of investments in public utilities.

It is noteworthy that while the last three or four years will go down in banking history as a period of very high bank mortality among both the state and national classifications, there have been no failures in the recent history of mutual savings banks. Anyone who will give

by their investment in public utility bonds has more than doubled during the last five years. Table No. 1 on this page shows this point. In actual volume, they have increased 167%. In ten years they have multiplied by four.

We are not attempting to analyze the "why" of such an outstanding endorsement of public utility bonds as has been given them in recent years by the mutual savings banks. Apparently it is because these banks have discovered qualities in public utilities which had not been appreciated before. It is noteworthy that as these mutual savings banks (and other banks) have been reducing their holdings in U. S. bonds during the last five years they have tended quite definitely to replace these government holdings with a rather

equal distribution of municipals and public utilities. In other words, as the bank holdings of U. S. bonds continue to decrease relative to total bank assets it seems quite clear that the bank demand for public utilities is going to expand in the same general proportions. Under the present governmental policy of retiring the public debt at the rate of a billion dollars a year, here is indicated a potential market for public utility bonds

which is of very large proportions. For almost a decade, now, we have watched the advancement of public utility bonds in popular favor. We have seen them ascend to a place of esteem frequently surpassing that of railroad obligations, and holding the confidence of such astute investors as the largest banks, approaching closely to the obligations of municipalities. It seems a timely question, therefore, to ask "Have utility securities reached their zenith?" The answer to this question must ultimately be found in the nature of utility securities themselves.

### Shows Continual Improvement

With consolidations progressing and expert management made available to larger and larger units of industry, and with an increasingly large proportion of domestic and industrial activities de-

(Turn to next page, please)

*Northwestern Banker*    October 1928

TABLE NO. 1  
**Investments of Mutual Savings Banks**  
(In \$1000's)

Year	Public Utility				Other Stocks & Bonds	Total Invest- ments
	U. S.	Municipal	Railroad	Total		
1917	\$ 13,186	\$235,954	\$395,685	\$ 90,374	\$1,396,489	\$2,131,688
1922	477,421	252,382	604,223	140,554	1,532,713	3,007,293
1927	220,841	458,015	652,014	374,937	1,817,543	3,523,350
Gain or Loss last 5 Years....	53%	81%	8%	167%	18%	17%

more than passing study to the Comptroller's report will notice that among the southern and western states in which so many commercial banks have failed recently, there is a surprisingly small reported holding of utility and other high-grade corporate bonds. Perhaps there is some correlation between these facts. In states where investment opportunities of banks have been limited by law, custom, or by the ruling of state bank commissioners, to government securities and local loans and investments, the temptation to load up with the latter in an effort to obtain a good average income from their funds has undoubtedly led banks to make many mistakes in the financing of local enterprises—the well-known frozen loans on farm mortgages being the most notorious example.

The percentage of total assets of the mutual savings banks which is represented

pendent upon gas, electricity, and local transportation, it seems entirely probable that the inherent security in public utility bonds will continue to show improvement during the immediate future. It is not possible, of course, to know whether these obligations will ever rank on an absolute parity with the highest grade state and municipal obligations, though the growing essentiality of the products of the utilities and the growing extensiveness (approaching universality) of their use should, it seems to this writer, eventually place them in a higher position than that occupied by even the best rails. Railroading, as we all know, has its ups and downs—with coal strikes and crop failures and other types of depression seriously affecting the volume of business, to say nothing of the serious competition developing from truck, bus, auto transportation, and the potential competition of air transport.

On the demand side, the public utility market is undoubtedly due for continued strengthening as more and more investors sense the endorsement now being given these securi-

**TABLE NO. 2**

	Public Util.	Gov. and Mun.	R. R.	Ind. and Misc.
Metropolitan .....	20.2	19.1	56.4	4.3
Prudential .....	26.6	23.8	42.4	7.2
New York Life.....	21.2	18.2	59.2	1.4
Equitable .....	29.4	7.6	61.9	1.1
Mutual Life .....	7.0	19.9	71.2	1.9
Northwestern Mutual.....	8.7	29.2	62.1	.....
Travelers .....	17.5	58.1	22.5	1.9
Mutual Benefit.....	18.9	17.8	62.2	1.1
John Hancock Mutual.....	33.4	23.3	43.3	.....
*Sun Life of Can.....	44.3	14.0	1.7	40.0
Penn Mutual.....	13.7	28.1	51.4	6.8
Aetna .....	27.3	34.7	33.7	4.3
Massachusetts Mutual.....	41.6	2.1	56.0	.3
Union Central.....	100.0	.....	.....	.....
Provident Mutual.....	11.3	6.7	80.1	1.9
New England Mutual.....	39.1	21.3	38.5	1.1
Connecticut Mutual.....	42.7	21.3	33.3	2.7
Canada Life Assur.....	18.6	73.7	3.0	4.7
Pacific Mutual.....	51.8	14.5	.2	33.5
State Mutual.....	28.7	34.4	36.2	.7
National Life.....	17.6	82.4	.....	.....
Phoenix Mutual.....	48.0	12.5	34.9	4.6
Bankers Life.....	100.0	.....	.....	.....
Connecticut Gen.....	72.0	4.9	21.9	1.2
Great West.....	2.4	80.3	.5	16.8
AGGREGATE.....	23.0	22.6	49.0	5.4

\*Includes stocks.

ties by banks and insurance companies. A recent compilation of the investment

holdings of 25 leading life insurance companies (See Table) proves what a remarkable swing toward utility obligations has taken place in this outstanding class of investors. Whereas only a few years ago the utility holdings of the great life insurance companies were relatively small, now this group has placed 23% of all its investment funds into utility securities. That exceeds their holdings of government and municipal obligations combined, and is fast closing up on their volume of railroad holdings.

Investors, like all the other humans, are always looking for leadership, and when the multitude of investors has fully sensed the present preference for public utility bonds of such investment leaders as mutual savings banks, this multitude will quite possibly swing even farther to public utility securities in much the same way they did to railway obligations a generation ago. This, indeed, would be a signal tribute to the stability of high grade public utilities.

Syllables govern the world.—Selden.

## Investments and Advertising

**I**N AN address delivered before the national convention of the Financial Advertisers' Association at Utica, N. Y., last month, Jackson Martindell, of Stone & Webster and Blodget, Inc., investment bankers of New York, said:

"In my opinion there is no field of American enterprise where advertising is of more importance yet receives less consideration than in the investment banking business. There, the man in charge of advertising plays a lone role. Every man's hand is against him, it seems. Salesmen belittle his efforts to help them because they cannot trace an individual sale directly to an advertisement. For the same reason, perhaps, partners begrudge the money expended on advertising and publicity. Many, it is sure, fail to appreciate the importance of advertising and, perhaps, this is a natural thing.

"The investment banking business has evolved slowly from a distinctly retail business in which each salesman had his own customers and drummed his line with new issues much as a commercial traveler drums his trade in drugs, hardware, or whatnot, until it reached its present status which, in the case of big houses, is much more of a wholesale than a retail position.

Northwestern Banker October 1928

### Customer Has Helped

"The customer has helped in this change. Time was when even the largest investors knew little about the relative merits of securities and were accustomed to purchase largely upon the recommendation of salesmen in whom they had confidence as a result of the fortunate outcome of earlier investments. The personal element was emphasized and there developed between the bond salesman and his customer something of the relationship between client and lawyer or patient and doctor.

"Today, the big investor is likely to know as much about a security as the salesman who offers it to him and, even the little fellow is acquiring a knowledge of standards which, more and more, is enabling him to exercise judgment for himself.

"In this new situation it is becoming the task of the investment banking house to disseminate information rather than to seek to acquire personal friends and to do so through the media of newspapers and magazines, the publication of pamphlets, and the issuance of news items worthy of publication on their own merits. The post of advertising manager is becoming more and more important and,

quite naturally, but, unfortunately, others in the average banking house are slower to see this than is the advertising manager himself.

"Take my own house as an illustration. When the securities division of Stone & Webster, Inc., was consolidated with the investment banking house of Blodget & Co., in January, 1927, neither organization had an advertising or publicity department. The advisability of giving some attention to this phase of bond marketing led the management of the new organization to pass this work on to me as a part-time job in conjunction with my existing duties in the statistical and sales promotion field. Yet, in the two intervening years now nearing their end, I venture to say that I have devoted two-thirds of my time to advertising and publicity problems, and have given to statistical and sales promotion work, not the major part of my time, but what has really been the time I could spare from advertising and publicity.

"There have been compensations, however, for this correlation of three distinct duties and I should like to mention them for a moment because you may find something of value in them to aid in conducting your own work. Some of you, I am sure, have experienced difficulty in



## The Credit *of the* Commonwealth

**P**UBLIC SECURITIES — dependent for payment upon the good faith and taxing power of the community — find an important place in the recommendations of Metcalf, Cowgill & Co. Obligations representing the credit of the commonwealth are inherently conservative in character. Our current list of municipal bonds is available upon request.

### Metcalf, Cowgill & Co., Inc.

207-221 EQUITABLE BUILDING  
DES MOINES

DES MOINES

SIOUX CITY

SIOUX FALLS

CEDAR RAPIDS

LOS ANGELES



bringing about a proper degree of cooperation between your department and other branches of your business. You have become aware, perhaps frequently, of facts and information which would have been priceless to you for advertising and publicity purposes had you only had knowledge of them sooner.

"In my own case, my various jobs kept me advised of general situations and emphasized on my attention the value of having a general view of the whole business of the firm. In one instance, for example, it was necessary to use aeroplanes, the radio and the cables to obtain and then disseminate desirable information in connection with a recent

foreign bond issue handled by my house. The statistical department was aware of these facts and so, of course, they automatically came to my attention for effective use in advertising and publicity. But for my duties in the statistical department, I would never have known of them in time to use them.

"A similar case was a recent bond issue by an old established investment trust with which we had been identified for years. In connection with the sales promotion work, it was brought to light that ours was the fourth oldest of 157 investment trusts in the United States and that 80 per cent of all those operating in this country had been organized within the

last five years. Here again was material for advertisements and publicity, which was the fruit of departmental correlation."

#### Heads Bond Department

H. R. Boles, assistant cashier of the Peoples Trust & Savings bank of Clinton, Iowa, who for the past seven years has been in charge of the bond department of that institution has been chosen as head of the bond department of the American Commercial & Savings bank of Davenport.

It is the intention of the American



H. R. BOLES

Commercial & Savings bank to emphasize the activities of the bond department as one of the important functions of the institution. A careful study of the most approved method of bond department management has been made and much care was given to the selection of a man of Mr. Boles capacity to manage this end of the business.

Through the establishment of a bond department the American Commercial & Savings bank is rounding out its service to investors and correspondent banks. With the facilities made available by the new building the highest type of service will be possible.

#### Morris Plan Convention

The Morris Plan Bankers Association will hold its annual convention at Richmond, Va., October 8th, 9th and 10th. Headquarters will be at the Hotel Jefferson. This will be the ninth annual convention of the Morris Plan Banks.

## Next to Municipal Bonds

THE bonds of conservatively financed, privately owned water companies are considered by many investors as meriting a rating second only to municipal bonds in safety and stability. Water companies are engaged in the oldest and most essential form of public utility service: they serve without competition; their properties depreciate very slowly; their operating costs are low, and their earning power is unusually stable. We recommend for conservative investment the securities of the Community Water Service Company which through subsidiaries and affiliated companies serves a population of over 1,000,000 and has combined assets of more than \$70,000,000. The properties have records of successful operation extending for periods up to 75 years.

*A request will bring full information*



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

115 W. Adams Street  
CHICAGO

42 Cedar Street  
NEW YORK



# H. M. Byllesby and Co.

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Standard Gas and Electric Company  
Standard Power and Light Corporation  
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The Beaver Valley Traction Company  
The California Oregon Power Company  
Duquesne Light Company (Pittsburgh)  
Equitable Gas Company (Pittsburgh)  
Fort Smith Light and Traction Company  
Louisville Gas and Electric Company  
Market Street Railway Co. (San Francisco)

Mountain States Power Company  
Northern States Power Company  
Oklahoma Gas and Electric Company  
Philadelphia Company  
Kentucky West Virginia Gas Company  
Pittsburgh Railways Company  
San Diego Cons. Gas and Electric Co.  
Shaffer Oil and Refining Company  
Southern Colorado Power Company  
Wisconsin Public Service Corporation  
Wisconsin Valley Electric Company

# Chicago Investment News

By W. M. H. MAAS

Vice President, Northwestern Banker

Another Iowa banker has joined the financial colony in Chicago. Hugh Miller, who was formerly president of the Page County State Bank of Clarinda, Iowa, has taken up his new duties as Assistant Cashier of the Straus National Bank. Congratulations!!!

A bond company with a capitalization of \$20,000,000 offering a comprehensive investment service, is promised by the bond department of the Illinois Mer-

chants Trust Company and the Continental National Company which will be known as the Continental Illinois Company.

The new investment company will offer to municipalities, railroads, industrial and public utility concerns of the Middle West the opportunity to secure funds within their own section of the country on a larger scale than heretofore.

To investors, the new organization will afford even greater opportunities for di-

versification of holdings—an even wider range of selection. A complete service will be offered through offices in twelve cities—Chicago, Milwaukee, Minneapolis, Cleveland, St. Louis, Houston, Wichita, Kansas City, Omaha, Davenport, Des Moines, and New York City.

David L. Shillinglaw, formerly a resident of Des Moines, Iowa, has been elected state commander of the American Legion in Illinois for the ensuing year. Mr. Shillinglaw is vice president of Forgan, Gray & Company, investment bankers, Chicago.

A. T. Huizinga, for two and a half years an executive representative of P. M. Reed and Banker Associates, has recently associated himself with the Harris Trust and Savings bank of Chicago. Mr. Huizinga will be in the Commercial Service Department and will be the Banking Department's representative in Colorado, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota and Wyoming.

Before his connection with P. M. Reed, Mr. Huizinga was for six years advertising and new business manager of the Peoples Stock Yards State Bank of Chicago. This is one of the largest of Chicago's 175 outlying banks and a \$16,000,000 institution.

Mr. Huizinga is widely known in bank advertising circles and has been active in the Financial Advertisers Association.

He was for two years a director of Chicago Chapter, American Institute of Banking and the first one ever to be elected from an outlying bank. He has addressed two A. I. B. Conventions, one Regional Savings Conference and is author of a dozen or more articles which have appeared in financial and advertising journals.

Money rates—a topic of special interest in the present financial markets—are discussed from an interesting viewpoint in the current quarterly review of Halsey, Stuart & Co. After discussing the increase in rates and the drop in volume of new financing, the review makes this comment as to the effect of higher money on business generally:

"The significant—and encouraging—thing about all this, however, is that it reflects no basically unsound conditions in business and industry. In fact, it is a striking commentary on the strength and soundness of business generally that it has continued active in the face of the



## Make sure of your bonds

Whether you buy bonds for your institutional Bond Account, or wish to supply such investments to your depositors, you will want to be sure first of all that they are good bonds. New bond issues are underwritten by The National City Company only after an analysis of all the essential facts underlying the security. Our investment offerings are backed by 115 years of financial experience.

Our special Bankers' List contains offerings suitable for widely varying needs. Ask for it.



## The National City Company

National City Bank Building, New York

Offices in more than 50 leading cities throughout the world

BONDS / SHORT TERM NOTES / ACCEPTANCES

prevailing high money rates. Despite the handicap of high money, which, of course, adds to the cost of operation, business in most lines still continues at the active pace set earlier in the year.

"Moreover, it shows no present indication of marked recession for the next few months. There are those who see in the higher rates an actual benefit to business, for without their retarding influence, the market activity of the first half of the year might easily have developed into unhealthy proportions, and thus affected business."

#### A New Banking Service

The Midland Bank of England is adding further to the list of services available to the customers of a modern bank. Managers of theaters, cinemas and restaurants, shopkeepers, and in fact traders generally who conduct business after the usual local banking hours have always had to retain in their possession considerable quantities of cash overnight or during week-ends or holiday periods. This they have had to do under conditions perhaps not always calculated to assure the maximum of safety combined with convenience.

The present innovation is designed to provide for such cases as these, not by extending the hours of banking business but by means of a mechanical apparatus available for use during those hours when the doors of the bank are closed. This apparatus, known as the Night Safe, is already in operation at the Midland Bank's branch at 20 and 22 King street, Hammersmith, and is also in course of installation at a number of offices in other metropolitan districts and at several provincial branches. If found generally acceptable the system may be extended to additional branches in busy shopping and trading centers.

The Night Safe itself, which is constructed by The Chatwood Safe Co., Ltd., is inside the bank building and is connected, by means of a chute, with a fitting built into the outside wall of the bank. Access to the Night Safe is gained by a revolving door in this fitting, the door being controlled by a special key provided by the bank. The customer is also furnished with a leather wallet in which he places cash, checks, etc. The wallet bears a distinctive number and is fastened with a Chubb lock which may be opened only by means of a second special key. After unlocking and opening the revolving door on the outside wall of the bank the customer places the wallet on a small platform which rotates as the door closes, thus permitting the wallet to travel by way of the chute into the Night Safe. Here it remains until the customer or his representative calls some time during banking hours for the wallet to be delivered to him.

One of the terms under which a cus-

tommer may avail himself of this new facility is that the wallet may be used solely for the purpose of placing therein articles intended for the credit of his account. The bank is not deemed to have received for the credit of a particular account any cash, checks, etc., placed in the wallet until the customer or his representative has opened the wallet and paid in the contents to the credit of the account.

#### Is Recovering

Nicaragua, despite rebel uprisings of the last two years, is rapidly resuming its position of economic independence and has become reasonably secure from internal trouble, Wilbur B. Forshay, president of the W. B. Forshay Company, declared recently.

Mr. Forshay was the principal speaker at a banquet at the Interlachen Club, celebrating the eleventh anniversary of the founding of the Foshay Company. Approximately 225 officers, directors and guests were present.

Mr. Foshay returned from an inspection trip to west coast properties of the company to attend the anniversary gathering.

The W. B. Foshay Company recently completed negotiations for purchase of the public utilities of Managua, Nicaragua. It has also purchased utilities—including power, water, telephone and cold storage facilities—at Ketchikan, Alaska. The company has other utility holdings throughout the United States and in Canada and Mexico.

★ ★

# *Investments and Investment Service*

**KISSEL, KINNICUTT & Co.**

ROBERT STEVENSON  
RESIDENT PARTNER

MEMBER NEW YORK STOCK EXCHANGE  
MEMBER CHICAGO STOCK EXCHANGE

120 WEST ADAMS ST.  
TEL. RANDOLPH 7100

★ ★

**Melon for First National Bank**

The Directors of the First National Bank of Joliet, the Chairman of which is George Woodruff, Vice-Chairman of The National Bank of the Republic, recently voted to increase the capital stock from 4,000 shares of \$100.00 par value, to 50,000 shares of \$20.00 par value. Each present stockholder will receive seven and one-half shares of new stock for each share now held without making any payment therefor, and 20,000 shares will be exchanged for the business of the Woodruff Securities Company, the stock of which company will be trustee for the benefit of the stockholders of the bank.

The bank is the largest banking institution in Illinois, outside of Chicago, and the Woodruff Securities Company is the largest bond house in Illinois outside of Chicago. The resources of the two institutions exceed \$20,000,000.

**Associated with A. F. Dawson**

A short time ago there appeared in the NORTHWESTERN BANKER the picture of A. F. Dawson, together with the announcement of the newly organized company of Dawson, Howe & Dawes, investment bankers with headquarters in Davenport, Iowa, with Mr. Dawson as the head of the firm.

Associated with Mr. Dawson are L. L. Howe and Charles C. Dawes, whose pictures appear in this issue.

The entire business life of Charles C. Dawes has been spent in the field of banking and finance and the handling of public utility properties. He was associated with Paul H. Davis & Co., and is now president of Dawes & Co., investment bankers, 39 South LaSalle Street, Chicago.

He is a director in the National Public Utilities Co., Investigation & Finance

Corp., Burley & Co., Gray Goose Air Lines and several other large corporations.

A veteran of one year's overseas service during the world war, he is now a



L. L. HOWE



CHARLES C. DAWES

lieutenant colonel in the Illinois national guard.

Mr. Howe is well known in Davenport. He entered the investment field after dis-

# Trading Facilities

Our trading department has complete facilities for the execution of orders in unlisted Stocks and Bonds.



**MR. EDWARD J. KELLY**  
Manager Investment Department



*Orders solicited for Listed Stocks and Bonds*



ESTABLISHED 1895

**BABCOCK, RUSHTON & CO.**

MEMBERS

NEW YORK STOCK EXCHANGE  
CHICAGO STOCK EXCHANGE  
CHICAGO BOARD OF TRADE

137 SOUTH LA SALLE STREET  
CHICAGO

charge from service in the world war and was associated with George M. Bechtel & Co. as a salesman for a period. In 1920 he joined the American Bond & Mortgage Co. as its first Iowa salesman, and early in 1923 he was promoted to manager of sales for Iowa and western Illinois, with division offices in Davenport.

The Davenport office has led all divisions in national distribution, holding the record for 1927 and the first half of 1928.

Dawson, Howe & Dawes have opened their offices in the American Bank building.

#### New Issues Falling Off

One of the major incidents of the high interest rates has been the marked falling off in new bond issues. The volume of investment financing in July was the smallest for any month since August, 1925. New bond offerings for the month of July totaled \$192,932,841. This decline in new financing still obtains in August. For the first two weeks of this month total bonds offered to the public were only slightly above \$91,000,000.

One of the most outstanding declines has been in the new offering of municipal and state bonds. The July total was approximately \$38,000,000, or the smallest monthly offering since August, 1926. For the first two weeks of August, municipal and state offerings were down to \$15,900,000. A reduction in the volume of such borrowings in the summer months is not unusual, but the decline this year is of such magnitude as to deserve attention.

The decrease in bond issues means that a considerable amount of building construction and general expansion that would be immediately ahead in the business outlook, has been delayed. There is some difference of opinion as to the amount of lag between new capital flotations and actual business expansion. It would seem that about six months is a good estimate as to the time elapsing between the raising of new capital and its influence on business. If the amount of new issues should continue to decline, therefore, we can expect that by next spring there will be a considerable decrease in business and industrial activity. —From *Boche Review*.

#### Joins Byllesby Company

Wm. J. Hagenah has joined the Byllesby Engineering and Management Corporation as vice president and special counsel. Mr. Hagenah is one of the best known authorities on public utility valuations and rates in the United States. Representing either state commissions, municipalities or utility companies, he

has been associated professionally with the majority of important utility rate cases of the past eighteen years. Since 1911 he has been engaged in business independently as consulting engineer and rate expert with headquarters in Chicago. His firm has appraised upwards of \$4,000,000,000 of utility properties in North and South America and has made rate studies in more than 125 cities of large and medium size. The firm of Hagenah and Dorsey will be dissolved.

Mr. Hagenah was born in Reedsburg, Wisconsin, January 25, 1881, and is a graduate of the University of Wisconsin. He became statistician of the Wisconsin

Bureau of Labor in 1905 and was deputy commissioner of labor in 1906. When the Wisconsin railroad commission was established with broader powers in 1907 he was appointed chief statistician of that body and in this connection had a prominent part in the preparation of a widely adopted uniform classification of accounts for public utilities. In 1910 and 1911 he was consulting expert to the city of Chicago in analyzing and reporting on utility appraisals, audits and rate studies. His success in these endeavors led to the establishment of his own business which grew rapidly and achieved an international reputation.



## FIXED TRUST SHARES

Issued by  
THE EQUITABLE TRUST COMPANY  
OF NEW YORK

Trustee

**M**ORE and more bankers are recognizing the merits of Fixed Trust Shares, and are recommending them wholeheartedly for investment. Some of the outstanding reasons are the following:

1. *Diversification*—Income derived from 30 great corporations. Average of only about 3 per cent of principal invested in each company.
2. *Cash Surrender Privilege*—Absolute marketability through trustee of any number of shares, in addition to national syndicate market. Not necessary to assemble 500 or 1000 shares in order to convert to the underlying stocks or the cash value thereof.
3. *High Loan Value*—Because no substitution of underlying stocks—the best possible guaranty that the stocks which you buy today can never be replaced by stocks of lesser value.
4. *Reserve Fund for Stabilizing Dividends*—Obviates ultimate investor dissatisfaction arising from excessive dividends one year and lean dividends the next—a condition unsuited to the needs of most investors.
5. *High Average Yield*—Six year average better than 7 per cent on today's price.

Established investment dealers and banks are invited to participate.



## Smith, Burris & Co.

Syndicate Managers—Central United States  
120 South La Salle Street, CHICAGO

## Phillips & Company

Wholesale Representatives for Smith, Burris & Co.  
Union National Bank Bldg., FREMONT, NEB.

## Goes with Bond & Mortgage Company

Announcement has just been made that Mr. Charles A. Bonniwell, for many years assistant secretary and director of sales of S. W. Straus & Co., investment bankers, has purchased a substantial interest in The Bond & Mortgage Company, whose main offices are located at No. 11 South LaSalle street, Chicago.

This company, established in 1895, specializes as underwriters, distributors and dealers in first mortgage real estate bonds exclusively. He has become associated with the company as vice president, in charge of sales.

Mr. Bonniwell is nationally known for his articles and talks as a sales psychologist and has a wide reputation as an able and forceful speaker, being given an important place on the programs of the associated advertising clubs of the world as well as many of the leading organizations of the United States.

In commenting on his purchase into The Bond & Mortgage Company, he expressed his unqualified confidence in the future of the first mortgage bond business. "There can be no question about the soundness of first mortgages on well-located income-producing real estate," Mr. Bonniwell stated. "For the past quarter century real estate mortgages

have been the popular investment of the middle class investor, while at the same time their popularity with the very large investor is constantly growing because of the higher yield and safety inherent in



CHAS. A. BONNIWELL

Bonds  
for  
Short or Long Term  
Investment  
to meet the Needs of  
Banks, Institutions  
and  
Private Investors



DE WOLF & COMPANY, INC.

*Established 1889 - Investment Securities*

100 West Monroe Street  
CHICAGO

97 East Wisconsin Avenue  
MILWAUKEE

such bonds. The negligible percentage of loss through such investments assures their continued popularity.

"Real estate mortgage bonds appeal to the general public because they understand them. Most all of us have had experience in the purchase of real estate of one kind or another. We, therefore, know something about mortgages, how they are secured, and the elements of safety which make them sound investments. Real estate mortgages, in the public mind, are devoid of the intricacies of many other types of financing.

"The absolute assurance that this country shall continue to expand, setting the pace for the advancement of the world, the realization that we are all seeking better and more comfortable living conditions, and my personal knowledge of the soundness of real estate mortgage bonds, gathered in daily contacts over the last ten years, cause me to take up new duties with the feeling that the surface of the real estate mortgage bond business has hardly been scratched."

Mr. Bonniwell is a contributing author to the LaSalle Extension University, a member of the advisory board of the National Salesmen's Training Association, and a special feature writer for the Universal News Service, having covered some of the world's most famous trials from a standpoint of a psychological analysis of the persons involved.

He is secretary-treasurer of the Illi-

nois Society of the War of 1812; former secretary of the Sons of the Revolution; vice deputy commander of the Order of Washington; vice deputy commander of the Order of White Crane, and a member of the Sons of Veterans, Order of La Fayette, the Chicago Historical Society, Chicago Art Institute and the Pen and Pencil Club of Philadelphia.

#### Agency Consolidation

Announcement was made last month of the consolidation of George Batten Company, Inc., and Barton, Durstine & Osborn, Inc., two of the largest and best known national advertising agencies, with headquarters in New York City.

Bruce Barton, president of the latter, is to be chairman of the board of the new company. William H. Jones, president of George Batten Company, Inc., will be president of the consolidated agency and Roy S. Durstine, secretary and treasurer of Barton, Durstine & Osborn, Inc., will be vice president and general manager. The new firm will be Batten, Barton, Durstine & Osborn, Inc. Branch offices will also be consolidated, giving the new company enlarged facilities in Chicago, Buffalo and Boston.

The directors of the consolidated company are to be: Charles J. Babeock, Bruce Barton, Roy S. Durstine, N. W. Emerson, F. R. Feland, George F. Gouge, R. J. Hayward, William H. Johns, Alex F. Osborn, Russell Osborn. Other officers besides those already mentioned are: F. R. Feland, vice president; Alex F. Osborn, vice president; Chas. J. Babeock, vice president; Paul M. Hollister, vice president; N. W. Emerson, vice president; C. L. Davis, vice president; S. H. Busser, vice president; F. G. Hubbard, vice president; A. D. Chiquoine, Jr., vice president; F. M. Lawrence, secretary; Chester E. Haring, assistant secretary; R. J. Hayward, treasurer; T. Arnold Rau, assistant treasurer.

The Chicago business of the present George Batten Corporation, George Batten Company, Inc., and Barton, Durstine & Osborn, Inc., will be combined under the name of Batten, Barton, Durstine & Osborn Corporation of Illinois, of which Bruce Barton is chairman of the board; R. L. Hurst, president; William H. Johns, vice president; Roy S. Durstine, vice president; Chas. D. Mitchell, vice president; F. R. Feland, secretary, and R. J. Hayward, treasurer.

#### New Books

Two new books, of interest to bankers, have just been published by the A. W. Shaw Company, Chicago. Their titles are: "Capital Stock Without Par Value", by John R. Wildman of Haskins and Sells and Welden Powel, and "Banking Standards Under the Federal Reserve System", by Horatio Secrist, Ph.D., Bu-

reau of Business Research, Northwestern University.

In the belief that within the current operations of our commercial and financial system there are hidden or "master facts" indicative of economic order, the Northwestern University Bureau of Business Research, under the direction of Dr. Horace Secrist, and through the A. W. Shaw Company, publishers, of Chicago, have planned and carried out studies designed to disclose them. The present study, "Banking Standards Under the Federal Reserve System," proceeds under the following hypotheses: (1) That norms and trends of similar type characterize series of data reflecting bank

operation; (2) that many of the series are inter-related; (3) that the norms, trends, and correlations obtaining are quantitatively measurable; (4) that a knowledge of them is of economic significance, and (5) that they are casually related to the operating processes of our competitive system.

"Capital Stock Without Par Value" is based on broad intimate experience and careful research. Writing from intimate contact and wide study of the actual application and practical operation of the varying statutes, the authors have aimed throughout to clarify the conflicting concepts of no-par shares and to square them up with the accepted principles of

## Natural Gas Bonds

Offer Remarkable

### Utility Investment Opportunities.

**T**HIS Utility Field is now being rapidly developed to supply an increasing demand and to utilize a natural resource, the conservation of which is required by the various states. Bonds now being issued will probably be affected by future consolidations and we recommend the purchase of certain of these issues.

*Write for Our List of Selected Offerings.*

## A. J. Boldt & Company

Putnam Bldg.

Davenport, Iowa.

accounting and sound business management.

With this background established, the authors then describe specifically, definitely, the pivotal points to consider in originally issuing no-par stock; determination of capital value, effect on capital account, marketing no-par shares, and so on, to mention but a few. How to handle stock subscriptions, donated stock, the results of acquiring own stock and the relation of no-par stock to surplus are each clearly, plainly told.

Of especial interest and value to many are the authors' clear-cut comments regarding the legal and bookkeeping procedure entailed, the benefits accruing,

and the problems to anticipate. In reorganizations, mergers and consolidations, too, the authors discuss in a practical manner the effect of changing the form of shares on surplus; the adjustment of assets to capital, the balance sheet; consolidation of statements; consideration for no-par shares, effect of consolidation on stated capital, on dividends.

#### Would Protect Investors

Reserve funds for the protection of the investing public to be used in the event of death or failure of mortgage bankers must be established if this business is to continue to prosper, said E. D. Schu-

macher, President of the Southern Bond and Mortgage Company and President of the Mortgage Bankers Association, speaking before the opening session of the Fifteenth Annual Convention of the Association at Cleveland.

Mr. Schumacher stated that his recommendations applied to all mortgage banking organizations whether members of the Association or not and said that several of the Association members had already created such reserve funds.

Mr. Schumacher astonished 400 members of the Association, representing 40 states in the Union, by declaring that the men who merchandise mortgages must in the future set aside hundreds of thousands of dollars in order that interest payments may be made to investors after the bankers are dead and gone.

Such reserve funds would be used to "service" mortgages in the event that the organization handling them suffered from death or failure, or discontinued business. Servicing a mortgage means seeing that the mortgagee gets his interest, that the borrower pays his taxes, and keeps his property in good repair so the property will not depreciate and therefore affect the value of the mortgage.

#### Embezzlement Claims

In making public his company's half-yearly crime loss figures, E. H. St. John, president of the National Surety Company, urged heavier embezzlement sentences, and stated that the company paid 397 more of this class of claims during the first half of 1928 than during the same period last year. The total payments numbered 4,651 and amounted to \$2,064,482, as against 4,254 and \$2,298,998. "The Baumes law," Mr. St. John said, "though excellent in repressing burglary and hold-ups, is not effective against embezzlement because the latter crime is usually a first or second offense and thus requires special legislation. Sixty-two embezzlement convictions, with sentences ranging from six months to ten years, were obtained on National Surety Company evidence. Many other embezzlers were ordered by the courts to make restitution under suspended sentence, while others, who absconded, are still being traced. Owing largely to the efficacy of the Baumes law and the police, the company's burglary insurance losses decreased from \$2,009,261 to \$1,625,735 for the two half-years, the number of claims dropping from 1,055 to 729. Forgery losses increased in number from 2,315 to 2,571, and mercantile fraud losses from 15,329 to 15,459."

He hath never fed of the dainties that are bred in a book; he hath not eat paper, as it were; he hath not drunk ink; his intellect is not replenished; he is only an animal, only sensible in the duller parts.—Shakespeare.

# BROKAW AND COMPANY

105 South La Salle Street, Chicago

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

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

*Special Bond Service to Banks*

IOWA REPRESENTATIVES  
Maurice F. Leahy and Ray E. Mason





# A Bank's Investment Structure

**B**ITTER experience has taught most banks that it is not wise to employ all of their funds in too narrow a field; and a liquid position is best maintained by investing a portion in call loans, commercial paper, acceptances, short term government notes and in bonds which have a wider market.

Thus does "Bond Briefs," of the Northern Trust Company, Chicago, summarize the needs for a definite investment structure for the bank. It is further noted that "8,000 member banks of the Federal Reserve System, whose deposits amounted to approximately 20 billions, carried about 17 per cent of this total in bonds on April 12, 1926. It is likely that the proportion has increased to 20 per cent or 25 per cent since that time, and many institutions carry even a higher percentage. It is also noteworthy that banks in New York, Pennsylvania, Maryland, and other eastern states, who deal heavily in bonds, have the lowest proportion of failures. Holding bonds, therefore, is a safe and proper bank practice. They provide a means for the use of a portion of the bank's funds and if properly selected provide a necessary degree of safety and liquidity for a reserve."

What are the outstanding factors in building an investment structure? "Bond Briefs" says this, in part:

## Factors of Safety

"What are some of the outstanding factors in the building of the bond account structure? Of all requirements, safety of principal is the most important. Safety is not always synonymous with the appraised value of properties securing the bond, with a specific lien, or with equities underlying an issue. In the final analysis, the value of a property as security is primarily dependent upon its earning power as a going concern. The ability to meet interest and sinking fund payments regularly, under ordinary circumstances indicates that assets are of value. Permanency of the demand for the product or services of the corporation, the character of competition within the industry, the effect of periods of general business depressions on the particular industry are important factors determining the underlying safety of a security. In the case of municipal and foreign government obligations, the safety of invested funds is entirely dependent upon the ability and willingness of the debtor to repay them.

## Active Markets

"Closely allied with the safety of invested principal in importance is the marketability of the bonds, for unexpected liquidation may be necessary. The

issue of a small corporation may possess a high degree of safety, but its narrow and probably inactive market might make a forced hurried liquidation without heavy loss impossible. It generally follows that the character and size of the company largely determine the breadth of market, and the activity of the market depends upon the public demand for the security. The entire account need not necessarily have the same degree of marketability; in fact, should not, as liquidity can be obtained only by paying

relatively higher prices for the bonds. That portion of the account which should be in very active, active and fairly active bonds is dependent upon the anticipated demand for funds.

"A policy of sacrificing relative safety and marketability for a higher income on investments will in many cases result in loss and will destroy the purpose for which the bank reserve is created. It is generally recognized that the rate of income varies with the character and safety of the security. On the other hand,

## Population Follows the L

**T**HE history of the growth of Chicago shows that districts surrounding L terminals have always been the first to build up and have experienced the greatest and most rapid increase in both population and property values.

Very few extensions have been made to Chicago's Elevated System (Rapid Transit Lines) in recent years. The only terminals outside the city limits are the terminal of the Northwestern Elevated at Dempster Street in Niles Center and the terminal of the Metropolitan West Side Elevated at Roosevelt Road in Westchester.

We own and offer 6% Local Improvement Bonds payable out of taxes levied against property adjacent to Elevated transportation in Niles Center and Westchester.

If you desire 6% Interest, Federal Income Tax Exemption, Convenient Maturities, and wish to feel assured that the security element has been properly safeguarded, order

**NILES CENTER 6% PAVING BONDS**  
Special Assessment No. 173  
or S. A. Docket No. 59634

**WESTCHESTER 6% SEWER BONDS**  
Special Assessment No. 11  
or S. A. Docket No. 59787

Maturities 1930 to 1938

PRICE—100 AND INTEREST YIELDING 6%

**KNIGHT BLANCHARD & Co.**  
CHICAGO

29 So. La Salle Street

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the higher grade bonds follow more closely the trend of the money market. In periods of rising security prices, the possibilities of appreciation of high grade bonds are greater than in bonds of inferior quality. However, a proper diversification as to types and quality of bonds will allow a material increase in the return. In this connection, experience has shown that a bank cannot operate successfully unless it adjusts the rate paid on deposits with the rates obtainable in prime investments; at the present time, payment of 3 per cent on deposits appears entirely compatible with income on high grade bonds.

"Investment bankers have long ac-

cepted the principle that a proper distribution of security purchases among the various classes of bonds is equally as important as the selection of individual bonds. Absolute safety of a particular security can never be assured and, therefore, a distribution of the risk over a large number of issues will minimize possible losses which may occur; if this policy is followed, the failure of one issue will not materially endanger the position of the entire investment account. Investments should be made in more than one type of industry, thus minimizing the effect of a general depression in one industry. The bond structure should include a distribution of the risk among

public utility, railroad, industrial, municipal and foreign bonds. The factors to be considered in each group and the relative advantages of each are discussed below.

"Proper diversification should be based not only on holdings in different industries and companies, but also on geographical distribution of risk among the various types. The advantages of following this policy need no explanation.

"Liquidation of securities is possible either by sale before maturity or by payment at maturity. The latter method assures liquidation without loss at a definite time. Consequently, to void any possible loss of net yield due to a temporary weakness of markets, the banker may arrange maturities so that a portion of his funds will fall due periodically over a period of years, say from one to ten years. In some cases serial maturity bonds will afford a higher yield as payment for marketability is lessened in such issues.

#### Public Utility Bonds

"The bonds of public utility companies supplying basic necessities—water, gas and light—rank high among investment securities. State supervision, cash business, small inventories, employment of little unskilled labor and steady growth in demand for services rendered are big factors in accounting for the stability of earnings and small investment risk shown among public utility companies over a period of years.

"Only large issues of nationally well known operating companies or outstanding holding companies should be included in the bond account if ready marketability and safety are to be insured. Operating company bonds secured by a first lien on physical assets having reproduction cost less depreciation value at least 40 per cent in excess of the principal amount of the total bonds outstanding are to be preferred. Net earnings after depreciation, depletion and taxes should be sufficient to cover interest charges on the company's total funded debt about two times or more. Other important considerations are competency of company management, length of franchise, and the territory served as regards industrial position and progress.

"At the present time higher yields with satisfactory security and marketability are available in the public utility field than among railroad bonds. For this reason bonds in this group are becoming more popular each year among conservative investors.

"Approximately one and three quarters billions of dollars of railroad securities, or 14 per cent of the entire railroad funded debt, were carried by banks on June 30, 1926; an additional 19 per cent was held by 52 leading insurance com-

## What is Group Banking?

**G**ROUP Banking is the operation of a number of banks, in a given area, controlled by a central organization, which maintains highly specialized departments working in harmony with each bank in order that the bank may render to its customers and community greater service than it could individually supply. Group banking does not alter the individuality or personnel of an affiliated bank.

*Information regarding the nationwide group banking program of this organization available upon request.*



**American Financial Corporation**  
of New York

50 Broadway

New York

[ Effective the seventh day of September, 1928, the name American Financial Holding Corporation was changed to American Financial Corporation of New York. ]

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panies. Certainly this indicates the desirability of this type of investment.

"Like the water, gas and electric companies, railroads perform an essential public service and, therefore, are assured of a comparatively stable income; moreover, both the public and private interests are protected by the close supervision of the Interstate Commerce Commission. An analysis of the investment position of a railroad bond should include a careful consideration of the capital structure, property valuations, nature of lien, territory served and record of earnings over a period of years. Soundness of both earning power and capital structure is indicated when over a period of years a company shows approximately 25 per cent or less of total income expended for interest, rentals and taxes and an addition to surplus of 10 per cent. The issues of major railroad systems are large and possess broad active markets.

"Several important considerations should be carefully made before loaning funds to an industrial concern. Does the company perform a service which justifies a continued demand and is the management sufficiently competent to meet increasing competition in production and marketing? The conservative investor will require a record of stable earnings extending over a period of several years, a satisfactory ratio between funded debt and junior securities and working capital in keeping with the requirements of the service rendered. Inventory should be carried at cost or current market value, whichever is lower. To insure ready liquidity as well as minimum risk, only large prior lien issues of companies well known nationally should be included in the reserve. The investment position of all industrial securities held should be frequently investigated as changes in the financial condition of an industrial concern may take place within a short period of time."

#### NEWS AND VIEWS

(Continued from page 32)

A. G. Sam, president, and C. L. Fredericksen, cashier, of the Live Stock National Bank of Sioux City, have been distributing the new and improved 1929 Scotch model of the Stock Yards cigar lighter. The main points in its favor are the fact that there is no flint, no liquid, and that it always works.

The directions are as follows: "Hold lighter in left hand, open box, remove match, and light candle with right hand, blow out match and light cigar or cigarette with candle. Blow out candle."

I am sure that if you have not already received one of these Scotch model cigar lighters that either Mr. Sam or Mr. Fredericksen will be very happy to supply you.

Edwin Bird Wilson, whose organization specializes in financial advertising, publishes his own House Organ which he calls the "Messenger."

In a recent issue he discussed the influence of aviation on bank advertising and among other things reproduced a very interesting bit of poetry, entitled "Pilots of Peace," two stanzas of which follow:

"Grieve not too much for heroes spent  
On errands of pathfinding bent;  
Mourn not too deep for pilots lost,  
Somewhere 'twixt stars and billows  
toss'd.

Mourn not when pilots fall.

"They yield their souls for peaceful ends,  
They light a path across dark wends,  
That men on sky roads soon may fly  
And Nations meet, as eye to eye."

#### Want Public Ownership of Shipping

Government ownership and operation of merchant shipping as a permanent policy is demanded by Senators Fletcher of Florida and Johnson of California, and it will have the active support in the coming session of Congress of Senators Norris of Nebraska and Nye and Frazier of North Dakota. Senator Fletcher has issued a letter in which he says that all schemes of private domination of merchant shipping should be abandoned, and the nation itself undertake the task of transporting to foreign countries the exports of the United States.

Power, in its quality and degree, is a measure of manhood. Scholarship, save by accident, is never the measure of a man's power.—Holland.

## Why These Bonds Are in Demand

NO type of investment has enjoyed a more satisfactory record from a standpoint of safety of principal and yield than properly set up first mortgage real estate bonds, secured by first mortgages on buildings in leading cities of the United States where high degree stability of values and income is a characteristic of metropolitan prosperity.

Robert S. Strauss & Company is in a position to offer institutions and individuals a selection of high grade first mortgage real estate bonds secured by well located income-producing properties in the city of Chicago. A list of current offerings will be sent upon request.

### ROBERT S. STRAUSS & Co.

INCORPORATED

Investment Bonds—First Mortgages

105 West Monroe St.  
CHICAGO

150 Broadway  
NEW YORK

Offices in Other Cities



Twenty-six  
years  
of experience,  
growth and accom-  
plishment are back  
of the services that  
this bank offers to  
correspondents.



## CHICAGO TRUST COMPANY

LUCIUS TETER    JOHN W. O'LEARY  
President        Vice-President  
CHICAGO

### Farm Tax Burden Termed Excessive

Real estate and particularly agriculture bears an excessive part of the tax burden, these inequalities should be corrected says a resolution passed here by the fifteenth annual convention of the Mortgage Bankers Association of America, at Cleveland last month.

T. A. Murphy, assistant treasurer of the Merchants Life Insurance Co., Des Moines, Iowa, chairman of the association resolutions committee, presented other resolutions that were passed by the mortgage bankers covering the agricultural situation, the financing of only such construction as is in demand and the standardization of state securities laws commonly known as "Blue Sky Laws."

The resolution on the agricultural situation states that although the farm situation in America is far from normal that some of this condition is psychological rather than actual, caused by the dissemination of untrue statements regarding the situation. The resolution suggests that members of the association refrain from making any unnecessary pessimistic statements regarding agriculture and that such statements they feel called upon to make be based on facts and not on heresay.

The resolution on construction provides that members of the association take into consideration the necessity of using the utmost caution in making city real estate loans in order to prevent over expansion with a consequent drop in both rents and values. This resolution further provides that members of the association be extremely cautious in making city real estate loans and that they insist on substantial security *over and above their loans*; that they insist on real financial responsibility in the borrower, and lastly that only such construction be financed for which a real demand is apparent. The resolution points out that the making of construction loans merely for the purpose of keeping mortgage banking organizations going or to meet competition is decidedly injurious to the entire mortgage business.

The resolution on the state securities law provides that the Mortgage Bankers Association obtain the cooperation of the American Bar Association and other organizations and standardize mortgage forms and methods in order to secure modification and uniformity in the state securities laws as may safeguard the investors without penalizing those engaged in that business by the "red tape" with which the mortgage bankers are hampered at present.

#### To Cut Another "Melon"

Owing to the enlarged activities of its company, the board of directors of

Greenebaum Sons Investment Company have recommended an increase in the capital stock from 20,000 to 30,000 shares. The proposed 10,000 shares will be offered to stockholders in the ratio of one share for each two now held at \$300 per share. The market price for the present stock is around \$600 per share. A special stockholders meeting has been called for September 5, 1928, for the purpose of authorizing the increase.

It is expected that the regular dividend of \$20 per share will continue on the enlarged capital.

It is further planned that shortly following this financing, another special meeting of stockholders will be called for the purpose of authorizing the conversion of the 30,000 shares of \$100 par value stock into 300,000 shares of no par value stock, giving the stockholders 10 shares of no par value stock for each share of the old stock held. It is expected that dividends on the no par value stock will be paid at the rate of \$2.00 per year.

In April, 1927, the capital was increased and stockholders were given valuable rights.

Annual earnings of the Greenebaum Sons Investment Company for the past five years, after taxes, have averaged approximately \$925,000, equivalent to \$46.25 per share.

For the first seven months ending July 31, 1928, the company reported earnings, after reserve for taxes, of approximately \$740,000, equivalent to \$37.00 per share.

Sales reported for this period are the largest for any similar period in its history and represent a substantial increase over the same period last year.

Greenebaum Sons Investment Company is the oldest real estate bond house in the United States, dating back to the year 1855.

#### Urge Federal Estate Tax Repeal

The special committee on taxation of the American Bankers Association has addressed the finance committee of the United States Senate urging repeal of the federal estate tax. The following reasons are presented in the communication:

"The federal estate tax is not logically a federal tax. It is an excise tax on the transmission of property at the time of death. An excise tax properly is based upon a privilege granted by the government imposing the tax. The privilege of transmitting property at the time of death is granted by the states and not the federal government. The tax therefore ought to be imposed by the states and not by the United States.

"It should be reserved to be used by the federal government only in the stress of war emergencies. The federal estate tax has been employed only in war emergencies and the present act and its immediate predecessors have lasted longer

after such emergencies than any others in our history. Its further continuance would tend to make it a permanent part of the federal tax system.

"It is no longer needed for federal revenue. Secretary Mellon has stated that this tax is not needed and can now be repealed. He estimates that the repeal will cause a loss of \$7,000,000 on the estates of decedents dying in 1928 and 1929. These figures have been misunderstood but are easily explainable. If the act is passed in 1928 it will only affect persons dying after the date of its passage. If the time of passage, for instance, is February 1, 1928, the estate of a person dying on February 2, 1928, would have an estate tax due February 2, 1929, which falls within the last half of the fiscal year 1929. The bulk of estate taxes for persons dying in the calendar year 1927 will be received by the government in the fiscal year ending June 30, 1928, and the first half of the fiscal year ending June 30, 1929, at the rates of tax imposed by the present law.

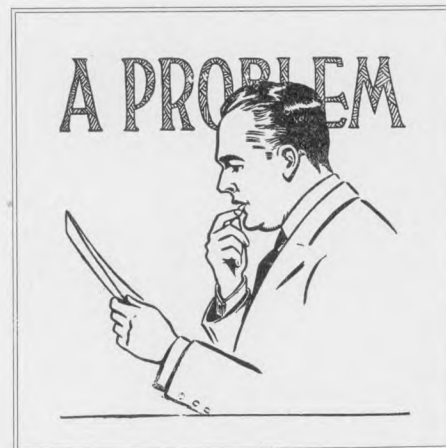
"It constitutes greater interference with state revenues than at any time in our history. Since the previous federal inheritance tax in 1898 inheritance taxes have become a dependable source of revenue in the states. According to the last available statistics the states collect around \$100,000,000 annually from this source and the tax constitutes an average of about 6 per cent of their total revenue.

"The tax decreases state revenues. In over twenty-eight states a federal estate tax may be deducted in computing state inheritance taxes. In these twenty-eight states the repeal of the federal estate tax will increase the state revenues without a raise in state rates.

"It imposes a heavier administrative burden on estates than do state inheritance taxes. This burden is made up of both delay in the settlement of estates and actual additional cost. State inheritance taxes may be settled at home while the settlement of federal estate taxes involves delay and expense incident to the discretion lodged only in Washington.

"It is a tax imposed principally upon widows and children. Inheritance tax statistics indicate that fully 70 per cent of our inheritance taxes fall upon widows and children and the balance upon other relatives and beneficiaries. At a time when general nuisance taxes are being repealed this character of tax ought to be included in the repeal.

"The primary purpose of the tax is admittedly not to raise revenue but to influence state inheritance tax policies. This is a matter that should be left to the fiscal policies of the several states. Advocates of its retention say it is necessary to prevent noninheritance tax jurisdictions such as Florida, Alabama, Nevada and the District of Columbia from becom-



## CALL MONEY OR BONDS

High call money rates are usually accompanied by higher returns on longer term securities.

We recommend the purchase of well selected bonds at this time, thus assuring yourself prevailing rates of interest on sound securities long after call money rates have dropped.

PRIESTER • QUAIL & CUNDY • INC.



BONDS FOR INVESTMENT

American Bank Building

DAVENPORT, IOWA

ing tax havens of refuge. Inheritance tax statistics indicate that there is comparatively little real change of residence on account of inheritance taxation. Congress has no right to use legislative coercion to make one state levy a tax because another has not done so."

### Heads Financial Advertisers' Association

C. H. Wetterau of the American National Bank, Nashville, Tennessee, is the new president of the Financial Advertisers' Association. He was elected at the 13th annual convention of the association held in Utica, Sept. 17th-20th. Other officers elected were:

First vice president, A. E. Bryson, Halsey, Stuart & Co., Chicago; second

vice president, F. R. Kerman, Bank of Italy, San Francisco; third vice president, C. H. McMahon, First National Bank, Detroit; treasurer, E. A. Hintz, Peoples Trust & Savings Bank, Chicago.

The board of directors for the coming year consists of:

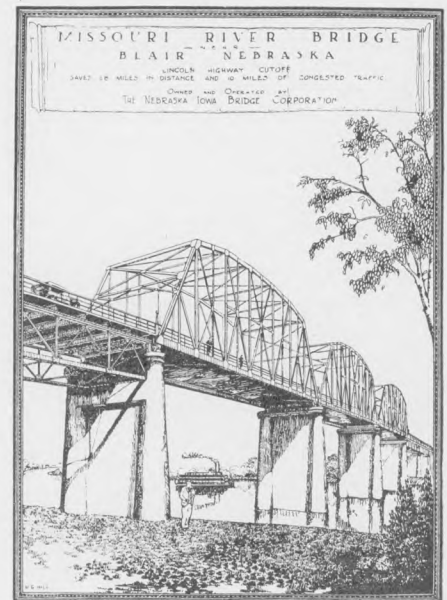
Clinton F. Berry, Union Trust Co., Detroit; C. E. Bourne, Royal Bank of Canada, Montreal; W. E. Broekman, Minnesota Loan & Trust Co., Minneapolis; George Doek, Wm. R. Compton & Co., New York; Chas. Eastman, Taylor Ewart & Co., Chicago; Frank Fuch, First National Bank, St. Louis; H. G. Hodapp, National City Co., New York, N. Y.; Robert J. Izant, Central National Bank, Cleveland; H. Ennis Jones, Franklin Trust Co., Philadelphia; H. A. Lyon, First National Bank, Boston; A. Douglas

Oliver, Provident Trust Co., Philadelphia; Alva Maxwell, Citizens & Southern National, Atlanta; H. W. Kitchell, Illinois Merchants Trust Co., Chicago; I. I. Sperling, Cleveland Trust Co., Cleveland; Fred M. Staker, Commerce Trust Co., Kansas City.

### Offering Bridge Bonds

Harry H. Polk & Company, investment bankers of Des Moines, are offering First Closed Mortgage 6½ per cent Sinking Fund Gold Bonds of the Nebraska-Iowa Bridge Corporation, dated August 1st, 1928, and due August 1st, 1943.

When one considers the huge road building programs now contemplated, it



is also well to consider another vital and necessary link in the highway system, namely bridges.

While a bridge serves, as a link in a great highway, a huge territory, its financing is confined more or less to local territory, and inasmuch as there is very seldom enough local capital to swing such a large proposition, it is readily seen why the investment of private capital in a toll bridge is a distinct advantage.

The bridge in question will be operated under definite franchise granted by the Federal Government, and will form a necessary link in the Lincoln Highway west.

### Merger

The Kandiyohi County bank at Willmar, Minn., has taken over the Union State bank, making deposits \$1,490,000. The move is toward the recommendation of Commissioner A. J. Veigel for fewer and better banks, \$1,400,000 being the absorbing bank's total.

Constant exposure to dangers will breed contempt for them.—Seneca.

## How an Investment House Gives Unbiased Advice

You can have a survey made by our Department of Economics and survey of your own or your customers' investments, knowing you will receive an unbiased opinion founded on sound investment principles.

This department, in analyzing lists of securities, makes no specific recommendations regarding purchase of securities for replacements unless actually requested to do so.

Our booklet, "A Valuable Aid to Banks and Investors," gives detailed information on the work of this Department.



You are invited to send for  
copy of this booklet,  
using your bank letterhead.  
Ask for AG-8

**A.C. ALLYN AND COMPANY**  
INCORPORATED

Investment Securities

67 West Monroe Street, Chicago

NEW YORK BOSTON PHILADELPHIA DETROIT  
MILWAUKEE ST. LOUIS MINNEAPOLIS SAN FRANCISCO

## Clearinghouse Section Book on the Service Charge

A complete plan for group cooperation on the part of banks for the installation and operation of the service charge on unprofitable accounts is provided in a booklet just issued by the Clearinghouse Section of the American Bankers Association. O Howard Wolfe, president of the section, says in an introduction:

"The significant and distinctive feature of banking service in the United States is the universal use of the deposit-and-check system of making payments. The characteristic tendency of the banker, stimulated by keen and wholesome competition, to offer banking facilities without limitation has reached a critical point. Because of greatly increased overhead costs, it is no longer economically possible to ignore the distinction between the depositor who uses the check to avail himself of accumulated credits and the depositor who gives no thought to his obligation to the bank other than to keep a few dollars on deposit usually, but not always, sufficient to meet the checks he draws. It is this condition that has caused the rapidly growing development of the so-called service or stop-loss charge. The contents of this pamphlet are directed to the attention of all bankers who are concerned with the correction of an uneconomic situation."

A careful study of banking costs throughout the country, the book says, has demonstrated the necessity of service charges to protect banks against loss from unprofitable accounts and such charges may be installed without serious loss in accounts or any loss whatsoever in good will if care is taken to educate the depositors as to their justness and fairness. The book continues:

"The service charge on unprofitable accounts, although a comparatively new idea in banking practice, has been successfully adopted by banks in over two thousand cities, towns and communities during the past four years. It bids fair to become universal. This movement was given its chief initial impetus about four years ago by the preparation and publication by the Clearinghouse Section of the American Bankers Association, of a very simple plan for analyzing checking account costs, whereby any bank could easily and definitely determine the expense of handling its checking accounts. This analysis booklet proved very popular and thousands of bankers who used it to analyze their checking accounts wrote us, expressing amazement at discovering that from 35 per cent to 60 per cent of their checking accounts were being carried at a loss; and this discovery resulted in their taking definite steps to stop these 'leaks and losses' through the installation of an equitable service charge



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These bonds are indorsed by  
Surety Companies whose names  
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*Bank and Dealer  
Inquiries Invited.*

**H. SMITH & COMPANY**

THE BANKERS BUILDING

105 West Adams Street

CHICAGO

*Northwestern Banker* October 1928

that would at least make these accounts pay their way."

#### The Necessary Steps

The book gives the following steps that have been found effective in the successful installation of the service charge in many communities:

"First Step—In installing the service charge, the first step is to determine the cost of handling checking accounts, the required minimum balance, and the charge to be made on unprofitable accounts. The general experience is that banks in country districts and small towns find it necessary to charge fifty cents a month on balances of less than

\$50 or \$100; in the larger towns and smaller cities, \$1 a month on balances of less than \$100. The minimum balance is higher than \$100 in some metropolitan banks.

"Second Step—In communities where more than one bank exists the second step is to secure, if possible, the cooperation of all the banks, as concerted action strengthens the plan, divides the burden of educating the public, and increases the spirit of cooperation between the banks, furthermore relieving any one bank of the responsibility for introducing the charge.

"It has been demonstrated, however, that where cooperation of all the banks

cannot be secured, either through a local clearinghouse or through agreement among the banks, a single bank can successfully institute the service charge, and in doing so almost invariably increases its total deposits.

"Ordinarily, the charge is not applied to the accounts of government, state, municipal, religious, educational, charitable or philanthropic organizations. Also, it is not applied to inactive accounts or savings accounts. Exemptions should be definitely decided upon, and no other exceptions should be made—to do so will not only defeat the purpose of the charge but lead to inevitable embarrassment and loss of good will.

"Third Step—See that the officers and employes fully understand the nature of the charge, the economic facts and figures which justify it, and the exemptions and limits which have been determined. Then with a date decided upon for its inauguration, preferably at least two months away to give ample time for complete explanations, the bank is ready for a public announcement of its service charge."

Depositors may be educated as to the fairness and justness of the service charge, the book continues, through the use of personal letters; circular letters issued by the clearinghouse, by associated banks or by individual banks; by conversation of bank officers with customers, and through newspaper advertising, preferably in the form of cooperative campaigns by associated banks. The book then goes on to give extensive examples of form personal and circular letters and a series of type advertisements which have proved successful in launching the service charge idea in various communities.

In conclusion there is included an article, "The Service Charge Experiences of a Small Bank," by Dan V. Stephens, president of the Fremont State Bank, Fremont, Nebraska, giving a concrete instance in which the installation of the service charge brought about not only the elimination of undesirable accounts, but a substantial increase in deposits.

The booklets may be obtained at cost from the Clearinghouse Section of the American Bankers Association.

#### Warning!

On a farm in south Georgia is posted this sign:

"Trespassers will be persekuted to the full extent of 2 mean mongrul dorgs which ain't never been overly soshibil with strangers and 1 dubbel barled shotgun, which ain't loaded with no sofy pillers. Dam, if I ain't tired from this hel raisin' on my property."

Let the other fellow talk occasionally—you can't learn much by listening to yourself.

# \$100,000

## First Mortgage 6% Collateral Trust Notes

Dated Sept. 15, 1928      Due Sept. 15, 1931

*These Notes, a direct obligation of Krenn & Dato, Inc., are recommended as a prime short-term investment. Descriptive circular will be sent promptly upon request.*



BOND DEPARTMENT

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*Exclusive Agents for Edith Rockefeller McCormick Trust*

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## Money and Interest Rates

Money rates—a topic of especial interest in the present financial markets—are discussed from an interesting viewpoint in the current quarterly review of Halsey, Stuart & Co. After discussing the increase in rates and the drop in volume of new financing, the review makes this comment as to the effect of higher money on business generally:

“The significant—and encouraging—thing about all this, however, is that it reflects no basically unsound conditions in business and industry. In fact, it is a striking commentary on the strength and soundness of business generally that it has continued active in the face of the prevailing high money rates. Despite the handicap of high money, which, of course, adds to the cost of operation, business in most lines still continues at the active pace set earlier in the year.

“Moreover, it shows no present indication of marked recession for the next few months. There are those who see in the higher rates an actual benefit to business, for without their retarding influence, the market activity of the first half of the year might easily have developed into unhealthy proportions, and thus affected business.”

Viewing the situation in this light, the review emphasizes its relation to the bond market, saying:

“So far as the bond market is concerned, therefore, the reduced activity of the last few months and the lower level of bond prices reflect a money situation rather than any change in general business that might justify apprehension on the part of investors as to the soundness of basic conditions.”

Commenting on the current conditions in the bond market, the review touches on an optimistic note, saying:

“In the last few weeks there have been indications of definite improvement in the bond market. A larger volume of new issues has been offered, most of which have been well taken. There has been some strengthening of the price level from the low point registered during midsummer, but prices still remain attractive. In short there has been no evident change in the security of well-chosen bonds since the first of the year but, because of changes in money rates, the investor is afforded opportunity to get a more liberal rate on his present selections.

“How long the higher interest rates are to continue is a matter of conjecture. Over the long range, however, there appears to be an agreement that rates will resume their preceding trend toward lower levels, which, of course, would mean higher bond prices.”

WE RECOMMEND

**American States Public Service Company**

First Lien 5½% Gold Bonds, Series “A” Due  
May 1, 1948

**PRICE 95½ to Yield 5.85**

These bonds are listed on the Chicago Stock Exchange. Descriptive circular forwarded upon request.




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**Stanley Securities Corporation**  
I. C. STANLEY, President

**Farm Mortgage Bankers** **CEDAR RAPIDS**

## MAKING NEW CONDITIONS WORK TO OUR ADVANTAGE

(Continued from page 19)

determined to attempt to participate in the immense profits which are being realized by many industrial concerns.

### A New Condition

Five years ago the banks of Des Moines had hardly any loans secured by listed stocks; today they have hundreds and hundreds of them. Five years ago there probably were not altogether in the city of Des Moines more than a few hundred owners of common stocks; today there are thousands and thousands of such

investors. It seems to be that this trend will eventually go on out into the country and you men will face the problem of attempting to reasonably govern the activities of your customers in that type of speculation and investment. It seems, then, that we must broaden our study and knowledge of banking to include economics so that our investments of our funds in bonds, call loans, commercial paper, etc., will be done intelligently. We must follow closely the rapidly changing trend of business and finance so that we may more soundly counsel our customer in his investments. Within a given industry some concerns or individuals equipped to meet present

conditions are getting along while others struggle unsuccessfully against increasing competition and changing trade customs. The days when a business would keep going under indifferent supervision have passed, and success is increasingly dependent upon intelligent management alive to the situation today and the probable situation tomorrow. Many able men have made the statement that some of the troubles of the farmer can be attributed to the fact that he has failed to keep pace with the business man in the adoption of new ideas to meet conditions as they exist in 1928. Is there an opportunity present for the country banker to assist his farm customers inject into their operations some of the real business efficiency which is found in all successful industry today?

### Chain Idea Growing

I am wondering what thoughts may have occurred to you men as you have observed the great development of chain stores in this country. Does it ever occur to you that the banking business may some day fall into that procession? Statistics today show that there is a very decided increase in the number of chain bank groups of affiliated ownership in this country. Industry in making its great strides forward has discovered that the public simply will not pay the freight for the unreasonably high overhead expense in any business. Great mergers, combinations, have been made in all lines of business and up to this time the public and the government seem to have approved this tendency towards trusts and monopolies, but undoubtedly these tremendous combinations will be approved only so long as the cost of the commodity to the consumer is not increased. In looking over our banking situation in Iowa today it seems that there are many real opportunities present for constructive mergers of banks. Every banker should have this thought in mind so that his institution may be large and virile enough to operate profitably and in some cases it would probably be better for small institutions to be affiliated through ownership with bigger institutions in larger places. Does it seem to you that this economic pressure from the public for reduction of overhead expense may eventually bring into this nation chain banking everywhere, and perhaps branch banking? I quote from a recent article in a leading banking journal: "Bankers must face the issue of whether they will have chain banking or branch banking. Chain banking has made tremendous strides since the McFadden act became a law and new expansions are pending. Conditions seem to be reaching the point at which it will not be a question of whether the country should have chain banking but which is preferable, chains or branches. Lack of information has held back recognition of the progress of chain banking."

**Bankers and Investors** considering  
the purchase of foreign bonds should have a general knowledge of the offering government, its political and industrial history, and the place it holds in the commercial and diplomatic world.

To secure this information, the investor must either spend a great deal of time and effort in careful research, or rely upon expert opinion.

That is one of the functions of Baker, Kellogg & Company, Inc., to furnish without obligation, expert advice on all phases of Foreign bond investment.

Our highly trained staff will be glad to answer any inquiry relative to Foreign bonds.

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# Hundreds of Iowa Bankers Buy Bonds from This Company

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Some of our bank customers have been with us for many years—a few for as long as three decades. We take considerable pride in this type of patronage for we know that the bankers of this state are most discriminating investors. They rightly demand the best in investment securities.

Bankers throughout the state are invited to get in touch with our Davenport office with a view to familiarizing themselves with our policies and methods and the classes of bonds we offer. Your inquiry involves no obligation.

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I O W A ' S O L D E S T A N D L A R G E S T B O N D H O U S E

*Northwestern Banker* October 1928

# A Chicago Office For Your Bank

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I know we all agree that this mammoth growth and proprosperity of industry in this country has come about somewhat at the expense of agriculture. We all know that a small percentage of the people of this state during the past ten years have made any real attractive profits. How much longer is the farmer's share of the national income going to continue to decrease and the share of industry increase? It seems to me that the cycle will soon begin to turn again in favor of agriculture. Well informed authorities agree that the market for farm lands ought to improve definitely within the next year. You may have seen the statements in the press recently concerning the talk made in Des Moines by Mr. Eugene Meyer, Farm Loan Commissioner of the Federal Farm Loan Board. I quote the following from the Des Moines Tribune: "Mr. Meyer stated that appearances indicated that this country is on the verge of a very much improved market for land. This, he emphasized, will not be in the nature of a boom or any speculative movement but rather a gradual but substantial increase in prices. 'There is no land boom but land generally is moving from weaker to stronger hands,' Mr. Meyer said. 'The market is better both in volume and tone. There is little speculative buying. Many of the sales are to neighbors.' He added that the greater part of the demand is by operating farmers who are willing to pay fair prices." There are signs of real improvement already in certain sections, but the trend is not general enough to bring about any substantial benefit.

**Some Real Competition**

European industry for the first time since the war is waxing strong and active, and will undoubtedly furnish some real competition to our American industry. If our national government is reasonably considerate of the welfare of our section in its tariff policy we may be able to buy our necessities and luxuries a little cheaper. In the present national election both parties have so definitely recognized the farm problem and so wholly committed themselves to some program of relief that undoubtedly we will realize some encouragement and assistance from Washington next year.

All in all, it seems to me that we are on the threshold of a period of better conditions in our state and perhaps we may again experience the pleasure of some real attractive profits.

**Small Town**

"Talking about little burgs," said the traveling man, "reminds me of the time I was in the smallest town I know of. Why, that town was so small that they painted 'Come Again' on the back of the 'Welcome' sign."

# DOUBLE SAFETY

W ISE investors will appreciate the fact that the Investments offered by this house will be subject to double scrutiny and examination in their selection—first by the executive officers of the company in Davenport, and then by competent and expert counsel in the central market in Chicago, having close connections with the head officers of other investment houses and banking institutions.

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AMERICAN BANK BUILDING TELEPHONE DAVENPORT 763  
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	Rate	Due	Yield About
General Furniture Co. . .	6½s	Feb. 1929	6.00%
Associates Investment Co.	6s	Feb. 1930	6.25%
Commonwealth Telephone Co. . . . .	5s	Sept. 1929	6.50%
Gaukler Ice & Fuel Co. .	6s	July 1929	6.65%

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*As unusual securities for  
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These bonds carry the following essential elements of a sound investment:

**SECURITY OF PRINCIPAL**—Appraised present sound value of the company's properties after accrued depreciation, is \$11,046,620 or almost 3 times these \$4,000,000 bonds, an unusually high ratio for a public utility company. Net tangible assets are \$12,452,021 or more than \$3,100 for each \$1,000 bond.

**CERTAINTY OF INCOME**—Earnings available for interest in 1927 were \$589,755, over 2 times the \$240,000 interest requirements on this issue. 1928 income results show earnings at rate of 3 times interest.

**MARKETABILITY**—The company is required to purchase in the open market sufficient of these bonds to retire \$3,200,000 by maturity, an average of over \$320,000 per annum. The bonds are also listed on the Chicago Stock Exchange.

Owing to the many attractive features listed in part above, and the attractive yield of 6.13% returned by them at their current price of 99, we anticipate a quick sale of the small block that remains available.

*Your inquiry will be appreciated*

## TRUE SECURITIES CO.

231 South La Salle Street

Telephone Central 6556

CHICAGO

### WHAT'S WRONG WITH THE MIDDLE WEST?

(Continued from page 21)

have a governmental farm aid theory these days. My own pet theory is more Spartan than some others and has only one joint board of a nonpolitical make-up to sit on all the problems of tariff, labor and farming. All are so closely inter-related and the continued labor-wage increases awarded railroad and other employes might thereby be kept in better balance with each other.

#### How They Are Serving

Do you know how public officials and newspapers are serving your communities? When a year ago, in Nebraska, the statements of our country banks became ruinously frozen with real estate, our association wrote every county official, every school superintendent and principal, every banker and every newspaper editor enlisting their support for using accurate agricultural data from government and other records, under the slogan "The Truth About Nebraska" which yielded quite amazing results in liquidating many items and stimulating farm sales. Comparatively viewing our progress—the "Other Real Estate" items of all Nebraska reporting state banks decreased nearly \$4,000,000; and, in one of our sister states with a rampant farm relief press, increased over \$800,000 during the period from June 30, 1927, to June 30, 1928—with about equally good crops in each state. In Nebraska the bills payable decreased another \$4,000,000. A year ago, on the June 30th call date, there were barely 100 banks in our state banking system which had the required 15 per cent cash reserve. This June 30th the average cash reserve for our state banking system was 22 per cent and over 35 per cent cash and bonds.

I feel the same results are obtainable in a broader way if a similar plan of accurate agricultural publicity—having a national scope—might be undertaken. Furthermore, the 10,300 farmers buying wild land in Canada, of which 22 were from Nebraska and five from Gage county—on the second Tuesday in July, one fare plus two dollars round trip excursion—would make much better investments for themselves by buying land at home than in untried far-away places. The keeping of these farm investments in our own country would not only yield better results for the investor and the community, but would create new business fields for industry, labor, banking, life insurance and newspaper advertising. The activity of the Greater North Dakota Association, in that state has had a very healthy effect, the first six months of this year compilation of farm sales from deed records showing a turnover of 4,251 farms, totaling 805,998 acres, at an

average sales price of \$33.00 an acre. Our own farm operating company sold 40 farms the first six months this year, compared to 10 farms sold the first six months last year.

#### Careless Statements

Current careless statements that farm land is a poor investment are not based on facts. The successful farmer does not like to talk about his income any more than any of the rest of us. I know of a high school boy who sneaks his semester report cards to his mother so that his father will not talk about his 5-A record at the office. The farmer, merchant and preacher are all alike in their inherent modesty. In any event, the blowhard is always unreliable and usually unsuccessful.

There are six and one-half million farms in the United States. It is conservative to estimate that from 5 to 10 per cent of these farms are unsuccessful and their owners failures from overexpansion or incompetency in one form or another. These misfits make an astounding total of over half a million, who make a noise totally overshadowing the six million successful ones who sit by in modest and justifiable reticence, chuckling to themselves—"Why do the heathen rage and the people imagine a vain thing?"

Business corporations on the other hand are not independent in themselves, with their thousands of partners in the form of stockholders to whom periodic reports must be rendered, which—if the stock is listed on an exchange—are open to public review, therefrom originating the earning statements that sometimes arouse our envy. The successful few get the big headlines in the newspapers and the others, the small type or no type at all. One-fourth of 1 per cent, or about 1,100 corporations in 1926 earned two-thirds of the total corporation profits and 40 per cent, or about 172,000 corporations, lost money. Everyone of the successful corporations would prefer to sit modestly by and, like the successful farmer, tell everyone to mind his own business.

There are many general proofs that farm lands are yielding good returns—such as continued high bank deposits above referred to and high life insurance, mail order and automobile purchases, not to overlook the \$100,000,000 road bond issue authorized this spring by the Iowa legislature, and Nebraska's \$12,000,000 capitol, which is being paid for as it progresses, our state having no bonded indebtedness whatsoever. These are all accurate, voluntary, thrift and general earning indicators.

#### Direct Earning Indicators

More direct earning indicators are the United States agricultural statistics

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gathered by assessors which show that the Nebraska 1927 money value for corn land is \$20.52 an acre; for wheat land \$22.14 an acre; for potato land \$79.50 an acre, and sugar beet land \$102.24 an acre. These are gross crop money returns, but it must be remembered that they are state-wide averages upon land values widely diverging from \$15.00 an acre to over \$250 an acre, and include every class of shiftless farming as well as the carefully rotated farm. The determination of the net-per-acre money return is the same problem as the net leftover at the end of the year of the doctor, the merchant, the carpenter and the stenographer, and depends entirely upon the personal enterprise, thrift and management of the individual, his wife and his family. A farmer's wife has an equal share in his prosperity and often, a majority share. Many sad instances come to our attention where the death of a

wife entirely disintegrates a previously successful farming family. Cooperation of a farmer and his wife is not a sentiment, but an economic necessity.

Other direct national land earning indicators are available through the splendid two-year-old Master Farmer statistics, giving a reliable cross-section of our country's successful farming. In Alabama the ten reporting farmers have an average gross annual income of \$23,635, which is 28½ per cent on the \$82,788 average capital investment. In Georgia the twelve reporting farmers have an average gross annual income of \$20,800, which is 29 per cent on the \$70,200 average capital investment. In Michigan the twenty-four reporting farmers have an average gross annual income of \$11,250, which is 29 per cent on the \$38,000 average capital investment. In North Carolina the twenty-four reporting farmers have an average gross annual income

of \$14,644, which is 26¼ per cent on \$55,742 average capital investment. In Texas the thirty reporting farmers have an average gross income of \$8,595, which is 19¼ per cent on the \$44,646 average capital investment. In Nebraska the twenty reporting farmers began with an average capital investment of \$1,454.25 and at a present 55-year average age, show a net worth of \$88,645. The average gross annual income was \$15,042. The average five-year *net* annual income was 9.3 per cent for the 1927 reporting farmers. In the Northwest, the sixteen reporting farmers from Minnesota and North Dakota show an average farm value of \$47,000 and ten own their farms clear of debt. The twelve eastern reporting farmers are grouped from Pennsylvania, New Jersey and Maryland. Their farms range in size from 65 to 270 acres with gross individual incomes for 1927 as high as \$35,000. All go on frequent vacation trips; several to Florida; some to Europe, Asia and Africa. These twelve farmers report 24 automobiles; 13 tractors, 11 motor trucks and 13 gasoline engines. In Illinois twenty-seven of the forty-nine reporting farmers, and in Indiana thirteen of the nineteen reporting farmers started with nothing and earned everything they now have.

These are all gross incomes—but still they are not the total gross—and every radish pulled, every quart of milk used by the family and its labor, every chicken and hog butchered and every day of housing enjoyed must be added to make a true gross. In Indiana the average expenditure for groceries of the nineteen reporting farmers is less than \$250 a year per farm.

#### Net Earnings

Some *net* farm land earnings are obtainable from group farming enterprises and direct operating reports of the larger individual operators who keep books. Mr. F. F. McArthur of Pottawattamie county, Iowa, farming 3,312 acres, reports that since 1920 he has averaged \$1.03 for each bushel of corn produced and marketed on the hoof, and that at present market prices each of his three tenants this year will net from \$12,000 to \$15,000 as their share, after deducting full production costs. Mr. Ernest Thornburg of Shelbyville, Indiana, on a group of 14 farms, shows a net return of six and two-thirds per cent over a period of seven years at a valuation of \$140 an acre. The 5,000-acre Brenton farms in Dallas and Polk counties, Iowa, produced a net return of nearly 7 per cent (6.72 per cent) in 1927 at an approximate valuation of \$150 an acre. In Schleswig, Iowa, Mr. John Ehler, one of its prominent farmers died May 13, 1928, leaving holdings of 2,100 acres of Iowa land having a conservative market value of over a quarter million dollars. Mr. Ehler

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First Mortgage Real Estate  
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Bankers Building  Chicago



came to the Schleswig vicinity in 1890 as a hired hand.

Our own farm operating company has records of scores of farms netting their owners up to and over 10 per cent on the capital invested during the last five years after expenses and betterments are deducted, some of which I cited last year in Denver.

Bringing down to July 1, 1928, the records of our 100 owned farms (the scum of the first batch of foreclosures scattered over five states as you will remember) these were managed for the fiscal year with 295 supervision visits costing \$8.10 each which is \$23.90 per farm (6c an acre) compared to \$20.96 in 1927 and \$14.99 per farm in 1926. These expenditures are on a \$10 per day and 10 cents per mile cost basis. The repairs and betterments were \$27.26 per farm (6¾ cents per acre) compared to \$47.44 per farm in 1927 and \$22.75 per farm in 1926. The grass seed costs per farm in 1928 were \$15.91 (3 cents an acre); \$7.63 in 1927 and \$5.71 in 1926. To watch these farms and their yearly statements is very interesting and gives some real information, uncolored by politics or self interest.

**Banking Education**

Two courses designed to give a complete survey of current American business banking and investment problems were announced recently by Dr. Alvin S. Johnson, Director of the New School for Social Research, 465 West 23rd Street. One course will be entitled "Recent Advances in Economics and Finance." The lecturer will be Carl Snyder, general statistician of the Federal Reserve Bank of New York and author of numerous economic books and papers.

Elisha M. Friedman, lecturer on finance at New York University since 1920 and member of the Economic Liaison Committee cooperating with the Foreign Trade Adviser's Office of the State Department, will direct the second course. Associated with him as lecturers in the course from time to time will be Walter W. Colpitts of Coverdale and Colpitts, Consulting Engineers; Edgar L. Smith, President, Investment Managers Co.; Frederick R. Macaulay, National Bureau of Economic Research; and George Roberts, Vice President, National City Bank.

Both courses will begin during the week of October 1st and each will consist of 18 lectures. Any adult is eligible for registration and early enrollment is recommended by Dr. Johnson, as the classes are held small enough to permit of discussion and comment.

**Crisis**

Times had reached a troublous pass at the First National Bank of Miners, Mer-

chants & Morons, and a meeting of the directors had been called.

"We've got to have a reorganization at once," the chairman announced.

"Why? What's the trouble?" a mere director asked.

"We've just discovered that we have three more depositors than we have vice presidents."

Have the boss swear by you—not at you.



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*We believe the following bonds are attractive at present market prices and recommend their purchase for conservative investment:*

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Detroit City Gas . . . . .	5's	1950
Central Illinois Public Service . . . . .	4½'s	1967
Iowa Power & Light . . . . .	4½'s	1958
Nevada California Electric . . . . .	5's	1956

*Circular on request*

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## ON

# LIFE INSURANCE POLICIES

By **JEROME CLARK**

*Assistant Superintendent of Agencies  
Union Central Life*

**F**OREIGN nations value and conserve property. They are strong on the conservation of their physical resources, but place a more moderate value on their man-power. We are just the opposite. America prizes and protects life values in just the same way as our friends across the sea prize and protect property values.

It is essentially American to back the courage, initiative, the brain-power of our enterprises with our last ounce of raw materials and working capital, and then to safeguard that brain-power with Life Insurance.

Then, if the thing we are really exploiting and exhausting is our man-power, which cannot be replaced, instead of our property which can, Life Insurance is indeed an important factor in building our nation.

But the capitalization of life values is not the only function of Life Insurance in our national structure. Perhaps an even more important function is its service in reinforcing certain of the ideals which we believe to be so necessary to our American civilization. For one thing above all others upon which we pride ourselves is what we like to call our American national freedom.

Of course, nowadays, in view of various and sundry legislation, we joke a bit that America is anything but the "land of the free," but still this joking which is sometimes even indignation is really nothing but a recognition that the maximum personal freedom and individuality is the thing we prize above all else.

But personal freedom implies personal responsibility. There is such a tendency nowadays for unsettled people to disclaim their responsibilities and to look more and more to the state for relief. Constant pressure is brought on the state to solve not only problems of industrial and agricultural depression, but also the strictly personal problems of relief in unemployment, sickness, old age, etc.

Life Insurance is contributing to our

national freedom because it is a tremendous factor in the solution of our personal responsibilities. The emergency values in every policy available during unemployment are the creation of the policyholder himself. The Disability Clause in his policy is the mark of his own forethought and sagacity and the old age incomes available under every permanent plan are his own accumulations for meeting his own personal responsibilities. Life Insurance is opposed to

holders are in reality a vast army of property owners, property owners of the very cream of our national wealth. In these days of uncertainty as to the place of capital in the scheme of things, it is worth a great deal to our nation that through Life Insurance so many people have an active, personal, financial interest in the productivity of our capital.

If we can but capture some of that spirit, that business initiative, that courage which is resulting in present-day progress, capitalize it and value it, and then safeguard it forever, then to that extent will we be building a nation with Life Insurance policies.

Of course, it is always hard to apply national problems to our daily work. The issues are so stupendous, the figures so large, that it seems impossible to fit ourselves into the scheme.

### A Vast Army

"We are building a nation with life insurance policies because life insurance enables so many people to take a cooperative part in our economic life through the investment of life insurance funds. The safe investment of life insurance funds is guaranteed by our most productive farm lands, our homes, our business real estate, our railways and public utilities."

state relief and state intervention in personal problems because it makes such relief unnecessary and uncalled for. Life Insurance finds a place in our national freedom because Life Insurance policies are helping people to solve their own problems.

### A Vast Army

Furthermore, we are building a nation with Life Insurance policies because Life Insurance enables so many people to take a cooperative part in our economic life through the investment of Life Insurance funds. The safe investment of Life Insurance funds is guaranteed by our most productive farm lands, our homes, our business real estate, our railways and public utilities. Life Insurance policy-

room jumped up in some excitement.

He said, "Professor, would you mind repeating how long it will be before people won't be able to live on the earth any more?"

"Five million years."

"Oh," he gasped in relief, "I thought you said one million years."

In the same way it is hard to get a perspective on our seventy-five billion dollars of Life Insurance in force in the United States, for this is a stupendous amount of money and almost beyond our conception.

But just for a moment think of this enormous sum in terms of our every-day life. Think of the homes this Life Insurance is going to keep in comfort. Think of the food, the clothes, the con-

*Northwestern Banker*    October 1928



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

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

**STRONG**

**LIBERAL**

veniences it is going to purchase. Think of the mortgages it is going to wipe out. Reflect on the comfort and happiness it is going to give men and women in the declining years of their lives.

And there are indirect benefits as well. Life Insurance is helping to make us a nation of home owners. It is adding to the years of our lives and of companionship of our loved ones through its health education. It is teaching us to live sane, healthy lives by encouraging habits of thrift and economy. It is educating us to lay aside in the years of prosperity funds for the years beyond. It is making America not alone the richest nation in the world in the point of resources, but also the richest in point of family protection and comfort.

After all, when we scratch some of the gilt and tinsel off our lives we find that people the world over are faced with the same common problems of living. The individuals of all nations need food and clothing, shelter in old age, and burial after death. They are all striving to educate their children, to provide for their families and to hand on something to posterity.—*From address before Cleveland Underwriters Association.*

#### Becomes Agency Supervisor

LeRoy W. Secor has been appointed agency supervisor of the Great Western Insurance Company, succeeding George C. Martin, resigned, it was announced by W. G. Tallman, president.

Mr. Martin resigned to again take charge of the company's agency in southern California. He came to the home office in Des Moines shortly after the death of Henry B. Hawley, founder of the company.

Mr. Secor, who has been manager of the company city agency, will continue to have charge of the local agency, and

will direct his supervisor work agencies from an office in the home office, it was announced.

#### Heads Southern Surety

Norman R. Moray, vice president and general manager of the Hartford Accident & Indemnity Co., recognized as one of the successful outstanding casualty-surety executives in the country, has resigned to become president of the Southern Surety Co. Mr. Moray will become a director and a member of the executive committee of the Missouri State Life Insurance Co., and will be president of a substantial life insurance company to be organized by the same financial interests.

This deal has been arranged by Kidder, Peabody & Co., and by Caldwell & Co. of Nashville, Tennessee. The arrangement is unique in that it is the first time that the financial interests of the country have formally entered the insurance business on a broad plane, and with strong financial backing for the future program.

#### To Increase Capital

A special meeting of the shareholders of the National Surety Co. has been called for October 10th, to take action on several recommendations suggested recently by the board of directors. The board has proposed to reduce the par value of stock from \$100 to \$50 per share, issuing two shares of par \$50 for each \$100 par now held. They also recommend that the capital of the company be increased from \$15,000,000 to \$16,000,000.

#### Agency Meeting

The annual agency convention of the Cedar Rapids Life Insurance Company will be held at the home office on November 9th. Jay G. Sigmund, vice president, is in charge of the program and entertainment features.

#### JOHN HANCOCK SERIES

If we were on the "fring line" we certainly would invest a two cent stamp to find out all that we could about anything that might add to our yearly income.

### GROUP SERVICE

The service extended to the field by the John Hancock Group Department along these lines is well worth your attention.

There are, at this minute, promising leads for Group Insurance in your own office.

May we point the way towards turning them into money, and help you to do it? We have done it for others. We can do it for you.

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Surplus Assets .... 36,006,103

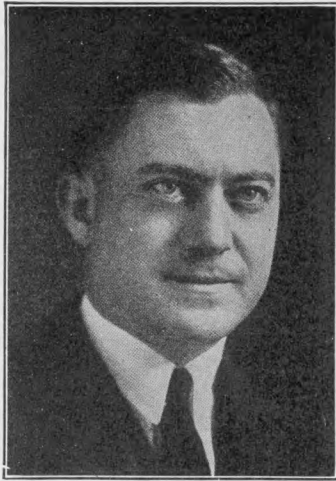
*John Hancock*  
MUTUAL  
**LIFE INSURANCE COMPANY**  
OF BOSTON, MASSACHUSETTS

197 Clarendon St., Boston, Mass.

SIXTY-FIVE YEARS IN BUSINESS

## Joins Northwestern National Life

W. F. Grantges, former first vice president and general manager of the International Life Insurance Co., has been appointed agency director of the Northwestern National Life Insurance Co. of Minneapolis and has assumed his new duties. He had previously been offered and tentatively accepted a vice presidency in the agency department of the Missouri State Life. However, he leaves St. Louis with the best wishes of President Hillsman Taylor, of the Missouri State Life, as his arrangement with that



W. F. GRANTGES

company was subject to cancellation should he receive a better offer for his services from another life insurance company.

Several other former International Life agency men have already followed the Grantges to the Northwestern National Life. These include Frank Keenan, assistant director of agencies; Guy Collard, Cleveland, division manager for Ohio and Indiana; A. S. Maddox, Washington, D. C., Eastern division manager, and H. G. Neal, state superintendent for Indiana. H. B. Keck, former general agent at Chicago, previously had gone with Northwestern National Life. All have been given similar positions with the Minneapolis company.

### New Des Moines Company

A new insurance company, the Western Fire & Marine, has recently been incorporated in Des Moines, Iowa. The new company has an authorized capital stock of \$200,000, and was started by a group of Des Moines and Iowa insurance men. The officers are Jay A. King, president; I. C. Edmonds, vice president, and D. O. Milligan, secretary-treasurer. The company is authorized to operate in Iowa and surrounding states.

# You, Too, Are Interested

YOU are vitally interested in the property listed with you as security. Property carrying *Iowa National Fire Protection* is doubly secured in event of disaster. Recommend *Iowa National Fire* coverage to your clients.



*The Tall Grown  
Company  
in the  
Tall Corn State*



**Iowa National  
Fire Insurance Company**  
DES MOINES

Fire, Lightning, Tornado, Automobile

### In Democratic Campaign

For the second time Rogers Caldwell has been appointed to direct finances for the Democratic national and state campaign this fall in Tennessee. Mr. Caldwell is president of Rogers Caldwell & Company, which controls the Missouri State Life, the Inter-Southern Life, and the Southern Surety Company of New York.

### Airplane Ratings

The Equality Life Assurance Society announces a change in ratings for persons who take trips as passengers in airplanes. Where the number of flights

taken are small and for short distances, there is no increase in rate. In cases of consistent flying an aviation annual extra premium is charged of \$2.50 per \$1,000 to \$25 per \$1,000. The extra premium, if charged, will of course vary with the amount of flying done.

### Becomes Secretary

George W. Wells, Jr., Minnesota state insurance commissioner, has accepted an appointment as secretary of the Northwestern National Life Insurance Company of Minneapolis to succeed Maurice V. Jenness, recently resigned, according to an announcement by O. J. Arnold,

president of the company. Mr. Wells, who is also state fire marshal and a member of the state securities commission, will relinquish all his state duties as soon as he can be relieved to assume his new position. His term of office as insurance commissioner would have expired February 28, 1929.

Mr. Jenness, whom Mr. Wells succeeds as secretary, continues his association with the company, but in the agency field as a life underwriter. He will specialize in business insurance and life estates, operating through the White & Odell Agency, Inc., state agents for Minnesota. Mr. Jenness is making this change with the expectation that the greater freedom and outdoor life which he will enjoy in the performance of his new duties will improve his health, which has not been good for the past two years.

### Publish New Book

"Agents Earnings—a study of the relative earnings of soliciting agents and general agents" is the title and subtitle of a new book of eighty pages, now being published by the Bureau of Agency Analysis, Philadelphia. The author is M. A. Linton, vice president of the Provident Mutual Life.

Mr. Linton's latest study of the relative earnings of soliciting agents and general agents discusses in a nontechnical, popular manner some essential features of the two types of service. The following titles from the table of contents indicate the subjects discussed:

- The Soliciting Agent's Income.
- Preliminary Considerations for General Agency Work.
- The Incidence of General Agency Income.
- Financing the Early Years.
- Uses for Capital.
- Personal Production by a General Agent.
- The Collection Fees on Old Business.
- The Nature of General Agents' Renewal Commissions.
- The Expense Allowance and First Year's Overriding Margin.
- Terminal Equities.
- Agency Forecasts.
- The Importance of Quality Business.
- Large Personal Producers as General Agents.
- The Future of the General Agency System.

The purpose of the book is to help men in the field and in home offices to a better understanding of the way the general agency system operates. It discusses the qualities that a prospective general agent should possess and the possible amount and distribution of his income as compared with the income from personal business. It shows how cooperation of the agency and actuarial departments can yield results that are useful to all con-

# One Billion —Plus

*Missouri State Life Now Largest Life  
Insurance Company West of the  
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WITH more than one billion, one hundred forty million dollars of life insurance in force, the Missouri State Life now ranks 14th among the more than 350 Legal Reserve Life Companies of the United States. It is the largest life insurance company west of the Mississippi River.

The Company writes all forms of modern, up-to-date protection—Life, Accident, Health, Group and Salary Savings insurance.

Splendid openings for progressive men.

## MISSOURI STATE LIFE INSURANCE COMPANY

Hillsman Taylor, *President* Home Office, St. Louis

Life  
Accident - Health  
Group

MISSOURI STATE LIFE INSURANCE CO.  
ST. LOUIS

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Address.....

cerned. It discusses certain features of the general agency plan as compared with the salaried manager plan.

Following the nontechnical presentation is a reference section containing tables for direct reference and tables that may be used by the actuary in making up the agency forecasts discussed in the text.

**A Battle of Giants**

What is described as a trunk line battle is now apparently impending between the so-called eastern roads. Those that are chiefly involved are the New York Central and the Pennsylvania groups, the question being whether the four system or five system plan for dividing the New York-Chicago territory shall be adopted. In the nature of the case, it is a highly technical issue on which the judgment of the average man is not likely to be particularly good, and, it must be admitted, one in which the general public interests of the country are not so immediately involved as to make plain exactly what would be the effect of either scheme.

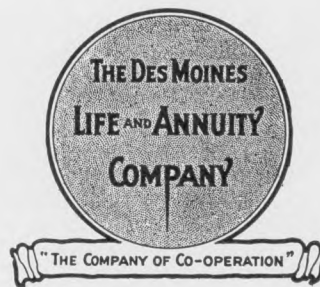
Those who are chiefly involved in the matter are the stockholders and managers of the several roads and the promoters of the conflicting merger projects. Of course, in the long run, what is done now will vitally affect the public interest, even though there be no change in rates or public convenience for the immediate present. The consolidation or systematization of the roads will, in the long run, influence the development of the territories which they serve and will be a factor of far-reaching economic import. Decades probably will have to pass before the result of such readjustments can be completely understood.

The railroad question as thus put, has also a fundamental and vital bearing upon the welfare of this port. Various methods of regrouping the roads will have varying readjustments of terminal facilities. It is these in which the New York public is profoundly concerned. They apparently have not figured thus far at all in any of the negotiations, so far as the community knows. Of course, the Interstate Commerce Commission keeps its hands off and waits for some "concrete proposition" (i. e., one that is practically an accomplished fact, except as to details) to be brought before it and "argued."

The public certainly needs some means of "sitting in" at these negotiations. At present it seems to have none whatever, in a local or a national sense.—From *Chicago Journal of Commerce*.

That is the bitterest of all—to wear the yoke of our own wrong-doing—Eliot.

The power of association is stronger than the power of beauty; therefore, the power of association is the power of beauty.—Ruskin.



# 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

### Can Use 10 to 15 Additional Bank Agencies and Make Liberal Earnings for Them.

*WRITE US*

### Can also Use Two or Three Insurance Salesmen.

*REFERENCES—Any Des Moines Bank*

**J. A. BLUM, General Agent**

## Guaranty Life Insurance Company

416 Iowa National Bank Building  
Des Moines, Iowa

# Bankers' Wants



This department of THE NORTHWESTERN BANKER is to assist subscribers in obtaining goods or service hard to find. It is free to subscribers. 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.



**Position Wanted**—Banker of Finnish nationality seeking position with a good bank, in a High School town, anywhere northwest or western states. Ten years' active experience as manager of a good small town bank; now president of the bank. Several years mercantile experience; raised on a farm. Age 33 years, married. Good references. Enjoying good support of the community in present position, but children require High School soon, so wish to change. Address No. 3052, care Northwestern Banker—8-9.

**Wanted**—A young man around 30 years of age as cashier of a bank with \$300,000 deposits in a town of 800 in S. E. Iowa. State experience and salary wanted in first letter with photo. Address No. 3060, care Northwestern Banker—10-11.

**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—9-10.

**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—9-10.

**Wanted**—Iowa bank stock. We are interested in buying either the control of, or a substantial interest in, progressive and well managed Iowa banks. Address No. 3062, care Northwestern Banker—10-11.

**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—9-10.

**Position Wanted**—By young married man, high school and business college graduate, as bookkeeper or assistant cashier. Eight years general banking experience. Best of references. Address No. 3055, care Northwestern Banker—9-10-11.

**Wanted**—Position in bank or farm loan office in town of 2500 or more by young married man. Protestant; 37 years old; 18 years' banking experience, 13 years as cashier in my last position. Banking record clean. Would consider cashiership of country bank. Address No. 3056, care Northwestern Banker—9-10.

**Wanted**—Young man who has the following qualifications: Banking experience in Iowa; an acquaintance among Iowa bankers; a reasonable degree of sales ability, to represent a well established financial house selling short time securities to Iowa banks. State salary desired. Address No. 3064, care Northwestern Banker—10.

**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—9-10.

**Position Wanted** as bookkeeper and stenographer by young lady who is a high school and commercial school graduate. Now employed in bank. Familiar with posting machine. Address No. 3063, care Northwestern Banker—10.

**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—10.

**For Sale**—Complete set golden oak bank fixtures. Victor manganese steel money safe, adding machine, and other bank equipment for sale reasonable. For full information write Farmers State Bank, Walker, Minnesota—10.

## They Found the Dog

Breathless he dashed into the police station at midnight. In a state of semi-collapse, he explained that his wife had been missing since eight o'clock that morning.

"What's she like?" asked the stolid sergeant in charge. "Let's have her description. Height?"

"I—I don't know," gasped the man.

"Weight?"

The man shook his head vaguely.

"Color of eyes?" demanded the officer.

"Er—grayish blue, I think."

"Do you know how she was dressed?"

"I expect she wore her coat and hat. I've just discovered she took the dog with her," said the man.

"What kind of a dog?"

"Brindle bull terrier, weight fourteen and a half pounds, four dark blotches on his body, shading from gray to white. He's got a blackish spot over the right eye, white stub tail, three white legs and right front leg brindled, all but the toes. A small nick in the left ear—"

"That'll do!" snapped the sergeant. "Anyway, we'll find the dog!"

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CURTIS A. HALE, Managing Director



	<b>South Dakota Bank News</b>	
<b>Officers South Dakota Bankers Association</b>		
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Vice President.....Thomas O'Brien Hoven		
Secretary.....George A. Starring Huron		
Treasurer.....J. C. Bassett Aberdeen		
R. E. DRISCOLL President		GEO. A. STARRING Secretary

## Starring Predicts Business Improvement

IN THE face of an estimate that the 1928 crop in South Dakota will be only about 71.4 per cent of that for last year, George A. Starring, Huron, secretary of the South Dakota Bankers association, predicted that the general business conditions over the state would be better this fall than in 1927. Mr. Starring was the principal speaker at the monthly meeting of the Sioux Falls chamber of commerce.

Recently, Mr. Starring stated, he has received about 180 communications from representative communities well scattered over 51 counties in South Dakota, relative to fall conditions as compared to 1927. Seventy of these estimated that farm income will be greater this fall than last; 90 said it will be less, while 14 stated that it will be about the same.

"The district which expects an improvement covers about 15 counties, or about one-fourth of the state," Mr. Starring said. "In nine counties it is estimated that the farm income this fall will be about the same as last year. The rest of the state is considered somewhat backward as far as the immediate present is concerned. Reports come from many parts of the state that farmers are still using last year's crops for feed and holding back the current crops for better prices.

"This is slowing down business somewhat. Thanks to winter dairying, stock feeding operations, and other forms of diversified farming, farm income in some districts will improve after the first of the year.

"Reports from 170 communities in the state show that 60 are expecting an increased fall trade over 1927, 60 expect it to be less, while 50 have prepared for about the same amount of business. Stated differently, 112 communities anticipate a fall trade as good or better than last year, while 60 expect a decrease. Of course you will understand

that these estimates came from all sorts of communities, large and small, and that frequently in some backward county one or two communities expect favorable business. If corn matures well throughout the state so that cattle and hogs can be finished, business conditions are expected to improve in many parts of the state where the immediate fall income is slow. Too much stress cannot be given to the growing importance of dairying and poultry in stabilizing the farm income and the business of the state.

"Bankers generally throughout the state are optimistic for the future and are expecting a gradually continued improvement in banking conditions. One banker in a part of the state where the fall farm income is considerably less than last year, and where local merchants are looking for a rather quiet fall, says that even in spite of this he expects an improvement in his banking conditions, 'for the reason that banks are more conservative and anticipate unfavorable conditions rather than permitting such conditions to overtake them unprepared.' I believe he pretty well expresses the idea of bankers generally. South Dakota bankers are doing better banking today than ever before in the history of the state. They are doing a more constructive and sound type of banking. They are more than ever before making the various divisions of the bank pay their way, instead of, as in many cases in the distant past, trying to make a profit on one department large enough to carry other departments along. There are fewer banks today, which makes it possible for them to do a better banking business with the former unhealthy competition eliminated. There was a time when there was a considerable amount of unrestricted and unreasonable competition which in some cases even resulted in the establishment of additional banks to take care of that competitive situation—which was not good. The public is finding that

its legitimate credit demands can be met with the decreased number of banks, which is making for healthier banks."

### New Brookings Bank

Articles of incorporation for the Brookings County Bank, Brookings, South Dakota, were filed with the secretary of state recently by G. A. McGarraugh, W. Z. Sharp, Philo Hall, C. O. Quail and L. A. Lemert.

The new bank will continue the business of the Brookings National Bank, which was purchased recently by a group headed by Mr. McGarraugh and Mr. Sharp, under a state charter instead of a national charter.

Capital stock of the new bank is \$50,000 the same as that of the former Brookings National. Mr. McGarraugh will be president of the new bank and will have active charge of its management.

### Business Good

Financial conditions are showing a steady improvement, it is revealed by a report made by the Lake Norden, South Dakota, National bank, which opened its doors for business July 1 this year. During the period of several months the bank obtained more than \$72,000 in deposits. When the crop movement starts in earnest it is expected it will not be many weeks before the deposits are more than doubled, and that within a year from the opening of the bank the deposits will not be less than \$250,000 or \$300,000.

### Resigns

Enoch McKay, after many years of faithful and efficient service in the Midland, South Dakota, State Bank, has sold his interest to Stanton Willoughby. His business plans have not been made public. Mr. Willoughby will take up the duties of cashier when Mr. McKay steps out.

### Assistant Cashier

A. R. Blankenburg of Watertown has accepted a position as assistant cashier in the Security Bank of Clark, South Dakota. Mr. Blankenburg was formerly employed with the Winslow-Griffin company at Watertown. Bob Schmidt has resigned his position at the Security Bank. Mr. Schmidt has worked in the bank the past two and one-half years.

### Two Counties Organize

The bankers of Sully and Potter counties met recently at Gettysburg, South Dakota, and organized the Potter-Sully County Bankers Association with the following officers: Harry M. Griffith, Gettysburg, president; Milo R. Brown, Onida, vice-president, and Eugene Herrboldt, Tolstoy, secretary-treasurer.

There was only one bank in the two counties not represented.

By unanimous vote the association adopted the service charge of 50c per month on all checking accounts which fall below a daily average balance of \$50.00. The association also adopted a service charge of 25c per item on each customer's check which overdraws an account. A charge of 25c was also adopted on checks not paid on account of lack of funds and which are presented a second time,—such checks to be accepted for collection only.

The miscellaneous service charge schedule as recommended by the South Dakota Bankers Association was adopted



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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

as a guide for miscellaneous service charges.

Another meeting of the association will be held in the near future for the adoption of by-laws.

### Consolidation

Two of Yankton's long established financial institutions, the First National Bank and the First Loan and Trust Company have been merged, combining assets and new capital that promise to make it one of the strongest financial organizations in South Dakota.

Business was begun recently in the quarters long occupied by the First National Bank. The First Loan and Trust company building will be remodeled and then become the home of the new concern, which will be known as the First National Bank and Trust Company.

The First National Bank has the distinction of being the first bank of Dakota territory, having been established in 1871.

### Buys Bank Stock

The interest in the First National bank of Belle Fourche, South Dakota, held for years by T. H. Gay, has been purchased by Henry G. Weare, who is interested in the First National bank of Sioux City and in several banks in the Black Hills district.

Henry G. Weare controls an interest in the First National bank of Sioux

City and is one of the institution's directors. His home is at Spearfish, S. D.

### With Norris Bank

Frederick Barth went to Norris, South Dakota, recently where he has accepted a position in the Blackpipe State bank.

### Leaves Sioux Falls

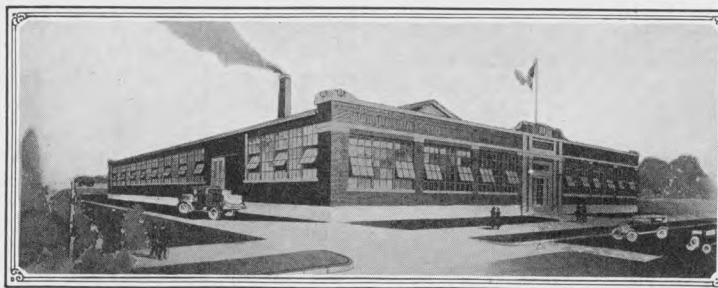
J. W. Davis, former assistant cashier of the First State bank of Sioux Falls, South Dakota, who for the past two years has been connected with the city water department, left recently for Whitewood, where he is to become assistant cashier of the Whitewood Banking company. He was accompanied by his family.

Mr. Davis was formerly connected with the Whitewood bank, having gone there from Nebraska. He left there in 1919 to become cashier of the State Bank of Ellis, where he remained two years and then came to Sioux Falls.

### Adopt Service Charge

The Vermilion, South Dakota, banks have decided to adopt a service charge, according to an announcement made by them following the annual picnic of the Clay County Bankers Association.

This is not proposed to be a profit making move of the banks, but a small charge upon checking accounts will serve in a measure to offset the expense incurred in handling small accounts.



## Iowa Lithographing Company

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Des Moines



Founded by

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EDWIN G. RAGSDALE  
SECRETARY

The plan was determined upon rather than a lowering of the interest rates on time deposits and savings accounts.

The service charge is in operation in about 70 per cent of the banks of South Dakota.

At the meeting there were present representatives from the following Clay county banks: First National Bank, M. L. Thompson, E. M. Hart, T. N. Hayter, J. R. Brice, W. A. Chaussee, Gladys Richardson, Mabel Olson and Harold Smith; Vermilion National Bank, C. H. Barrett, G. K. Brosius, C. M. Jackson, C. Christianson, Erven Montgomery, and Mrs. Mildred Grange Hamilton; Citizens Bank & Trust Company, M. J. Chaney, Morris A. Chaney, Lester Lloyd, Carl Mallory and Peter Olson; and the Bank of Wakonda, Sam Jacobson and A. E. Diefendorf.

### PROFIT OR LOSS FROM NEW BUSINESS CONTESTS

(Continued from page 14)

employees are divided into what we term groups or new business teams, of which there are 45. A captain, usually one of our older employees, is in charge of each team. These captains have weekly meetings of their group for the object of selling them on our organization, and to stimulate their interest for new business.

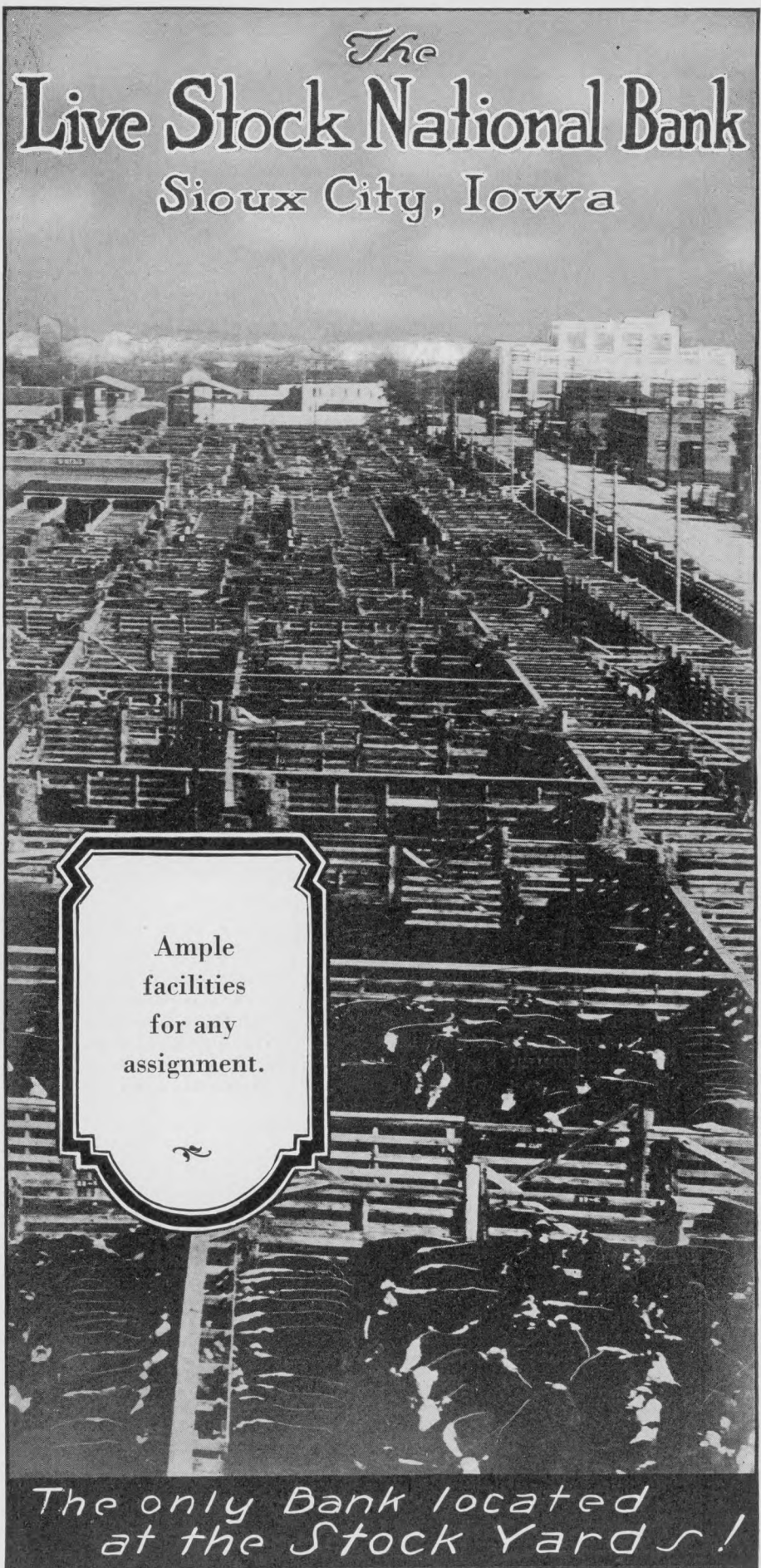
"Once each month the captains have a dinner meeting at which reports are given by all the captains regarding the activity of the group or team for which they are responsible. New prospects are discussed and new ways and means of solicitation. Our directors also have their regular meetings, and assist us very materially in soliciting new accounts. Results that we have gotten over the period of the last three or four years have certainly been worth while. To us they appear to be more effective than sixty or ninety day drives and then no more effort put on it for the rest of the year."

#### Preliminary Study Essential

Whatever method of obtaining new business is chosen, it is evident that a deep preliminary study should be made of the entire situation before a decision is reached. A campaign that is good for one bank scarcely can be expected to exactly fit another because banks differ just as individuals differ. Careful study of the goal to be reached and the underlying conditions, together with cautious and deliberate preparations should insure the success of any campaign whether it be the intensive or the continuous variety.

#### Resigns

Miss Lydia Peters resigned her position at the First National Bank of Crafton, Nebraska, and left recently for Yankton to accept a position there.



*The*  
**Live Stock National Bank**  
Sioux City, Iowa

Ample facilities for any assignment.

*The only Bank located at the Stock Yards!*



SALMON P. CHASE, *Secretary of the Treasury under LINCOLN*

# The Chase National Bank

of the City of New York

Capital . . . . . \$ 60,000,000.00  
 Surplus and Profits . . . . . 77,000,000.00  
 (July 2, 1928)

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JOHN McHUGH  
*Chairman of the Executive Committee*

ROBERT L. CLARKSON  
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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
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*Vice President and Cashier*  
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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

### Dies at Blakesburg

Walter Abegg, 60, president of the First National Bank of Alliance, Nebraska, passed away at his home at Blakesburg, Iowa, recently. Banks in Alliance were closed during the hours of the funeral as a mark of respect.

Mr. Abegg had been in failing health for some time, but had not been considered dangerously ill. His son, Edward, who had been connected with the Alliance bank, was called home two weeks ago to take charge of the Blakesburg bank, and at that time Frank accompanied him. It was said that the father's condition was not serious, but that he would retire from active work.

Mr. Abegg purchased control of the First National Bank following the death of R. M. Hampton some years ago, and had been a frequent visitor to Alliance.

### Savings Increase

Savings in Omaha banks reporting to the Federal Reserve Bank of Kansas City, showed an increase of \$1,151,440 over savings at the same time last year, according to the monthly federal reserve bulletin for this district. An increase of 1,460 savings accounts was shown. Bank debits (total check transactions) of Omaha banks for the five weeks ending August 1 also showed a substantial gain over the same period in 1927.

July production of Omaha flour mills was 100,717 barrels, a gain of 17,920 barrels over production of 82,797 barrels in July, last year, the report says.

### Sells Interest

Will C. Dahnke has announced that he has sold his interest in the State Bank of Stratton, Nebraska, to Louis Stolte, and he will confine his efforts in the future to serving the public along the line of real estate and insurance.

Ted Masters will become the new cashier of the bank.

### Receive Promotion

Arthur Jorgensen took up his duties as bookkeeper at the Security State Bank of Maskell, Nebraska, recently. Virgil Gee who has been the bookkeeper at the bank recently resigned to accept the position of assistant cashier of the Bank of Dixon County.

### With First National

Miss Jessie Hartman has accepted a position in the First National Bank of Crafton, Nebraska, made vacant by the resignation of Miss Peters.

Political freedom is, or ought to be, the best guaranty for the safety and continuance of spiritual, mental, and civil freedom. It is the combination of numbers to secure the liberty to each one.—Bulwer-Lytton.



# Nebraska Bank News

**Officers Nebraska Bankers  
Association**



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

**C. A. SMITH**  
President

**WM. B. HUGHES**  
Secretary

## Outstanding Program for 1928 Convention

**T**HE annual convention of the Nebraska Bankers association will be held October 17th and 18th at the Hotel Fontenelle at Omaha, with a list of speakers, and plans for entertainment, that will insure the convention being one of the most successful in the association's history.

The complete list of speakers as announced by Secretary Hughes, follows:

Craig B. Hazlewood, Chicago, Ill., vice president of the Union Trust company, who will be president of the American Bankers association during the time of the state convention.

Dan V. Stephens, president of the Fremont State bank of Fremont, Neb., who will discuss the regional clearing house as being used in the Fremont district.

Thornton Cooke, president of the Columbia National bank of Kansas City, Mo., and chairman of the taxation committee of the American Bankers association, who will discuss bank taxation.

M. W. Borders of Kansas City, Mo., formerly connected with the packing industry, who will discuss country buying of live stock.

F. R. Smith, commissioner of banking of the state of South Dakota.

Dr. O. B. Sweeney, head of the chemical engineering department of the Iowa State college of agriculture at Ames, Iowa, who will discuss the utilization of cornstalks.

E. H. H. Simmons, president of the New York Stock Exchange, who will talk about its operations.

The committee of Omaha women who will serve as hostesses for the convention, will comprise Mrs. A. L. Schantz, chairman; Mrs. J. R. Cain, Jr., Mrs. Frank Boyd, Mrs. Denman Kountze, Mrs. C. F. Brinkman, Mrs. E. J. Horacek, Mrs. F. E. Hovey, Mrs. H. C. Nicholson, Mrs. W. P. Adkins, Mrs. J. C. McGurk, Mrs. C. J. Claassen, Mrs. Will T. Graham,

Mrs. C. W. Mead, Mrs. A. L. Reed, Mrs. L. H. Earhart, Mrs. D. P. Hogan

The opening of the convention, on the morning of October 17th, will be marked by registration, and a session of the state bank committee. Visitors will also be given an opportunity to go through the stockyards and the packing houses of the south side.

Wednesday noon the banks and trust companies of Omaha and South Omaha will be hosts at a luncheon for the visiting bankers, at the Live Stock Exchange building on the south side.

The first business session will then be held, Wednesday afternoon, in the auditorium of the stock exchange building.

Thursday morning and afternoon business sessions will be held at the Fontenelle. A theater party and informal dance are on the program each evening.

### Mrs. John Coad Passes

Mrs. Irene Coad, wife of John Coad, president of the Packers National Bank of South Omaha, passed away at the family home after a prolonged illness. Mrs. Coad's death was due to a trouble which started several months ago when she had congestion of the lungs.

Mrs. Coad came from Berkeley, California, in 1912 at the time of her marriage. She was prominent in Omaha society and was a very active worker in St. Cecelia's church.

Surviving are her husband; two sons, Ernest, of Omaha, John F. Coad, the third, of Atlanta, Ga.; two daughters, Mrs. C. A. Jeffrey and Mrs. George C. Wigert; her parents, Mr. and Mrs. Timothy Dyer; one sister, Miss Ethel Dyer; three brothers, James, Breen and Joseph Dyer, all of Berkeley, California.

### Assistant Cashier

Henry Hovey, son of Ford Hovey, president of the Stock Yards National Bank of South Omaha, was elected as-

sistant cashier of the bank at a recent meeting of the directors.

Mr. Hovey is 25, and has been assistant cashier of the State Bank of Sterling, Colorado, for the past three years. He entered upon his duties at the Stock Yards National bank September 15.

### Elected President

At a meeting of the stockholders of the Crete, Nebraska, State Bank, held recently, W. S. Collett was elected to the presidency, succeeding the late Theodore H. Miller. Mr. Collett has been the chief managing officer of the Crete State for more than twenty years. He came to Crete on February 12, 1908, and purchased a substantial interest in the "Old Reliable" as the institution is known, and took over the chief management at the solicitation of Mr. Theodore H. Miller, who desired to retire from active work. Mr. Collett for about five years previous was the chief owner of the First National Bank at Trenton.

### With First State

Miss Dorothy Walklin has accepted a position at the First State Bank of Crete, Nebraska. During the summer she took a twelve weeks' course at the Lincoln business college.

### Becomes Cashier

With the election of O. J. Nelson of Genoa, Nebraska, as cashier of the Battle Creek Valley Bank, Kinley F. Hogrefe, cashier for the past three years, is promoted to the vice presidency of the institution.

Mr. Nelson has been employed by the state banking department for some time, his work being largely with the guarantee fund commission. His work at Genoa being completed, he resigned to accept the position offered him by the Hogrefes. There will be no immediate change in the personnel of the Battle Creek Valley bank, it is announced.

### Consolidated

The Bank of Beaver City, Nebraska, was consolidated recently with the First State Bank, which assumes all liabilities. The Bank of Beaver City was organized in 1905. It had deposits amounting to \$200,000.

The First State Bank has been under the same management for forty-two years. It is one of the strongest banks in this part of the state. The consolidation meets the approval of the business interests of Beaver City.

### County Bankers Meet

The quarterly meeting of the members of the Deuel-Garden County Bankers Association was held at Chappell, Nebraska, recently. About twenty-five bankers were present, representative of the

*Northwestern Banker*    **October 1928**

banks at Oshkosh, Lisco and Lewellen and Chappell, there being also included in the number two representatives of Colorado banks, Mr. Johnson of Ovid, and Mr. Gillette, of Crooks. A. C. Peterson, of Cheyenne County Bank, at Lodge Pole, was also a visitor at the meeting. A dinner was served to the bankers in the evening, after which they gathered at the Chappell State Bank for their regular business meeting. The next meeting of the association will be held at Lisco.

#### Back from Abroad

F. H. Davis, president of the First National Bank, of Omaha, accompanied by Mrs. Davis, returned recently from a three-month trip, during which they visited Italy, Switzerland, Austria and France.

This was the fourth trip abroad for Mr. and Mrs. Davis, but their first visit to Austria. Their daughters, Miss Elizabeth and Mrs. Henry Bohlin, who accompanied them to Europe, remained in the East to visit friends, Mrs. Bohling stopping in New York and Miss Elizabeth in Hoopston, Ill.

"One of the most impressive things about the trip was the remarkable way in which Italy has progressed since our visit there two years ago," said Mr. Davis. "Most of the credit is due to Mussolini. He works between 18 and 20 hours a day, I understand, and he is making everybody in the country work. There has been a marked absence of beggars on this trip in Italy and progress can be noted in every part of the country. They are building fine roads.

"In Austria we were surprised to find almost a deplorable state of affairs. The country still is suffering much from the effects of the war."

On the trip across the Atlantic, aboard the Italian steamer Roma, the Davis' met and chatted with the governor of Rome and members of his party who were returning from a visit to this country.

"The prince is a splendidly educated man and spoke excellent English," said Mr. Davis. "We got very well acquainted. He and his party were quite impressed with their reception in this country."

#### With Cones State Bank

Hugo Holm of Clarks, Nebraska, has accepted a position as bookkeeper in the Cones State Bank and entered upon his duties. Mr. Holm is a stenographer by profession and has had some experience in banking.

#### Married

Employees of the Fremont State Bank and the Nebraska Building & Loan association of Fremont, Nebraska, assembled at the home of Mr. and Mrs. George Moyer recently to charivari the young couple who were married at Wahoo not long ago. Mrs. Moyer was formerly Miss Fern Diercks and for the last few years has been employed in the bank.

#### At Grand Island

L. A. Horn of Webster City, Iowa, has accepted a position as teller with the Commercial State Bank of Grand Island, Nebraska.

#### Remodeling

The interior of the Farmers State Bank building of Blair, Nebraska, is being remodeled and a new coat of paint will be added which will put the structure in good condition.

#### Becomes Assistant Cashier

E. J. Tongish, who has been connected with the Cornbelt Lumber Co. the past two years, has accepted the position in the Commercial National Bank of Ainsworth, Nebraska, as assistant cashier, in place of Francis Cowger, whose continued ill health prevented him from continuing in the position.

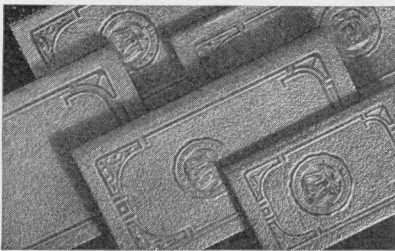
#### Convention Speakers

Craig B. Hazelwood, vice president of the Union Trust Company of Chicago and slated to become president of the American Bankers Association at the annual convention of the Nebraska Bankers Association in Omaha, October 17th and 28th at the Hotel Fontenelle.

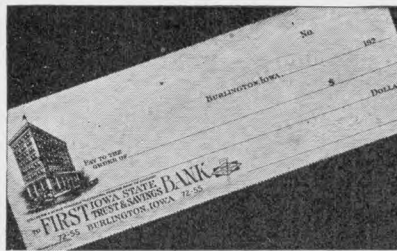
The list of speakers was announced recently by W. B. Hughes, secretary of the association. They follow:

Dan Stephens of Fremont, Nebraska,

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banker, will talk on "The Regional Clearing House Idea." Thornton Cooke, president of the Columbia National Bank, Kansas City, will discuss "Taxation." M. W. Borders of Kansas City will talk on "Country Buying of Live Stock." F. R. Smith, South Dakota banking commissioner, will talk on general banking lines. Dr. O. R. Sweeney, Ames, Iowa, head of the chemical engineering department of the Iowa State college, will tell of the utilization of cornstalks, and E. H. Simms, New York City, president of the New York Stock exchange, will discuss the operations of his institution.

#### Money Returned to Banks

As a direct result of the new plan adopted by the state guaranty fund commission several months ago, under which weakened banks coming into its hands are no longer operated as going concerns, but are subjected to a more speedy process of preparing them for receivership, the "bankers' conservation fund" created in 1923 is no longer needed and the money in it is being gradually distributed pro rata back to the solvent state banks of Nebraska which contributed to it.

The purpose of the "conservation fund" at the time the guaranty fund commission established it by levying assessments upon all the good banks, was to provide a reservoir of cash from which it could make loans to build up the depleted reserves of weak banks coming under the control of the commission. This plan, it was thought, would enable a large proportion of the financially crippled institutions to get back upon their feet, or at least to realize more from their assets than if they were closed and thrown into receivership at once.

As time went on, complaints began to come from solvent banks in the same towns where the commission was operating its protege banks, against being forced to compete with that body for business. The commission also came in for a good deal of criticism when it undertook to sell the assets of operated banks to other people in the same towns, who would apply to the state banking bureau for charters, which would have furnished permanent competition in some towns where the surviving banks claimed there was not business enough for so many to do business profitably.

Ultimately, the pressure from this source became so strong that State Commerce Secretary Bliss declined to issue any more new charters under such circumstances, and the guaranty fund commission was compelled to call off several promising deals that had been in negotiation for the sale of bank assets to private purchasers other than bankers already in business in the same towns.

Such was the state of affairs which led the commission a few months ago to change its methods. Of late, no attempt

has been made to operate weak banks as regular commercial institutions, nor to sell their assets to people who wanted to open new banks. The plan now in vogue is to declare a moratorium on deposits, as soon as a bank is taken over, so that nobody can draw out any money for the time being. Then the good assets are disposed of as rapidly as possible and the proceeds used in making a percentage payment to depositors. This is usually done without drawing on the guaranty fund, which has been depleted to a low point in paying off receivers' certificates as they came due.

The "conservation fund" is no longer needed by the commission, since it was solely intended to aid in the operation of weak banks. Therefore, the money is being paid back to the surviving banks from whom it was originally collected. Payments are made by the state trade and commerce department, which levied the assessments.

#### Annual Corn Show

A cornstalk sixteen feet ten and one-half inches in height exhibited by Dave Sullivan of Endicott took the cash prize for the tallest corn at the fifth annual corn show sponsored by the Harbine Bank at Fairbury, Nebraska, recently. This prize stalk was nearly two feet taller than the prize stalk in 1923,

which held the previous record and was fifteen feet three and one-half inches in height. The second prize was awarded Joe Banahan, also of Endicott, whose exhibit was sixteen feet six inches in height.

A crowd of between one and two hundred people viewed the measuring and judging which took place at the Harbine Bank. Perhaps 3,000 people viewed the exhibits at the bank. The tall cornstalks reached almost to the second story windows.

#### Enjoy Western Trip

Mr. and Mrs. Dan V. Stephens returned recently from a trip of a week to the Yellowstone Park where Mr. Stephens addressed the joint meeting of the Montana and Wyoming Bankers Association. The meeting was held at the Old Faithful Inn. After the meeting Mr. and Mrs. Stephens spent a few days seeing the sights in the park.

Wife: "John, will you match this piece of silk for me before you come home."

Husband: (Suddenly struck by a happy idea) "Oh, at the counter where the sweet little blonde works? The one with the soulful eyes and—"

Wife: "No. On second thought, I won't bother you. You're too tired to shop for me when your day's work is done, dear."



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*BONDS—Write for our list of carefully selected Bonds*

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**Personal Service**  
**in New York**

This bank is glad to extend to correspondent banks services considerably beyond the bounds of routine banking. Our Personal Service Department welcomes the opportunity to perform the many personal services for which our location and connections fit us. Upon request we will gladly outline the scope of these services to you.



# *The Seaboard National Bank*

OF THE CITY OF NEW YORK

MAIN OFFICE: BROAD AND BEAVER STREETS, NEW YORK

## Nebraska News

The McCook National Bank, of McCook, Neb., has made its interest rate 3 per cent on time money. It reports very few withdrawals of time accounts.

F. R. Haggart, vice president of the St. Paul, Neb., State Bank, was elected president of the Howard County Bankers association, at an organization meeting at Dannebrog. A. C. Nunkins, cashier of the Cushing State bank, was elected vice president, and Harry Erickson, cashier of the Boelus State bank, secretary-treasurer.

Secretary Hughes is continuing his efforts to get an expression from all the bankers of the state, on the suggestion that the state bank association offer a big reward, of possibly five thousand dollars, for dead bank bandits. The executive council had agreed that unless seven hundred banks were for the reward, it would not be offered. Mr. Hughes reports 562 have reported in favor of the reward, 29 against, and 300 have made no return on the question.

Henry Teigeler, president of the Union National bank of Fremont, Neb., died recently, of apoplexy. He had long been interested in many business activities in Fremont, and had become president of the Union National bank, at the time of its consolidation with the Farmers and Merchants bank and the Commercial National bank, several years ago. The directors of the Union National, it is understood, have decided to take no action on selection of a successor, until the January meeting. J. Howard Heine, vice president of the bank, will continue in active direction of its affairs.

Dan V. Stephens, president of the Fremont State bank, addressed a joint meeting of the Montana and Wyoming Bankers associations at Yellowstone National park, early in September.

Mrs. John F. Coad, wife of the president of the Paekers National bank of Omaha, died last month.

Guy Hoffer, one of the partners in the Burns-Potter company, investment brokers of Omaha, has disposed of his interests in the firm, which now includes A. C. Potter and P. P. Purdham of Omaha and Cedric Potter of Lincoln. Mr. Hoffer is to locate in Chicago.

The Omaha live stock market now leads all the world in number of live stock receipts by truck, according to figures for the first eight months of 1928. The receipts by truck were 1,274,337 head, or 60,000 more than were brought to the market by trucks during all of 1927.





I. E. HANSEN  
President

## Minnesota Bank News

### Officers Minnesota Bankers Association

President.....I. E. Hansen  
St. Paul  
Vice President.....R. W. Putnam  
Red Wing  
Treasurer.....T. A. Perkins  
Windom  
Secretary.....George Susens  
Minneapolis  
Assistant Secretary.....Vida Richards  
Minneapolis



GEORGE SUSENS  
Secretary

### Named Secretary of Minnesota Bankers

**G**EORGE SUSENS was recently elected secretary of the Minnesota Bankers Association at a special meeting of the council of administration held in St. Paul. He succeeds Fred P. Fellows, who resigned to become secretary of the St. Paul Association.

For the past ten years Mr. Susens has been a vice president of the Farmers National Bank of Alexandria, Minnesota. He is a native of Minnesota, also, having been born in Kandoyohi county.

Mr. Susens devoted the early years of his business life to school teaching. He was county superintendent of schools in Douglas county for more than seven years, and for two years was president of the Minnesota State School Board Association. Even during his banking career in Alexandria, he continued to hold the office of president of the school board in that city.

Since entering the banking profession, Mr. Susens has been quite prominent in the activities of the Minnesota Bankers Association. An important office held recently with that organization was the chairmanship of the association's committee on bank costs and service charges.

#### With First National

The First National Bank of Minneapolis announces the appointment of J. J. Maloney as general banking representative for that institution in Minnesota.

Mr. Maloney was formerly president of the Farmers State Bank of Heron Lake. He has been connected with banking for the past nineteen years, and his activities in the Minnesota Bankers Association have given him a wide acquaintance throughout the state. The intimacy with Minnesota banks and bankers should make him a very valuable man for the First National staff.

#### Explains Veterans Loans

The operation of the First Veterans State bank of St. Paul, only bank of its kind in existence, organized with the sole purpose of making loans to world war

veterans on their adjusted compensation certificates, was explained to Des Moines, Iowa, bankers recently by Arthur J. Kelly, representative of the Merchants National bank and the Merchants Trust company of St. Paul.

Mr. Kelly told members of the local clearing house association how the idea of the new bank originated in the mind of R. C. Lilly, president of the Merchants National bank, after that institution had loaned more than \$9,000,000 to world war veterans in forty-two states of the union.

The certificates had a loan value for the first time Jan. 1, 1927. Since that time the Merchants National bank has made more than 80,000 individual loans to veterans, and only about 4,000 of that number have failed to renew.

#### Officials Change

A reorganization of the State Bank of Aurora, Minnesota, was effected recently when A. E. Reese, who has been president of the bank for the past several years, resigned as president and director. F. S. Colvin of Biwabik was elected president and the other officers retained, as follows: J. C. Schmid, Mesaba, vice president; Louise Sever, cashier, and John A. Aspie, assistant cashier.

Directors are F. S. Colvin, J. C. Schmid, Louise Sever and Hugo Knuti. The institution is under full local control and management.

#### Joins Advertising Agency

The Harrison-Guthrie Advertising Co. of Minneapolis announces that Russell D. McCord has become a member of its organization in an executive capacity. Mr. McCord has been prominent in the newspaper and advertising agency business in the northwest for 10 years, and in his new position will direct the advertising for several large northwest firms.

#### Elected Club President

At the opening session of the Exchequer club of Minneapolis, held recently at the Curtis hotel, officers were

elected as follows: Guy W. LaLone, assistant first vice president of the First National Bank, president; G. O. Lee, cashier of the Columbia National Bank, Columbia Heights, vice president; Arvid A. Lund, assistant cashier Minnehaha National Bank, secretary-treasurer. The Exchequer club is an organization of all bank executives and meets semi-monthly.

#### Bank Stock Sold

The entire stock of the State Bank of Viking, Minnesota, was sold to stockholders at Viking, and will be conducted by a board of directors consisting of: August Peterson, president; Alfred Forslund, vice president; Henry Sustad and Herman Anderson, directors.

I. M. Myrbo, who has been cashier since the bank opened as a branch from the State Bank of Warren, over 20 years ago, will retain that position in the future. The bank is one of the oldest now operating in that section and has a capital stock of \$25,000 and with deposits aggregating \$100,000.

#### Meet in Spicer

The annual meeting of the Kandiyohi County Bankers Association was held recently at the Green Lake country club, at Spicer, Minnesota. The business session opened with President J. A. Johnson of Atwater presiding.

The initial business was the election of new officers, and the following were chosen: Edwin Selvig, Willmar, president; William Nagel of Kandiyohi, vice president; W. E. Berglund of Pennock, secretary-treasurer.

Melvin O. Grangaard of the First National Bank of Minneapolis spoke on general subjects at the afternoon meeting. He also conducted a question box on matters of general interest to bankers.

At six-thirty a banquet was served to fifty bankers, farmers and merchants. George Susens, president of the Farmers National Bank of Alexandria, was the speaker. He spoke on the subject "Banking Policies." The meeting was a very interesting and instructive one.

## MIDLAND NATIONAL BANK and TRUST COMPANY

Resources \$25,000,000.00

MINNEAPOLIS

Northwestern Banker October 1928

## Bank Help

Thoroughly experienced office men and women furnished to the employer without charge.



Commercial  
Employment Bureau  
Merchants Bk. Bldg. St. Paul

### Pioneer Banker Dies

Jay D. Utendorfer, former Minneapolis banker and widely known in northwest financial circles, died recently in Sioux City, Iowa, after a lingering illness, according to word received in Minneapolis. He was 47 years old and at the time of his death was president of the Manufacturers & Dealers Finance corporation of Chicago.

Mr. Utendorfer was known as one of the youngest cashiers in the state when he took over that position with the old Minnesota National bank in Minneapolis at the age of 21. Previously he had been employed as a teller in the First National bank.

He was born in Rockwell, Iowa, but moved to Minnesota when a child. He was employed in banks at LeSeur, Henderson and Gaylord as a young man. After leaving Minneapolis he became associated with banking firms in Omaha

and Sioux City. Later he went to Chicago to serve as president of the finance corporation and director of the old Dearborn State bank.

### New Bank Building

Directors of the Western National bank, Duluth, Minnesota, announced plans for the construction of a bank building on the flatiron corner at Fifty-seventh avenue west and Grand to cost \$100,000. Work is expected to start at once.

The decision to go ahead with the construction of the new building is indicative of the increased confidence in the future of West Duluth and particularly of the West Duluth section, officials of the bank pointed out.

The new building will be constructed of brick, stone and terra cotta. It will be two stories with facilities on the second floor for fifteen office suites or three to five walk-up retail sales rooms. The building will face sixty-three feet on Grand avenue and ninety-two feet on Fifty-seventh avenue west. It will be modern Renaissance architecture and will be fireproof throughout.

### Meet in Duluth

Delegates to the annual convention of the Minnesota chapter of the Investment Bankers Association of America, concluded their one-day session in Duluth, Minnesota, recently. Minneapolis bankers shared largely in the offices for the ensuing year.

H. E. Atwood of the Minneapolis Trust company was elected vice chairman; Harold Wood of the Harold Wood Investment company, Minneapolis, was re-elected secretary-treasurer, and Paul London of Lane, Piper & Jaffray, Minneapolis, was named as a member of the executive committee. A. A. Greenman, vice president of the Northwestern Trust company, St. Paul, was named chairman, succeeding Stanley L. Yonce, vice president of the Northern Trust company of Duluth.

The business session was followed in the afternoon with a golf tournament, while visiting delegates and other visitors were guests of the Duluth bankers at a banquet in the evening.

### No Change in Rate

The board of directors of the Federal Reserve bank of Minneapolis, at its recent monthly meeting, decided to make no change in the bank's rediscount rate on credit advances to its members in the ninth district. The rate continues at 4½ per cent, which figure has prevailed for some six months. The federal reserve banks of Kansas City, Dallas and San Francisco also have maintained the 4½ per cent rate, while those in New York,



# Offering Every Modern Facility

*for Banking, Trust  
and Investment Service*

You are invited to draw from our wide experience of almost four decades—to avail yourself of all or part of our many facilities.

## THE NORTHERN TRUST COMPANY

Capital, Surplus and Undivided Profits Over \$8,000,000

Northwest Corner La Salle and Monroe Streets

CHICAGO

Chicago, Richmond, Atlanta, Cleveland, Boston, Philadelphia and St. Louis have raised their rate to 5 per cent. The Minneapolis bank's directors, at their meeting, devoted their attention to routine matters.

**Takes Over Bank**

The Farmers State Bank of Walker, Minn., was taken over recently by the First National bank in that city, according to A. J. Veigel, state banking commissioner.

**Heads County Bankers**

E. L. Letourneau, Hugo, Minn., has been elected president of the Washington County Bankers association. R. F. Staples of Stillwater is vice president and T. F. Spreiter of Newport and St. Paul Park, secretary-treasurer.

**County Bankers Meet**

The Nobles County, Minnesota, Bankers association elected officers at their annual picnic held recently in Chautauqua park, the following being named: President, E. H. Nelson, Ellsworth; vice president, Leo Hartfield, Rushmore; secretary-treasurer, L. A. Loosbrook, Lismore. The county rangers were present also and Sheriff Eldon Rowe of Worthington put them through instruction.

**Banker Dies**

Thomas H. Connolly, banker at Danvers, Minnesota, died suddenly at his home there recently. He got up at about 2:30 in the morning complaining of pains which he attributed to an attack of pleurisy but refused to have a doctor called in. A little later he laid down again on his bed but was stricken with a fatal attack of heart trouble. It is said he is the third brother to die of heart failure. He was 62 years of age and had been in the banking business at Danvers for some 25 years past.

**Banking Center**

Mankato lays claim to being the chief banking center of Southwestern Minnesota.

The resources of its five banks total in excess of \$12,500,000, according to the most recent financial statements issued by the banks. The deposits are approximately \$11,000,000.

The resources of the National Citizens bank, which, within the past year, merged with the Mankato Savings bank, total \$5,826,384, according to the bank's financial statement. The First National bank has resources aggregating \$4,044,839.

Resources of the other three banks are: American State, \$1,374,800; National Bank of Commerce, \$1,000,000, and Commercial State bank, \$282,067.

Associated with the banks of Mankato are about 200 correspondent banks.

The Mankato banks maintain their own clearing house. Many of the Southwestern Minnesota banks clear through this clearing house.

In addition to the banks named Mankato supports one of the oldest and largest savings and loan associations in the state, the Mankato Savings & Loan association, whose assets total \$1,853,182, its financial statement shows. This association has 1,118 depositors.

Power is ever ready to reward those who sacrificed principle to its supremacy, and ever ready to punish those who uphold principle in opposition to power.—Haydon.



# Save from 1 to 5 Days in Interest

Let The Stock Yards National Bank act as your correspondent on the live stock shipments of your clients.

Our location at the Union Stock Yards makes it possible for us to save you from 1 to 5 days time in settlement with interest at 2 per cent.

This is one of the reasons why a thousand banks make use of our unusual facilities.

## The Stock Yards National Bank The Stock Yards Trust & Savings Bank

4150 S. Halsted St.  
CHICAGO, ILLINOIS



Townsend of New York City; Dean Henri Thiry, who is called the "founder of school savings in the United States," having introduced in the New York City schools the successful plan which has stood the test of time, and Mrs. Sara Louisa Oberholtzer, who for many years was active in extending the system developed by Mr. Thiry.

As a result of these activities legislation authorizing or regulating the operation of school savings banking systems has been enacted in Massachusetts, California, New York, Ohio, New Jersey, Illinois, Nevada, Kentucky and Oregon, while in states which have not passed laws on the subject the movement is nevertheless also flourishing.

"School savings systems are now in operation in 46 of the 48 states of the United States," Mr. Albig says, "and annual deposits in each of seven states are

in excess of one million dollars. In one state the annual deposits are above three million dollars, in another above four million dollars. The aggregate net annual savings in the United States is above nine and one-half million dollars.

"Despite this situation and the fact that a number of well-arranged outlines for thrift teaching have been published, there yet are lacking several factors necessary to make school savings banking reach its highest usefulness—that of being the agency through which knowledge of personal income management and of the meaning and use of money will be taught generally in the public schools of the country.

"The most desirable of these factors is that of placing, either through legislation or through agreement by the educational associations of the various states, the subject in the course of study.

School savings banking is more than simply the depositing by pupils of money. It has back of it the idea of the social value of self-control, of the developing of knowledge of the meaning and use of money, and of income management."

#### In New Building

The First National Bank of Philadelphia has opened its new central offices, which have been moved from Broad and Sanson Streets, to the new 22 story building at the southwest corner of 15th and Walnut Streets. The bank will occupy the basement, given over to modern steel and concrete vaults, with safe deposit boxes; the main floor, and the mezzanine. The main banking rooms are Romanesque in detail—with a beamed cedar ceiling enlivened with polychrome. There is a tasteful use of colored marble, and worthy of particular notice is the banking screen, of bronze—throughout which have been reproduced the designs of 36 different early American coins, in size approximately three inches in diameter.

The furniture of the banking rooms has been selected to harmonize with the architecture, and is of walnut. The lighting is provided by floor standards reflecting on the ceiling.

#### To Merchandise Trust Service

Weldon and Baldwin, Inc., is the name of a new Chicago advertising firm which will specialize in a merchandising plan for trust companies. The immediate purpose of the new company is to introduce their trust merchandising plan into trust companies generally, to furnish the tools and to outline the technique. The plan involves only a small initial investment and thereafter the expenditures are governed by the return realized.

Members of the new firm are Theodore Weldon and H. A. Baldwin. Mr. Weldon is a well-known financial advertising authority, for several years advertising manager for the Northern Trust Company of Chicago, and more recently with Wm. Elliott Graves. Mr. Baldwin is likewise a merchandising man of recognized ability and a deep student of advertising. Offices of the new firm are at 448 North Wells Street, Chicago.

#### THE WOMAN IN BANKING

(Continued from page 24)

and life insurance to the meaning of the terms used in business and finance," said Miss Seely. "Women are by no means stupid about business, but many of them are ignorant of business matters. This makes them timid about investing and systematic saving. But with the opportunities offered them today to learn business methods and terms, we shall find and are finding hundreds of them better business women and better prospects for financial service every week."

## The Sign on the Door

**T**HE sign before the door is the first step in advertising. To go on from that primitive step to successful and profitable advertising is merely a matter of multiplying the sign. The sign before the door is seen only when people walk past. The successful advertiser multiplies that sign by putting it in everybody's home, office or place of business. He puts it in so many places, so many times, that people hear of him daily until they cannot think of his line or goods without thinking of him.

**C**ALENDAR advertising is popular because it is the most economical way of placing a sign in homes and offices where people live and work, keeping it there for at least a year. Based on the length of its service the cost of the calendar is almost nothing. The art calendar is the only sign that hangs itself and wins a "thank you." Because of its attractiveness and utility the art calendar wins space everywhere that could be obtained in no other way.

**T**HE art calendar combines usefulness, attractiveness, permanence, persistence, exclusiveness, easy distribution, preferred position, no waste and a fitting remembrance for the holidays—all at a moderate cost.

### THE THOS. D. MURPHY CO.

RED OAK - - - IOWA

THE BIRTHPLACE OF ART CALENDARS

#### INQUIRY COUPON

We would like to see the Murphy line.

-----Bank  
 -----City  
 -----Buyer  
 The T. D. M. Co. Red Oak, Iowa

# North Dakota Bank News

## Officers North Dakota Bankers Association

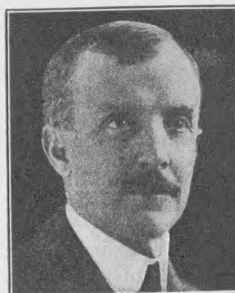
President.....M. C. Bacheller  
Grand Forks

Vice President.....R. E. Barron  
Minot

Treasurer.....J. I. Hegge  
Maddock

M. C. BACHELLER  
President

Secretary.....W. C. Macfadden  
Fargo



W. C. MACFADDEN  
Secretary

### Land Bank Meeting

Greatly pleased with the economic outlook in North Dakota as a result of good crops produced this year, officials of the Federal Land Bank of St. Paul recently brought to a close the last of a series of five meetings held in the state, in Minot.

The meetings, held at various points in the state, enabled the officials of the institution to obtain first hand information concerning agricultural and business conditions, they reported.

C. P. Kjelstrup of Parshall was re-elected councilman to the bank from the Minot district. He told the conference of secretary-treasurers of the various local associations and other officials present, that he had not had a foreclosure in his association. Delinquencies in the payment of installments are often found to be due to over-appraisals of farms at the time the loans were made, Mr. Kjelstrup declared.

Samuel Torgerson of Grand Forks, a director of the bank, told of the recent reorganization of the Federal Land Bank in St. Paul. John Smith of Mandan, another director, spoke of the importance of diversification on North Dakota farms, and said that he had figured out that one cow or one brood sow kept on a farm would pay the interest on a \$1,000 loan.

### Crop Good

Northwest North Dakota will bring a huge, varied crop to market this year. The price for the grains will be low. The price for the livestock and livestock products will be high. The profits of farming will be considerable.

Each year in its own way continues the trend toward balanced farming and serves to prove the soundness of the trend. This year the grain is yielding well. But the price afforded by the world market is demonstrating again the unwisdom of reliance on exclusive grain farming. The livestock is showing its value even in this year of strong wheat yields.

In the emphasis on wheat in the thought about North Dakota, one may overlook other things: for instance, that

alfalfa is yielding in Northwest North Dakota—the territory in which Minot particularly is interested—2½ tons an acre; that the year by year swiftly growing wool crop brought 35 to 40 cents a pound and that lambs will bring \$11.00 each; that butterfat this year has averaged 45 cents a pound.

The monthly advertising card to farmers in Northwest North Dakota sent out in September by Armour Creameries calls attention to the fact that 10 gallons of good cream are worth 5 cents more than 17 bushels of good wheat. If one thinks of Northwest North Dakota only in terms of wheat, he misses the picture. A ride along the highway discloses Guernsey herds, Holstein herds, bands of sheep, fields of sweet clover and alfalfa, and everywhere the impress of varied farming and diversified income.

Wheat on the first threshing returns in the near vicinity of Minot is yielding 18 bushels an acre. Some of this wheat has taken a 12 and 13 cent premium over the market. As a rule this year though, presumably because of the large amount of rainfall, the protein content is not high.

## North Dakota News

**Oliver G. Holt** has been elected assistant cashier of the First State Bank, Alamo.

**Vernon F. Weden** has been appointed bookkeeper and teller of the LaMoure State Bank.

**Raymond H. Willenbring** has accepted a position as bookkeeper of the Citizens State Bank of Lansford.

**Edward M. Graf** has been elected cashier of the Peoples State Bank, Linton, succeeding A. F. Heinrich.

**Wm. H. Bement** has been elected assistant cashier of the Regan State Bank, succeeding G. G. Klipfel.

**Clara Larsgaard** has been appointed bookkeeper and teller of the Security

State Bank, Noonan, succeeding Berget Brabandt.

**John Finnegan** has accepted a position as teller of the Citizens State Bank, Rugby.

**Minne A. Magnuson** is now assistant cashier of the State Bank of Souris.

**A. G. Johnson** has accepted a position as bookkeeper of the Farmers State Bank, Wolford.

**K. M. Alvstad** has been elected assistant cashier of the State Bank of Zahl.

The **Rollette State Bank** reopened recently. The officers are: C. A. Myhre, president; Ludvig Anderson, vice president, and M. E. Mortenson, cashier.

The **State Bank of Marion** received its charter and opened for business recently, with the following officers in charge: J. C. Arduser, president; W. R. Jones, vice president; C. A. Arduser, cashier, and A. Louise Paulson, assistant cashier.

### Reopens

The doors of the Rolette State Bank at Rolette, North Dakota, were reopened to the public recently.

C. O. Myhre was elected president at a meeting of the stockholders. Ludvig Anderson and M. E. Mortenson were named vice president and cashier, respectively. Directors elected at the meeting were C. O. Myhre, Charles Laughrey and Ludvig Anderson.

New stockholders of the institution are Ludvig Anderson, Martin Mortenson, P. J. Myhre, Charles Laughrey, C. O. Myhre, John Eckhoff, John Christianson, Paul Tastad, Joe Christianson, James C. Stutler, Alfred Mortinson and John J. Nelson.

### Stock Split Up

The Directors of the National Bank of the Republic, Chicago, at a recent special meeting voted to split the stock of the bank into five shares for each one share held, and to establish a new par value of \$20, effective as of November 1, 1928.

In addition to this, the directors also increased the capital stock of the bank \$500,000 which will be offered to the old stockholders at par on the basis of one share for each twelve shares of the new \$20 par value stock. This will be effective as of December 10, 1928, the purchase price of the new stock being due and payable on December 20, 1928.

The directors have also decided to consider the advisability of further increases in the capital of the institution at the end of each six months' period, and it is anticipated that the growth of the bank will justify a continuation of periodical increases indefinitely. This is an en-

*Northwestern Banker* October 1928

tirely new idea in banking for, instead of allowing the need for capital increases to develop over a period of years, resulting in a large "melon," it will apparently be the policy of the directors of the Republic Bank to increase the capital gradually and thus keep in step with the growth of the bank.

Have you ever rightly considered what the mere ability to read means? That it is the key which admits us to the whole world of thought and fancy and imagination? To the company of saint and sage, of the wisest and wittiest at their wisest and wittiest moment? That it enables us to see with the keenest eyes, hear with

the finest ears, and listen to the sweetest voices of all time? More than that, it annihilates time and space for us.—Lowell.

In vain do science and philosophy pose as the arbiters of the human mind, of which they are in fact only the servants. Religion has provided a conception of life, and science travels in the beaten path. Religion reveals the meaning of life, and science only applies this meaning to the course of circumstances.—Tolstoi.

Great men are those who see that spiritual is stronger than any material force, that thoughts rule the world.—Emerson

Kindly politeness is the slow fruit of advanced reflection; it is a sort of humanity and kindness applied to small acts and everyday discourse; it bids man soften toward others, and forget himself for the sake of others; it constrains genuine nature, which is selfish and gross.—Taine.

A well-employed and prosperous community can buy and consume. An ill-employed community cannot buy and consume. This is the solution of the whole matter; and the whole matter; and the whole science of political economy has not one truth of half so much importance as this.—Webster.

## Routine Attention—or Personal

### Which Do You Prefer for Your Chicago Business?

There is something about Drovers Service that constantly strengthens old ties and gains new friends. That something is personal attention—and personal acquaintanceship.

Admittedly, your bank is more intelligently and more satisfactorily served where such service is an established fact.

If your bank is a correspondent of the Drovers, our officers have a clear picture of its individual situation without reference to an elaborate filing system. Close acquaintanceship and a genuine

desire to serve avoid the average routine, where important items might receive only passing machine-like attention.

The question is, when you send an important matter to Chicago, what sort of attention do you want—routine or personal?

It will receive intelligent personal attention at the Drovers.



**DROVERS**  
NATIONAL BANK  
TRUST & SAVINGS BANK  
Union Stock Yards • Chicago

# IOWA SECTION

## Officers Iowa Bankers Association

President.....Ray Nyemaster  
Davenport  
Vice president.....M. W. Ellis  
Charles City  
Treasurer.....E. E. Phelps  
Mt. Pleasant  
Secretary.....Frank Warner  
Des Moines



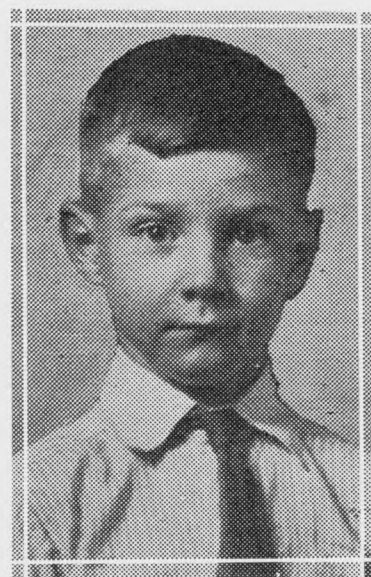
RAY NYEMASTER  
President



FRANK WARNER  
Secretary

## Hoover Namesake Sends in First Dollar

Leave it to the Hawkeye state to lead in everything. On this page is a photo of young Herbert Hoover Tymeson, ten-year-old son of Albert Tymeson, vice president of the Commercial Trust and Savings Bank of Storm Lake, Iowa, who recently sprang into the limelight by becoming the first Iowa contributor to the



HERBERT HOOVER TYMESON

republican state campaign fund. Young Herbert Hoover Tymeson sent \$1, which he earned, to Charles A. Rawson, republican national committeeman, with a letter expressing his hope that Herbert Hoover, for whom he was named, would be elected president. Willis L. Stern, state chairman, announced that this was the first money received.

"I am 10 years old, and have been named after our next president, Herbert Hoover," the boy wrote. "I have been running errands and mowing lawns, and I want to help pay the expenses of making Mr. Hoover president. I am sending you \$1 of the money I have earned."

## Iowa Buying Bonds

Some interesting light on current conditions in the bond business has been found in an extensive investment survey just completed by Lawrence Stern & Company. Among other things, it was found that Iowa's apparent agricultural recovery has proceeded rapidly the past year or so and this state, together with Seattle, are shown as two bright spots in the investment buying field. The survey included every state in the union and Canada.

## Reward

The Polk County Bankers Association at a recent meeting unanimously voted to pay \$1,000 reward for the apprehension and conviction of the gang of bank robbers that held up and robbed the University State Bank of Des Moines on September 14, 1928.

## Celebrate Opening

The Citizens State Bank of Earlham, Iowa, recently held the opening of their new bank building. Special invitations were issued to their customers and friends. The Citizens State Bank at Earlham was organized in 1878. The new bank building really commemorated the 50th anniversary of this banking institution. W. H. Williams is cashier, and Albert Riser is president.

## Meet at Crystal Lake

Forty bankers of Page County, Iowa, met at Crystal Lake near College Springs for the annual county bankers' picnic recently. Besides music and supper, the program included a discussion of "What Is a Good Bank Note?" by various bankers.

D. D. Stitt, vice president of the Citizens State bank of Clarinda, W. S. Farquhar of the First National bank of College Springs; P. M. Cadwell, vice president of the First National bank at Coin; and J. H. Peterman, vice president of the Page County State bank at Clarinda gave talks.

E. C. Fishbaugh, president of the Security Trust and Savings bank of Shenandoah, is president of the Page County

Bankers' association. Besides Mr. Fishbaugh, C. W. Fishbaugh, Lester Walters and F. M. Schneider attended from Shenandoah.

## Leave of Absence

The board of the First Iowa State Trust and Savings bank, Burlington, in regular session recently, granted a leave of absence to Emil Webbles, president, with sincere regret that his illness made this action necessary. Mr. Webbles, in ill health over a period of several weeks, is now at Battle Creek, Michigan, in quest of returned good health and his associates in the bank as well as his many other friends in Burlington will hope that his recovery will be both rapid and complete.

E. S. Phelps, chairman of the executive committee of this banking house, was given the powers that the chairman of the board of directors would have in the absence of the chairman. Charles E. Perkins is chairman of the board but his various interests make it necessary for him to be out of the city at times. It is during his absence that Mr. Phelps will act in his stead.

## Banker Dies

C. Z. Mack, age 28, assistant cashier of the First National bank at Clarence, Iowa, died in a Cedar Rapids hospital recently, of abscess of the lungs, which developed following pneumonia. He was brought home from the hospital several weeks ago and for a time seemed to be recovering, but became worse and was taken back to the hospital.

## Dies in Nevada

J. G. Dutton, 62, prominent banker and respected citizen of Nevada, Iowa, died at his home 1204 H avenue, recently, after an illness of several weeks duration, during which time it was realized that he was gradually nearing the end. Cancer was the cause of his death.

## New Building

Work has begun on the new brick and stone building of the Farmers State Bank building of Yale, Iowa, to be completed and ready for occupancy January 1st.

Space of this building is approximately 44x60 feet. It will include directors' room, customers' room, ladies' restroom, with outside door, two vaults, including a fireproof storage vault besides the work space and counters, which will be elaborately furnished.

The public space of the building will have Terazzo floor which will be very attractive.

This new building is a first floor plan will be a fireproof construction, built entirely of steel and concrete, except for the window frames, the only wood to be used.

Northwestern Banker October 1928

The building will be of brick with white Indiana limestone trim which is very beautiful, with a huge elaborate front door on the east.

#### Raise Rate

The basic rate on commercial loans has been advanced from 5½ per cent to 6½ per cent by Des Moines banks.

There are some fluctuations both upward and downward from the new rate, depending upon the nature and amount of the loan and the balance carried by the prospective borrower.

The high rate on call money in the east and the boost in the loan rate by the federal reserve bank were held responsible in a large measure by bankers for the interest raise.

#### Locates at Jesup

Charles Earl Stewart, who has been connected with the Linn County Savings bank of Center Point, since his graduation from high school 10 years ago, has accepted a position with the Farmers State bank at Jesup, Iowa.

#### Install Alarm

Believing that an ounce of prevention is worth more than a pound of cure the First National Bank of Clear Lake, Iowa, has had installed a complete system of burglar alarm and hold-up protection. The system includes both open

and closed circuits so that in case wires are broken or cut it starts an alarm on another line.

The alarms are both noisy and secret types so that in case it is not possible to start the noisy type at once the burglars or hold-up men may start a system of alarms themselves and not know anything about it.

#### G. G. Hunter Dead

George G. Hunter died in Des Moines recently. He was 63 years old. He was a well-known business man and former magazine publisher.

The deceased came to Des Moines in 1896 to found the NORTHWESTERN BANKER. He later established the Southwestern Banker at Kansas City, and the Southeastern Banker, at Atlanta, Ga.

He and his brother also were at one time joint owners and publishers of the Underwriters' Review, of Des Moines. Deceased was president of the Des Moines Fire Insurance company until its consolidation with the Hawkeye insurance company, when he became vice president of the new company. He also aided in the organization of and was president of the Central Iowa Joint Stock Land bank.

#### Heads County Bankers

J. W. Beggs, president of the First National Bank of Whiting, Iowa, was elected president of the Monona County

Bankers Association at its meeting in Mapleton recently. He has been in the banking business in that county for several years, and his election to this office is a well deserved honor.

Besides choosing a Whiting man for president, the Association voted to hold the picnic in Whiting next year.

Dr. E. E. Junger, of Soldier, was elected vice president, and E. A. Gaukel, of Ute, secretary-treasurer.

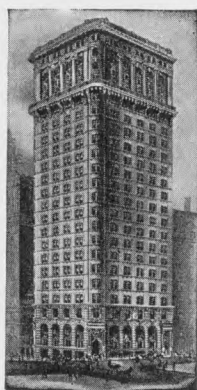
#### Addresses County Bankers

Grain elevators and great warehouses at Mississippi river crossings to build up Iowa industrially and stop its financial bleeding for the benefit of the east, was urged on the Scott County Bankers association at its annual picnic at the Dav- enport Country club recently by Halleck W. Seaman of Clinton.

Every railroad that runs through the state of Iowa except one is dominated by eastern interests with Iowa unrepresented on the board of directors, Mr. Seaman declared. He pointed out how grain and livestock is hauled out of Iowa and milled or butchered at points further east.

Concentration of the products of Hawkeye farms within the state through the building of elevators, warehouses and concentration yards will have a tendency to develop cereal mills, agricultural by-product factories and packing plants on

THE  
**HANOVER**  
NATIONAL  
BANK  
OF THE CITY OF NEW YORK  
Established 1851



Capital . . . \$5,000,000  
Surplus and Profits . \$26,000,000

We Will Give You  
Reliable Information  
About Canada



**DEVELOPMENT BRANCH:** For information regarding the mining industry of Canada, the development and supply of industrial raw materials available from resources

along the lines of the Canadian Pacific Railway, *consult this branch.*

We have an expert staff continuously engaged in research relative to all resources including the examination of mineral deposits. Practical information is available concerning development opportunities, the use of by-products, markets, industrial crops, prospecting and mining.

**BUREAU OF CANADIAN INFORMATION:** The Canadian Pacific Railway, through its Bureau of Canadian Information, will furnish you with the latest reliable information on every phase of industrial and agricultural development in Canada. Our Reference Library, at Montreal, maintains a complete data service covering Natural Resources, Climate, Labor, Transportation Business Openings, etc., additional data constantly being added to keep it up to date.

**CANADIAN PACIFIC RAILWAY CO.**  
Department of Colonization and Development  
J. S. DENNIS, Chief Commissioner, Windsor Station, Montreal, Can.



Iowa soil, the speaker pointed out. He was introduced by A. F. Dawson, bond executive, president of Dawson, Howe & Dawes.

The other important event on the program was the introduction of the winning Vigilantes in the annual competitive shoot.

#### To A. B. A. Convention

A party of prominent Iowa bankers headed by Ray Nyemaster of Davenport, president of the Iowa Bankers' association, joined the bankers' "Falltonic Special" at Chicago, Sept. 28th and attended the convention of the American Bankers association in Philadelphia the week of Sept. 30th. Stops were made in Detroit and Niagara Falls to see the sights. Entertainment was provided at both places.

Des Moines persons who made reservations on the special were: Mr. and Mrs. Grant McPherrin, Mr. and Mrs. L. A. Andrew, J. H. Sharpe, Clifford De Puy and Frank Warner.

Other Iowans made reservations as follows: Mr. and Mrs. Emil Webbles, Burlington; Mr. and Mrs. Leo J. Wegman and Miss Erma Wegman, Carroll; Mr. and Mrs. F. C. Welch, Cedar Rapids; Mr. and Mrs. M. W. Ellis, Charles City; Mr. and Mrs. I. J. Green, Davenport; Mr. and Mrs. T. R. Watts, Grand Junction; Mr. and Mrs. W. G. C. Bagley, Mason City; Mr. and Mrs. B. L. McKee, Muscatine; C. E. Beman, Oskaloosa; Mr. and Mrs. George Schaller, Storm Lake.

W. A. Lane, Waterloo; Mr. and Mrs. E. Jones, Webster City; Mr. and Mrs. Fred Smith, Clinton; C. J. Weiser, Decorah; Mr. and Mrs. Edmund Miller, Waterloo; A. M. Henderson, Story City; F. O. Everest, Council Bluffs; Fred Wray, Waterloo.

Frank Warner, secretary of the Iowa Bankers' association, is a member of the committee on invitation for the "Falltonic Special."

#### Bankers Hear J. L. Mitchell

Every indication is that the price of cattle will not drop for at least six or eight months, declared John L. Mitchell, president of the First National Bank, Sioux City, at the annual picnic of the Monona County Bankers Association picnic in Mapleton, Iowa, recently.

"The price of cattle is high," said Mr. Mitchell, "and the farmer must be careful that he does not pay too much for his feeder stock."

In speaking to the bankers, Mr. Mitchell said they could and should be of much help to the feeder. "The banker must take a chance," he said. "He should loan to the man who can stand a loss without being crippled financially if unexpected reversals should come in the cattle market. But he should not loan to the man who is not in position to stand a loss if the market should slump. You

know who your men are and you should loan according to their ability to weather setbacks."

"Mis-statement of facts has done more harm to Iowa and Nebraska banks than anything else," said Mr. Mitchell. By this he implied that false propaganda has in many cases ruined banks which otherwise would have continued on a sound basis.

#### Hold Banquet

The board of directors of the Farmers National Bank of Winfield, Iowa, sponsored a banquet recently, in honor of their retiring cashier, O. L. Karsten, the

incoming cashier, T. T. Warren, and the retained assistant cashier, H. E. Olson.

All of the officers and their wives, and directors and wives, with the exception of R. P. Davidson, were present.

Senator Carden acted as toastmaster for the improvised program that followed. Every director responded to an invitation from the chair to speak. Each one expressed a regret that Mr. Karsten was leaving their organization.

#### Dies in Air Crash

Ivan Cobel, young banker of Bedford, Iowa, an aviator, was killed recently in a plane crash at Bedford.

THE directory board of this bank meets regularly every week, on Tuesdays at 11:00 A.M., and our directors attend.

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., *Yunker 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

Cobel's plane went into a tail spin one mile north of Bedford. He was not instantly killed but died while on the way to the hospital. Two passengers were seriously injured.

The dedication of the municipal air-

port at Bedford has been indefinitely postponed on account of the accident.

#### Annual Election

The annual meeting of the stockholders of the State Central Savings Bank of

Keokuk, Iowa, was held recently at the bank, when directors were elected and they in turn named the officers. Henry W. Huiskamp was re-elected president and C. J. Bode was elected vice president in addition to being cashier.

The directors elected were W. A. Logan, L. J. Montgomery, H. W. Huiskamp, James Huiskamp, James Cameron, George E. Weissenburger, W. N. Sage, Smith Hamill and C. J. Bode.

The officers elected by the directors were H. W. Huiskamp, president; W. A. Logan, vice president; L. J. Montgomery, vice president; C. J. Bode, vice president and cashier; L. J. Wolfe, assistant cashier; George N. Duerkop, assistant cashier, and E. A. Ebersole, assistant cashier.

The election of C. J. Bode to be vice president as well as cashier, is the culmination of thirty-six years of continuous service with the bank. He has served most capably in the bank's affairs in this long period.

The usual four per cent, semi-annual dividend was declared.

#### Talks to Mortgage Bankers

Dr. W. H. Stevenson, head of the farm crops and soils department at Iowa State college spoke before the annual meeting of the Mortgage Bankers' association at Cleveland, Sept. 13th. Dr. Stevenson explained the land valuation short course which is being held in the spring at Iowa State college. Officers of the association hope that his talk will lead to the inauguration of similar short courses in other states.

#### Good Corn Crop

"The corn crop in southern Iowa is the best I have seen in 25 years," declares N. C. Hoffman, president of the Murray State bank of Murray, Ia., who was in Davenport on a business trip recently. "The yield is heavy and the quality of the crop is very good."

#### With Exchange State

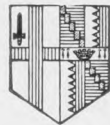
John Reimers, who for four years was cashier of the Farmers State Savings bank of Walnut, Iowa, has accepted a position with the Exchange state bank. Julius Hector, president of the bank, will spend the winter in Florida.

#### Toy Bankers Meet

Appreciation for the co-operation shown between directors and officers of banking institutions affiliated with the Toy interests was expressed by James F. Toy in a talk at a banquet at Hotel Martin in Sioux City, Iowa, recently.

The banquet was included in the program of a two-day meeting of managing officers of the banks.

Forty-one persons attended the banquet, including managing officers of associated banks and directors, officers and



## A Complete Banking Service

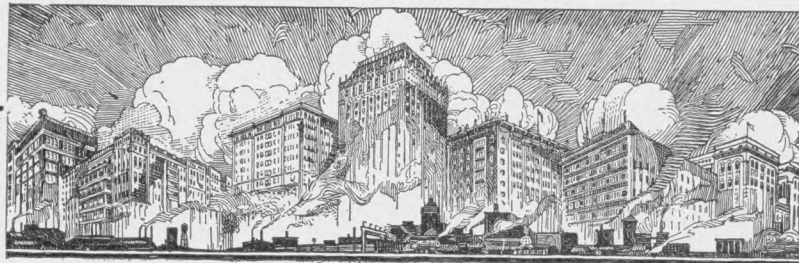
The Midland Bank offers exceptional facilities for the transaction of banking business of every description. Together with its affiliations it operates over 2400 branches in Great Britain and Northern Ireland, and has agents and correspondents in all parts of the world. The Bank has offices in the Atlantic 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

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## 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*

employees of the Toy National bank, of Sioux City.

Out of town bankers and the institutions they represent include: H. Shoulberg, vice president of the First National bank, Akron, Iowa; A. C. Hauek, cashier, First National bank, Alta, Iowa; H. Bischel, cashier, First National bank, Aurelia, Iowa; E. W. Timm, vice president, First National bank, Charter Oak, Iowa; F. A. Mieras, cashier, First National bank, Emerson, Neb.; R. C. Brogmus, cashier, First National bank, Fonda, Iowa; Homer M. Boyd, cashier, State Savings bank, Hornick, Iowa; R. G. Kilgore, First National bank, Hudson, S. D.; M. J. Kuhl, cashier, First National bank, Osmond, Neb.; Albert H. Meyer, cashier, First National bank, Paullina, Iowa; F. S. Stegge, vice president, First National bank, Randolph, Neb.; E. H. Spiseker, cashier, First Trust and Savings bank, Remsen, Iowa; Albert Tymeson, vice president, Commercial Trust and Savings bank, Storm Lake, Iowa; and C. A. Stiles, cashier, Iowa Trust and Savings bank, Varina, Iowa.

#### Vigilant Vigilantes

When the State Savings bank at Missouri Valley, Iowa, was robbed recently the crime marked the sixth of the kind in the state during 1928, according to James Risdien, chief of the bureau of identification. That considering the general condition of law observance and enforcement in the United States, is a circumstance worthy of comment. Only six bank robberies in a comparatively large region where hundreds of financial institutions serve 2,500,000 people.

The reason is to be found at least in part in the efficient organization of county vigilantes, co-operating with sheriffs. Not only are these unknown soldiers well equipped with firearms, but arrangements have been perfected for their notification immediately a robbery has been committed. No more convincing evidence of their success could be asked than present rates for bank burglary insurance, lower in Iowa than in any other state of the union.

#### With Loan Corporation

W. J. Murray, former vice president of the Des Moines National bank, who went to southern California three years ago as manager of the Van Nuys branch of the California bank and in October, 1927, became junior vice president of the Sixth and Grand avenue branch of the same branch in Los Angeles, has quit the banking business to enter the loan field exclusively.

Word received in Des Moines is that Mr. Murray has resigned his position in Los Angeles and will devote all of his time in the future to his interests in the California Loan corporation at Van Nuys, of which he is president. His

home is in Van Nuys, where he has lived since going west.

Mr. Murray, who was one of the early Iowa superintendents of banking and is widely known throughout this state, has acquired a wide reputation in banking circles of the Los Angeles district.

#### Resigns

Axel Henderson of Boxholm, Iowa, one of the best known bankers in the county has given up his position as cashier of the Farmers State Bank there and will devote his time to other business interests. Following the resignation the board of directors promoted E. W. Bloomquist, who has been the assistant cashier, to succeed Mr. Henderson.

#### Locates in Iowa Falls

Richard Hale has accepted a position in the Peoples Trust & Savings bank of

Iowa Falls. He is taking the place of Lester Ladd, who will attend the University of Missouri this year.

#### Reorganized

The City National bank of Tipton, Iowa, which for nearly fifty years has served the people of that community, has announced its reorganization, guaranteeing all deposits in the old institution. The name of the new bank is the Tipton National bank. All real estate and property other than the bank building, and all second mortgages, have been eliminated.

Business will be conducted in the quarters formerly occupied by the City National bank. Officers of the Tipton National bank are as follows: Charles J. Lynch, president; Charles Swartzlander, vice president, and Richard D. Swartzlander, cashier. The board of directors

## Safe Bonds for Bank Investment

*LONG* experience; wide banking contact and efficient investment facilities provide a proper guide to safe investment.

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



BOND DEPARTMENT  
**CENTRAL STATE BANK**  
OF DES MOINES  
Banking, Trusts and Investments  
Safe Deposit Vaults  
Member Federal Reserve System

are as follows: Oscar Wills, Sherman Yates, Ralph D. Wingert, Charles L. Rigby, Charles J. Lynch, Lewis W. Mathews, Gus Alberts, Charles Swartzlander.

#### Vice President to Leave

Nelson Delavan, vice president of the First State bank of Tabor, Iowa, has resigned his position to take effect Oct. 1st when he expects to go to Omaha as credit manager for the retail and wholesale music business of A. Hospe company. Mr. Delavan has been actively engaged in the banking business since 1903. He has held many offices of responsibility in the civic affairs of the community, having served as treasurer of the school district, the town, Tabor col-

lege and the Tabor and Northern railroad.

#### Sac City Banker Dies

F. S. Needham, vice president of the Farmers Savings bank at Sac City, Iowa, and one of the prominent residents of that place, died recently following a brief illness. He was formerly connected with the banks at Lake View, Schaler and Early. Mr. Needham was in his 64th year.

#### Hold Largest Picnic

The largest party ever held by the American Commercial & Savings bank of Davenport took place recently at the Springbrook Country club when 210 em-

ployes, officers and directors of the big institution and members of their families turned out for the annual bank picnic.

While the weather was not as good as could be expected, and rain fell during the afternoon, nevertheless the sports program was run off as arranged before the banquet was served.

The committee in charge of the picnic consisted of A. H. Hiegal, chairman; Jake Brockmann, assistant chairman; Erna Hoefler, Fred Gruenwald, Florence Wichelman, Katie Harney and A. P. Wolters.

#### Celebrates Birthday

The Clay County National bank of Spencer, Iowa, celebrated its first birthday recently and started it by the whole force lining up in front of the bank and being photographed.

The bank's deposits on its first day of business, Sept. 1, 1927, were \$44,790.06. At the close of business last Friday, August 31st, the deposits were \$713,978.54. The bank at the end of its first year had 1758 depositors and total resources of over three quarters of a million dollars.

#### Returns from Europe

Erma Wohlenberg Fox and husband, Gordon Fox, have recently returned from a four months stay and tour in Europe. Erma is a daughter of C. Wohlenberg of Holstein, Iowa, and is well known to Iowa bankers. She has travelled through almost every country in Europe and visited the birthplace of her father, and his sisters and brother, and brought home a fine collection of antiques. Her husband, an electrical engineer, spent the most of his time in Russia where his firm is erecting large electrical plants and smelters. They made the last end of their trip from Paris to London by air.

#### Dies in Muscatine

George Adam Funck, 90, a director of the Muscatine, Iowa, State bank and prominent in business affairs for many years, died at his home, recently.

Mr. Funck was born in St. Louis, Mo., Oct. 27, 1837, the son of Henry and Anna C. Funck. In the fall of 1839 his parents brought him to Muscatine, and he spent practically all of the rest of his life there.

A city salesman was taking a chamber maid for a ride in his car. Lowering a window, he said: "Does that air bother you?" She looked at him dumbly for a moment, then asked: "That 'ere what, Bill?"

First Old Maid: If a man ever kissed me, I believe I'd die.

Second Old Maid: Yes, I'd be ready then myself.



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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. Taylor, President



# WE BELIEVE

in this state, in its growth and prosperity. We pledge our cooperation to its forward-looking enterprises and to you, its citizen.

We expect to grow greater year by year—and to grow by serving.

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YOU NEED FOR YOUR BANK



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

# When Presidents Report to Directors

**D**IRECTORS in all banks should have the most complete knowledge of a bank's transactions, the value of its note case and other investments. Full particulars of all the important changes and new transactions should be put before the directors of a bank at least once a month. There is no bank so small but it should have a meeting of its Board of Directors at least every thirty days. Of course, the larger banks should meet every two weeks or every week. The report of the

By **L. A. ANDREW**

*Iowa Bank Superintendent*

*From report to Clearing House Section, A. B. A., Philadelphia*

executive officers to the directors should be made at a meeting and not sent by mail. This is very important and should be insisted upon.

It was the desire of the committee to work out a program for these directors' meetings and to suggest a form of report

to be made, bearing in mind that whatever is submitted must be solely along the lines of a suggestion, to be worked out in the different banks as their various requirements suggest. The members of the committee, being very familiar with the small country bank personnel, knew that it would be impossible to expect the limited force to make out any extensive report. Under present conditions they have a hard time meeting expenses and have as little help as possible to do the work. As bank commissioners, we even find it hard to get the required reports in on time from a large number of our smaller banks.

## Sent Out Questionnaires

Mr. Rooney, as chairman of the clearing house committee, had already done considerable work before our New York meeting, and turned over to our committee the number of letters and forms suggested by different members of his committee. A large number of questionnaires were sent out to banks and supervising authorities, asking for suggestions, and considerable time and effort was expended in trying to gather together these results in report form, which would be brief, complete, and in such shape that the small bank clerk and officer could work it out. It was felt that the report should contain full and complete particulars of the important transactions of the bank since the last meeting; that there should be a comparative statement of the condition of the bank submitted in detail, both as to resources and liabilities, said comparison being with conditions as of a month ago and a year ago. This was done to show any immediate changes and also the change from a year ago to give the directors a knowledge of the general trend of the bank's affairs. The report on resources is divided under the following heads:

- Cash and due from banks.
- Unpledged U. S. Securities.
- Unpledged other bonds. (Marketable)
- Demand com'l and Call Paper (Available)
- 1st Mortgage Loans.
- Other secured loans.
- Other loans, discounts and bonds.
- Loans to Officers, Directors, and allied interests.
- Pledged loans and discounts.
- Pledged Bonds.
- Overdrafts (Itemized attached)
- Banking House, furniture and fixtures.
- Other Real Estate.
- Other Assets.

The report on liabilities is divided under the following heads:

- Commercial Deposits.
- Public Fund Deposits.

“We've handled their items for half a century—”

There's many a bank to which we may apply this statement. Continued patronage is the best recommendation of the constant quality of the service rendered.

# The Omaha National Bank

FARNAM AT

SEVENTEENTH



RESOURCES OVER

FORTY MILLIONS

MEMBER  
FEDERAL RESERVE



ORGANIZED  
1877

## You Be the Judge

Rather than to try to tell you of the friendly, personal service your account receives at the Cedar Rapids National Bank, send your correspondent items to us, and let us prove it. We have no fear of the outcome when we let "you be the judge."

*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

Other demand deposits.  
Savings Deposits.  
Time c/ds.  
Bills Payable and rediscounts.  
Capital Stock.  
Surplus Fund.  
Undivided Profits.  
Reserve Account.  
Other Liabilities.

Then comes the report on the amount of Total Reserve on Hand and the Reserve Required by Law, followed by a short statement of Earnings and Expenses, with a comparison with those of a year ago. Next the report shows the new loans granted and bonds purchased; also the important loans paid and the

bonds sold. There is an extra space for the changes in large and important loans. Applications for new loans with the amount and the security offered come next. The officers then call the attention of the board to the loans, including the excess and large lines, past due, doubtful, slow paper, frozen loans, etc. The next item is a discussion of the Potential Other Real Estate, and plans for the sale of real estate already acquired. Next is listed important new and closed accounts, both commercial and savings. Included in the report is a space for Miscellaneous Items and a suggested program of business, including besides the above, loans which are under contemplation, the read-

ing of communications from the supervising authorities, and a general discussion of the bank's affairs, how to increase business, etc.

This form of report has been carefully considered and adopted by Mr. Rooney's committee, by the committee from the State Bank Division, and by the committee from the Association of Supervisors of State Banks. The report also has the approval of the national banking authorities.

This is probably the first time that a model form for a report of the executive officers of a country bank to their board of directors has been prepared. Good banking requires the close cooperation of the directors of a bank with the active officers. Supervising authorities without exception have insisted upon closer supervision by directors.

We are quite sure this form suggested and herewith presented will be of distinct help in bringing to the directors of a bank a view of the bank's condition, with a comparison of that condition as it was a month before and a year before. We are also very sure that the banks that adopt and use this form will be better banks, more profitable banks, and safer banks.

#### The "Croaker"

Once on the edge of a pleasant pool,  
Under the bank where 'twas dark and cool,  
Where bushes over the water hung,  
And rushes nodded, and grasses swung,  
Just where the creek flowed outer the bog,  
There lived a grumpy and mean old frog  
Who'd sit all day in the mud and soak  
And just do nothing but croak and croak,  
Till a blackbird hollered "I say yer know,  
What's the matter down there below?"  
Are you in trouble, er pain, er what?"  
The frog sez, "Mine is an orful lot;  
Nothing but mud and dirt and slime  
For me to look at just all the time.  
It's a dirty world!" so the old frog spoke,  
"Croakity croakity croakity croak!"  
"But yer looking down!" the blackbird said;  
"Look at the blossoms overhead,  
Look at the lovely summer skies,  
Look at the bees and butterflies,  
Look up, old feller. Why bless your soul,  
Yer looking down in a muskrat hole!"  
But still with a gurgling sob and choke  
The blame ole critter would only croak.  
And a wise old turtle, who boarded near,  
Sez to the blackbird, "Friend, see here:  
Don't shed no tears over him, fer he  
Is low-down just 'cause he likes ter be;  
He's one er them kind of chumps that's glad  
To be so mis-rable-like and sad;  
I'll tell yer something that ain't no joke,  
Don't waste yer sorrer on folks that croak."



**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:

<b>R. J. ANDREWS</b> Real Estate and Insurance	<b>RALPH J. HALEY</b> President, Haley-Neeley Co.	<b>W. S. KNAPP</b> President, Knapp & Spencer Co.
<b>F. B. BUCKWALTER</b> President, The Buckwalter Co.	<b>A. S. HANFORD, SR.</b> President, Hanford Produce Co.	<b>W. A. KLINGER</b> Constructor
<b>E. C. CURRIER</b> President, Hansen Glass & Paint Co.	<b>H. A. GOOCH</b> Vice President	<b>J. L. MITCHELL</b> President
<b>DAVE DAVIDSON</b> President, Davidson Bros. Co.	<b>JOHN B. KEEFE</b> Secretary-Treasurer, M. L. Flinn Paving Co.	<b>D. C. SHULL</b> Attorney
<b>E. B. FLINN</b> President, M. L. Flinn Paving Co.		<b>HENRY G. WEARE</b> Ranchman and Banker



## Chicago Consolidation Is Effected

The Continental National Bank and Trust Company and the Illinois Merchants Trust Company, Chicago, have approved a plan to consolidate these two institutions under the name Continental Illinois Bank and Trust Company.

The consolidated Bank will operate under a State charter with a capital of \$75,000,000.00, a surplus of approximately \$65,000,000.00 and a reserve fund of \$10,000,000.00 for any possible future contingencies. The total resources will exceed \$1,000,000,000.00.

In addition the new plan provides for a Securities Company, the Continental Illinois Company, with a capitalization of \$20,000,000.00, the stock of which will be owned prorata by the stockholders of the Bank under a trust agreement. This Company will take over the present bond and securities business of the Continental National Company and the bond and securities business of the Illinois Merchants Trust Company, offering their clientele a broad investment service. It is believed, through the large capital and resources of this Company, that Chicago's importance as a financing center will be greatly augmented.

The plan proposes that the stockholders of Continental National Bank and Trust Company will receive for their present \$35,000,000.00 of capital, share for share of stock in the consolidated institution. In addition they will receive as a dividend distribution the investment of the Continental National Bank and Trust Company in the present bank building. This building and ground are owned in fee and are free from encumbrance.

The stockholders of Illinois Merchants Trust Company will receive for their present \$15,000,000.00 capital, two shares for each share now held, or \$30,000,000.00 of the capital stock of the consolidated institution. In addition they will receive a cash distribution of \$15,000,000.00 (or such lesser sum as may be available after possible minor adjustments of the assets of the Illinois Merchants Trust Company for the consolidation), representing the proceeds of the sale of the Illinois Merchants present building to the consolidated bank.

As further evidence of faith in the continued development of this community, it is proposed to issue and sell to the stockholders of the consolidated Bank, 100,000 shares of additional stock at \$400.00 per share, which will add \$40,000,000.00 in cash to the assets to be turned in by both constituent banks and which will result in the total capital resources in the Bank and Securities Company of approximately \$170,000,000 as heretofore stated.

## Foshay Management

7% Yield On Preferred Shares  
Of Industrial And  
Public Utility Companies  
Profiting By Foshay Management  
Or Foshay Financing

Before You Invest  
Ask About These Shares

W.B. FOSHAY CO.

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"For Over Eleven Years—All Your Money—All The Time—On Time"

FOSHAY BUILDING - MINNEAPOLIS

SAN DIEGO	NEW YORK	SPOKANE	DES MOINES
LOS ANGELES	BOSTON	SEATTLE	STOCKTON, CALIF.
SAN FRANCISCO	CHICAGO	ST. PAUL	PORTLAND, ME.
MANCHESTER, N. H.	HARTFORD	DENVER	PORTLAND, ORE.
SACRAMENTO			OAKLAND, CALIF.

## Increased Security

Little Talks in Tiling, No. 36

YOU want the money, not the land, when your farm mortgages come due. That money must come out of the profits earned by the land itself. So any increase in the earnings of the land covered by your mortgage increases your security, or the assurance that you will get your money.

Tile drainage does that very thing. It gives larger yields from the same acres, the same seed, and the same labor. It insures larger yields every year, in spite of the weather man. Thus your security is increased more than it would be by spreading your mortgage over more acres of the present kind.

Helping a Farmer Tile His Land  
Increases Your Mortgage Security

**Mason City Brick and Tile Co.**  
312 Denison Bldg. Mason City, Iowa

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a Quarter of a Century—It Has Stood the Test of Time

Northwestern Banker October 1928

# 58 Years of Successful Conservative Banking

Statement of Condition  
of  
**THE CITY NATIONAL BANK**  
of Clinton, Iowa

September 12, 1928

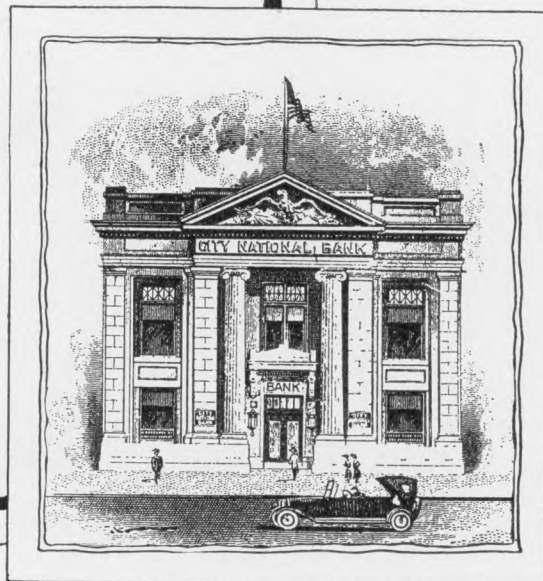
### RESOURCES

Time and Demand Loans.....	\$5,848,578.44
U. S. Bonds .....	395,766.07
Stock in Federal Reserve Bank..	19,500.00
Banking House and Real Estate	96,945.17
Cash and Due from Banks and U. S. ....	849,603.00
Items in Transit.....	115,234.80
	<b>\$7,325,627.48</b>

### LIABILITIES

Capital .....	\$ 300,000.00
Surplus .....	350,000.00
Undivided Profits .....	180,440.82
Reserved for Interest and Taxes	90,000.00
Circulation .....	300,000.00
Deposits .....	6,105,186.66
	<b>\$7,325,627.48</b>

Clinton County's Largest Bank



# The City National Bank

## CLINTON IOWA

Northwestern Banker October 1928

### DIRECTORS AND OFFICERS

- ALFRED G. SMITH, Chairman
- ALFRED C. SMITH, President
- G. L. CURTIS, Vice President
- G. L. CURTIS, President, Curtis Companies, Inc.
- G. W. DULANY, JR., President, Eclipse Lumber Co.
- G. W. DULANY, JR., Chairman, Climax Engineering Co.
- H. W. SEAMAN, President, Clinton Wire Cloth Co.
- M. J. GABRIEL, President, Gabriel Lumber & Fuel Co.
- J. PETERSON, Peterson-Bowman Implement Co.
- J. O. SHAFF, State Senator
- J. O. SHAFF, 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., Towles & Hypes Co.
- O. P. PETTY, Cashier
- J. H. NISSEN, Assistant Cashier
- H. G. KRAMER, Assistant Cashier

The consolidated Bank will own and occupy the building now owned by the Illinois Merchants Trust Company, where ample accommodations will be made available.

George M. Reynolds, present Chairman of the Board of Directors of the Continental National Bank and Trust Company, will be Chairman of the Executive Committee of the merged bank. Arthur Reynolds, President of the Continental National Bank and Trust Company, will become Chairman of the Board of Directors and the Chief Executive Officer. Eugene M. Stevens, President of the Illinois Merchants Trust Company will be president of the merged bank and will cooperate with the Chairman of the Board in its active management. The remaining officers of both Banks will continue in the combined institution.

### MAKING MONEY FROM CHRISTMAS CLUBS

(Continued from page 23)

out full knowledge of the dangers lurking in a contest. Provision was made for acknowledging immediately all essays received, and at the conclusion of the contest all participants received another letter thanking them for the effort they had made and enclosing a reprint of the first prize essay, together with the names of all winners.

#### Contest Rules Simple

The rules of the contest were not complicated or set forth in a technical manner and the cash prizes were kept low, purposely. While we wished to obtain a reasonable number of essays, the principal reason for the prize contest method of newspaper advertising was to get our advertising read and to induce readers to think. In other words, by seeking essays giving the best reasons "Why I have a Christmas Club" we raised the question in the mind of the reader which we answered in part by selection of the judges of the contest.

The four judges represented respectively the four main purposes for which Christmas Club funds were used, namely, gifts, taxes, insurance and savings. And following the first newspaper announcement of the contest, advertisements featured an article by each one of the judges which reads such as "Christmas Clubs help pay insurance premiums," followed with statistics showing the total number of local Christmas depositors in all banks and the portion of the nation's Christmas Club fund used for the specific purpose described. This helped establish the Christmas Club as a popular and acceptable method of saving.

Of course each one of these advertisements incorporated the prize contest rules so that the news value of the copy was maintained. Reprints of the prize

contest announcement were also posted on bulletin boards in the schools.

A number of essays were sent to us and one receiving the first prize was published. In this way and throughout the contest, we were able to bring the best reasons for having a Christmas Club to



VIRGIL D. ALLEN, JR.

the attention of a great number of people who had never before realized the value of such a method of saving.

As a result of these efforts, our 1928 Christmas Club is larger than the Club of the past year in spite of the lower rate of interest and notwithstanding the fact that it had just passed its first anniversary when this radical change took effect.

### Interest Rates on Deposits

"The interest rate a bank pays for the use of money bears a direct relationship to the interest rates received by it on bonds and bills payable," declared A. J. Veigel, Minnesota state banking commissioner at a meeting of the Clearing House Section of the A. B. A. at the annual convention held in Philadelphia.

He said, in part:

"As such rates are continually changing, it follows that the rate paid on time deposits should also be changed to meet the existing conditions of the money market. Banks cannot now afford to pay as much as they did during and immediately after the war.

"The public is more interested in having safe banks than they are in free services or high interest rates.

"In the long run, a bank must have earnings above expenses to be safe. Most banks have now decided that they are

# Please Consider This

*when you choose your  
correspondent bank in  
this territory*

THE selection of The First National Bank of Davenport, Iowa, as your correspondent in this territory, insures you a complete and efficient service.

The collections and clearance of Items will be promptly handled.

Our Bond Department is well qualified to secure for you the facts regarding any investments and to offer you investments of proved safety, satisfactory interest yield and ready marketability.

Our Safe Deposit Vault facilities assure you absolute safety for anything left with us for safe keeping.

The wide range of the banking activity of The First National Bank keeps it in closest touch with existing conditions in this territory.

We are confident you will find The First National Bank a valuable banking connection in this territory.

*The First National Bank is the only National Bank in Scott and Rock Island Counties*

## First National Bank

At Second street and Main  
Davenport, Iowa

*Founded with vision*      *Built by Service*



Valley Bank Building

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

**Valley National Bank**  
AND  
**Valley Savings Bank**  
DES MOINES, IOWA

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

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

**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

**Comptroller's Call**  
at the close of business June 30, 1928

RESOURCES		LIABILITIES	
Loans and Discounts . . . . .	\$1,713,227.79	Capital Stock . . . . .	\$ 200,000.00
Overdrafts . . . . .	1,772.58	Surplus . . . . .	100,000.00
Bank Bldg. and Real Estate . . . . .	199,610.11	Undivided Profits . . . . .	62,821.82
Furniture and Fixtures . . . . .	24,951.79	Reserve for Dividend . . . . .	8,000.00
Demand Col- lateral Loans \$280,000.00		<b>DEPOSITS . . . . .</b>	<b>2,721,917.14</b>
Call Loans . . . . .	175,000.00		
Bonds and Se- curities . . . . .	143,820.66		
Cash and due from banks . . . . .	554,356.03		
	<b>1,153,176.69</b>		
	<b>\$3,092,738.96</b>		<b>\$3,092,738.96</b>

**First National Bank**  
Waterloo, Iowa

not charitable institutions. There is no good reason why banks should not charge for all services rendered, the same as every other business is doing.

"The income of banks has been reduced because they now get much less in exchange, practically no commissions on mortgage loans, the interest received on bills receivable and bonds is less, and in many cases the volume is less.

"On the other hand, their expenses for salaries, taxes, supplies, etc., are more.

"Little can be done in the smaller banks to reduce expenses, because in most cases the salaries are now inadequate. To balance their budget and show a profit, it is, therefore, necessary to increase the earnings by reducing the rate of interest paid on deposits.

"Some additional earnings can be obtained by service charges of all kinds and banks should not hesitate to collect them, but the place where banks can save more money than everything else put together, is to reduce rates paid on time deposits. A reduction of 1 per cent in Minnesota would make about \$3,000,000. That 1 per cent saving would place on a paying basis many banks which have not made any money in the last few years. It would undoubtedly save some banks from closing in the future.

"Keeping in mind the undisputed fact that the public is primarily interested in safe banks and everything else is secondary, also the fact that banks must in the long run make money in order to be safe, it is then squarely up to the banks to do whatever is necessary to show a profit.

"About the only place left to enable many banks to make the necessary profits is to reduce interest rates on time deposits. Then why hesitate?

"We realize that many would like to reduce the rates, if all other bankers would do likewise. It is perhaps too much to expect of human nature that all bankers should agree. We all know that if certain key banks in any given territory would reduce, there would be no trouble, but from a practical standpoint, that seems to be impossible. It is, therefore, necessary in many cases for banks to reduce without waiting for all banks to do likewise.

"The experience in our state has been that banks which reduced first are usually the more conservative banks. A thinking public knows that such banks are safer because of such reductions and in those cases they have not lost deposits and in many cases they have gained deposits.

"I am a strong believer in our independent banking system, in spite of all of its faults. The United States has a larger so-called middle class than any other country in the world. Therein lies its strength. I firmly believe that the independent banking system has been the

prime factor in giving us this large independent class of citizens who are fairly well off.

"We should, therefore, do everything possible to preserve our independent banks, and to do so, it is necessary that bankers themselves take whatever action is necessary to prevent in the future the numerous bank failures which have occurred in the recent past.

"In my opinion, cooperation among independent bankers is now the most important thing to preserve our present system. If the majority of the bankers in any given group or territory decides it is necessary to have credit bureaus, regional clearinghouses, make service charges, reduce interest rates, etc., the minority should join whole-heartedly with the majority. By so doing, they not only improve their own condition, but materially help the general situation. Cooperation, printed in italics, should be the slogan of independent bankers at the present time. This applies especially to the interest rates on time deposits.

"It has been abundantly demonstrated that all banks should have at least 20 per cent of their assets in liquid form, or a so-called secondary reserve for emergencies. If this amount is invested in the best bonds and commercial paper, the interest rate is low. Many banks which pay a high rate on time deposits are actually losing money on such investments. This condition should not exist.

"I doubt if it is advisable or desirable for the different banking departments or the comptroller to arbitrarily fix the interest rates on time deposits, as conditions vary greatly in different parts of the country. The independent bankers themselves should be big enough to handle this matter in the interest of the public and of the banks.

"When, however, a condition exists where bankers do not do this, and when it can be clearly shown that some banks are slowly committing suicide by paying more interest than they can afford to pay and it becomes a question as to the safety of the bank, then it seems to me that it is the duty of the banking departments, in the interest of the depositors, to step in and compel such men to run their banks in accordance with sound banking principles."

To be out of place is not necessarily to be out of power.—Johnson.

What sculpture is to a block of marble, education is to a human soul.—Addison.

## Mortgage Loans

We extend the facilities of our organization to those desiring a connection for First Mortgage Loans in Principal Cities of the Middlewest.



## Guaranteed Mortgage Company

Minneapolis

Baker Bldg.

## SPECIALIZED INVESTMENT SERVICE

Through our First Trust Company we offer a specialized investment service to our correspondent banks. 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

**First National  
Bank of Omaha**

C. T. KOUNTZE  
Vice President  
and Chairman

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

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 October 1928

1876

1928



**A** REPUTATION for sound and thorough handling of correspondent accounts does not mean that up-to-date methods are not employed.

Your account with us receives experienced service, plus the advantage of the most efficient correspondent banking facilities.

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



# Consolidated National Bank

UNITED STATES DEPOSITORY

DUBUQUE, IOWA

J. K. Deming, President

Geo. W. Myers, Vice President      Herman Eschen, Secretary

Jos. W. Meyer, Cashier

## Is Elected Director

Frederick H. Rawson, chairman of the Union Trust Company, Chicago, announces the election of F. E. Williamson, as a director of the bank. He is executive vice president of the C. B. & Q. Rail-



F. E. WILLIAMSON

road company and has been in various branches of the railroad business for many years. He served several years as operating vice president of the Northern Pacific.

## LEGAL DEPARTMENT

(Continued from page 16)

which had been issued. Therefore, the circumstances of temporary overdraft does lose its significance as evidence tending to prove bad faith on the part of the bank officials. If the bank's doors had not been closed on the morning of April 5th, each draft would have been paid when again presented.

The facts surrounding the issuance of these drafts is not such that it can be shown the officers of the bank knew it was insolvent. The holder of these drafts is only entitled to share as a general creditor in the assets of the bank. This is the usual status of holders of drafts of failed banks except in an instance where fraud exists in the issuance thereof.

My doctern is to lay aside  
 Contensions and be satisfied;  
 Just do your best, and praise or blame  
 That follers that, counts jest the same;  
 I've allus noticed grate success  
 Is mixed with troubles, more er less,  
 And it's the man who does the best  
 That gits more kicks than all the rest.

# IN THE DIRECTORS ROOM



## Strange Interlude

"I beg your pardon, madam." A patron of the movies bent over and touched the lady in front of him on the shoulder. "But would you mind reading the subtitles in a little louder tone? The organ sometimes prevents me from hearing you."

## Not Scarce

Indignant Citizen: "Officer, stop that fellow!"

Officer: "Wraffur?"

Indignant Citizen: "Why, he's a bootlegger."

Officer: "Don't yez get so excited, there will be another one along in a minute or two."

## True Thrift

"I hear that Scotty, the owner of the Highland Restaurant, is pretty thrifty."

"Thrifty? Why, do you know, he has the little pieces they punch out of the checks swept up and sold for confetti."

## Information Bureau

A worried-looking person entered the spooky-atmosphered establishment of a fortune teller.

"Do you guarantee that I can talk with my dead wife?" he inquired.

"Absolutely," the seer promised.

"Then ask her where in Heaven's name she put my golf pants."

## Poor Position

Lady of the House: "You're a big, healthy man. Why don't you go to work?"

Tramp: "Madam, my trouble is I'm an unhappy medium."

Lady: "What on earth is that?"

Tramp: "I'm too heavy for light work, and too light for heavy work."

## Hell Bent

The deceased groceryman knocked on the gates of Hell and asked entrance.

"Why do you come here?" demanded Satan.

"I want to collect some old accounts from a couple of my former customers who died before me."

"How do you know they are here?"

"Well, every time I tried to collect this is the place they recommended me to."

## Sure, They're Clean

Customer: "I don't want to buy your crackers; they tell me the mice are always running over them."

Grocer: "That ain't so; why the cat sleeps in the barrel every night."

## Seeing Double

"John! What do you mean by getting in at this hour?"

"S'all right, m'love. I just hurried home 'cause I thought you might be lonesome, but I shee your twin sister's staying with you."

## Very

New Yorker (incredulously): "And you mean to say that in California you have three hundred and sixty-five days of sunshine a year?"

The Man from Los Angeles: "Exactly so, sir, and that's a mighty conservative estimate."

## Would Be Worth It

"Really, that's the most atrocious necktie that I ever saw on a human being."

"Thanks, old chap. I'll give you a dollar if you'll repeat that in the presence of my wife."

## Some Boy!

"That's our general superintendent—son of the president—he began at the bottom and worked up—started in as an oiler, right after he left college."

"When was that?"

"Oh, he graduated last June."—*Wall Street Journal*.

## Safety First

"See here," the Indian inspector declared, "it is a violation of the law now to have more than one wife and the law must be obeyed. When you get back home you tell all your wives, except one, that they can no longer look upon you as their husband."

"You tell 'em," suggested the Indian after a moment's reflection.

## Perfectly Square

"Look heah, you's cheatin' on me."

"Lord, black man, ah ain't chatin' no one."

"Yes you is—Ah never dealt you that ace."

## Hitting on All Six

Motto for Motorists: Pedestrians should be seen and not hurt—

Another: Say it with brakes and save on flowers.

Don't kid about safety. You may be the goat.

Time saved at a crossing may be lost in the emergency ward.

No domestic science course is necessary to enable a girl to make a traffic jam.—*Georgia Motorist*.

## Take Your Choice

A fat woman elbowed her way through the crowd, jabbing first one person and then another. Finally she gave one nearby man an unusually hard thump, and said:

"Say, does it make any difference which car I take to Greenwood Cemetery?"

"Not to me, madam," he said.

## Just Like 'Em

After slaving away for years the inventor had produced a machine that was a success. He opened a bank account, and went home to tell his wife of his success.

"At last, my dear," he cried, "you'll be able to buy some decent clothes!"

"I'll do nothing of the sort," came the sharp reply, "I'll get the same kind that other people are wearing!"

## Why He Was Worried

The train came to a sudden stop between stations with a tremendous grinding of brakes. Immediately a worried-looking man rushed down the track and demanded the reason of the guard.

"What is it?" he asked. "An accident?"

"Somebody pulled the communication cord," was the reply. "The drive put on the brakes too quickly, and one of the cars went off the rails. We'll be held up about four hours."

"Four hours!" exclaimed the passenger. "But I'm to be married today!"

Instantly the guard turned on him.

"Say," he demanded, "you ain't the fellow who pulled the cord, are you?"

## Cause for Profanity

Foreman: What's the boss cussing about?

Head Clerk: Somebody tore down the "No Swearing" sign he nailed up this morning.







# Des Moines National Bank

*The officers* of the Des Moines National Bank believe that the correspondent connection of the most value to you is the one which does its work well, and is constantly on the alert for new ideas—new ways and means of being more helpful. Your account with us will demonstrate what we mean by real service.

## OFFICERS

LOUIS C. KURTZ, President	RICHARD H. COLLINS, Asst. V. P.
ANDREW J. HUGLIN, Vice Pres.	EDWIN F. BUCKLEY, Asst. V. P.
HERBERT L. HORTON, Vice Pres.	OWEN P. McDERMOTT, Asst. Cash.
CLARENCE A. DIEHL, Vice Pres.	LELAND J. ANDERECK, Mgr. Bond Dept.
GEORGE D. THOMPSON, Cashier	CLYDE H. DOOLITTLE, Tr. Officer
WALTER J. ROBERTS, Asst. V. P.	VICTOR H. PULIS, Asst. Tr. Officer

Capital \$ 1,000,000.00

A *Chicago* Banking Connection  
with **W**ORLD-WIDE  
SERVICE



In selecting the Illinois Merchants Trust Company as your Chicago banking connection, you are placing your business with a bank which can serve you authoritatively not only in Chicago but in all parts of the world.

The handling of your business through this Bank is facilitated by

direct connections, established over a period of more than fifty years, with thousands of banks and business houses in this and foreign countries—connections involving personal contacts of great value to our customers wherever they may be.

**ILLINOIS MERCHANTS  
TRUST COMPANY**

*Resources Over 450 Million Dollars*

CHICAGO