

Northwestern BANKER

DES MOINES

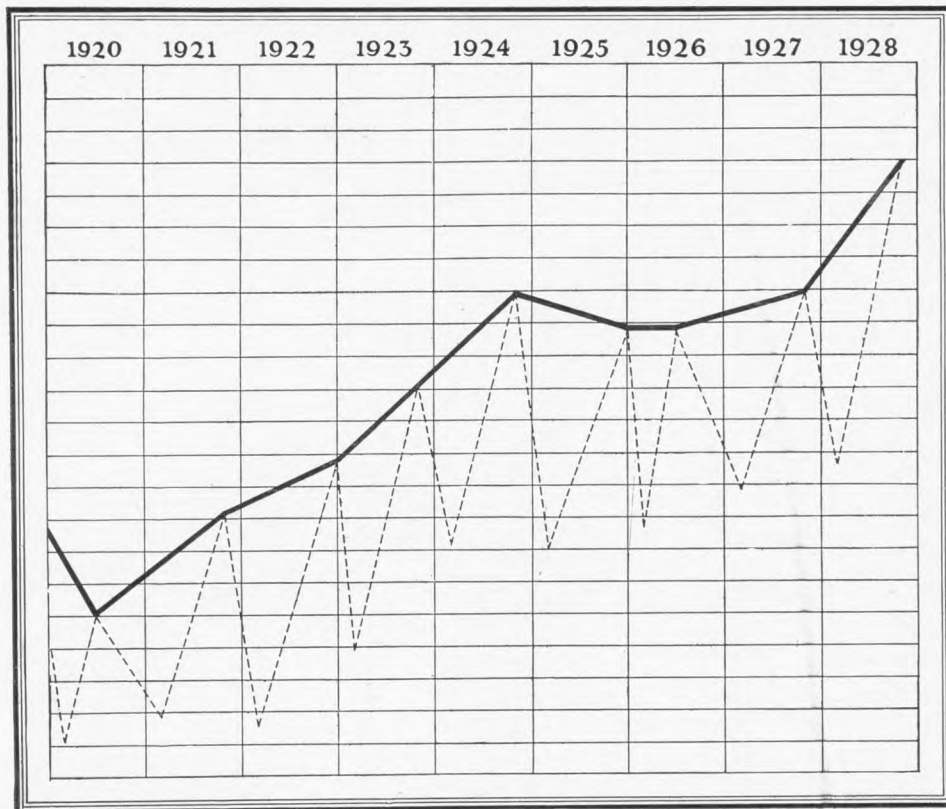
“Worth a Million to His
Home Town”

(Page 18)



JOHN G. LONSDALE
President, National Bank of Commerce
St. Louis.

DECEMBER 1928



New High Record

Prompt returns on grain drafts are always certain when you have the *Northwestern* working for you at this end of the line. Send your grain items here where a highly specialized grain draft department handles this class of items exclusively.

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This record of gain is strong proof of the satisfaction of clients and the growing demand for *Northwestern* service. Expanding volume has been matched by expanding facilities; we have the means, and most certainly the strong desire, to make your dealings here entirely satisfactory.

Northwestern National Bank
Minneapolis



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 \$118,000,000.~

Northwestern Banker

Des Moines

Number 497

DECEMBER, 1928

33d Year

Just Between Us

"Promoting Better Management"

"As one of the outstanding magazines in its field your publication has a splendid opportunity to play a large part in promoting better bank management. The general makeup of your magazine, its attractive appearance and editorial policy have always impressed me," says Craig B. Hazlewood, vice president of the Union Trust Co., Chicago, president of the American Bankers Association.

"Incomparable"

"This bank has been a continuous subscriber to the NORTHWESTERN BANKER for the past thirty years and the monthly visits of your magazine are always of great interest to us. The articles appearing therein are not only interesting but of practical value. As a magazine for bankers of the middle west the NORTHWESTERN BANKER is incomparable." . . . B. J. Baumgartner, cashier, Citizens State Bank, Elgin, Iowa.

A 25 Year Club Member

"There is a special link between the NORTHWESTERN BANKER and our institution, the Northwestern State Bank, since the word 'Northwestern' is a part of both names. This shows that a generation ago the founders of both institutions saw the boundless opportunities and marvelous possibilities of this great northwest country and had a vision of its unparalleled growth and development; The Northwestern State Bank wishes the NORTHWESTERN BANKER continued and growing success. We feel proud to belong to your 'Quarter-of-a-Century' Club and here's hoping we may belong also to your 'Half-a-Century' Club some day." . . . G. J. Slobe, Cashier.

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We have found that the way to hold the good will and interest of our correspondent clients is to evidence our good will and interest in them, and this applies to our banking relations as well as our personal contacts. Our endeavor is to give the best service we know how to give, and to help you in every way we can with all your banking problems.

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ONE bank out of every six in the United States is a correspondent of the Continental. And after the Illinois Merchants and the Continental are consolidated as the Continental Illinois Bank and Trust Company, the united bank will have an even larger network of correspondent connections—thus making available to each correspondent a greater system for transit and collection items and providing access to still wider sources of credit information. Invested capital of 150 million dollars and resources of a billion and more, in themselves, indicate the strength the united bank will have. As to foreign banking service—there will be direct banking contacts with every city of business importance in the civilized world. Investment facilities will be enlarged by the formation of an affiliated investment company with capitalization of 20 million dollars. But the size of the consolidated bank in no way will alter present relationships with correspondents. It will have a flexible official organization enabling correspondents to continue to transact business with old friends

**CONTINENTAL
NATIONAL BANK
& TRUST COMPANY
OF CHICAGO**

A Cedar Rapids Bank



Servicing All Iowa

New methods and efficient and up-to-date banking facilities—but the same old ideals of careful and personal correspondent service are still outstanding here at the Merchants National. The world moves rapidly, but there will never be any substitute for work well done. If there ever is, we'll have that, too.

MERCHANTS NATIONAL BANK

Cedar Rapids

Iowa

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MEMBER
FEDERAL RESERVE



ORGANIZED
1877

The Successful Handling

of correspondent accounts by the Cedar Rapids National has been achieved by departure from beaten paths to take advantage of the many short-cuts which make for speed and efficiency.

Every possible time-saving method is employed to make our service react to your best interests.

Wishing You
A Very Merry Christmas

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The
Cedar Rapids National Bank
Cedar Rapids, Iowa

Where
doors are
open wide



A RECENT news dispatch from Washington made public the fact that today over four million people are investors, and, according to the U. S. Treasury Department, the holdings of "millionaires" amount to less than 7% of the total invested. An increasing percentage of individuals of moderate wealth are relying on sound bonds to produce a portion of their income. Thousands of investors have learned that however large or small their means may be, the Investment

Department of the First National Bank and First Minneapolis Trust Company may be depended on for sound and helpful investment counsel. Our doors are always open to those seeking help in planning a constructive investment program. The broad experience of our Investment Department with the requirements of hundreds of cases, and the spirit of helpful friendliness actuating this entire organization, assure an investment program that suits your individual needs.

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Mechanical Power — It Has Already Done Wonders in Agriculture. The Future Will See Far Greater Things!

THE National City Bank of New York, one of the great banks of the country, in commenting on the tremendous changes that have been wrought in farm methods, goes on to say:

“There is reason to believe that the real significance is in the change from horse-power to motor-power. The first use of the tractor was simply as a substitute for horses, drawing the same type of farm machinery, but now all farm machinery is being adapted to tractor power, with the result that the capacity of man-power is greatly increased.”

The greatest change since the invention of the reaper has been brought about by the tractor. Nearly a million tractors are now working in the land, speeding up operations and cutting the costs of production. The up-and-coming farmer has it in his hands to combine reliable power and reliable farm equipment to his own profitable advantage, and in the best interests of the community. National and state departments of agriculture, agricultural schools, the far-seeing banks, and all other agencies interested in the advance of agriculture, are strongly sponsoring the new age of power.

INTERNATIONAL HARVESTER COMPANY

606 So. Michigan Ave. OF AMERICA
(Incorporated)

Chicago, Ill.

Above: The McCormick-Deering 15-30 and feed grinder. Fall and winter is the season of belt power.

McCormick-Deering tractors are made by the makers of farm equipment for every season and for every crop. Their great success is due to a *very special advantage*—they are designed and built to work with field and belt machines. McCormick-Deering machines and McCormick-Deering tractors belong to each other. Neither is complete by itself—together they build agricultural wealth.

Below: The all-purpose Farmall operating a McCormick-Deering corn picker.



McCORMICK-DEERING

FORWARD!

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SEE US WHEN YOU
ARE IN DES MOINES



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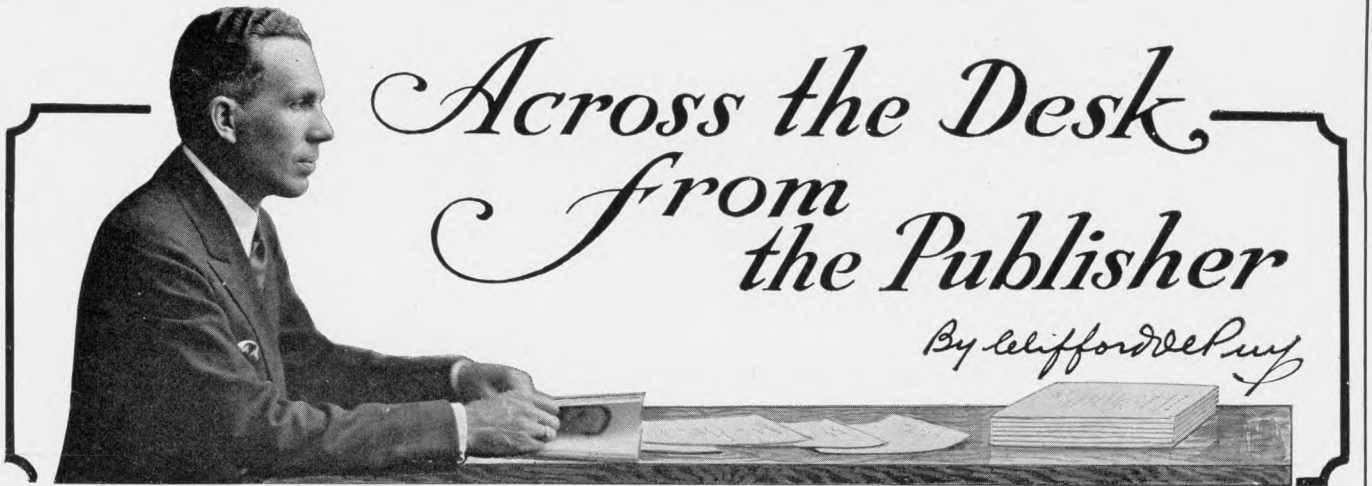
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IOWA NATIONAL BANK
DES MOINES SAVINGS BANK AND TRUST COMPANY
Des Moines





Do We Need More Intelligent Bankers?

The natural answer to the question, "Do We Need More Intelligent Bankers?", is "yes." If you would apply this question to lawyers, or merchants, or manufacturers, you would still say "yes."

However, Walter B. Pitkin, in his recent book "The Twilight of the American Mind" disagrees with this statement entirely.

He believes that, "Scientists are so transforming America that even today there is not enough useful and suitable work for all highly intelligent people. A cultural crisis of the first magnitude impends."

I might say before going further that Walter B. Pitkin is a Columbia University professor and associate editor of the Encyclopedia Britannica.

Before another generation shall have come and gone it is quite certain, according to Mr. Pitkin, that fully nine-tenths of the superior brains of America will own or otherwise control about nine-tenths of the continent—its cash and its credit, its governments and their institutions, its lands and all the factories thereon.

He then brings us squarely up to the proposition of what shall be done with the Best Minds themselves. "Shall we greatly increase their number?" asks Mr. Pitkin, "and if so, what shall we give them to do as our new social order progresses?"

As we constantly improve our methods of doing business by improved machinery, we find that the best minds will be needed less and less. "For the intellectual abilities," says Mr. Pitkin, "will be used less and less often in the economic industrial system as it progresses, while there is no conceivable way of applying the ability of the factory worker and manager in the realm of culture."

Now let us apply this theory to finance and banking.

There are 30,000 banks in the country, and about 82,375 bankers and bank officials. Thus the average is 2.7 bankers and bank officials per bank, as Mr. Pitkin has pointed out in Chapter 7, on "Opportunities in Finance and Banking."

According to the statistics in this chapter, the number of metropolitan banks run somewhere between 470 and 500, and adding to these the 1,356 banks in cities between 10,000 and 100,000 population, we have "a total of not more than 1,800 to 1,900 banks the character and volume of whose business demands superior management, or a sort that even suggests a Best Mind."

If machinery in banks, like machinery in other organizations, is reducing the clerical work to a mechanical proposition, then it will be true in the future that we will need fewer Best Minds in the banking business. In addition to this, with consolidations taking place almost daily, with chain banking looming up in the background as an eventual possibility in the next fifty years, will there be less and less need of the Best Minds in banking? Will we need fewer intelligent bankers?

We cannot help but pause as we consider these statements and realize that this nation through its 30,000 banks has been built by men who have at least given to their individual institutions a degree of intelligence, of energy, of enthusiasm, and of loyalty, which has made those banks a success in their respective communities, and as a consequence helped to achieve our present position of prosperity and power which the United States enjoys to a greater degree than any other nation in the world.

Let us take off our hats to the Best Minds in banking as we do to the Best Minds in any other walks of life. But let us remember that, while

armies need their Generals, those Generals would attain nothing if they did not have under their command loyal, efficient and disciplined soldiers to carry out their orders of the day.

So in banking, let us remember that it is the loyal and efficient employes who, after all, add their real part to the success of any financial institution, which may have as its head one of the Best Minds in the banking business.

A Sinking Ship

After seventeen years of trial, the Nebraska Bank Guaranty Law is making its last stand.

As outlined by Dan V. Stephens, president of the Fremont State Bank, Fremont, Nebraska, the status of the bank guaranty law in Nebraska at this time is about as follows:

1. One hundred twenty-three banks are in the hands of the Guaranty Fund Commission, with total liabilities of \$27,000,000.
2. If these assets are sold for 50 per cent of the total liabilities there will be an approximate loss of \$13,500,000 to be charged against the guarantee fund, and there is no money at present time with which to pay this debt.
3. The bankers of Nebraska have paid to depositors in failed banks from the beginning of the operation of the Act, an aggregate net sum of more than \$15,000,000, and still will owe approximately \$13,500,000.
4. The State banks are now almost unanimously of the opinion that it is physically impossible for them to pay this debt and maintain their solvency at the same time.
5. In view of this almost unanimous belief, practically all of the larger banks have expressed their determination to contest the right of the State to collect this confiscatory debt from them. It is their purpose, therefore, to throw the entire matter into the courts, in order that they may have an immediate decision on the subject.

Here we have in brief the situation concerning the Bank Guaranty Law in Nebraska, the last state to continue this experiment in the guaranteeing of bank deposits.

The basis of the present legal contest is upon the theory that "The assessment of one-half of one per cent against the shareholder cannot be collected from the corporation, and that it cannot be collected from the shareholder, for the reason that the shareholder's interest cannot be assessed for the benefit of a depositor in any other bank than his own, as it would be unconstitutional as to the shareholder."

As Mr. Stephens further points out, "The bankers of Nebraska would never contest the case if they

had a moral responsibility for the debt—but they have no such moral responsibility. They fought the enactment of this legislation from the very beginning. There were a few bankers no doubt who supported it, but the bankers as a class fought it to the last ditch in the Supreme Court of the United States, and they acquiesced only as law-abiding citizens in the payment of the tax."

It is to be hoped that the last of these experiments in guaranteeing of deposits will be effaced from the statutes of Nebraska.

Like a sinking ship, we trust that it will go down with as small a loss as possible, but in its place we trust that a better, more powerful, more efficient and more seagoing vessel will be built on a foundation of proper banking laws, which will more adequately and satisfactorily protect the depositors in Nebraska.

A Real Friend

Charles H. McNider, former President of the First National Bank of Mason City, Iowa, whose sudden passing away was reported on page 95 of the November issue of the *NORTHWESTERN BANKER*, was a real friend to not only the customers of his bank, but to many others with whom he came in contact in his wide sphere of activity.

Many times during the sixteen years that I knew him he offered me kindly words of encouragement, and was always ready with constructive suggestions which he thought would improve the *NORTHWESTERN BANKER*.

It is therefore perhaps not out of place to reproduce here the last letter which we received from Mr. McNider, which is just another indication of his thoughtfulness of others, and his desire to encourage them in any worth while endeavor which they might be undertaking.

Mason City, Iowa,
September Fifteenth,
1928.

Mr. Clifford DePuy,
Northwestern Banker,
Des Moines, Iowa.

My Dear Mr. DePuy:

I want to say to you that ever since your paper was first published in Des Moines many years ago, the writer has been a subscriber. We were very much interested in your father and in his work and as the years have gone on, we have been decidedly interested in your success.

Your paper compared today with what it was 32 years ago is decidedly improved, and I know of no journal in the whole banking circle that we look to with so much interest as we do to the *NORTHWESTERN BANKER* when it comes to our desk.

I want to congratulate you on the success and development of your paper and the prestige which you have given the publication and which the paper has given the profession.

With my best wishes for your success, I am
CHM
KL

Very truly yours,
C. H. McNIDER.

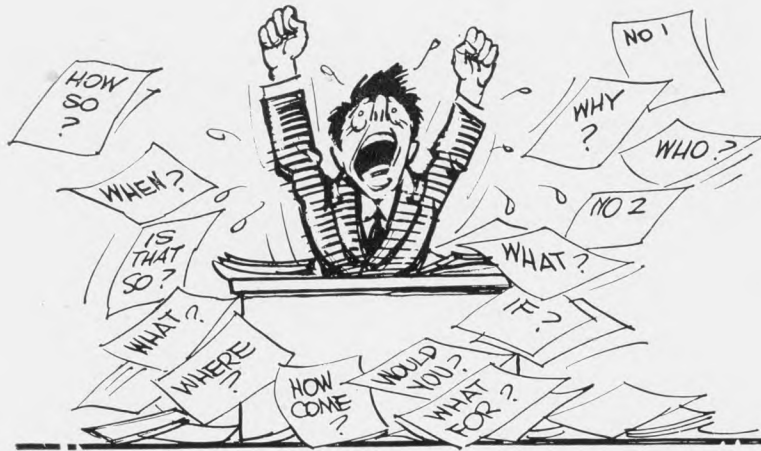


THE NIGHT BEFORE CHRISTMAS

"THE NIGHT BEFORE CHRISTMAS"

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The Thos. D. Murphy Company
Red Oak, Iowa

Northwestern Banker December 1928



Left, how the banker would feel if he had to use in his own bank all the interest figuring methods known to the banking fraternity.

THE well known Heinz company, with its 58 varieties, has nothing on the interest figuring habits of bankers of America, according to an exhaustive survey made by the Committee on Bank Facilities and Service, Savings Bank Division of the A. B. A. Exactly fifty-two methods are explained in a recent folder gotten out by the committee, which forms the basis for the article on this page, although but ten methods are given herewith. First of all, a typical account, account No. 1 is shown in the box on this page. The ten methods in question, are given as follows, together with the interest computed on this account, at the end of each method, in brackets.

Figuring Interest and HOW!

from first of month in which withdrawal is made. Compounded semiannually.—(\$53.72.)

6. Deposits go on interest from first of each month on all sums on deposit for at least one calendar month preceding interest date. Interest computed on lowest balance for each quarter, except when balance for second quarter is lower, then the lowest balance for one-half year is used. Compounded semiannually.—(\$23.72.)

7. Interest is calculated by calendar months on the amount of credit shown by the account on the first day of the preceding month. Compounded semiannually.—(\$55.27.)

8. Deposits go on interest from first of each month on all sums on deposit for at least one calendar month preceding interest date. Interest is calculated by calendar months on the amount of credit shown on the first day of the current month. Compounded semiannually.—(\$39.70.)

9. Deposits go on interest from first of each month on all sums on deposit for at least one calendar month preceding interest date. Interest is figured monthly on lowest balance carried each month during six months period. In case of withdrawals throughout the six months which cause the balance to be lower at any time during the six months then the interest is figured on that balance for the entire period. Compounded semiannually.—(\$23.72.)

10. Deposits go on interest the first of each month on all sums on deposit for at least one calendar month preceding interest date. Interest is calculated on minimum monthly

(Turn to page 85, please)

The ten methods follow:

1. Deposits go on interest from first of each month, on all sums on deposit for at least one calendar month preceding interest date. Withdrawals deducted from latest deposits. No interest on withdrawals between interest periods. Compounded semiannually.—(\$23.72.)

2. Deposits go on interest from first of each month on all sums on deposit for at least one calendar month preceding interest date. Withdrawals deducted from first deposits (beginning of six months period). No interest on withdrawals between interest periods. Compounded semiannually.—(\$7.90.)

3. Interest from date of deposit to date of withdrawal. Compounded semiannually.—(\$60.86.)

4. Deposits go on interest from first of each month on all sums on deposit for at least one calendar month preceding

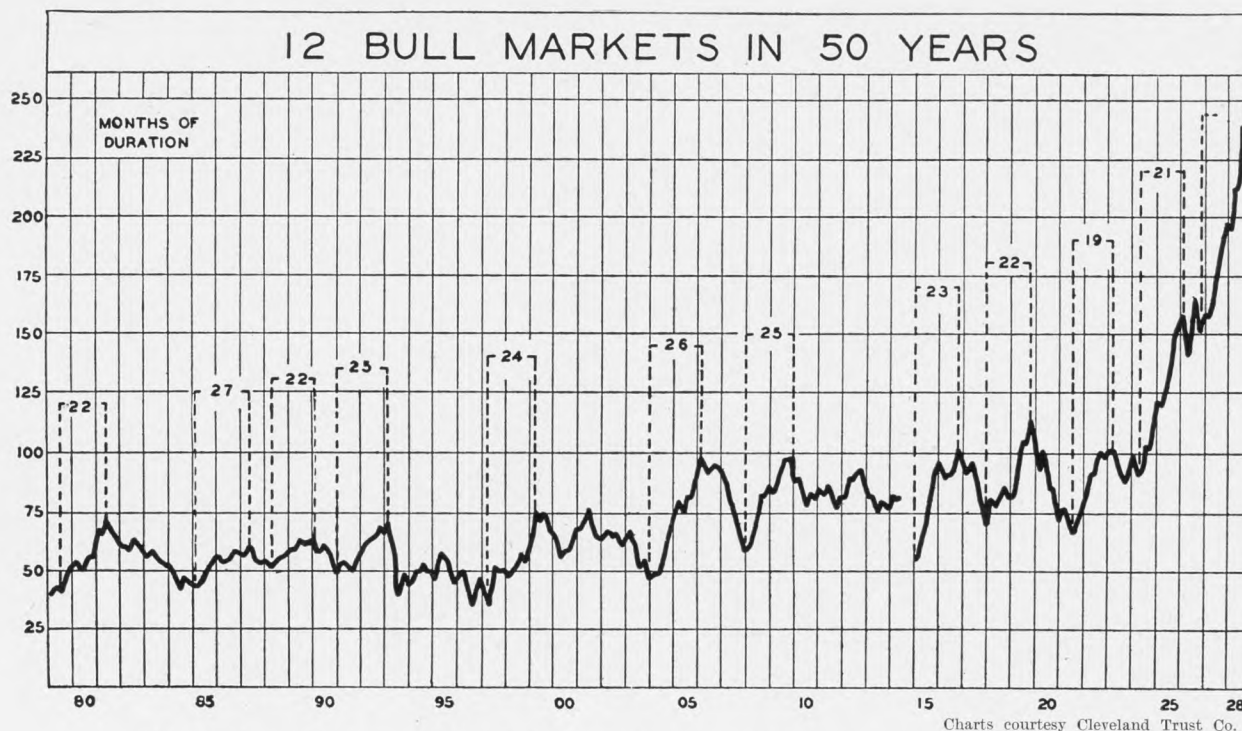
interest date. On withdrawals interest ceases from first of month preceding that in which withdrawal is made. Compounded semiannually.—(\$37.07.)

5. Deposits go on interest from first of each month on all sums on deposit for at least one calendar month preceding interest date. On withdrawals interest ceases

ACCOUNT NO. 1

Date	Interest			Principal		
	Debit	Credit	Balance	Withdrawals	Deposits	Balance
Jan. 1						\$2,205
6					\$ 78	2,283
11					60	2,343
Feb. 16					65	2,408
24					20	2,428
28					20	2,448
Mar. 15					20	2,468
26					20	2,488
April 4					63	2,551
13					15	2,566
18					1,700	4,266
25				\$ 50		4,216
25				100		4,116
26					2,000	6,116
29				150		5,966
May 3				100		5,866
7				150		5,716
7				30		5,686
June 1				4,500		1,186

Above, Account No. 1, a typical account, which is used as the basis for figuring the interest rates by the ten methods shown on this page. Answers are given in brackets at the end of each method listed.



Above, the twelve bull markets of the past fifty years. None, however, can compare with the present one, in any respect.

“BOOTLEG” MONEY *and the*

THE call loan market has for years been looked upon as extremely safe and liquid for temporary investment. As a consequence, the present protracted “bull” market has not lacked financial support nor have bankers throughout the country expressed much concern over the millions of dollars on call in Wall street, from thousands of banks, big and little, in forty-eight states of the union.

Yet, here and there, a banker asks: “Are such loans liquid? Are they safe?” Occasionally is heard the argument that there is a new element of risk creeping into brokers’ loans, due to the increasing volume of outside money, termed “bootleg” money, loaned by individuals and institutions which have no responsibility for the stability of the money market and consequently might be subject to sudden withdrawal, in case of a crisis.

There is no denying the fact that great changes in the interests represented in the call loan market have taken place the past two years. In January, 1926, nearly 75 per cent of all loans to brokers were being made by New York banks for themselves and correspondents. At the present time, New York banks and their correspondents now account for less than half the total loans to brokers.

Does the credit situation contain factors that lessen the safety and liquidity of the call loan market?

By R. W. MOORHEAD

Editor

Looking first at the dark side of the picture, some financial students see in this trend a desire on the part of New York banks to “get out from under,” that is, an unwillingness on the part of the banks to stay involved in a credit situation over which they do not have control. A pessimistic view of the situation is taken by E. C. Harwood, in a recent issue of the “Analyst,” who concludes that “with the relative decline in loans made by New York banks, has come a definite decrease in responsibility. Formerly these institutions must perforce pull everyone’s ‘chestnuts out of the fire’ in order to save their own. This is no longer the case. In the absence of a concentration of responsibility, everybody’s job is anybody’s job. Unless some czar of finance be appointed on the eve of any financial trouble, it is quite unlikely that concerted action for

the best interests of all concerned will result.”

The majority of bankers and students of finance, however, do not see cause for alarm in the situation. The short-run stability of loans for “account of others” is commented upon by Benjamin M. Anderson, Jr., economist for the Chase National Bank of New York, in a recent address in which he said in part:

“Fear has been expressed that this large volume of outside money, loaned by individuals and institutions which have no responsibility for the safety and stability of the money market or of the securities market, may be subject to sudden and capricious withdrawal. I do not share this fear. If it should be withdrawn suddenly, it is quite clear that money rates would have to rise to very high figures indeed as the Stock Exchange and the banks readjusted their position. At a price, it could be done. But sudden and capricious withdrawal of large blocks of money by these private lenders would make real difficulties.

“I do not, however, believe that there will or can be sudden and capricious withdrawals of vast amounts. Any one lender can, of course, make a sudden withdrawal and need feel no particular responsibility.

Take Your Choice!

- 1—Leonard P. Ayres, Cleveland banker, thinks stock prices are far above what their earnings, past or prospective, warrant.
- 2—Jules S. Bache, New York broker, does not believe brokers loans are excessive or that they have caused stock price inflation.
- 3—Hon. Reginald McKenna, London banker, says America faces a period of unparalleled prosperity and a business collapse is almost impossible.
- 4—Prof. Irving Fisher says there is no reason to believe that inevitable readjustments in some stock prices will result in a financial smashup.



As Spencer, of the Omaha World-Herald, sees the old adage, "What goes up must come down."

SAFETY of CALL LOANS

But the lenders are very numerous, and their interests are very diversified. The one thing that would make a concerted sudden withdrawal would be a sharp drop in rates of interest, lasting for anyhow several days. Withdrawals on a great scale would then come. But on the other hand the bidding up of rates of interest which would have to follow such withdrawals would bring the money back again. But such a situation usually means that rates will be kept high enough all the time to prevent large concerted withdrawals. The outside money, so far as short periods of time are concerned, is available at a price, but not at such a price as would constitute an easy money market."

"Greater Margins Required"

Although admitting that by holding a minority instead of a majority of the call loan volume, banks thus do not hold the same responsibility for stabilizing the market, Walter W. Head, president of the Omaha National Bank, former president of the A. B. A., points out that call loans are safer today because banks are demanding greater margins than before. He says:

"There can be no doubt but that the great increase in call loans 'for the ac-

count of others' tends, theoretically, to reduce the safety and the liquidity of such loans. Practically, New York City banks have offset this theoretical weakness to a very considerable degree by requiring larger margins on call loans which they make for their own account or for the account of customer banks. The actual net result of these conflicting factors probably will never be known until there is a real test, the result of an attempt toward rapid liquidation of call loans either by banks or by nonbank lenders.

"Unquestionably, when the bulk of call loans are for the account of banks, the resources of lending banks may be and are used to prevent a sudden drastic reduction in the value of their collateral. This forms a cushion in time of financial storm and stress. When call loans made by banks are a minority of the total the incentive to protect and market still exists, but not in the same degree. The responsibility for unwarranted advances and for unjustified declines is widely scattered and, therefore, is not as effective.

"Most banks which make call loans today now demand greater margins than was formerly customary. In addition, they frequently fix an arbitrary 'loan value' upon stocks used as collateral which is

considerably below the immediate market. This tends to protect them and to protect their bank customers, but it does not to the same degree protect the general market."

A bank may with safety loan a reasonable portion of its funds to stock exchange houses, secured by stock exchange collateral with the usual margin, is the view of R. R. Brubacher, vice president and cashier of the Toy National Bank of Sioux City, who says:

"I base my conclusion on several factors, giving due consideration to the fact that banks in the middle west find it inconvenient to make loans direct, necessitating their placing such loans through their correspondent banks, either as direct loans to the various stock exchange houses, or through participations in loans negotiated by such correspondents. Through this method, then, it appears that the out of town banks must rely upon their correspondent banks, through which they place their loans and be satisfied that such correspondents will give these loans the same care and attention that they give to loans made for their own account.

"Assuming that the call loans are placed through an old established, responsible bank which does not hesitate to loan its own funds to stock exchange firms and

against securities dealt in on the exchange, where must we look for the factor of safety?

"1st. To the everlasting vigilance of the loan department of the correspondent, which will insist that at all times a margin of at least 25 per cent in listed securities be maintained, and in cases of the more volatile stocks, that the margin be more liberal. I feel that a correspondent bank may be selected whose experience with such loans is very good, and which can be relied upon to give loans for out of town banks the very best of attention.

"2nd. To the fact that the safety of the call loan lies also in its liquid character and the breadth of the market, brought about by the advertising given listed securities in newspapers, and on the tape, resulting in the attracting of thousands of investors to this form of investment.

"3rd. Also to the rules of the Stock Exchange, requiring that the stock certificates are readily negotiable in the event liquidation becomes necessary, and to the fact that no firm or individual is allowed a seat on the Exchange, without

full investigation as to character and responsibility."

"The high rates have attracted a large amount of outside money into the call loan market, and the question has arisen whether this money loaned by individuals and corporations having no interest in the stability of the market, will be subject to sudden withdrawal.

"Inasmuch as the outside money is attracted to the market by high rates, it seems that probably the only cause for extended withdrawal would be lower in-

(Turn to page 99, please)

THIS is the story of a man who was once appraised by an editor in his city as "a man worth more than a million-dollar plant to his city."

A prominent St. Louisan recently was discussing the question of a future career with his young son, who had shown an inclination for banking. "Suppose," he advised, "that you pick out some live-wire banker and study his life; preferably a man who has battled his way to outstanding success against great odds. I have in mind such a person in John G. Lonsdale, now president of The National Bank of Commerce in St. Louis."

What this proud father urged his ambitious son to do could be done with profit by hundreds of other youths, not only in St. Louis, but throughout the nation as well, for Lonsdale being essentially a self-made man, no finer model for success could be offered the younger generation for inspiration and guidance.

An Orphan Lad

Left an orphan in 1878 at the age of 6, when his parents fell prey to the scourge of yellow fever that hit Memphis, Lonsdale had to shoulder the responsibility of hewing out his own destiny. Although he went to live with an uncle near Hot Springs, Ark., and had the benefit of his kindly advice, it was chiefly up to young John G. Lonsdale to do his own thinking and planning for whatever he hoped to accomplish.

How well he has managed to do this is attested by the brilliant successes that have crowned his efforts in whatever direction he has chosen to direct them.

Many of his schoolmates at Hot Springs, where Lonsdale acquired his edu-

WORTH A MILLION to his HOME TOWN

—the story of a banker who placed service to humanity above banking—and made outstanding success of both.

(See Cover Page Photo)

cation, used to remark admiringly that he managed to keep two jumps ahead of them in school and he has done it ever since. Which is another way of saying that Lonsdale had the happy faculty of being alert and meeting the future more than half way.

And so while he went about his duties helping his uncle in the real estate business at Hot Springs, Lonsdale cultivated other splendid traits, such as making lasting friendships and learning to master seemingly trivial details of business, important things which any young man as-

Meeting the Future More than Half Way

"Many of his schoolmates at Hot Springs, were young Lonsdale acquired his education, used to remark admiringly that he managed to keep two jumps ahead of them in school and he has done it ever since. Which is another way of saying that he had the happy faculty of being alert and meeting the future more than half way."

piring to the banking business should seek to conquer. For the man who masters details is enabled to understand fundamental principles more clearly.

Perhaps one of the finest things that can be said about Lonsdale is that through all the years of his business activity he has not sacrificed any of his old friends for

usually manages to get around to greet all his friends.

success, but has kept them all as he continued to acquire new ones. The people won by his warm smile and hearty handshake in the early days at Hot Springs are never forgotten, from the humblest white man to the Negro, and when he returns to the scenes of his boyhood for one of his frequent visits, he

A "Friendly" Man

This deep regard for his fellowmen was instantly reflected in the policies of The National Bank of Commerce in St. Louis when Lonsdale was called in to assume the presidency back in 1915. He made himself accessible at all times to old friends and customers as well as to prospective patrons of the bank, dispensing with the custom of having callers pass through a line of secretaries and office boys before reaching him. His desk is out in the open, within sight of one of the main entrances of the bank and he waves a cheery greeting to scores of passing customers daily in addition to those who come to his desk. Never too busy to see an old friend or any-

body looking for information is his motto, and many times he interrupts dictation in the middle of a sentence to extend a hearty welcome to a caller.

And yet Lonsdale did not deliberately set out to become a banker. It was fate that took him to St. Louis to fill a need,

just as other events in his life came about because he undertook to do some of the things that others seemingly could or would not do.

For instance, before he was yet 20 years of age, he built a railroad between Hot Springs and Little Rock after more ma-

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Classification	Per Cent Of Total Accts.	Average Per Acct.	Per Cent Of Total Deposits
\$1 ⁰⁰ to \$25 ⁰⁰	34.07%	\$ 7.08	1.06%
\$1 ⁰⁰ to \$50 ⁰⁰	49.08%	14.42	3.11%
\$1 ⁰⁰ to \$100 ⁰⁰	63.92%	23.50	6.61%
\$1 ⁰⁰ to \$200 ⁰⁰	75.35%	41.25	13.85%
\$1 ⁰⁰ to \$300 ⁰⁰	81.90%	59.48	21.43%

(Chart No. 1)

DISTRIBUTION OF EXPENSE ACCORDING TO DIVISIONS OF BANK					
Expense Accounts	Totals	Checking Accounts	Saving Accts. Cts. of Dep.	Loans & Investments	Misc. Division
Advertising	547	350	150		47
Building	543	275	125	103	40
Insurance, Etc.	1880	943	342	480	115
Salaries	7873	3150	700	3813	210
Stationery, Etc.	900	516	197	172	15
Taxes	2313	810	460	1006	37
Miscellaneous	224	93	8	120	3
Totals	14,280	6137	1982	5694	467

(Chart No. 2)

Above, Chart No. 1 (left)—Results of the survey made by the Illinois Bankers Association, answering the question, "Why should there be a service charge, anyway?" Chart No. 2 (right)—This is a hypothetical bank with 650 checking accounts. All of the items closely conform to the proportions that would be found in a bank of this size. Experience has shown that these same ratios hold true in the average commercial bank, regardless of size.

WHAT are the basic factors that cause banks to adopt the service charge? What plans and materials are most effectively employed in adopting such a charge? What tangible results do such banks actually secure?

In an attempt to conclusively answer these important questions, Devlin and Bennett, Inc., of Chicago, sales and advertising counsel to financial institutions, recently made an extensive survey of several hundred banks throughout the country, with some very interesting results. These have been presented in the form of an eight page booklet, illustrated by charts, some of which are shown on this page.

First of all, answering the question, "Why should there be a service charge, anyway?" Chart No. 1, is exhibited. This chart was originally compiled by the Illinois Bankers Association. It included more than three million individual accounts in eight hundred banks in five hundred different cities, towns and villages. The Devlin and Bennett survey adds: "Since the original compilation the figures have been checked against nearly 1,500 other banks in various parts of the country as far east as Massachusetts—as far west as the Dakotas. They have held true within a very narrow bracket wherever an analysis has been made. A good many bankers have refused to believe that this condition existed in their banks, but when they check up, they find it true.

"These charts and methods follow the approved practice of bank accounting experts everywhere. Their function is to break down the activities of a bank to determine what operations are profitable or unprofitable, why they are so, and

What About the SERVICE CHARGE?

How the experiences of other bankers are solving the problems incidental to the installation and operation of service charges.

what can be done to improve the condition."

In commenting on the figures shown in Chart No. 4, "Account Analysis," the survey says: "These figures have been found very conservative for most banks. In the first place, the average balance for the low group is less than \$25 and so assuming the \$50 average show up a somewhat better condition than actually exists. However, that is serious enough to gain immediate attention. Certainly such business is not desirable in its present condition. And when you consider that 65 per cent of all checking accounts come into the classification the problem becomes more complicated. True, these deposits could be 'let out' and told that their patronage is no longer desirable even though it had originally been solicited and welcome to the bank. That would improve matters on paper, but no institution dependent upon public good will, can deliberately go out of its way to stir up bad feeling. So to get at the cure, the banks determined to know the real causes of their condition."

The survey then points out four misconceptions among depositors about checking account service. They include: Those who do not appreciate or know all the values of checking account serv-

ice, those who do not realize the value of an adequate balance, those who believe all checking accounts are profitable to banks, regardless of size, and those who feel they are conferring a favor on

banks by having a checking account. "The four general wrong ideas about banking service were found to be almost universal among the low-balance depositors," says the survey.

The survey lists seven reasons why everybody wants to use a checking account and some of the advantages that would accrue by carrying a larger balance. They are: 1—Proof of payment. 2—Saves time. 3—Valuable counsel. 4—Expense control. 5—Creates prestige. 6—Cash reserve. 7—Money loss avoided. The survey adds:

"Any banker can, in a few minutes, call to mind specific examples illustrating each of the above points where many, many times the amount of several years of service charge has been and is being saved to the customer by virtue of his connection with the bank. The service is undoubtedly worth a dollar or two per month of anybody's money or a compensating balance.

"In the matter of convenience and the cash value of time saved, a checking account is well worth any price that a bank would be likely to ask for it.

"It is certain that very, very few people would return to the old method of paying in cash even if they did have to pay a little more for the convenience.

"The legal receipt feature of checking service saves thousands of dollars every year to bank patrons. Often the amount for a single depositor runs into many years' payment of a service charge.

"Bankers can enlarge in detail on these points for themselves. It suffices for the present purpose to prove that

ACCOUNT ANALYSIS		
<i>Account of William Sherwood</i>		
1.	AVERAGE BALANCE	\$50.00
2.	LESS RESERVE (15%)	7.50
3.	LOANABLE BALANCE	42.50
4.	INTEREST INCOME (@6%)	2.55
5.	EXPENSE COST	
	A-Number of Accounts Cost	\$1.77
	B-Activity (15 Items @ 2½¢)	4.50
	C-Overhead (650 Accounts)	3.26
		TOTAL \$9.53

Net Loss \$6.98

(Chart No. 3)

This is a sample analysis of an individual account showing the application of various basic factors that have been worked out above

DISTRIBUTION OF EXPENSE-

1. *Number of Accounts Cost*
2. *Activity of Accounts Cost*
3. *Overhead Cost*

DISTRIBUTION OF EXPENSE OF CHECKING ACCT. DEPT.				
Expense Accounts	Totals	No. of Accts	Activity of Accts	Over-head
Advertising	350			350
Building, Etc.	275	25	75	175
Insurance, Etc.	943	112	278	553
Salaries	3150	690	2060	400
Stationery, Etc.	516	108	217	191
Taxes	810	200	200	410
Miscellaneous	93	13	40	40
Totals	6137	1148	2870	2119

(Chart No. 4)

This chart shows distribution of Expense within the checking department. The number of accounts cost covers that portion, chargeable to all checking accounts without regard to activity. It is obtained by pro rata allocation of the total amount to each account on the ledger, regardless of in or out items. "Activity of Accounts" charges cover costs of handling in and out items, cost of department supplies, tellers, etc. It furnishes the basis for computing item cost. "Overhead" is the indirect charge against all checking accounts not covered by direct costs of the department.

checking service is not only valuable but well nigh indispensable."

The conclusions reached by the surveys are that the banker's problem is to convince three groups of people that the values of the service justify a fair compensation. These three groups are: Your bank personnel; your depositors; and your general public. Commenting on this the survey says:

"It is necessary to have all three of

these groups agree with the service charge in principle and practice.

"The bank's personnel have the most frequent contact with customers. Upon their ability to present the reasons for the service charge, depends much of the venture's success.

"Certainly your depositors must be taken into your confidence. You have spent money to secure them. They have

additional business you can get. You therefore want to retain every one who possibly can be made profitable.

"Careful investigation has shown that proper educational work with depositors and employes pays enormous dividends. The effect of this work transcends the mere increased income derived from the service charge or increased balances and stimulates better feeling, both inside and outside the bank."

Fifty Per Cent Profit Its First Year

THERE is a little town in Arkansas called Marion. After the first bank failed and the reorganized bank failed, the little community was left without any banking service at all. I should like to say right here that the people of any community never realize the value of banking service until they have lost it, and after they have lost it they are willing to pay almost anything to have a restoration of banking service. That was the case in this little town of Marion. For about two months the merchants and others tried to get along without a bank. They found it hard sledding to go way into Memphis or into the other county.

A Makeshift Banker

I had a friend there who was liquidating the failed bank. He found that a merchant down the street had a safe and had gotten together quite a sum of money, and he was letting it be known that he would cash all checks of the community if they would bring them to him. You can take it from me, whenever he cashed a check, he always took a good slice off of it.

Northwestern Banker December 1928

From report of Secretary Robert Wait of the Arkansas State Bankers Association, made before the state secretaries section of the A. B. A.

My friend said to him, "This town is without banking facilities. Why don't you get together \$15,000 and \$1,500 for your surplus, and I think you can get a charter from the State Banking Department."

He said, "What's the use? Nobody has any confidence in banks. Nobody will put his money in here."

My friend said, "Well, just forget all about deposits. Just open a little bank for service and charge for everything that you do. I think deposits will take care of themselves."

They did get together \$15,000 for the capital and \$1,500 for the surplus, and they opened the Bank of Marion.

Eleven months after that, here is the statement of the Bank of Marion, organized for service, and built entirely on service. It started out with a capital stock of \$15,000, surplus \$1,500, and the earnings for eleven months in 1927, from service charges alone, were \$7,833.37, or

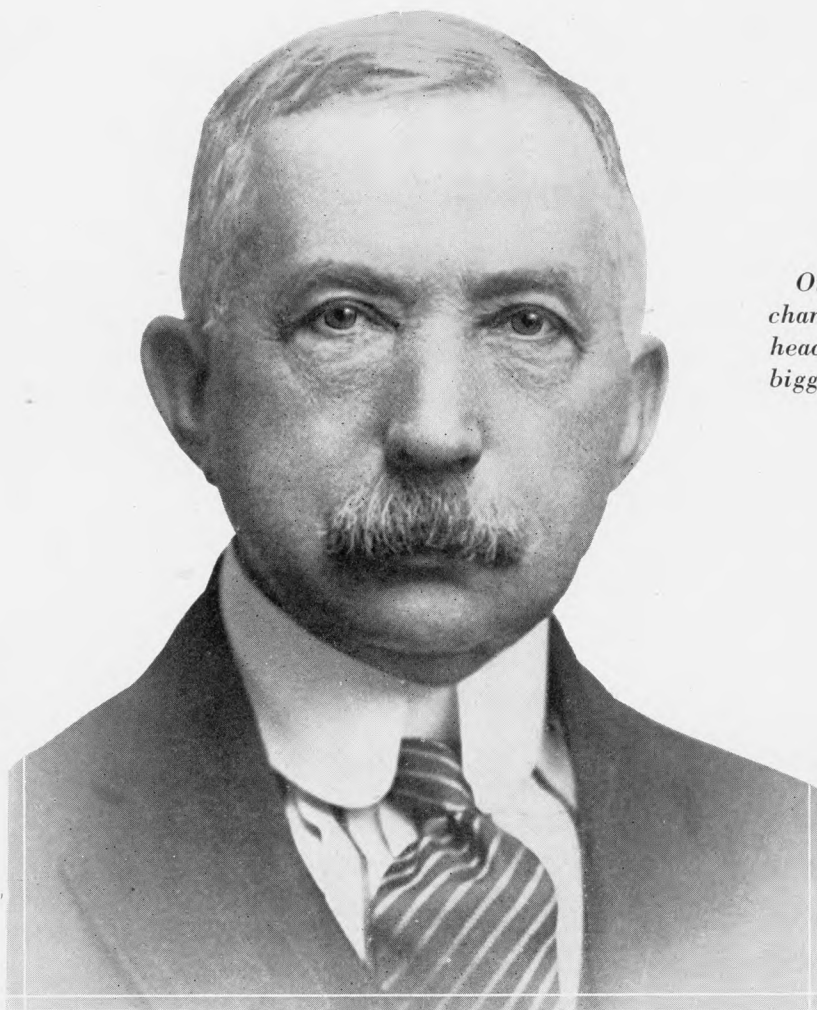
over 50 per cent of the capital and surplus.

You will say they must have had some other method of earning that money outside of service charges, so I turn over on the other side and find they had overdrafts, \$38.44, they had county and school warrants, \$3,860.83, they had \$4,000 in bonds, and they had at the end of that time \$23,934 in loans. I think you will admit that the ordinary interest from those investments would not bring in \$7,833.37.

Predictions Come True

My friend's prediction came true. They had accumulated in that time \$155,451.81 in deposits, and to show they were playing entirely safe (that fellow had been through two failures and he wanted to sleep at night) they had cash and sight exchange, \$147,981.27. I thought that might have been a flurry or just a spurt, so I asked three months later for the cashier to continue his statement. Three months later, or on April 30, cash and sight exchange had grown to \$298,742.68, bonds had increased only to \$8,455, and

(Turn to page 56, please)



J. F. SARTORI

One of a series of character sketches of heads of America's biggest banks.

JOSEPH FRANCIS SARTORI was born in Cedar Falls, Iowa, on December 25, 1858. His father was Joseph Sartori, who emigrated from Freiburg, Baden, Germany, following the Revolution of 1848. His mother was Theresa Wangler Sartori, daughter of the burgomaster of Freiburg. Although born in Germany, the elder Sartori was of Italian descent, of several generations back, however, for the churchyard at Freiburg reveals that numerous Sartoris lie buried there.

In Cedar Falls, Iowa, there stands today a fine, free hospital and nurses' home erected by J. F. Sartori as a memorial to his parents. A more fitting tribute to their helpful lives is not conceivable, for during her years in her adopted city the mother was a ministering angel to the sick and distressed of that region.

Young Sartori received his early education in the grade schools of Cedar Rapids and then entered Cornell College at Mt. Vernon, Iowa, in 1874. In 1876 he went to Germany for one year to attend the University of Freiburg, situated in his father's native town. He returned to Cornell in 1877, graduated in 1879, and then entered the University of Michigan Law School, where he received the degree of Bachelor of Laws in 1881.

He began his career as an attorney in

the law offices of Leslie M. Shaw, former Secretary of the Treasury of the United States, who was then practicing in Denison, Iowa. Years later when Shaw assumed the guidance of the government's finances he invited the young banker, by that time already established in Los Angeles, to accept the post of Assistant Secretary of the Treasury, an honor which was declined.

From 1882 to 1887 Mr. Sartori practiced law in Le Mars, Iowa, in partnership with I. S. Struble, a well-known attorney and member of the United States House of Representatives.

In 1887 he moved to Monrovia, Cali-

fornia, where he was active in subdividing land and establishing the First National Bank of Monrovia. He served as cashier of that institution from the time of its founding until 1889 and from that date was vice president of this bank until it was merged with the Security Trust & Savings Bank in 1924. His home was one of the early residences built there.

Moving to Los Angeles in 1889 he organized the Security Savings Bank, which has since taken the name of the Security Trust & Savings Bank. He was cashier of this institution until 1894. In 1895 he became president and a member of the Board of Directors. He has been the head

of this institution ever since.

The initial capital of the bank was only \$29,000, but the small group of men who organized the institution brought to the infant enterprise qualities more potent than capital. They had vision and faith in the future of Los Angeles. Their enthusiasm was tempered by the keen insight and sound judgment of the young lawyer-banker, J. F. Sartori.

Sound principles of banking were the foundation upon which they builded. The management believed then, as it believes now, that a bank, as a semipublic institution, held a two-fold responsibility:

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Building a Bank on SECURITY and SERVICE

“SECRETARY to the PRESIDENT”

(In three parts)
Part I

By PARALEE M. WINFROW

A LOUD and tyrannical meeting was being held in the directors' room—one that will never go down in the records of the Farmers & Traders Bank of Mayfield. I was, as usual, tied up with a batch of letters. I was using Mary Young's typewriter, mine being out of commission, and being so close to the door of the directors' room I could not help but hear what went on—the “moves” and “seconds” being in such emphatic tones.

“Papa” Millar, an affectionate behind-his-back term of mine for the cashier, Mr. C. J. Millar, who is also the man for whom I am stenographer and general advisor, was rampaging in his most forceful language, which sounds for the world like swearing, but isn't. His great fist was thumping the directors' table and I gathered it was going to be a gloomy reception for the president's favorite grandson, namely, William Archibald, who was being called names such as “college boob,” “stripling,” “mere child,” and many others I wouldn't repeat.

“This bank will go flooey with a young scamp like him sitting above us all. What does he know about investments? All he knows about is football, jazz and golf,” said Papa. Papa pronounced it “gulf” with a terrible, threatening stress and I knew that golf was the one of Archie's three deadly sins that would turn every one of the officers into “reds” overnight. In Mayfield, those who play golf belong to the country club and those who belong to the country club are the elite and the elite are truly four hundred in all, and not one of the four hundred is an officer of the Farmers Bank. Of course, Judge Hamilton could buy the country club and its rolling, velvety course if he wanted to, but the judge was an old, old man with a bad heart and he had never played golf.

They Do Grow Up

N. G. McDonald, manager of the savings department, raised his steady, authentic voice: “The judge certainly wouldn't do us that way, Charlie; why, he's scarcely twenty-one. I can remember when he was here just a few years back—well, when the judge had that back attack—and he was just a kid, riding

around in a pony cart and playing Buffalo Bill.”

“Nathan,” went on Papa in a wavering, angry voice, “the judge as good as told me that when he brought Archie back with him he was going to step out and let Archie take his place.”

“Well—after all our years, from the ground up, if he does—you know,” very secretly, in a voice that promised the very limit of things, of being driven to the utmost, “I can step out. I had a splendid offer last year, but—”

Yes, indeed, every one of them could do as well, if not better, some place else. They would stand just so much, and if this young “dodo” turned out as they were quite sure he would they would walk out, and what would the judge do then? Well, one would never suspect a man of such intelligence as the judge possessed to do a rash thing like that in the first place. Come then what would!

Mr. Hale, vice president, and the peak of authority in our institution when the judge is away, came out of his office with a stock certificate in his hand. He looked about and then asked, “Where's C. J.?” just as the directors' room door opened and the plotters filed out, menacing clouds on the usually tranquil faces and looking for all as if they had just finished a hanging. The V. P. sternly surveyed the march, and then turned to Papa in silent inquiry. Papa responded, at first a little reluctantly.

“The boys have got hold of the rumor that Archie is to come in above us all. Of course, they're a bit worked up. They naturally resent it.” Papa tipped back and forth on heel and toe, seemingly getting on firmer ground. “Of course, it seems as though the judge would give er—you the natural privilege of seniority.”

I Listen In

I slowed down and then wrote, “Respectively yours,” instead of “Respectfully yours.” I always do that unless I pin my mind right down.

Hale twisted his mouth in an expression of amusement. “Well—” he drawled, as if much of weight was to follow, “I doubt if he'll be willing to start at the bottom, but I know he won't start at the top.” Hale had made his statement and

dropped the subject by asking Papa to sell some stock for him. Mr. Hale is a very positive bachelor. No one ever knows how long it takes him to make his mind up, but we all know he never has been known to waste any time changing it.

A few days later, the judge wrote Papa a long, happy letter in his own hand, which one could see was quite an effort for so old and sick a man as Judge Hamilton.

“It's all over and Archie was splendid,” referring to Archie's graduation from the University of California. “He has a room of trophies—junior champion of golf, 1926; western coast champion, 1926-27; eight sportsman's cups, bronze and gold medals for track. He is an extraordinary swimmer. We were plan-



ning to get away shortly after the graduation, but there have been so many parties, and Archie wants them all to be here so that I can see and hear them part of the time. Archie is such a fine musician—he has a banjo and a ukulele and that boy would rather dance than anything else in the world. I am so proud of him. I hope he will like my office. Have that pile of rubbish cleared out.

“Yours very truly,

“WM. HAMILTON.

“P. S.—Has Adamson taken up his \$50,000.00 note yet?”

I came by the contents of this letter honestly, and not like some stenographers. Whenever Papa is worried, he grows confidential with me and after he had read the judge's letter, he handed it over to me and said acidly: "As though this Adamson business is of after-

is very unsettled. In addition to being fat, Papa is conservative. Whenever a new boy is taken in, the first thing Papa tells him is that when he was a boy in the bank he made \$20 a month and saved half of it. The old colored janitor, John, is a faithful colleague of Papa's in this

who had died when Archie was just three. They said that Archie was the very image of his father. So while the janitor was putting new wire on the back of it, we girls tried to figure out what he must have looked like by putting our hands over his chinfull of whiskers and using our imaginations. The eyes were the kindest, most sympathetic eyes I had ever seen.

While the ages of girls in our office range from seventeen to fifty-five and we are therefore old enough to know that the only place a handsome "boss" falls in love with his stenographer is in current magazines, yet being normal young women and unattached, we were not above a few daring "just supposes."

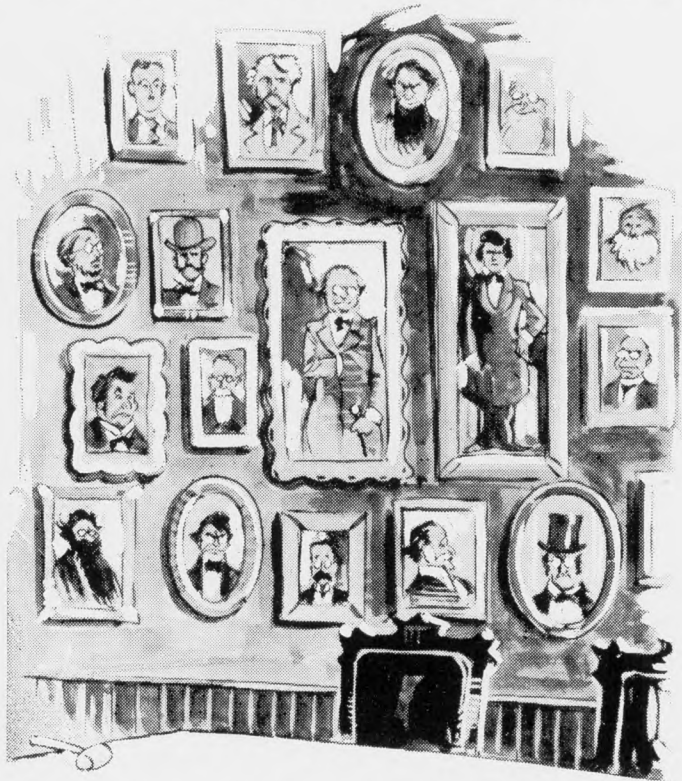
We Girls Talk It Over

While the news that Archie was to succeed his grandfather and become president of our worthy institution was never officially announced, all the girls seemed to know why the cobwebs were being done away with and new cane seats put in the dozen straight chairs around the directors' table. This is no wonder of the world, though, it would have shown us up as especially dumb if we hadn't known all about it, being women. And being women, nothing about him was said among us for some time. At a club lunch in a restaurant downtown on a rainy day, it came out. Janet Clark, the newest girl, the one who is seventeen, started the ball going. It would naturally be Janet. She is so young, she knows no fear and is really quite guileless. I wouldn't be surprised but that she had just heard it that morning, as she said. "And where in the world do you suppose he will get a stenographer?" she wondered excitedly. She had hit the nail on the head. I wouldn't try to guess how long that very question had been on all of our minds. Of course, he must have a stenographer. All men of importance do and if being a bank president wasn't important, well, then we'd bite.

"Do you suppose he'll take one of us or advertise?" further spoke Janet in behalf of us all.

"If he's awfully handsome, he shan't have to advertise. The girls will probably swamp him. Wouldn't be surprised if the 'Avenue' girls take up shorthand instead of bridge hands," Marguerite Denom declared.

"It's queer how the judge takes to him so much more than any of the others," remarked Marie, the middle-aged Titian who has more brains than any three men in our place. "Yet, the rest of the boys are just nephews and I suppose it's the name as much as anything. W. A. Hamilton will look good to judge on letterheads, yet he must be a likeable chap with all his spoiledness for the judge to be so taken up with him." I wondered



The janitor got ready to scrub down the pictures in the directors' room, . . . important personages in the bank's history . . . financial kings who looked exactly like an All Star team from the House of David.

thought importance! Yes, it has been renewed and all interest paid up, but it's me that's done the worrying and haggling to get it taken care of. You know how I've had to keep after them. The judge loaned that \$50,000.00 five years ago and because Adamson is a son-in-law of Sam Clink, an old friend of the judge, he didn't require a dime's worth of security. Then he jumped all over me because I let a woman have \$50.00 on a \$50.00 government bond. Always hollering about margin and then doing a fool thing like that himself. Judge is getting queer. And now with this Archie coming in to run things!" Papa shook his bald pate in a very disturbed manner.

A good stenographer is never supposed to answer when she is spoken to by her employer in a manner like this, but I am not a good stenographer. "I think we should do a little cleaning up around here. It would please the judge to have Archie pleased with us, and the furniture in the directors' room is anything but sumptuous."

Papa glared at me very suddenly and scowled a deep purple, which is his way of telling wise people that the weather

matter of thrift. Whenever he finds envelopes that could be used for memo pads, in the waste baskets, he carries them to Papa and enjoys hearing Papa give it to the stenographers. Of course, this trait of Papa's is a good thing for the stockholders, because the expense account is kept in precise bounds. I have drawn up and typed the statements semiannually for the past five years, and the expense account rarely varies more than a dollar or two and furniture and fixtures have not changed at all. I don't have to refer to the books for that item; its permanent. So you will understand why Papa gave me such an unpleasant, incredulous stare, and you will be as surprised as I at what actually followed. The very next day painters came to the side door of the bank and demanded entrance, and the janitor was instructed to scrub down the pictures which hung in the directors' room, a very rare collection of life-size photographs of famous personages in the bank's history, financial kings, really, but they looked exactly like the House of David All-Stars. One of these pictures was of Archie Hamilton, Sr., Archie's father,

vaguely if Papa had shown Marie judge's recent letter in which he raved so about Archie, but Evelyn, who is the filing clerk, said "Yes," and the judge seemed to have a bad case on when \$50,000.00 notes didn't worry him any more, and I understood. Evelyn had filed judge's letter and Evelyn and Marie are close friends.

I was a little irritated with Evelyn for insinuating anything that she might have bothered to read, for such things can cause no end of trouble, so I tried to

answer Janet's inquiry. "I don't know any very good reason why he should have to go outside of the office for a stenographer. There are stenographers enough now to go around, and as far as attractiveness goes—I would say Calista would fill the bill."

I knew I was responsible for hitting the second nail on the head. Calista is the kind of a girl that invariably makes every other girl feel like a shadow on a cloudy day. She is so beautiful that the most catty of girls can't find a flaw

with her looks and so charming that she turns us all green with envy the way she gets away with everything, and so brainy that it looks fishy, actually. Also, Calista is not a "poor working girl" like the rest of us and, naturally, she never could be quite "one" of us when she doesn't have to be bothered with runners and the price of having coats re-lined, and the like. I have longed hungrily for a pair of slippers in a shop window and by the time payday came and the purchase could be made with no strings on it, Calista would have a pair of like ones on her absurd little feet, kicking them around as carelessly as though they didn't cost all of a ten-spot. She always had a way of getting the new fads first, because, of course, she could afford them when they came out and when she decided she wanted them. All of us had been wishing fervently that Calista would get married; getting a creature like Calista Green married and settled is a restful feeling to a feminine circle, but Calista didn't choose to get married. One morning we heard that she had eloped with "Bob," her most steady, and we girls all clubbed in and were planning to buy her a set of salad forks, real sterling, when she popped up at work, denying the whole story. She was overheard to say that she wouldn't ever marry a man like "Bob," and the girl who overheard it added that she supposed he didn't have enough money. Well, Archie was heir to one of the neatest fortunes in the Middle West.

"But what if he shouldn't prefer blondes!" Marguerite hoped.

"If he doesn't, he will," I said. Three-fourths of the frat pins that stud her blouse belong to men who "have always admired the Spanish brunette type." I had gone to school with Calista and knew whereof I spoke. "You know very well that Calista Green in that new heliotrope dress could make any man believe in Santa Claus."

The girls knew I was right and turned their faces to their plates sadly. If we could have removed Calista from the picture, the prospects would have been thrilling, but, to make matters more convincing, she seemed to have played out with "Bob" just at the time Archie was about to arrive from California and began driving her own little cream and red roadster and the frat pin collection began to get smaller and smaller.

(To be Continued in January Issue.)

There is always the possibility of beauty where there is an unsealed human eye; of music, where there is an un-stopped human ear; and of inspiration where there is a receptive human spirit, a spirit standing before.—Parkhurst.

A man who does not love praise is not a full man.—Beecher.

Duties of a Stockholder

(By a South Dakota Banker)

As I see it each *stockholder* has a duty. It is a stockholder's privilege as well as duty. When you become a stockholder in a Bank you expect, and want to see that stock, be it one or more shares, to grow in value, and you also want, and think you ought to, to receive a dividend each year.

Did you ever stop to consider what you could and should do to help bring the above results? First, consider this Bank *yours*. If you only have one share then do what you can to make *your* Bank grow. Do all your business through *your own Bank*. If you only have ten dollars to leave in a Bank leave it in your own and try and never ask your Banker to cash an Over Draft for you. Every dollar left on deposit helps a Bank every day it is left there. Every time you help *your Bank*, you help *your* share to grow.

Some stockholders have said to me, "I have a share in this Bank. Don't see why they can't pay us a dividend," and this same shareholder leaves his money in some other Bank—where he has no shares—but it is a bigger Bank and he helps them to grow still bigger. Sometimes he only has ten dollars on deposit, sometimes several thousand. Each time he deposits in any other Bank, except his own, he hurts his own Bank. Some will say, "Now Mr. ———— has a share in ———— Bank, but he doesn't do business with them, so guess I won't." Nothing can hurt a Bank more than a shareholder or an officer doing business with some other Bank.

This is true of a man who owns land and other property near or in a town. Every dollar you bring to your home Banker and town helps the value of your land. Then when you need help, go to your home Banker and if he *can* (and is made of the *right stuff* for the place) he will do all he can, and does do for you, and a little bit more than a Banker from some other place will, unless the other one is *baiting* you. If for any reason your home Banker cannot help you directly, from *his* and *your* own Bank, he can often help "*smug the deal*" for you through some other Bank.

I think every Cashier should be compelled to own shares the same as a director does. I think every Banker should read and study each issue of his bank magazine. There is much to be gained by doing so.

Have Faith In IOWA

COUNT YOUR BLESSINGS

Iowa Farm Value		
	1926	1927
Corn	\$243,952,800	\$275,700,540
Oats	68,553,450	82,771,920
Wheat	9,688,060	10,179,150
Other grain	5,095,680	10,081,750
Tame hay	58,977,500	66,962,500
TOTALS	\$385,267,490	\$446,696,260
Increase		\$58,428,370

MORE PEOPLE can make a GOOD LIVING IN IOWA than in any other place on earth.

We offer our people every banking service to enable them to use our great resources.

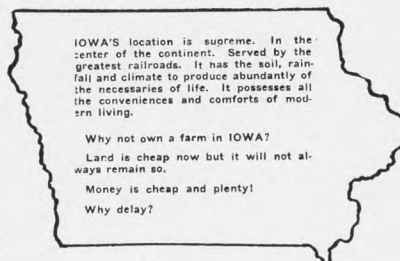
VINTON SAVINGS BANK

J. E. Marietta, President

J. F. Traer, Cashier

Have Faith In IOWA

IOWA



We are prepared to offer every banking service.

VINTON SAVINGS BANK

J. E. Marietta, President

J. F. Traer, Cashier

Have Faith In IOWA

COUNT YOUR BLESSINGS

IOWA FARM INCOME 1927	
Hogs	\$266,068,000
Cattle	186,478,000
Sheep	7,298,000
Corn	7,391,000
Oats	26,422,000
Wheat	6,540,000
Barley	2,000,000
Butter	120,713,000
Eggs	28,773,000
Poultry	15,193,000
Total	\$713,906,000

MORE PEOPLE can make a GOOD LIVING IN IOWA than in any other place on earth.

Why not own a farm in IOWA?

We offer every banking service.

VINTON SAVINGS BANK

J. E. Marietta, President

J. F. Traer, Cashier

Iowa's manufacturing resources and her share of the world's blessings are depicted above in advertisements used by the Vinton Savings Bank.

Advertise Your State AS THOUGH YOU OWNED IT!"

OUR advertising has always been one of my greatest problems. At one time I bought advertising services. I recall one year that I bought a service that seemed to me to be especially good. I used it a year and never had a customer mention it or say anything that would lead me to think that they had seen it. For many years I used a small ad of my own writing at the end of each month calling attention to the fact that money deposited in savings accounts before the fifth day of the month would draw interest from the first. This brought many people into the bank to talk it over and I got new business.

I decided then to write our ads; that I new our people and their problems better than some one in the city; that I would tell our people what we had to sell just as I would talk to them over the counter. I have written all of our ads for a number of years.

I am a native of Iowa and have always taken great pride in our state. Several trips to the South and West served to intensify my love for and my belief in the state.

Something more than a year ago the Iowa Bankers Association began to talk of a cam-

By J. F. TRAER

Cashier Vinton Savings Bank
Vinton, Iowa



J. F. TRAER

paign to "Sell Iowa to the World." In the past few years Iowa has had much adverse advertising. Probably much of it was unintentional, nevertheless it was injurious. We should not apologize for Iowa. Iowa does not need it. Iowa stands high among the states. Rather, we should take the advice which "Eben Holden" gave the young fellow who was about getting up his courage to ask a lady for her company for the first time. "Waltz up to her as though you had just bought yourself and was proud of your bargain." I remembered that years ago California, Washington and Oregon fitted up cars with exhibits of their products and toured the country, side-tracking their cars for a day in a town, advertising their presence and asking people to call and inspect their exhibits. The Bankers Association did not move fast enough to suit me, so I started a campaign of my own. I remembered the words of the old revival hymn, "Count your Blessings," and I turned to the census reports and found that our blessings were many; that our state excelled in many things and that Benton county excelled many of our counties. I made from these statistics a series of ads

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Have Faith In
— IOWA —
— Count Your Blessings —

IOWA has many natural resources. The cement industry is large and constantly growing.

IOWA

5 Cement mills in Iowa
1,162 people employed.
\$1,581,250 paid in wages.
\$2,879,857 paid for materials.
Overhead and selling costs not included.
\$8,358,762 value of products.

The labor of an intelligent, energetic and thrifty people applied to our natural resources will produce much wealth.

Watch this space next week.
We offer every banking service.

VINTON SAVINGS BANK
J. E. Marietta, President J. F. Traer, Cashier

Have Faith In
— IOWA —
AND PROCLAIM IT TO THE WORLD
— Count Your Blessings —

— IOWA —

IOWA produces luxuries as well as necessities.
Perfumery, cosmetics and toilet preparations.
9 factories.
118 people employed
\$122,984 paid in wages.
\$1,322,527 paid for materials.
\$4,344,548 value of products.
Buy "Made in Iowa" goods.

We offer every banking service to assist in the development of our state.

VINTON SAVINGS BANK
J. E. Marietta, President J. F. Traer, Cashier

Have Faith In
— IOWA —
AND PROCLAIM IT TO THE WORLD
— Count Your Blessings —

IOWA'S factories make great demand for our food products.

— IOWA —

Foundry and machine shop products not elsewhere classified:
156 factories.
3,724 people employed.
\$4,993,043 paid in wages.
\$8,598,623 paid for materials.
(Overhead and selling costs not included).
\$21,345,826 value of products.

MORE PEOPLE can make a GOOD LIVING in IOWA than in any other place on earth.
We offer every banking service to assist in the development of our state.

VINTON SAVINGS BANK
J. E. Marietta, President J. F. Traer, Cashier

Three of the "Have Faith in Iowa" advertisements Mr. Traer used in the Vinton, Iowa, newspaper as a part of his regular bank advertising.

showing the standing of our state and the standing of our county in the state. These dealt exclusively with agriculture. I had about twenty of such ads and was beginning to think that I had exhausted my subject when I remembered what the most of us overlook, or do not know, that Iowa has large manufacturing interests. In fact, one of them was right under my eye, the local canning company, which is one of the largest in the business. I saw in the morning paper a news item to the effect that one firm in Bettendorf had received an order amounting to \$3,500,000.

I appealed to the Des Moines Chamber of Commerce for statistics and from what they furnished I prepared another series of ads dealing with Iowa as a manufacturing state. Our people do not realize the magnitude of our manufacturing interests nor do people outside the state realize it.

I firmly believe that more people can make a good living in Iowa than anywhere else on earth. We have all the conveniences for modern, comfortable living. Our churches and schools are things to be proud of and even our much maligned

road system will soon be a matter of pride. I think that we should proclaim our advantages to the world and keep on proclaiming them until everyone hears; in fact, for all time.

As to the results of these ads in our own business, it is difficult to put your finger on the results of bank advertising. I think different from other lines of business. I have had considerable favorable comment from outside and our business is larger than it was a year ago. I am so thoroughly convinced that I shall go on along these lines.

Will Resist Guaranty Assessment

BANKERS, and the people of Nebraska generally, now recognize that one of the most important problems facing the state legislature when it meets in January, if not, indeed, the most important problem of all, is that connected with the bank guaranty law.

The repeal of the law does not, at this time, seem likely. Both candidates for governor expressed themselves as in favor of strengthening it. At the same time it is recognized that with a deficit of ten millions in the fund, and with new failures occurring from time to time, that to redeem the guaranty pledge soon, under the conditions of the present law, will be extremely difficult, if not impossible.

The proposal for a general state tax to take up the deficit has been put forward, but has gained little support. At no time in the past was the credit of the state pledged to repay the deposits

in state banks managed under the guaranty system.

An early test of the constitutionality of the law is seen in a circular letter recently sent to the state bankers, asking them to join in an injunction suit to prevent collection of the special assessment upon the state banks, to meet losses of banks organized under the guaranty law.

The circular letter was signed by the heads of three of the largest state banks in Nebraska: A. L. Schantz, president of the State Bank of Omaha; Dan V. Stephens, president of the Fremont State Bank, and William Seelenfreund, president of the Continental State Bank of Lincoln.

They resist the special assessment of one-fourth of one per cent, based on deposits, recently announced by Clarence G. Bliss, secretary of the state department of trade and commerce, which

would bring to the guaranty fund a little over one-half million dollars.

No resistance is contemplated, according to Mr. Schantz, to the regular bank guaranty assessment of one-tenth of one per cent of deposits, due on January first.

The guaranty fund commission has been told by a Chicago auditing company that a complete audit of the fund would cost \$52,875.

The report of the auditing firm set forth that there are seventy-nine banks which the commission is still operating as a going concern, while 117 other banks have been placed under receivership during its administration. The commission also has charge of forty-eight other bank receiverships which it took over from the former receivers when the guaranty fund commission was organized in 1923, and which have not yet been closed.

The Chicago firm estimated the cost
(Turn to page 79, please)



A. M. DE VOURSNEY

By A. M. DE VOURSNEY

Manager, Protective Department,
Wisconsin Bankers Association

PREVENTIVE protection, the objective of bank association protective work, necessarily includes all phases of protective thought and activity.

To no one preventive can be accorded all the credit for the recent experience of genuine relief from the depredations of burglars and robbers. Heavy vault doors, alarms, relocking devices, gas protection, community protection, immediate and thorough investigation, satisfactory penalties imposed by modern laws, are all contributing to our present immunity from attack.

It is not sufficient that a protective department have a past record of accomplishment. The past is gone and we must look to tomorrow. Do you know that insurance statisticians have predicted that some day burglaries would again predominate over robberies? They believe that burglaries and robberies run in cycles, but offer no concise data on why or when. Statistics are based on past performances. *Efficient bank protection requires more than statistics. It demands definite facts and constant analyzation of criminal trend.*

The Wisconsin Bankers Association protective manager reports on October 22nd, that there were only four robberies of member banks in Wisconsin in the past two years with every robber captured and sentenced to fifteen years and upward in the state's prison, with a net robbery loss for that period of less than \$400. He reports only one successful burglary in the same period with a loss of but \$208.00—a total net loss to Wisconsin Bankers Association members of but \$608.00 in two years by burglars and robbers.

The report of the American Bankers Association protective manager at Phila-

HOW SAFE Is YOUR SAFE?

Bank burglary is coming back equipped with modern methods that make burglary a greater potential hazard than ever before.

delphia, recently, indicates that for the year ending August 31, 1928, their member banks suffered 177 daylight robberies and 28 night burglaries. Comparison with a similar preceding period shows that there have been an increase in robberies of 55 per cent within a year and a reduction of burglaries of about the same percentage.

Provide Real Hazard

From these reports it is quite natural to presume that burglary is a decadent profession, doomed to early discard and abandonment by the thieving fraternity.

This conclusion is unwarranted and erroneous. Bank burglary is coming back and is returning equipped with modern methods and tools that make burglary a greater potential hazard than ever before, while the hazard of robbery is still engaging the undivided attention of bankers' associations.

Before we look to the future, let us see what the past burglary records show.

Searching our records we find that from January, 1920, to December 31, 1925, there

were 72 burglarious attacks on banks in Wisconsin causing money and security loss of \$209,548.93, and to offset this continued attack there were six convictions of burglars for the burglary of these banks with sentences aggregating 69 years meted out to these six men, the highest sentence being 30 years and the lowest being five years.

This experience of Wisconsin is no different than the experience of other states. They have all had numerous attacks with few convictions because the possibility of identification was decidedly remote in cases of burglary.

We are inclined to believe that the task of eliminating the burglary hazard will be even greater than the task of reducing the robbery hazard. Let us review the situation past and present:

One of the earliest methods of attack on banks was by punching the combination. This was reasonably successful until met by better vault doors, and relocking devices.

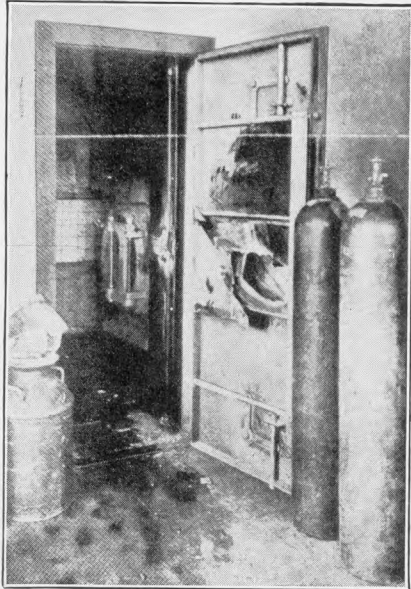
About 1890 the use of black powder was introduced and followed after a number of years by dynamite. This was met by stronger safes—then came nitroglycerine and it now seems a far cry to the time when the yegg calmly sat upon the top of the safe and exploded the nitro with a sledge hammer.

Illinois Bank the First Victim

The story of the first burglary with nitroglycerine will bear retelling in part. It occurred in a bank at Salem, Illinois, and created such excitement and interest that the president of the bank called in the officers of the banks in the neighboring towns to examine the premises. This examination caused considerable apprehension on

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the part of the bankers, and the safe companies were all decidedly interested to obtain the facts so that they could plan a safe that would foil this method of attack. Meanwhile thieves from all over the United States flocked to the leader of this successful gang even offering to work for him for mere subsistence if he would only teach



Showing what an oxy-acetylene cutter will do in a few minutes when applied to ordinary type of vault door.

them how to produce the nitro-glycerine and how to use it. The reason we mention this story is to emphasize the fact that a successful method of burglary or robbery attracts considerable attention by not only



Only forty-one seconds required to force entrance to vault illustrated above.

the police, but by the thieves, and any method that proves successful will soon become the method of other gangs.

This nitro-glycerine epoch ran along for some considerable time. It was met by

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the round-screw door, the first of which were of plate construction. The thieves having some success with these forced the manufacturers to step forward again and they produced the solid round-door safe and then added manganese to the steel body of the safe for further security.

The next move was up to the bank thieves. Science had evolved the welding torch and later the cutting torch, both of

The author of this article comes from a family identified with police work for several generations. A recent publication written by Herbert Asbury under the title of "Gangs of New York" offers as a history of the draft riots July 14, 1863, as follows:

"Throughout the evening another crowd had been assembling in City Hall Park and Printing House Square, and when the uptown mob came streaming down Park Row an attack was immediately begun. Sergeant De Voursney attempted to defend 'The Tribune' building single handed, and fought valiantly in the doorway until he was surrounded by a ring of dead and disabled gangsters, but he was finally overwhelmed and the mob rushed into the building, over-running it and setting it on fire in half a dozen places. The editorial and mechanical forces, led by Horace Greeley, escaped down the back stairways, and Greeley was chased into a Park Row Restaurant, where he hid under a table."

Mr. A. M. De Voursney's father was Chief of Medical Staff, Blackwell's Island Penitentiary, New York, and his uncle was police and fire commissioner of Newark, N. J.

At 29 years of age the author was managing one of the eighteen offices of an international detective agency, being the youngest man in this executive position at that time.

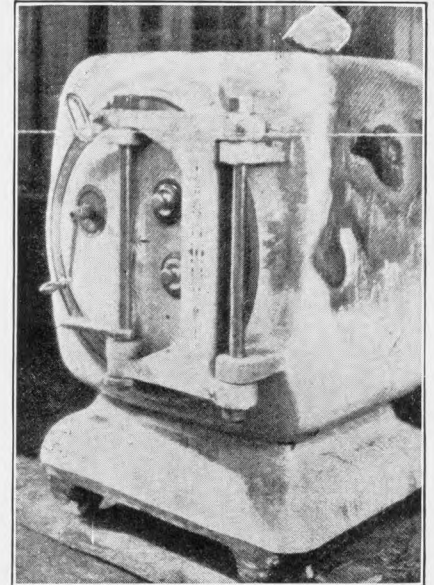
Before he was 35 he was managing the criminal department of an international detective agency at Chicago and before coming to Wisconsin was Chief Special Agent of the Illinois Bankers' Association, where he still holds the record for work resulting in the speedy conviction of bank robbers and burglars in a case where Johnny Gardner and his gang was arrested, convicted, sentenced and on their way to Joliet penitentiary within forty-eight hours after they had burglarized the State Bank of Ohio, Bureau county, Illinois.

Mr. De Voursney's mechanical and electrical knowledge, as well as his ability along those lines, is conceded by manufacturers selling vault equipment, alarms and devices, who without an exception, maintain very friendly relations with the Protective Department of the Wisconsin Bankers' Association. (Editor's Note.)

which having found such extensive use in burglary. Many a good burglary was spoiled by a flareback that exploded the hose which connected the tanks with the operating torch, but armor-plated hose and better torches have eliminated the hazard of flareback and our modern torch, or the more recent lance, are decidedly dangerous in their application to vault doors or safes that contain no resistance to this implement. This brings us up to date as far as burglarious tools are concerned.

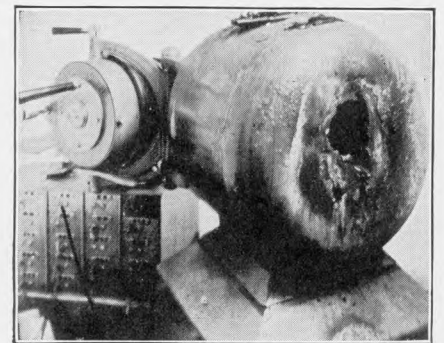
About five or six months ago a series of successful burglaries started in Chicago. This gang has shown full and complete knowledge in combination punching, the use of nitro-glycerine and the cutting torch, and now use all three methods in a single attack on a safe.

One burglary netted \$29,000—another



Another oxy-acetylene cutter job performed by the usual equipment found in garages and welding shops.

\$26,000—another \$16,000, and they continue unabated. As far as we know, no convictions have been obtained in connection with these big mercantile burglaries, in spite of a \$5,000 reward in one



A common type of manganese safe that withstood the oxy-acetylene attack but a few minutes.

case offered by a mercantile establishment that was one of the victims.

Another case of burglary, by apparently this same gang and using all three methods of burglarizing, was perpetrated on a watch-case manufacturer near Cincinnati, Ohio, which netted a return to the burglars of about \$35,000 in gold bullion. This case makes it quite apparent that the Chicago gang is stepping out into new

(Turn to page 88, please)

Profits and Capital Values in FARMING

By HENRY V. McKIBBIN

John Nickerson & Co. Inc.

IN THE agricultural situation today is found evidence of the termination of the postwar deflation—the last of the major divisions of American industry to so adjust itself. The evidence of the culmination lies in the stabilization of land values, which establishes the completion of readjustment of inflated wartime capital values to sound values as based on returns from land.

The fifth annual survey of the farm land markets reported early this year by the National Association of Real Estate Boards contains the following findings:

1. A larger volume of farm acreage was sold in 1927 than in 1926 at the same or higher prices.

2. An upward tendency is recorded in farm prices in 47 per cent of the communities reporting. Prices are reported either stationary or upward in 85 per cent of the communities.

3. Purchases of farms are now predominantly by persons electing the farm as a business enterprise and as a home. Moreover, in 10 per cent of the communities reporting, purchasers are buying farms to hold for an increase in price, and in 3 per cent they are buying farm land as an investment.

4. Optimistic sentiment as to farming and farm land values prevails among the farmers themselves in 70 per cent of the communities reporting.

The United States Department of Agriculture, in a statement issued March 31, 1928, reporting farm bankruptcies (which have been the depressing influence on farm values) as having declined in 1927 to .99 per 1,000 farms from an average of 1.22 per 1,000 farms during 1924 to 1926, said the following:

Bankruptcy Declining

“Apparently the decline in the 1927 rate indicated an approaching end of the abnormal wave of bankruptcies made inevitable by the losses of the postwar agricultural crisis. This does not imply that no improvement in agricultural conditions had been made prior to 1927. Slow recovery began, in fact, as early as 1922. But changes in agricultural conditions are not reflected immediately in the rate of farm bankruptcies. It usually takes several years for prosperity to reduce, or depression to increase, the farm bankruptcy rate.

“In other words, the numerous farm bankruptcies of the last three or four years are a delayed reflection of the depression of 1921-22. In like manner, the decline in the bankruptcy rate in 1927 may be considered evidence both that the job of clearing away the wreckage of the depression period is nearing completion, and also that the last few years have been on the whole a period of agricultural recovery.”

The earning power of the United States farms has been on the upward trend since 1922. Land values, however, continued to decline into 1927. In the agricultural industry where operations are in small hands conducted mostly without business records and by trial and error methods and where investment is comparatively non-liquid, it has taken years of unrelenting economic pressure to accomplish a revision of value which in the more volatile manufacturing and trading business was attained in one relatively brief but drastic move.

In a study of the farm real estate situation prepared by the Bureau of Agricultural Economics of the United States Department of Agriculture and published October, 1927, the net

income available for total capital invested in agriculture before allowance for management reward (the equivalent of “Administration” in other industries) was given as follows:

Crop year	Net Income (In millions of dollars)
1919-20	5,030
1920-21	375
1921-22	785
1922-23	2,014
1923-24	2,097
1924-25	2,656
1925-26	3,082
1926-27	2,440

The same study reported total capital invested in agricultural production as follows:

Crop year	Capital Invested (In millions of dollars)
1919-20	79,459
1920-21	73,139
1921-22	63,811
1922-23	62,549
1923-24	60,472
1924-25	59,743
1925-26	59,712
1926-27	58,255

The consistent reduction of investment reflects the steadily declining value of land.

From the same source is obtained a statement of value of the farm operators' net investment in agricultural production, that is, total agricultural investment less property rented and debts owed.

Crop year	Capital Invested (In millions of dollars)
1919-20	47,065
1920-21	41,172
1921-22	34,711
1922-23	34,321
1923-24	33,046
1924-25	32,574
1925-26	32,727
1926-27	31,812

The operators' net income applicable to these latter figures is as follows:

Crop year	Net Income (In millions of dollars)
1919-20	2,675
1920-21	(—) 1,720
1921-22	(—) 797
1922-23	419
1923-24	520
1924-25	1,039
1925-26	1,413
1926-27	874

The Bureau of Agricultural Economics' index of estimated per acre value of farm land of the United States as of March 1st of each year is as follows (in per cent of 1912-14 values):

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March 1	Index
1920	169
1921	157
1922	139
1923	135
1924	130
1925	127
1926	124
1927	119

A cursory survey of the series of figures just given would indicate an anomaly in improving returns from farm operations and declining capital value of land. The answer lies in the application of the income figures to the investment values for the corresponding periods. Indicated returns on capital value are thereby arrived at as follows:

Crop Year	Return on Total Investment	Return on Operators' Investment
1919-20	6.3%	5.7%
1920-21	.5	(—)4.2
1921-22	1.2	(—)2.3
1922-23	3.2	1.2
1923-24	3.5	1.6
1924-25	4.4	3.2
1925-26	5.2	4.3
1926-27	4.2	2.7

The trend has been persistently upward since 1921-22, excepting 1926-27. However, it is not until the high point of the recovery of farm earning power is reached (1925-26) that an adequate rate of return on capital value is found to support a stabilizing level. Even here is found a return from farm operations lower than the prevailing rate for mortgage money which means that farms can be bought and mortgaged for part of the price only on the unattractive basis of carrying the interest

charges by a contribution from earnings of the equity investment.

What is the situation today? Similarly comprehensive statistics for the period since the 1926 harvest are not at hand. The Department of Agriculture, however, has published the results of its 1927 annual survey of about 15,000 farms which returns in the past have shown a close relationship in trend to the reports on the whole industry. This report indicates for the 1927 harvest a return to the 1925 peak. For the 1928 harvest studies of volume and price level indicate an increase of about \$500,000,000 in crop value over 1927. Furthermore, it is felt that because of the wider use of modern machinery and the continuing liquidation of his indebtedness the farmers' 1928 income has been bettered more than the increase in crop values would suggest. Without attempting to evaluate this latter consideration, an approximation of 1928-29 crop year total farm income may be set down at \$500,000,000 in excess of 1925-26 returns. The figures then are:

Crop Year	Net Income for Total Capital Investment Value (In millions of dollars)	Net Income for Operators' Capital Investment Value (In millions of dollars)
1928-29	3,500	1,900

Since there has been apparently no substantial change in capital values, the 1926-27 figures may be used. The 1928 harvest returns on capital values are then:

Return on Total Investment	Return on Operators' Investment
6%	6%

which means a return on capital values, at the levels used, that establishes as profitable, equity investments in the farming industry. The revival of interest in farm lands is accordingly explained. Farm lands in the United States are selling today, in terms of the pre-war dollar, at 80% of their 1912-14 values.

Why Women's Departments Fail

SOME enquiries and one or two protests have reached me on the subject of a statement in my article in last month's issue, "Banking Business Poor for Women." The statement was to the effect that women's departments in banks have proven failures. I may add that I made the same statement at Detroit on July 10th in my address to the Financial Advertisers' Association, but so far none of my audience—practically all bankers—has taken exception to it. Possibly they are all in accord with me in the matter.

In any business a department that does not earn enough to pay for itself must be regarded as a failure. It may be carried for one motive or another, but nevertheless at the end of the financial year its balance is written in red ink—and it stands branded as a failure. That is the case with the women's departments in banks.

The fast growing importance of woman as a factor in the financial world has forced the banks to recognize her as such and to do what they can to secure her business. As a matter of fact, however, both sides are still somewhat new to each other and not yet quite at their ease.

By MRS. BESSIE Q. MOTT

Chairman, Advisory Committee, National Committee for Education of Woman in Financial Matters and the Protection of Her Money

(Reprinted by permission from "Woman and Her Money")

Woman has still to learn the rules of the game, and the banks have to learn how woman regards such rules as she comes across, how she interprets them, and how she would like to modify—some of them.

A Suggestion

As a solution of the problem someone suggested a women's department, with its own space, its own staff and its own atmosphere. This made an immediate appeal—to those inside the banks. It could be—and was—made to look attractive. It provided dignified positions for some desirable additions to the bank personnel. It was a gracious concession to the fair sex. And—not the least important point—it cleared a good deal of space for other business.

But it failed. It did not bring in or handle enough business to pay for itself. A few beginners came in, partly out of

looking on banking as an adventure or a curiosity, partly because they did not know enough to know just what they did want. And the bank—that is, the department—did its best for them. But their business was small and not real banking business. Most of it belonged in the savings bank.

The simple fact is that woman refused—and refuses—to be segregated. When she becomes a business woman, she wants all the rights, privileges and facilities accorded to man. She wants and means to be regarded as a human being without distinction of sex, which, she feels, detracts from her business dignity and importance.

Those of us who have traveled on the continent of Europe know the railroad compartments with the signs: "Dames seules" or "Fuer Frauen" over the door. In intention they are excellent, but the only women one ever sees in them have been put there—by their men-folk—presumably for safekeeping. No real, live, human female ever enters one of her own accord.

It is the same in a bank. The woman who has graduated from the stage of

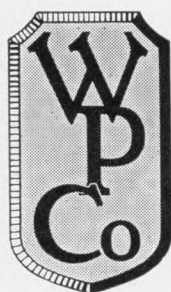
(Turn to page 86, please)

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

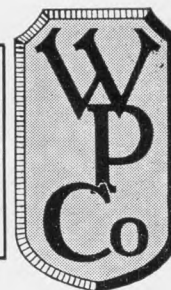
WE OWN AND OFFER, SUBJECT TO PRIOR SALE:

		Maturity	Price	To Yield
Davenport, Iowa, School.....	4 %	5- 1-30		4.10%
Montgomery County, Iowa, Funding.....	6 %	1- 1-39		4.25%
Winfield, Iowa, Funding.....	6 %	11- 1-31-39		4.35%
Worth County, Iowa, Primary Roads.....	4 ³ / ₄ %	5- 1-40-34		4.20%
Federal Land Bank.....	4 ¹ / ₄ %	11- 1-58-38	\$100.00	4.25%
Whiteside County, Illinois (Prophetstown) Schools.....	4 ¹ / ₂ %	6- 1-36-48		4.40%
Menard County, Texas, Roads.....	5 %	9-15-34-41		4.75%
Scurry County, Texas, Road and Bridge Refunding.....	5 %	4-10-36-58		4.70%
Central Illinois Public Service Company....	5 %	11- 1-68	100.00	5.00%
Interstate Power Company.....	5 %	1- 1-57	96.00	5.27%
Shaffer Oil & Refining Co. Notes.....	6 %	3- 1-33	100.00	6.00%
Government of Argentine Nation.....	5 ¹ / ₂ %	8- 1-62	97.50	5.70%

Complete descriptive circulars on the above offerings gladly
 sent upon request.



**THE INVESTMENT
 BANKING HOUSE OF SERVICE**



Northwestern Banker December 1928

NEWS AND VIEWS

OF THE BANKING WORLD

By Clifford De Puy

Alfred E. Smith, who just recently aspired to be President of the United States, may become President anyway—not of the United States, but of a \$55,000,000 Wall Street Bank which will be backed by the Duponts, the Fisher family, and John J. Raskob.

If this plan materializes the new Wall Street Bank will have the largest capital at its beginning with which any bank in the country has ever been organized.

We have not been recently informed by President-elect Herbert Hoover, but we assume that he will carry his New York account with this bank.

George E. Roberts, vice president of the National City Bank of New York, in a recent address pointed out that, "Activities of the Stock Exchange over recent years has signified speculation on a great scale. This speculation has absorbed a supply of surplus credit. The question of interest now relates to the possible effect of continuing demand for credit from the Stock Exchange now that no surplus supply exists. It is one thing to have speculation absorbing surplus credit, and another to have it competing with industry over a limited supply of credit. Business generally would suffer if security speculation used up so much credit as to hamper constructive activities and industrial employment."

Personally we doubt very much if such a condition will exist. No banker is going to put his money on call in New York if there is active demand for it in his local community. It is only when surplus funds are available in any community that they are put on call in New York.

John W. Platten, president of the United States Mortgage & Trust Company, has just issued a Silver Anniversary edition of "Trust Companies of the United States" for 1928, and in this the total resources of the trust companies of the states covered by the Northwestern Banker are as follows:

Iowa	\$142,232,688.78
Minnesota	98,176,113.86
Nebraska	19,314,173.53
South Dakota.....	5,469,647.32
North Dakota.....	2,092,094.18

This is a very fine showing, and in Iowa alone during the past twelve months the banking resources of the trust companies showed a gain of \$62,548,894.

The banking resources of all the trust companies in the United States now

amounts to nearly \$22,000,000,000, which is a gain of \$1,465,000,000 over a year ago.

This is just another indication that the banking structure of the United States is on a very sound and solid foundation.

John Moody, head of Moody's Investors Service, Inc., believes that the coming ten years will be the greatest period of expansion which the United States has ever known.

"In my view," says Mr. Moody, "this

new era in America is in its first stages only. The coming decade will witness an expansion and extension far beyond its present state. It therefore behooves the American business man, the banker, the security dealer, the many who perform constructive service in these fields—to grow with the country, scan the future in the light of the present, and continuously develop facilities for the larger business life which is looming in the years ahead."

If there be pessimists who should be heard, let them speak now or forever after hold their peace.

Otto H. Kahn, well known New York banker, philanthropist and patron of the arts, spoke recently upon the important subject of the use which we make of our leisure hours. "Being given reasonably good health," says Mr. Kahn—"and the use of our leisure hours has much to do,

(Turn to page 37, please)



Above, Basil I. Peterson, Chicago banker, president of the University of Wisconsin Club of Chicago, leading Iowa university alumni in singing "That's Where the Tall Corn Grows", prior to the Wisconsin-Iowa game which the former won 13-0. Wisconsin's later defeat by Minnesota and Iowa's loss to Michigan put both teams out of the championship class.

Heads Alumni Club

Basil I. Peterson, vice president of the Stockyards National Bank of Chicago, in addition to banking duties, has the position of president of the University of Wisconsin Club of Chicago and during his administration has featured his administration with a series of joint luncheons with Notre Dame, Purdue, Michigan, Iowa and Minnesota alumni preceding the respective football games with Wisconsin.

The climax will be the annual football banquet to be held on Friday, December 7th, at the Lake Shore Athletic Club, located at Chestnut Street on Lake Shore Drive. All alumni and friends of Wisconsin are invited to this affair. The 1928 Wisconsin team, together with its coach,

Glenn Thistlethwaite, and director of athletics, George Litte, will be brought to Chicago for the occasion. Others invited as guests of honor include Governor Elect Kohler, President Glenn Frank, Alonzo A. Stagg, director of athletics at the University of Chicago; Knute Rockne, director of athletics at Notre Dame University, and Judge Walter Steffen, football coach, Carnegie Tech.

At this dinner a beautifully engraved gold watch will be presented by the Chicago Wisconsin Club to the man who has contributed the most to the success of this year's Wisconsin team. The winner will be selected by Mr. Thistlethwaite and his staff.



Carefully Selected Bonds for Iowa Banks

THE safety and desirability of the bonds we offer to banks and conservative investors are vitally important considerations to the management of this investment house. For we realize that our reputation depends entirely upon the quality of our offerings and the character of our service.

Therefore our bond offerings are selected with extreme care, with safety and dependability always the chief considerations. It has been our privilege during the past year to serve more Iowa banks than ever before. We have many bank customers who have been buying from us regularly for years. Such patronage we value highly, for we believe that it demonstrates beyond question the satisfactory character of our offerings and service.

Our December investment list contains several bond issues which are admirably suited to the requirements of Iowa banks. A copy of this list is yours on request, 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

The Banker's Wife Says: "MEN MAY SHOOT DUCKS —But They Can't Pick 'Em!"

By LYDA COLLINS



LYDA COLLINS

Dear Helen:

Palmyria's tete-a-tete was cut shorter than she wished by the rush of customers coming in and interrupting. It was just the regular run of business: making of deposits, buying of drafts and checking up of accounts.

One man brought a nice, big, yellow pumpkin and a jar of that thick separator cream. You know what that means. Pumpkin pies and whipped cream—a vanishing hope of ever attaining that slim, boyish figure so greatly desired. Another had a squash, some carrots, and a sack of turnips and our cave is full to the door now with the finest of provender for the winter when—

"The north wind doth blow,
And we shall have snow."

We all have caves out here, Helen, mostly for cold storage purposes and they take the place of the old fashioned cellars our grandparents used to have. Most of them are built a few feet from the house, but ours is off of our basement. You go down ten steps and into a small room completely bricked, even the ceiling. There is a tile in the roof for ventilation.

Right now we have enough vegetables stored in there to feed a family of ten and all donated by our generous customers. Not only vegetables, but since the cold weather has set in and the farmers are butchering we have the choicest of meats given us, and of all the kinds, from tenderloin to pigs' feet; the homemade sausage is the most delectable. It fairly melts in your mouth, because even the hams and shoulders are all ground up and made into sausage. What can be better on some snappy, frosty morning than to sit down to a breakfast of hot buck-wheat cakes, maple syrup, some of this sausage, and a cup of steaming coffee. Oh, boy!

This family, Helen, has always run true to form and had the national bird, the turkey, for our Thanksgiving dinner.



Northwestern Banker December 1928

The Prizewinning Story

Editor's Note: Mrs. L. E. Hardy of Hamlet, Nebraska, is the winner of the second prize award of five dollars in the "Unusual Experience" contest announced recently in the NORTHWESTERN BANKER. Her story appears herewith.

"My Most Unusual Experience"

By MRS. L. E. HARDY
Hamlet, Nebr.

"Married less than a year I decided to cook our meals during a week-end of landlady's absence. Saturday evening about five o'clock I had just put a cake in the oven when The _____ Packing Stock salesman came and wanted a bankdraft, as he had finished the territory and was leaving.

I had met him several weeks before and was introduced as the cashier's sister (with no prefix Miss or Mrs. attached). We went to the Bank, wrote the draft and when returning he mentioned the town was lonesome and that we might attend a show at a neighboring town and have dinner together.

"The only reply I could think of was 'I am very sorry but you see my husband would be disappointedly waiting for me, as I am cooking his dinner this evening.' He was very courteous, apologized and brought me on home.

"My husband and I have often laughed about this episode which happened ten years ago."

This year, however, the contributions began to come in the Saturday before, and there wasn't a ghost of a chance for a turkey with all that meat on hand.

My friends, the Smiths, were the first. They gave us two big, yellow-legged chickens, all dressed and ready for the oven. The Bayneses weren't far behind with two more. Later Oscar Balcome laid a fine home cured ham on the "Skipper's" desk and the next day a leg of lamb was brought in by one of our sheep raisers. It was the two live ducks, though, that caused the excitement in the family and almost an eruption.

We discussed the Thanksgiving meat proposition pro and con and finally de-

ecided in favor of the ducks because it was game and nearer turkey meat, and besides, we hadn't had any for a long time.

The ducks had been brought to the house in a gunny sack, the usual mode of carrying things out here, and we had put them in the chicken yard pending the day of slaughter.

I hinted pretty strongly it might be well as long as it was cold, to get them dressed two or three days ahead of time. Duck picking was new to me and entirely out of my line. But the man of the house assured me it was a very simple operation, merely a twist of the wrist. He had picked literally hundreds of them in his hunting days, etc., and he would do it

Commanding in the Davenport Territory



COMMERCIAL accounts and financial institutions like to choose a correspondent bank in each trade territory that is in definite command of the local situation.

In Davenport and the surrounding region the American Commercial and Savings Bank is in financial command, equipped with experience, knowledge, resources and resourcefulness to efficiently serve the interests of its commercial and correspondent clients.

*Member Federal Reserve
System*

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Ed. Kaufmann	President
Ray Nyemaster	Vice President
H. P. Oetzmann	Vice President
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F. A. Johnson	Assistant Cashier
J. D. Brockmann	Assistant Cashier
A. H. Hiegel	Assistant Cashier
Herman Staak	Assistant Cashier
John J. Brandt	Assistant Cashier



CAPITAL
\$1,500,000.00

SURPLUS AND PROFITS
\$1,500,000.00

TOTAL RESOURCES
OVER \$32,000,000.00

AMERICAN COMMERCIAL *and* SAVINGS BANK DAVENPORT IOWA

in a jiffy. I was a little dubious, Helen, still unconvinced, but I didn't say anything. I hadn't seen any of his prowess displayed; in fact, couldn't remember of ever having a live duck in all my house-keeping days, but I held my peace and concealed my doubts.

The next morning when I looked out, to my astonishment I saw one duck sitting on the outside of the fence beside the one on the inside. In the excitement over this phenomenon, I let the back door slam and with that, both birds rose in the air and made the prettiest take-off that the Spirit of St. Louis could ever hope to make.

Away they sailed, over the top of the house back of us, over Rabdaeu's pasture; and our Thanksgiving dinner went winging its way down the valley.

I wondered if it could be possible we had been fooled and these were wild ducks! I never had seen tame ones fly like that. How could they when their wings were not exercised? But there they were, sailing away as fine as you please.

After they had gone about a quarter



of a mile they began to swerve, because of the wind and pretty soon they began to circle back; after considerable flying,

they finally landed across the street and every youngster in the neighborhood had a hand in their capture. They were put in the basement under a tub and no more chances taken with their get-a-way.

Now comes the second chapter. Again I hinted it might be well to dress those fowls and again I was put off with a wave of the hand and an assurance that they would be dressed, cooled, and ready for the pan before I was awake next morning. Next morning, however, I was aware of the trek to the basement. Later, when I called down, I was told to postpone breakfast awhile, and still later, when I went down, things didn't seem to be coming along as speedily as they might. I ignored the apparent difficulty because I didn't want to spoil the anticipated pleasure with which those two beautifully dressed fowls would be presented to me.

The third call did not bring a cherry response and when I went down, such a sight greeted my eyes.

Feathers, feathers everywhere. The air was filled with them floating around. That man was covered from the few stray hairs on the top of his head to the soles of his feet. Eyes, ears, nose, eyelashes—bunches of feathers on his face where he had tried to fight them off. The flannel shirt looked like one decorated for a Santa Claus, and a certain party wasn't in any mood for any comments.

It was very evident there would be no ducks for this Thanksgiving dinner, so two chickens were hastily gotten ready for the oven.

Things were pretty quiet as that man came up the stairs.

Two jerks and the flannel shirt was off, twisted into a wad and pitched down the basement stairs. Two more jerks and the khaki pants followed suit. A bee line was made for the bathroom with clouds of feathers in his wake.

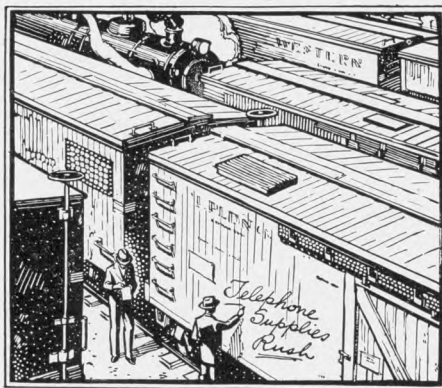
And, Helen, I wish you could have seen those birds! The first was fair although plenty more work necessary to get it clean. The second one! Yoi! Yoi. The remaining down and pin feathers were simply singed off with quills still there. And black! It took soap and hot water with a stiff brush to get it into shape.

It was days before I ever dared mention ducks. One evening I began to laugh. With a whimsical smile the "Skipper" turned and said, "I guess I'm not as clever at duck picking as I used to be. Be a good sport, dear, and don't tell."

Hereafter, when any more live ducks are brought to this house they will be promptly taken to the produce house and exchanged for dead ones.

You see, Helen, I intended telling you about some more of our interesting customers and I got switched off on the generous ones. The next time I want to tell you about Christmas in our little town,

A million dollars a day of new plant



TRAIN-LOADS of telephone supplies move out across the country every day. The plant investment in the Bell System is now more than \$3,250,000,000. It is planned to spend \$2,000,000,000 more in the next five years for new construction and replacements.

Basic facts on American Telephone and Telegraph Co. as an investment

With its predecessors, the American Telephone and Telegraph Company

has paid dividends regularly for forty-eight years. Its earnings assure an ample margin of safety above dividend requirements. Its stock is held by more than 430,000 investors. It is constantly seeking to bring the nation's telephone service nearer to perfection. It owns more than 93% of the combined common stocks of the operating companies of the Bell System which furnishes an indispensable service to the nation.

Write for booklet "Some Financial Facts"

**BELL TELEPHONE
SECURITIES CO. Inc.**

195 Broadway



New York City

Northwestern Banker December 1928

so that customer at the end of the line with a shoe box under his arm will have to wait. Three guesses what's in that box.

We wish you a Merry Christams, Helen, and may the New Year be one of happiness and prosperity.

Lovingly,
Lyda Collins.

News and Views

(Continued from page 32)

of course, with the making or marring of our health—I doubt whether the world has ever known a time when such wonderful opportunities are available as there are now for making the life of the average man in the leading countries full and rich and interesting and stimulating; more especially in our own country."

Emphasizing the fact that we should not get into a rut in our daily occupations or in our daily thinking, Mr. Kahn says: "As the soil of agricultural land requires rotation in order to produce the best results, so does the soil of our inner being require variety of treatment in order to remain elastic and fertile, and to enable us to produce the best of which we are capable."

Colonel Leonard G. Ayers, the well known financial prognosticator of Cleveland, referring to the general situation, says: "General business has continued to roll along in good and ever increasing volume. It now appears probable that a good many new high records will be established in 1928. It is entirely probable that the largest holiday trade in our experience lies just ahead."

The dates of the American Bankers Convention, which will be held near the Golden Gate of San Francisco next year, have been announced as September 30th to October 3d, inclusive.

Don't forget to bring your raincoat, your galoshes, your golfsticks, and your foghorn—everybody likes San Francisco regardless.

While I was attending the Investment Bankers Convention at Atlantic City in October, I also attended the regular weekly meeting of the Atlantic City Rotary Club, and the orator of the day gave vent to this little dissertation on "Ships," which I jotted down and which I am passing on to you.

"Ships won the war. Ships also will win the business battle—and the ships to which I refer are:

1. Friendship
2. Acquaintanceship
3. Partnership
4. Leadership
5. Citizenship."

He then mentioned the fact that there

should be a sixth ship, and that this would be the flagship of united cooperation, if you are to win in the business battle. He also pointed out that in any city, 2 per cent lead, and these are the same 2 per cent who perform most of the worth-while tasks.

He did not ask the question; but I do: "Are you one of the 2 per cent?"

J. R. Capps, cashier of the Iowa National Bank and the Des Moines Savings Bank & Trust Company, together with the other officers of his institutions, has every reason to be proud of the very fine showing which these banks made in their recent reports to the Des Moines Clearing House as of October 3d.

At that time the Iowa National Bank and Des Moines Savings Bank & Trust

Company had total resources of \$27,053,274.50.

The Des Moines Savings Bank & Trust Company and the Iowa National Bank are simply two parts of a banking unit, the stock being held pro rata by the stockholders, and with the same directors and officers.

John L. Mitchell, president of the First National Bank of Sioux City, keeps in touch with his employes, not only personally, but through messages which he sends them from time to time about their work and about the bank.

One of his most recent documents was entitled "Progress," in which he said: "Progress is the result of thought on present and future day requirements. The world is different today than it was



Detail

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.

The Foreman National Bank The Foreman Trust And Savings Bank

La Salle and Washington Streets, Chicago

RESOURCES EXCEED 100 MILLION DOLLARS

Interest Ignores Banking Hours

■

The Railroad, the Post Office, the Air-Mail, the Telephone, the Telegraph—all these agencies used by banks are in continuous operation. To their "work day" there is neither beginning nor end.

Obviously that bank can serve you best which adopts as its own the working-hour schedule of the facilities it uses in converting collections into cash.

There is no lapse in the 24-hour-daily service of our transit and collection departments.

■

...THE...

**PHILADELPHIA
NATIONAL BANK**

PHILADELPHIA, PA.

Capital, Surplus and Profits \$54,000,000

one hundred years ago. Just as different as today's world will be from that of tomorrow—a hundred years hence.

"Let's invoice ourselves a little. Perhaps therein we shall find an opportunity for change—an opportunity for improvement that will better our results and make our record one of progress, one of success. And with it all there will be brought the joy that comes with the sense of real achievement.

"No man will rise any higher than his thoughts."

Indeed if a man cannot think and does not think, how can he progress? Mr. Mitchell has been thinking for his bank and with his bank employes for some time, and that is the reason that the First National Bank has been making the progress it so justly deserves.

Emil Webbles, former president of the First Iowa State Trust & Savings Bank of Burlington, has resigned because of ill health and moved to California. **E. S. Phelps**, head of the Phelps Insurance Agency of Burlington, has been elected president of the bank. Mr. Phelps is a past president of the Fire Underwriters Association of the Northwest and has been active in all of Burlington's business affairs for many years.

Emil Webbles made a fine record for himself as head of this institution and his hundreds of friends will regret indeed that he had to leave Burlington because of ill health. On September 4th he was taken ill and on the 17th of that month he asked for a leave of absence. He seemed to improve considerably after this time, and when we talked to him at the American Bankers Convention in Philadelphia the first week of October, he said he was "feeling fine."

We hope sincerely that Mr. Webbles will regain his health to such a degree that he can again return to the Hawkeye State, where he has so many friends and well-wishers.

A. T. & T. Stockholders

Stockholders of the American Telephone and Telegraph Company have reached a new high record of 450,000, partly as a result of the recent offering of additional stock. American Telephone has wider distribution on its stock than any other corporation in the world. The recent offering of new shares added 10,000 names to the record books, and altogether the list has increased by 28,000 since the beginning of the year. In addition there are 200,000 employees purchasing the stock on the partial payment plan.

Resolve not to be poor: whatever you have, spend less. Poverty is a great enemy to human happiness; it certainly destroys liberty, and it makes some virtues impracticable and others extremely difficult.—Johnson.

New Bankers' Blanket Bond

THE approval given on July 19th last to the revised form of Banker's Blanket Bond by the Insurance Committee of the American Bankers Association was accepted at the meeting of the Executive Council of the association at the Philadelphia convention held recently.

Last year at the association's convention in Houston the committee withdrew its approval of Banker's Blanket Bonds Standard Forms No. 1 and No. 8. This action resulted in so many inquiries of an apprehensive character from banks throughout the country that the leading surety companies sought conferences with the authorized officials of the bankers' association, which these officials had been seeking without result for two years.

After a series of conferences between the Insurance Committee of the bankers' association and the Blanket Bond Subcommittee of the Surety Association of America, the new form of Banker's Blanket Bond, designated as "Standard Form No. 8—Revised" was adopted by the surety association on June 11th. After receiving guarantees from the surety association that the old Form No. 8 would not be sold to any new risks but only to those banks holding that form and insisting upon continuing it, the Insurance Committee of the American Bankers Association gave its approval to the revised bond.

The most important improvement in the new form over the old, the committee pointed out, was in insuring paragraph D, to include **cashing** as well as **paying**. Also, the word "raised" was changed to "altered." In addition to "checks," as specified in the old form, this clause in the new bond also covers withdrawal orders or receipts on savings, thrift, interest, special interest or similar accounts, certificates of deposit, drafts drawn against banks, money orders and orders upon public treasuries.

Clause Extended

In the new bond form the wording of insuring paragraph A, the "fidelity" clause, was changed to extend its meaning to include losses of "property" as defined regardless of whether the insured is liable therefor. The new form also covers any **other** kind of property lost through dishonest or criminal acts of employes, providing it is owned by the bank or the bank is legally liable therefor.

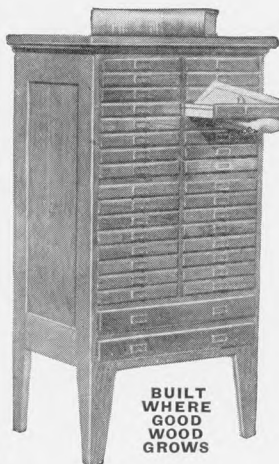
The "robbery" clause (b) was broadened to include property in Canada as well as in the United States, and a similar extension of territory was made to cover property in transit. Amendment was also made so as not to exclude cov-

erage of a loan honestly made by one employe on the strength of a fraudulently prepared statement of another employe.

A revision was also effected, satisfactory to both parties in the discussions, to clarify the prior rights of insurers under

primary bonds to recoveries before other companies writing excess insurance on the same risks. The definition of "property" was enlarged by specifically including coin, bank notes and several instruments not named in the old form.

The new form, the committee pointed



**BUILT
WHERE
GOOD
WOOD
GROWS**

Height about 45 inches
Width about 24 inches
Depth about 18 inches

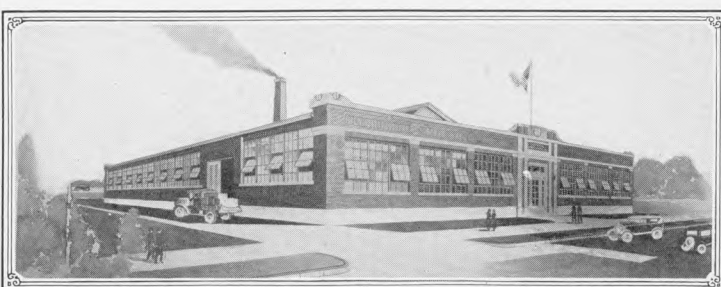
KEEP THEM CLEAN

And INSTANTLY ACCESSIBLE—your legal blanks and "Uniform" Insurance Forms and "Standard" Policies. Reputations are in part constantly determined by the condition of papers and documents turned out to the public by your institution—perhaps more often than you think. You know the "feel" of a new bill. That's why many banks, especially in competitive territory, try to cash checks with clean currency.

These cabinets were designed especially to keep legal and insurance forms from becoming wrinkled, dusty or fingermarked and to have them instantly available without shuffling through a whole pile of different forms. Scores of these cabinets have been sent into every state in the union. Note the convenient size! Each cabinet contains 32 small drawers divided into four general sections for usual forms and two large drawers for miscellaneous papers all fitted with polished label pulls. And utility isn't all; it is an attractive piece of furniture. It comes handsomely finished in either hand rubbed light or dark oak, mahogany, walnut or olive green. AND MORE THAN THAT!


The price is only \$37.50. (Just to satisfy yourself ask your stationer if he does not want two or three times as much for the same size in any other make or kind.) Furthermore we will ship this cabinet prepaid to your station on five days' approval. If you don't find it perfectly satisfactory in every way send it back. That's fair, isn't it? Tell your assistant or secretary NOW to send for it, stating finish desired. (Delivered price east of Cleveland, \$1.40 higher, south of Ohio River or Kansas City or west of Missouri River \$2.90 higher to cover additional freight charges.)

NATIONAL SERVICE, Inc.
Manufacturers of fine desks and cabinets
Executive offices: Metropolitan Bank Bldg., Minneapolis, U. S. A.



Iowa Lithographing Company

515 TWENTY EIGHTH STREET
Des Moines



Founded by

GEORGE H. RAGSDALE
EDWIN G. RAGSDALE
SECRETARY

out, was not as broad as it had hoped for, the surety companies contending that to extend the coverage further would raise the premiums above a salable level. It was, however, the best that could be obtained from domestic companies at the present time.

The new form was made available to banks on July 25th last without any in-

crease above the premiums charged for its predecessor. The committee urges all member banks of the association to renew only upon the new form, because of its broader coverage. It is the only blanket contract of the domestic companies which carries the approval of the insurance committee.

Of equal importance with the broader

coverage obtained by transferring to the new bond is the need of having a superseded suretyship rider attached. This rider, which is available upon request, is essential to preserve the continuity of coverage which would otherwise be broken by such a change of forms or by transferring blanket insurance from one company to another. Under this rider, the insurance company agrees to pay losses sustained before the inception of the new bond providing they otherwise would be recoverable thereunder and providing they are not recoverable under the old bond but would have been covered had it been continued in effect.

The committee stated in its report that it greatly appreciates the helpful cooperation uniformly accorded by the representatives of the surety association throughout the negotiations that resulted in this improved form of banker's blanket bond. The committee recommended to the incoming Insurance Committee of the American Bankers Association that a study be made of the existing bankers' forgery policies with a view to determining whether they meet the requirements of banks in general, and bringing about any desirable improvements in forgery protection.

Buys Into Chicago Bank

R. A. Drum, president of the old Dearborn State Bank, announces that interests identified with the Chicago Trust Company have purchased a substantial amount of the capital stock of the old Dearborn State Bank and will become identified with the directorate of that institution. Lucius Teter, president of the Chicago Trust Company, will become chairman of the board of the old Dearborn State Bank succeeding J. L. Kraft, who will remain as a member of the board. There will be other additions to the board to be later announced. No change is contemplated in the official staff or personnel of the bank which will continue to operate as such in its newly occupied building at Wabash Avenue and Lake Street.

The old Dearborn State Bank was organized in 1919 as the Lake-State Bank, located at State and Lake Streets. The name was changed to the old Dearborn State Bank at the time of removal to its present new building quarters at the corner of Wabash Avenue and Lake Street within the original reservation of Old Fort Dearborn. The bank has a capital of \$500,000; surplus, \$100,000, and total resources in excess of \$5,000,000.

New interests added to the present group will enable the bank to keep pace with the rapid development of the section in which it is located.

I feel a host in this single arm.—Schiller.

National Bank of Commerce in New York

Established 1839

Chairman of the Board
JAMES S. ALEXANDER

President
STEVENSON E. WARD

Vice Presidents
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THOMAS W. BOWERS EUGENE M. PRENTICE
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Cashier
JULIUS PAUL

Auditor
PAUL B. HOLMES

Assistant Cashiers
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JAMES F. FARRELL EDWARD VANDERPOEL

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Second Vice Presidents
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FRANK STEMPLE
Assistant Cashiers
HAROLD F. ANDERSON
SAMUEL D. POST

Manager
EZRA C. BROWNELL

Assistant Managers
RALPH E. KIMPEL JOHN H. SCHWOON PHILIP F. SWART, Jr.

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C. ALISON SCULLY

Second Vice Presidents and Trust Officers
BEVERLEY DUER
MELVILLE W. TERRY
Assistant Trust Officers
THOMAS A. SHIELDS
THOMAS ZABRISKIE

Midtown Office

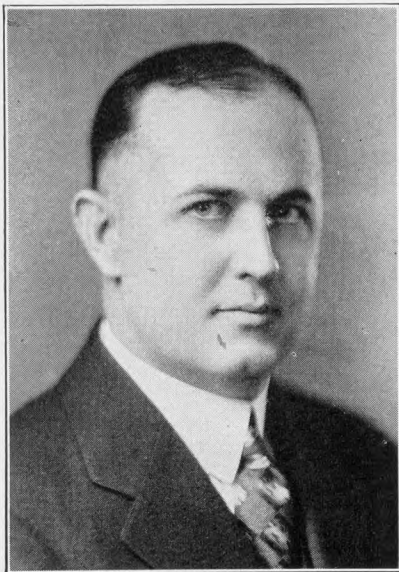
Second Vice President
JAMES S. ALEXANDER, JR.
Assistant Cashier
ERNEST H. SCHNEIDER
Assistant Manager
FRANK C. RIGGS

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

With National Park Bank

Roland C. Irvine, formerly vice president and cashier of the Bankers Trust Company, Little Rock, Arkansas, has been elected assistant vice president of the National Park Bank. Born in 1895 in Little Rock, he received his education in the public schools of Little Rock and in 1913 graduated from the Little Rock High School, later attending Hendrix College.

Completing his education, he was employed as bookkeeper by the Faulkner County Bank & Trust Company, Conway, Arkansas. Several years later he became connected with the Bankers Trust Company of Little Rock as bookkeeper and in December, 1915, during the World War, enlisted in the United States army and received the commission of second lieutenant of the infantry. After the war he returned to the Bankers Trust Company in Little Rock. He was elected assistant cashier in 1920 and cashier in 1924. In 1925 he received a further pro-



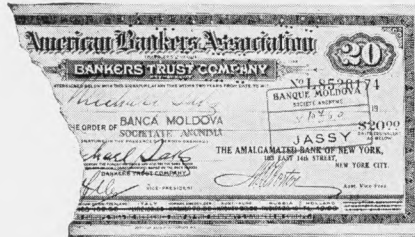
ROLAND C. IRVINE

motion as vice president and cashier, and in 1926 was elected a director of that institution.

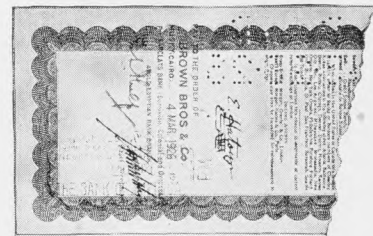
Mr. Irvine has been active in many civic enterprises in and about Little Rock. In 1925 he was treasurer and director of the Little Rock Chamber of Commerce and served on a number of important committees while with this organization. He was also elected secretary of the Little Rock Clearing House Association and a member of the Association of Reserve City Bankers. During 1926 he was state vice president of the American Bankers Association of Arkansas, and served as chairman of several important committees with that organization.

Mr. Irvine will assume his duties with the National Park Bank on January 1.

... from **JASSY**



to **MUSKY**



Perhaps you're not going to Jassy or Musky. But that makes no difference. Your A·B·A Cheques will be cashed just as readily in Jerusalem or Bangkok, New Orleans or Chicago. And, like the holders of the cheques illustrated, you too will be immune from loss or theft. Why risk loss of time or money when this insurance costs so little?

Bankers Trust Company, N. Y.
Agents for the Issuing Banks

Remember these points about A·B·A Cheques

1. They are the Travel Cheques of the American Bankers Association.
2. They are *bankers* cheques, drawn by a bank on a bank.
3. They are *certified*, and hence legally acceptable in payment of U. S. Customs duties.
4. As two-name paper they are often accorded preferential treatment in foreign exchange.
5. They provide, at reasonable cost, complete insurance against the loss of travel funds.

BUY THEM FROM YOUR OWN BANK

AMERICAN BANKERS ASSOCIATION
A·B·A Certified
TRAVEL CHEQUES

Northwestern Banker December 1928

Milwaukee Merger Aids City's Development

A MERGER of the Second Ward Savings Bank with the First Wisconsin National of Milwaukee, fusing the two largest banks in Wisconsin into a \$200,000,000 institution, is under way, to become effective about December fifteenth.

The deal, which will be by far the biggest in the history of Milwaukee, will greatly enhance that city's financial prestige by giving it a bank adequately

equipped to handle all of the requirements of its rapidly developing industries.

Tentative plans were drawn up and agreed on recently by the heads of both institutions and will be submitted to the directors of each bank before being put before the stockholders for ratification.

These plans call for operating the consolidated bank under the name and charter of the First Wisconsin National with

headquarters in the main office of the First Wisconsin at East Water and Mason streets.

The two branches of the Second Ward will become branches of the First Wisconsin and the four outlying banks now controlled by the Second Ward will become affiliated with the First Wisconsin.

This will give the consolidated organization four branches and eleven affiliated banks in the downtown district and outlying area.

Aggregate resources will exceed \$200,000,000 and deposits \$150,000,000 and total capital and surplus will be \$15,000,000.

The transaction creates not only the greatest banking institution in the state and northwest of Chicago, but leaves no other bank in this section approaching it in size. Moreover, when the recently approved amalgamation of the Continental National Bank and the Illinois Merchants Trust Company becomes effective there will be only two banks in Chicago that will outrank Milwaukee's new combined institution in total assets.

Although details have not been worked out, it is expected that Walter Kasten, president of the First Wisconsin, will head the merger.

Mr. Kasten has occupied his present position since 1924, when he succeeded Oliver C. Fuller, who had held the office since the consolidation of the First National and Wisconsin National banks on July 1, 1919. He is recognized nationally as one of the country's outstanding bankers.

All officers and members of the staff of the two institutions will continue to occupy as nearly as possible the same relatively important positions they now hold.

A second consolidation will probably take place in connection with the deal involving the Second Ward Securities and First Wisconsin companies, investment units of the respective banks.

Break in Tradition Due

Directors of the Bank of England have agreed to recommend the re-election April 10th next of Montagu Norman as Governor. The proposal to elect Sir E. Harvey a Deputy Governor is the first occasion that a former official of the Bank of England has been chosen for this position, marking a break in the tradition by which professional bankers are excluded from the Bank of England in official capacities.

Two Bankers from Iowa

Associated with

LEO M. MEEKER, President

PAN AMERICAN BANK OF CALIFORNIA

The State of Iowa has ninety-nine counties.

And this great commonwealth has contributed on an average approximately 1000 residents to Southern California for each of its ninety-nine counties—it being estimated that there are close to 100,000 former Iowans now located in and around Los Angeles.

As I look over the map of middlewestern states and my eye courses the borders of Iowa, Illinois, Minnesota, Wisconsin, Nebraska and other nearby communities I get a very graphic mental picture of the thousands upon thousands of

people who have come from those sections to swell the population of Los Angeles and the Southland. And what a solid, substantial citizenship they represent!

Many of these middlewesterners have risen to positions of prominence in Southern California business circles. There is scarcely a business group of any size that does not have its quota of them.

The Pan American Bank is no exception and I am happy to introduce two of our senior officers who are former Iowans:

MR. C. L. HILL and MR. P. W. HALL

Vice President

Vice President

MR. HILL is a native Iowan and began his banking career in that State. For four years he was connected with the Hopkinton State Bank and later went to the First National Bank of Fort Morgan, Colorado. For the past ten years he has been associated with me in the management of a number of banks in Southern California, including the First National of Riverside, the First National of Beverly Hills, the First National of El Monte, and the First National of Garden Grove.



MR. HALL organized the Sheldon Iowa National Bank and was its Vice-President and Cashier. In 1910 he was elected Secretary of the Iowa Bankers Association. For the past eleven years he has been associated with the Mechanics and Metals National Bank of New York, later consolidated with the Chase National Bank of New York. Most of this time was spent in charge of the bank's business in the middlewestern states, with offices in Des Moines, Iowa.

We extend a cordial invitation to Iowans visiting Los Angeles to come in and meet Mr. Hill and Mr. Hall

These officers together with Mr. S. A. Lanning, Cashier, and Mr. J. M. McEvers and Mr. H. S. Pierce, Assistant Cashiers, represent a wide experience in business and in banking in many middlewestern and eastern states which enables the Pan American to offer a highly per-

sonalized banking service to the many men and women from widely varying localities, who are engaged in business in Los Angeles and vicinity.

Leo M. Meeker
PRESIDENT

**PAN AMERICAN BANK
OF CALIFORNIA**

Commercial • Savings • Trust

Broadway at 8th

Los Angeles, Calif.

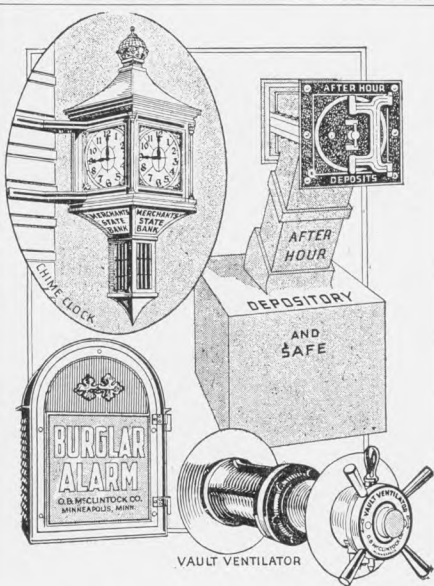
Bank Recapitalizing

Stockholders of the Bank of United States at a special meeting voted to reduce the par value of the bank's stock from \$100 to \$25 a share and to increase the number of the bank's present shares of 89,334 to 357,366 shares, and at a special meeting voted to increase the present capital of the bank of \$8,933,400 to \$17,866,800. This action doubles the present capital of the bank and gives it a total of 714,672 shares of a par value of \$25 each.

This action is the first step in the plan to combine the interests of the stockholders of the bank with those of the stockholders of the City Finance Corporation, which latter institution is closely affiliated with the bank in its management.

Details of the plan for uniting the two interests is contained in a letter sent out to the stockholders of the bank and of the City Finance Corporation, signed by Bernard K. Marcus, C. Stanley Mitchell and Saul Singer as a special committee.

There is nothing so sweet as the softness and gentleness of power.—Beecher.



Money Earning
and
Money Saving
Bank Equipment

Complete Electrical Bank Protection
Electrical Chime Clock Systems
The Automatic After Hour Depository
The Vault Ventilator

Made by
MASTER BUILDERS
in the factories of
O. B. McCLINTOCK CO.
The Largest and Most Complete
Organization of its Kind in the World
MINNEAPOLIS, MINN.

☀

*Wishing for
Our Many Friends
and Customers
A
Merry Christmas*

☀

The Fisher Co
BANK FIXTURE HEADQUARTERS
Charles City, Ia.

Northwestern Banker December 1928

Lauds Work of Vigilantes

BANK crime figures in the United States recorded a sharp increase during the past year due to an unprecedented rise in daylight robberies in the four states of California, Missouri, Oklahoma and Texas, James E. Baum, Deputy Manager, American Bankers Association in charge of its Protective Department, reported to the Executive Council of the association meeting at its annual convention. This increase, he said, wiped out gains made during the preceding three years in the fight to reduce bank crimes of violence. Reliance on insurance indemnity instead of vigorous effort at prevention and prosecution, he declared, was an important con-

tributing factor in the increase. The report also showed that the detective agents of the association had caused the arrest of 251 of the 445 bank criminals apprehended during the year. Of these 194 were sent to prison and in addition there were 78 convictions of prisoners who were arrested by the association agents the previous year.

"During the year ended August 31, 1928 member banks of the association suffered 177 daylight robberies and 28 night burglaries," Mr. Baum said. "In the similar preceding period there were 114 daylight attacks and 62 burglaries against members. This uprising in daylight holdups of 55 per cent within a

year does not mean bank banditry is spreading throughout the country for, contrary to the rule of finding the bulk of daylight holdups occurring in seven or eight states, the record this year shows bank banditry flourishing so well in four states that this smaller area now accounts for the majority of these crimes. Of the 177 daylight attacks investigated this year, 98 were directed against banks in California, Missouri, Oklahoma and Texas. Moreover, banks in California alone suffered 50 of these bandit raids, 39 being against branch banks.

"In addition to the failure of outside forces, such as weak laws or disconnected, and oftentimes inefficient or undermanned police power, the principal cause of robbery loss is within the banks. Our investigations make it plain that the outstanding needs are discontinuance of the practice of having an excessive amount of cash unguarded on the counters, installation and proper maintenance of modern alarm systems or other protective equipment and observance of a few simple precautions which would either frustrate the robbery or at least minimize loss. Our investigations also make it clear that a chief reason for the kind of carelessness which invites robbery is in the willingness of banks to substitute insurance protection for adequate means of prevention and punishment.

Joint Conference

"Your Protective Committee invited the presidents of the leading surety companies into joint conference to secure closer cooperation of the underwriters in the apprehension and prosecution of bank criminals. After four conferences with special committees of surety company executives and claim department representatives, the chairman of the Association of Casualty and Surety Executives assures the committee that the surety companies have expressed 'a general desire to cooperate in principle with the American Bankers Association in the prosecution of criminals,' also 'to lend assistance in specific cases where the circumstances justify such specific effort' and that we are 'laying a foundation for a very real and practical cooperation as between the American Bankers Association and the surety companies generally.'"

The report endorsed bankers' campaigns of armed vigilantes in the Central West against banditry, saying "A revival of the vigilante spirit, strongly organized and controlled, has already demonstrated its value in supplementing the work of constituted police authorities. If the merits of these vigilance campaigns were ever doubted, the recent action of the underwriters should dispel any fears as to the practicable value of these special law-enforcing units. The underwriters' rating bureau approved our

SHORT TERM INVESTMENTS FOR BANKS



YOUR *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

proposal of a discount in the burglary and robbery insurance costs in those states where these special units are maintained."

Within the next few months, Mr. Baum pointed out, legislative bodies of 43 states will open regular sessions, and this presents "an unusual opportunity for bankers to help modernize criminal laws and rules of procedure so that criminals will be kept in custody after arrest. Bank crooks continue to be most active in states where the legislators have failed to keep abreast of other states in re-vamping their penal codes and procedural laws.

"We hear a great deal about the sovereignty of each state and 'States' Rights,' but the professional criminals' distinction of state lines is according to the severity and certainty of punishment he may expect on either side of the border—and as exists for escape. Moreover, these same boundaries usually distinguish between good, bad and indifferent enforcement of law or the rights of the people to protection of their lives and property."

Construction Gains 71 Per Cent

October construction contracts were awarded in Minnesota to the amount of \$7,937,000, according to F. W. Dodge Corporation. The above figure was more than double the September, 1928, total and was 71 per cent above the October record for 1927.

Included in the contract total were the following classes of importance: \$4,231,500, or 53 per cent of all construction, for residential buildings; \$2,414,400, or 30 per cent, for public works and utilities; \$509,500, or 6 per cent, for commercial buildings; and \$468,500, or 6 per cent, for industrial plants.

During the past ten months there was \$46,974,400 worth of new building and engineering work started in Minnesota which was a drop of 16 per cent from the amount started during the same period of last year.

Defends Rise in Rates

Money market rates are high, because of the law of supply and demand, not by artificial control, George E. Roberts, vice president of the National City Bank of New York, told the National Association of Finance companies in conference in New York City.

Mr. Roberts said that banks have been giving preference to general business and letting the stock market have what they had to spare of available funds, with the result that the market has not had enough money to meet its demand, has been bidding vigorously for more and thereby has been making the high rate necessary to attract the supply of credit wanted.



New home of the State
Bank of Chicago—La
Salle and Monroe Streets.

Dependability

OUT-OF-TOWN banks find that they can depend upon this old institution to handle their Chicago business in a manner which will be satisfactory from every standpoint.

Housed in its new home, and with a complete departmental organization, it is well equipped to give correspondent banks the type of service they desire in the nation's second city.

HENRY A. HAUGAN
Chairman Board of Directors

LEROY A. GODDARD
Chairman Executive Committee

OSCAR H. HAUGAN
Vice-Chairman of the Board

State Bank of Chicago

A Trust Company

LA SALLE AND MONROE STREETS

Member Federal Reserve System

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

Breckinridge Jones Dead

Breckinridge Jones, chairman of the board of directors of the Mississippi Valley Trust Company, and one of the best-known bankers in the United States, died November 21st. His death was caused by an infection of the throat.

Mr. Jones was born on October 2, 1856, in Boyle county, Kentucky. After his graduation from Centre College at Danville, Kentucky, in 1875, he taught school one year and then entered the law office of Col. Thomas P. Hill, of Stanford, Kentucky, reading law for two years before his admission to the bar of Kentucky when twenty-two years old.

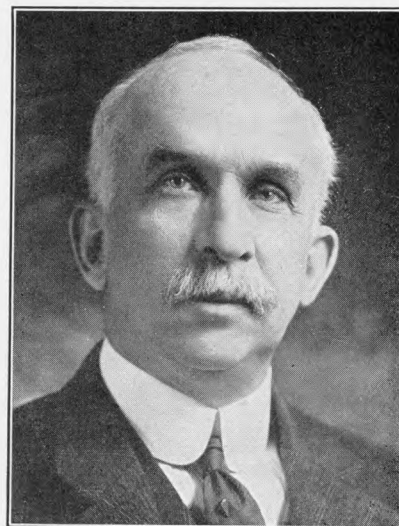
In October, 1878, he came to St. Louis and took a course in the St. Louis Law

School, following this with a course at the University of Virginia Law School. He then opened a law office in St. Louis and continued his practice for nine years. In 1888, he went to New Decatur, Alabama, as vice president and general manager of the Decatur Land Improvement and Furnace Company, then the largest corporation in northern Alabama. After successfully reorganizing this company, he returned to St. Louis to resume his law practice.

In 1890, in company with the late Julius S. Walsh and other prominent business men, Mr. Jones took an active part in organizing the Mississippi Valley Trust Company, of which he was the first secretary. In 1894, he became vice presi-

dent and counsel, and in 1906, upon the retirement of Mr. Walsh as the active head of the institution, Mr. Jones became president. This position he held until 1925, when he was elected chairman of the board.

In addition to his banking achievements, Mr. Jones took an active part in public life and always found time for organization work. In 1882 he was a member of the Missouri legislature. In 1904 he served on the World's Fair board



BRECKINRIDGE JONES

and, following the fair, took an active interest in the Missouri Historical Society, which preserved the records and traditions of the Fair and of other important events. Lately he has been the acting head of this society.

The financial world knows Mr. Jones as the organizer of the Trust Company Section of the American Bankers Association, and as the author of the revised banking laws of Missouri, which were recommended by a commission headed by him and passed by the legislature in 1915. In 1927 he was chosen to membership in the executive committee of the Federal Reserve Board's Advisory Council, a position he held at the time he died.

Figuring Insurance Discounts

How the American Bankers Association has succeeded in adding the valuable benefit of reduced bank burglary and robbery insurance premiums for banks subscribing to and maintaining an approved standard of vigilante organization, to the advantages of better prevention and protection which the vigilante plan gives, is disclosed in a statement recently by James E. Baum, Manager of the Protective Department, American Bankers Association, outlining the agreement recently reached with the underwriters.

"Bankers throughout the Mississippi



The Real Facts in the Case

Month after month and year after year, more and more bankers continue to select the Republic as the home for their Chicago account. These bankers have told us that the one element that influenced their decision most, is that close, personal, man to man relationship which exists between our officers and theirs. And if you are looking for a Chicago correspondent to whom you can turn with your problems as one friend to another, we should welcome the opportunity of handling your account, too.

The Service Department

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

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

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

Office of London Representative, 8 King William St., London, E. C. 4

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Valley are acquainted with the upward trend in premium rates for bank burglary and robbery insurance during the last six years," said Mr. Baum. "In some states rates have risen to an almost prohibitive level. Oklahoma banks, for example, must pay \$10 per thousand on robbery insurance, which is ten times the rate charged banks in Iowa where the vigilante spirit was revived by bankers in 1921. Almost from its inception this movement made bank bandits shy away from that state and reduced robbery in Iowa. The success of this movement, which strengthened the arm of the law in an emergency that apparently overtaxed the constituted authorities, is a lasting tribute to the determined efforts of the Iowa Bankers Association.

"Beginning in 1924, the Protective Committee of the American Bankers Association has repeatedly endorsed and encouraged the extension of this system of organized vigilance into other states where bank crimes of violence were increasing. The response of bankers in other states speaks for itself. During the past three years the vigilante idea was taken up by bankers' associations in seven other states, namely, Illinois, Indiana, Kansas, Michigan, Minnesota, Wisconsin and Oklahoma.

"In the interest of all banks in these states the American Bankers Association appointed a special committee to negotiate with the underwriters' rating bureau to secure its approval of these vigilante campaigns. The committee proposed that this approval be in the form of discounts in the burglary and robbery insurance premiums of those banks which maintain these special law enforcement units. After several conferences with a committee representing the underwriters, the American Bankers Association committee secured approval of discounts at the rate of 10 per cent on the premiums for burglary and robbery insurance of every bank subscribing to and maintaining an approved standard of vigilante organization.

"Final fulfillment of requirements for these discounts promises savings of upwards of \$90,000 annually in the cost of bank burglary and robbery insurance in the states above referred to. All banks should be interested in the fact that during the negotiations for this reduction the underwriters' representatives insisted upon the negotiations being conducted with the American Bankers Association. They also concluded that no bank would be given these discounts without a certificate issued by, and upon the form of, the American Bankers Association, whether member or non-member. In other words, it was through this great federation of bankers as represented by the American Bankers Association that this tremendous saving in bank insurance costs was made possible."

AN ARTIST IN YOUR OWN BACK ROOM



Our pictures, drawn by master artists, are simple and interesting. They must breathe the same spirit as the earnest, personal written messages. Banks and trust companies tell me that our publicity builds business for them because it is so HUMAN. Folks like to read it. Bankers like to sign their names to it.

Wessling

Suppose you could fit out a back room in your bank as an artist's studio. Suppose you could pay thousands of dollars a year for a talented commercial artist.

It is almost like that when your bank publicity is built by Wessling.

Calling on Wessling Services for art work is like calling on a great artist in your own bank building. Indeed, it is better than that. We always have hundreds of new pen and brush pictures classified and ready in electrotype form. And our staff artists are constantly making more creations to meet special needs.

On our staff are some of the best commercial artists in the United States. No one bank could afford to pay their high salaries. Since hundreds of banks and trust companies using Wessling Services share the cost, it is slight for each one, of course.

Best of all, Wessling publicity gets action. It reaches the patron's heart. It does this because it is built on an original publicity principle, different from more costly highly colored publicity. Wessling messages are unique. And they are simple and personal, written just as the home banker would talk. Where pictures are used, they "speak"—with human interest and dignity.

Wessling

SERVICES

PLANNERS AND CREATORS OF ORIGINAL BANK SERVICES

from
IOWA
at LYTTON

Where the Administrator Stands WHEN THE BANK FAILS

THE administrator of an estate, generally during the time the estate is in the hands of the court, has moneys come into his possession that are required to be safely kept by him. A deposit of these funds is usually made in some bank, in an account specially designated as, for instance, John Doe, Administrator of the Estate of Richard Doe, deceased.

By the Legal Department

Is the administrator, and the surety on his bond, liable for the funds of the estate, deposited by the administrator in his representative capacity for safe keeping in a bank, which afterwards failed?

Consider, for example, a situation where the bank was of good repute and ap-

parently solvent when the deposit was made. The deposit made by the administrator was the proceeds from a life insurance policy held by the deceased. In eighteen days after the administrator made the deposit, the bank failed, and was closed by the banking department.

Court action was brought by the heirs against the administrator and the surety on his bond, claiming that an administrator is responsible for all moneys received by him in such capacity absolutely and in all events.

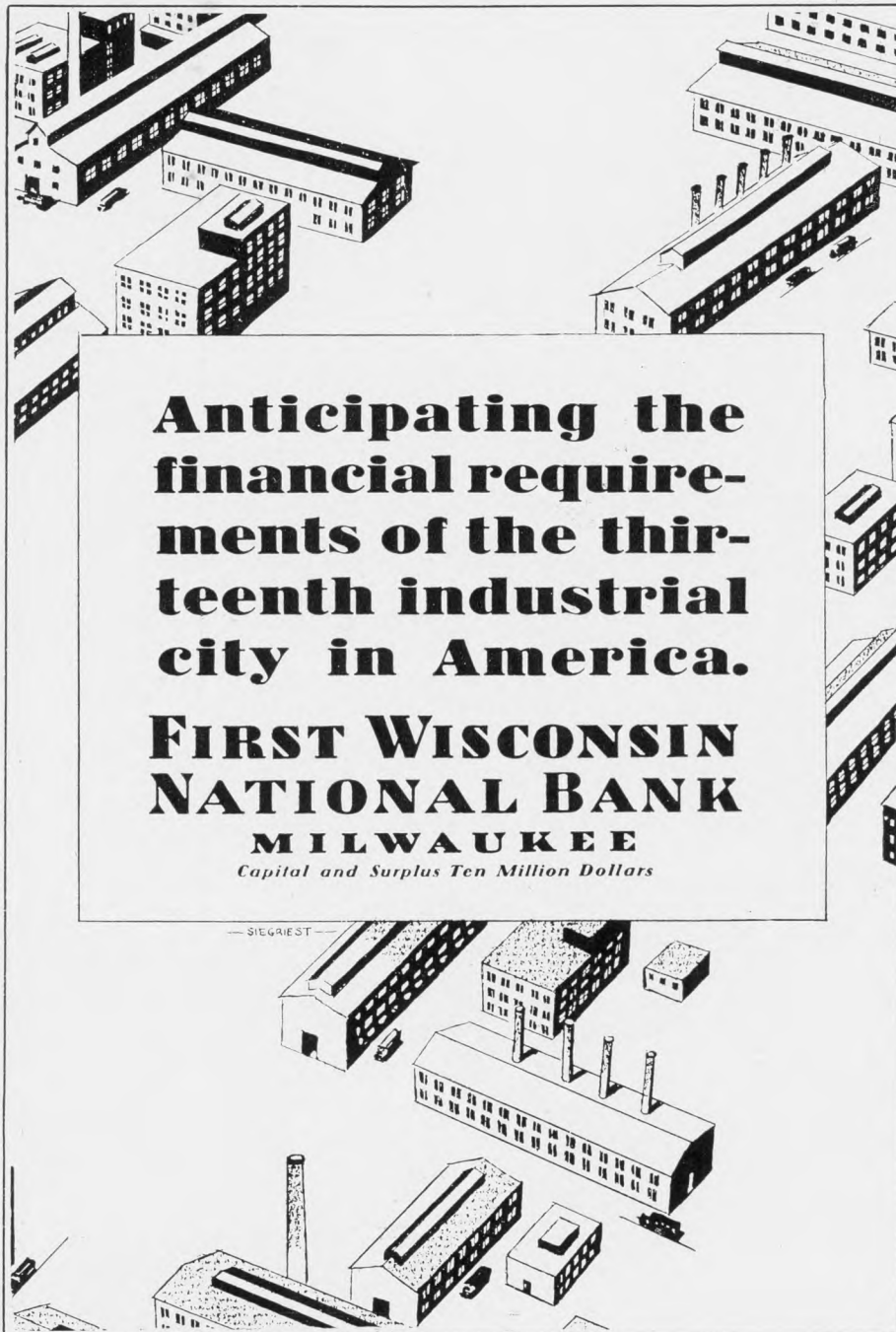
This now brings before us the exact requirements and obligations placed upon an administrator in the handling of and accounting for funds of an estate. This estate money was deposited in the bank in good faith by the administrator for safe keeping until disposition could be made of same under an order of the court.

Among the undertakings and guarantees in the bond, the administrator agreed, and the surety guaranteed that said administrator would make just and true accounts, and would make due and proper settlements thereof, from time to time, according to law, the lawful order, or decree of any court having competent jurisdiction of the subject matter. The heirs of the estate predicated their action upon the theory that administrators of estates and their sureties are insurers or absolute guarantors of any and all properties and moneys which may come into their hands in their representative capacities.

It is certainly imprudent and hazardous for administrators to keep upon their person or in private hiding places, funds of the estate, and not just and inequitable to require them to deposit the funds belonging to the estate in banks at their own or their bondsmen's peril. Such a rule would impose harsh and unreasonable responsibilities upon administrators, and prevent prudent business men from assuming such responsibilities.

The law has worked out a rule applicable to situations of this kind which is equitable and just. It is as follows, omitting unimportant parts:

"As a general rule, there is no absolute requirement of law that funds of the estate shall be deposited in a bank or other depository where money is usually placed for safe keeping, but the duty of the personal representative in such matters is governed by the rule that he must exercise the care and prudence that ordinarily prudent men exercise in regard



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—SIEGRIEST—

to their own affairs; and this is the measure of his responsibility if he fails to deposit the funds of the estate in a safe place. * * * If any executor or any administrator, in his representative capacity, deposits funds of the estate in a bank in good standing, and nothing occurs to indicate that the affairs of the bank are in such condition as would lead a reasonably prudent man to withdraw the funds, he is not liable for the loss thereof, though resulting from the subsequent failure of the bank. * * * The consent of the beneficiaries to the deposit will relieve the personal representative from liability for loss."

"It is an accepted principle in most jurisdictions that an executor or administrator who deposits the money of the estate in good faith in a solvent bank of good repute, to trust account and not to his own account or credit, is not liable for the loss of such money through the subsequent insolvency or failure of the bank."

It is proper for the administrator, for the purpose of safely keeping the funds of the estate during administration, to deposit the same in a bank, and indeed, in some cases the representative is required by court order, or empowered to do so by law.

If the funds are so deposited and due care is used in the selecting of the depository, the representative is not necessarily responsible for a loss resulting from the subsequent failure of the bank; the test being whether he has exercised such care as men of common prudence ordinarily exercise in their own affairs.

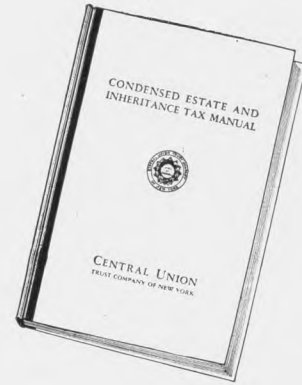
The administrator was required to administer the estate in accordance with the law, and the law does not exact unreasonable things. The funds of the estate coming into the possession of the administrator were sufficiently accounted for by showing that they were deposited for safe keeping upon receipt, in a bank which was a going concern and apparently solvent and so regarded in the community although the bank failed and was closed within a short time after deposit was made.

The undertaking of administrators and bondsmen is to faithfully administer the estate and make a true account and settlement thereof.

Administrators are not required to, or prohibited from, depositing funds of an estate for safe keeping until disposition by order of court. Administrators must exercise prudence of an ordinarily prudent person in handling funds of an estate, though not generally required to deposit funds in a bank.

Administrator's deposit of funds in a bank which was a going concern is held proper, notwithstanding insolvency within three weeks after deposit is made.

Here's A Book That Will Save Many Valuable Hours



This company has compiled a practical handbook of inheritance taxes in New York, New Jersey and Connecticut as well as the Federal Estate Tax. The author is Robert Noecker, Assistant Treasurer of this company, and an expert on tax matters.

It is designed to help you get necessary tax information quickly and easily. Without it you may have to work through a vast and scattered mass of tax laws, Treasury rulings and regulations, decisions of the Courts and of the Board of Tax Appeals. It is thoroughly up-to-date, attractively bound in cloth and provided with a complete table of contents.

A limited number of copies are available at \$2.00 per volume post paid.

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Bonds and Investments

When Saving Ceases To Be a Virtue

IT IS possible to spend too little as to spend too much. In other words, it is as important to be a miser as to be a spendthrift.

This is the opening thought in a splendid discussion of "Over Saving and Its Effects on Business," in a recent copy of "Investments," published by the Guardian Detroit Co., Inc.

First making the point that there are evil consequences that follow relative overexpansion in particular industries—that there may be too much saving utilized in one direction and not enough in another, the bulletin goes on to say:

"Our second and perhaps more novel contention is that oversaving in the aggregate with what it implies, relative underconsumption, is also possible and is inimical to the orderly conduct of business.

A very little consideration will serve to show that *oversaving in the aggregate is not the same thing as "general overproduction."* It is itself a form, and a most important form, of relative overexpansion of particular industries. It is overexpansion of those particular industries which produce capital goods relatively to those that produce consumption goods. And the illustration of railroad building in the eighties shows that this form of unbalanced production—too much production of capital goods and not enough of consumption goods—is particularly perilous to business prosperity. The reactions are, of course, more violent when there is general oversaving than when there is simply oversaving in some few particular lines.

Large Saving Necessary

"It is not contended that a very large aggregate of saving is unnecessary or undesirable. It is obviously desirable for an isolated individual to increase his savings as long as he gains substantially more in the not too distant future in increased consumption. In other words, he is wise to save as a means of raising his "standard of living." The same principle applies to the community, and in a more striking way. For the community is not a single individual with a definitely limited life. Its life is indefinite in length, and, what is more, the community is normally constantly increasing in size. This means that the aggregate volume of saving should also constantly increase. But saving is not an end in itself. Its object is future consumption on a more liberal scale—a generally higher standard of living for all members of the community.

Suppose the United States had reached a condition in which the entire working population was successfully distributed among the different industries of the country—no unemployment in the sense of distress and the balance of the different industries so nicely adjusted that they were all satisfying one another's needs to the full extent of their productive capacity. Saving would not then cease to be necessary. To begin with, existing capital equipment would be wearing out and requiring replacement to maintain the existing level of efficiency.

This would mean that saving would have to be provided for in the "set-up" of industry, at least to the extent of such replacement. If the total capital equipment of the nation required replacement at an average rate of, say, 10 per cent per annum, industries would have to be carried on to effect that replacement. A portion of the nation's capital equipment, resources and working personnel would then be employed in carrying out real saving to this extent. But such a rate of saving would not necessarily furnish the basis for an increasing standard of living. In the first place, the numbers of the working population would be constantly augmented by recruits from the natural increase in population and from immigration. Even if no changes of any kind in productive technique were taking place, the capital equipment of the nation would under the circumstances require to be, not merely maintained at the existing

aggregate, but increased as rapidly as the increase in working population. In other words, the amount of capital equipment *per head* of the working population would require to be kept up in order that the existing standard of living be maintained. Further, to maintain the highest possible efficiency in all directions, masses of existing capital equipment would have to be constantly "scrapped" and replaced by new and improved equipment. This would mean still further additions to the rate of saving.

A Standard for Saving

To summarize at this point:

1. Saving should be so distributed among the different industries of the country as to maintain a smooth working balance between these industries, since they are really both producers and customers for one another.

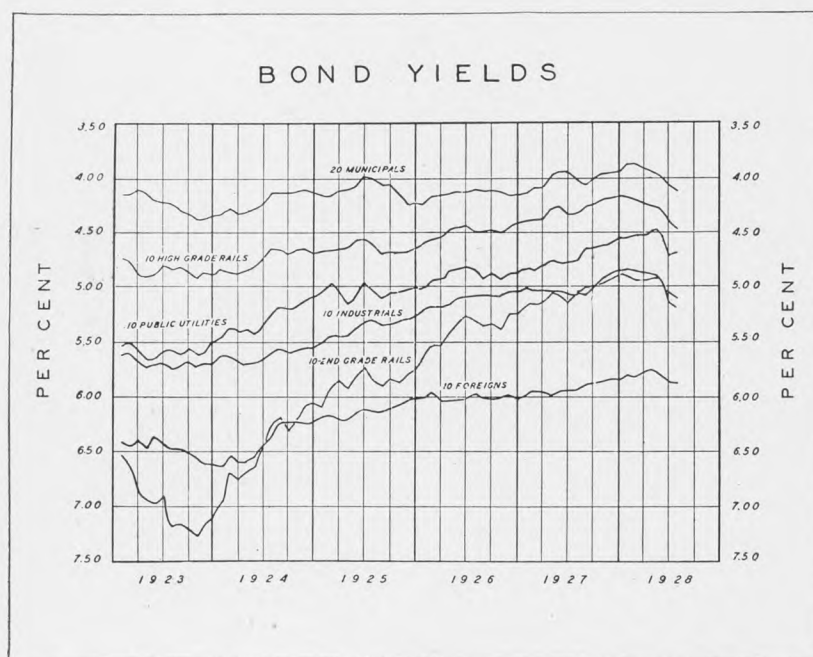
2. Actual saving should be continuously increased from year to year so as

(a) to maintain the amount of capital equipment *per head* of a constantly growing working population;

(b) to replace existing equipment with new and better equipment; and

(c) to keep up annual repairs and replacements of this constantly increasing volume of equipment.

3. If saving is not carried out in these ways, the economic life of the nation will suffer. The maldistribution of savings among industries causes dislocations of markets that may result in serious busi-



Chart, courtesy Guardian Detroit Co.

ness recessions. An excessive amount of saving in relation to current consumption leads to the glutting of markets and unemployment. Continued deficiencies in saving result in the deterioration of capital equipment, the ultimate impoverishment of the nation, and decline in the well-being of the people.

Queenan with Osborne

An announcement of unusual interest in the Chicago financial district recently by the Guy S. Osborne & Company revealed the addition to the staff of this organization of Walter R. Queenan. He will serve as financial representative on La Salle Street.

Mr. Queenan has been with the firm of Albert Frank & Company, financial ad-

vertising agency, for the past twelve years, having joined their organization April 5, 1916. During the past several years he has served as space buyer and account executive.

This announcement of the call to the larger field of endeavor will be a source of gratification to Walter's many friends, his service with the Frank organization having permitted him to surround himself with a clientele that numbers the most prominent men in the Chicago financial district. His conscientious effort has won him a high place in the regard of men of finance.

The Osborne organization represents the *New York Times*, *Des Moines Register-Tribune*, *St. Louis Globe-Democrat*, *Philadelphia Public Ledger* and *New York Post*.

Selects New Officers

The Debate Society of the Chicago Chapter American Institute of Banking, which has attracted unusual support from the banks of Chicago, has developed some real talent to compete locally and with teams from other cities. By supporting the society, banks feel they are aiding junior executives to develop poise and self-assurance, which is a necessary factor in successful debating.

New officers have recently been announced by the Chicago group. H. Clinton Kinkaid, Manager, Savings Department, Harris Trust and Savings Bank, succeeds J. Cecil Bessel as president. Mr. Bessel has been transferred by his company to Boston. Erwin Lampe, of the Continental National Bank and Trust Company, has been elected vice president.

Rudolph Ostengaard, assistant cashier and advertising manager of the Capital State Savings Bank, has been elected chairman of the membership committee.

Show Increase

The September report of the Public Utilities Consolidated Corporation controlled and managed by W. B. Foshay Company continues to reflect a satisfactory increase in earnings over previous periods. September 30 being the end of the Company's fiscal year, this report reflects the first year's operations under Foshay management of the original group of properties taken on October 1, 1927.

Gross earnings increased \$93,341.43 or 5.97 per cent over the corresponding 12 months' period ending September 30, 1927, and reflects a gross earning for all properties now operated of \$1,658,022.10.

The net income available for interest, depreciation, amortization and dividends increased \$34,993.20, or 5.54 per cent over the corresponding period last year.

Markets Only Farm Need

Rumors of bankruptcy in the northwest were denounced as propaganda and the "problems of the farmer" were declared to be those of reduction of surplus crops through marketing rather than by production by B. V. Moore, deputy governor of the Ninth Federal Reserve Bank, in an address before the Traffic Club of Minneapolis.

The speaker held no hope for a return to "normalcy" through legislation. "Things are as they are because of economic laws over which we have no direct control, and it is impossible to legislate ourselves back to any desired state of affairs," he said.

Declaring that the help the farmer needed was in marketing of his surplus, Mr. Moore said that the farmer did not require the "nursery bottle of government aid" any more than the industries of the northwest needed the patronage of laws.

★ ★

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Germany's Credit Position

THE economic and financial rehabilitation of Germany since the end of 1923 is one of the most significant events in the postwar economic development of Europe," says an interesting new bulletin recently assembled and published by the Institute of International Finance, an organization conducted by the Investment Bankers Association of America. Since Germany, since the inauguration of the Dawes plan, has offered abroad about \$1,390,000,000 of securities up to June, 1928, the credit position of this nation is of real interest to investors the world over.

The bulletin comments, in part, as follows:

"The economic and financial rehabilitation of Germany since the end of 1923 is one of the most significant events in the postwar economic development of Europe. But while the stabilization of the exchange, the balancing of the budget, and the reorganization of industry ended the process of reconstruction in other countries, in Germany the reparations question and the large amount of external borrowing injected an element of uncertainty. Since the inauguration of the Dawes plan up to the end of June,

1928, Germany has publicly offered abroad securities representing a nominal par value of about \$1,390,000,000 in United States currency, excluding the Dawes Loan. The amount of German internal securities sold abroad can hardly be estimated, but reliable sources place it at over \$1,000,000,000 United States currency at par of exchange. Never before in the financial history of the world has an industrially developed nation incurred liabilities abroad on such a large scale and within such a short period of time. The situation is further complicated by the reparation payments, the normal annual amount of which after September 1, 1928, will, under the Dawes plan, be 2,500,000,000 gold marks or \$600,000,000 per annum. The large volume of foreign loans contracted by Germany, coupled with the reparation obligations, has created considerable discussion particularly with reference to Germany's capacity to meet her international obligations.

"In making a careful survey of present-day Germany, one must realize that the country today is in an entirely different position than it was before the war, due to losses resulting from the Treaty of Versailles and to the depreciation of the currency.

Germany's Area

"In 1910, the area of Germany proper amounted to 208,820 square miles with a population of 64,926,000, representing a density of 312 per square mile. After the war, the area including the Saar basin was reduced to 181,700 square miles with a population of 60,528,453 according to the 1925 census, representing a density of 333 persons per square mile.

"As result of the war Germany lost 13 per cent of her European territory, 10 per cent of her population, 75 per cent of the total iron ore reserves, 26 per cent of the coal reserves, and about 70 per cent of the zinc ore deposits. In addition, Germany lost about 90 per cent of her total merchant marine, all her colonies and overseas possessions, and most of her foreign investments. All these factors are of importance in a comparison of present-day conditions with those of the prewar era.

"Significant as these losses were, perhaps of even greater importance were the economic consequences of the depreciation of the exchange which wiped out a very large part of the working capital and savings of the nation. The following figures will illustrate the loss of working capital sustained through the depreciation of the exchange.

Expert Advice to Bankers

Mr. J. W. McIntosh, Comptroller of the Currency, in a speech at the American Bankers Association Convention, gave this advice to banks:

"A correspondent bank or a good investment house often offers a service which is valuable, that is, analysis of the bank's security holdings. An analysis of this sort which is of great value to the banker is one which analyzes his reserve and investment needs and measures his actual situation against these requirements. Such an analysis, when intelligently and conscientiously made, is invaluable to a banker in dealing with his problems."

Our Department of Economics and Surveys is well equipped to render this service to banks.



"A Valuable Aid to Banks and Investors" is a booklet describing the work of this Department. Request copy on your letterhead, asking for AG-10

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Ways to Diversify?

How Can I Select Bonds
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Individual Needs?

How to Read a
Bond Circular

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The
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Says

We shall be glad to mail in a handy pocket size folder, to any bank official, a complete set of the 50 investment topics thus far discussed by the Old Counsellor and guest speakers. Ask for Folder NB-78

Broadcasting Investment Information to the Millions

THERE exists an "urgent need for more enlightened understanding of investment," as Congressman Louis T. McFadden expressed it, speaking last April on the opening night of the Halsey, Stuart & Co. Radio Programs. "Never before . . . have so many people had a surplus," said Mr. McFadden. "Employing this vast network . . . to broadcast the principles of sound investment is really a unique undertaking in the history of finance."

That, briefly, interprets the reason for and the purpose of the radio programs sponsored by Halsey, Stuart & Co., broadcast each Thursday evening over a network of thirty stations in the East, South and Middle West. The Old Counsellor, who has already become a definite radio personality, answers on these programs questions common among investors. His simple, non-technical discussions of investment problems are heard each week by a vast audience of interested listeners.

From time to time, leaders in various fields of business, industry, and finance also speak on these programs. Noteworthy during the past months, in addition to Mr. McFadden, have been addresses by Governor Roy A. Young of the Federal Reserve Board, Samuel Insull, and Silas H. Strawn, former president of the American Bar Association. An instrumental ensemble of selected artists provides music of variety and distinction.

Of Special Benefit to Banks and Bankers

The audience reached by these programs is largely made up of bank customers—actual or potential. The habit of investing, or a desire to invest, leads naturally to the use of various bank facilities. It is felt, therefore, that these programs are rendering a valuable service to banks, both in developing an investment sense among their customers and in otherwise stimulating bank patronage. Support of these programs from banks to a gratifying degree is already evident, and it is hoped that this interest and support will grow as bankers generally become familiar with the purpose of the undertaking.

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ST. LOUIS 319 N. Fourth St. BOSTON 85 Devonshire St. PITTSBURGH 307 Fifth Ave.
MILWAUKEE 425 East Water St. MINNEAPOLIS 608 Second Ave., S.

(In millions of dollars)

	1913	End of 1923
Savings banks -----	4,692	23
Banks -----	3,192	643
Cooperatives -----	1,096	95
Insurance institutions_	1,501	285
Total -----	10,481	1,046

"The war loans, mortgage bonds, and other fixed interest-bearing securities, were also to a very large extent wiped out as far as the individual holders were concerned, but relieved the private companies to a large extent of their funded indebtedness. The great discrepancy between the internal and external purchasing power of the mark presented a

favorable opportunity to foreigners to acquire both movable and immovable property at low prices and many took advantage of the opportunity.

"The stabilization of the mark at the end of 1923 brought these conditions to a sudden halt and inaugurated a new era. Hence, in appraising present conditions in Germany, one cannot draw analyses from conditions before the war when Germany was making rapid strides towards economic hegemony in Europe, or from the hectic period existing from the end of the war to the end of 1923. On the contrary, in analyzing economic conditions in Germany, today, one has to

begin with 1924 and study the progress made during the past four years.

"Notwithstanding the heavy losses suffered as a result of the war and currency depreciation, the German economic structure is based on a solid foundation. Production generally in the territories comprising Germany of today, with the exception of agriculture, is larger than before the war. In fact, such progress has been made in various branches of industry that the productive capacity is by far superior to that at any other time in the industrial history of the country. The process of rationalization and the merging of the more important branches of industry into huge combines has enabled German industry to meet more adequately international competition and to regain to a very large extent its former foreign markets. The German currency since its stabilization has remained stable and the gold stock of the Reichsbank on October 6, 1928, is by about \$481,000,000 larger than at the end of 1923. The budget is balanced and revenues have tended to increase despite the fact that some taxes, notably the turn-over tax, have been reduced. Germany's problem today, therefore, is not one of productive capacity, or fluctuating exchanges, or unbalanced budgets, but rather the problem created by large borrowings abroad, which have altered its position as a creditor nation to that of one of the largest debtor countries in the world, to which should be added the heavy burden of reparation payments with their tremendous influence on the movement of trade and the balance of payments."



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MORE 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:

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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.*

Fifty Per Cent Profit Its First Year

(Continued from page 20)

his county warrants were \$2,007, and his loans and discounts had jumped up to \$41,341. His capital stock still remained \$15,000, his surplus \$3,000, his undivided profits \$951.81, and his earnings just for the four months of 1928, were \$4,275.93. His deposits had jumped to \$327,503.18.

This banker writes me:

"We have about 400 depositors. It is true now we have a large public fund account, but the earnings from that are not high, because we don't lend a cent of it. We leave it with our correspondents. A small bank that doesn't get paid for its service is on the wrong road. IT IS EASY AFTER GETTING YOUR OWN CONSENT."

This is a little history of the Bank of Marion in the State of Arkansas which was started on a service charge basis, continues on that basis, and is making over 50 per cent a year.

The cashier of that bank is paid and he has one assistant. They are occupying the old bank building and have that almost free.

Authorized and approved by the Council of the League of Nations.

\$13,000,000

Kingdom of Bulgaria

7½% Stabilization Loan 1928

Forty-Year Secured Sinking Fund Gold Bonds.

(Part of International Stabilization Loan of 1928.)

Dated November 15, 1928, due November 15, 1968. Interest payable May 15 and November 15. Principal and interest payable in New York at the office of Speyer & Co. or of J. Henry Schroder Banking Corporation, in United States gold coin, without deduction for any Bulgarian taxes, present or future. Principal and interest will also be collectible, at the option of the holder, in Belgian francs in Brussels, in lire in Milan and in Swiss francs in Zurich, at the banking houses referred to below, at the current buying rates for sight exchange on New York. Coupon Bonds in denominations of \$1,000 and \$500.

Cumulative Sinking Fund sufficient to repay all of these Bonds at or before maturity, to be applied to the semi-annual redemption of Bonds by lot at par, the first redemption to be on November 15, 1929.

Not subject to call before November 15, 1938, except for sinking fund. The Government reserves the right to repay at par on that date, or on any interest date thereafter, all or any part of the Bonds then outstanding, upon six months' previous notice.

\$4,000,000 Bonds of the above issue have been withdrawn for sale as follows: \$1,000,000 in Belgium by Banque Belge pour l'Etranger, Brussels, \$1,500,000 in Italy by Banca Commerciale Italiana, Milan, and \$1,500,000 in Switzerland by Credit Suisse, Zurich.

These \$13,000,000 Bonds are part of an International Loan, limited (as authorized by the Council of the League of Nations) to yield to the Government a net amount equivalent to £5,000,000 Sterling; the balance of this Loan is being offered as follows: £1,500,000 Sterling Bonds in London by the Ottoman Bank, J. Henry Schroder & Co. and Stern Brothers; £200,000 in Amsterdam by Hope & Co. and Banque de Paris et des Pays-Bas; £100,000 in Prague by Zivnostenska Banka v Praze on behalf of a Czechoslovakian Banking Syndicate, and Fcs. 130,000,000 Bonds in Paris by Banque de Paris et des Pays-Bas, Banque de l'Union Parisienne, Comptoir National d'Escompte de Paris, Credit Lyonnais, Credit Mobilier Francais and Societe Generale pour Favoriser le Developpement du Commerce et de l'Industrie en France.

His Excellency Wladimir Molloff, Minister of Finance, has authorized the following statement in behalf of the Bulgarian Government; having been transmitted by cable, it is subject to correction:

The **Loan** is issued pursuant to the Geneva Protocol of March 10, 1928, as amended September 8th, approved by the Council of the League of Nations by Resolutions of March 10, June 9, and September 17, 1928, ratified by Acts of the Bulgarian Parliament of April 13 and September 27, 1928, and pursuant to an Act of the Parliament of November 15, 1928, approving the Loan Contract. The amount of the Loan is limited to \$13,000,000 Dollar Bonds, £1,800,000 Sterling Bonds and Fr. Fcs. 130,000,000 Bonds.

The **Loan** will be the direct obligation of the Bulgarian Government and will be secured by a **first charge on all receipts from the import, export and other customs duties**. The receipts from these revenues for the two years ended March 31, 1928, and the estimated amount for the current fiscal year, are approximately as follows:

Fiscal year ending	Amount
March 31,	
1927	\$8,753,000
1928	9,282,000
1929	9,021,000

or, for each year, over four times the annual interest and sinking fund on the entire Loan.

By Resolution of September 24, 1928, the Inter-Allied Commission (established under the Treaty of Neuilly) released the customs revenues from the first charge for reparations and costs of occupation and the general charge for treaty obligations.

If at any time the receipts from the above revenues should fall below 150% of the annual service requirements of the Loan, the Inter-Allied Commission has agreed to release, at the request of the Council of the League of Nations, from the above general charge additional revenues sufficient to insure total revenues equal to at least 150% of the service requirements, and the additional revenues so released shall be forthwith assigned to the service of the Loan.

Application will be made to list these Bonds on the New York Stock Exchange

For further information, reference is made to a letter dated November 16, 1928, from His Excellency Wladimir Molloff, Minister of Finance of the Kingdom of Bulgaria, copies of which may be obtained from the undersigned. All proceedings in connection with the issuance of the above Bonds are subject to the approval of our counsel, Messrs. Cadwalader, Wickersham & Taft and associate Bulgarian counsel.

We offer the above Bonds for subscription, if, as and when issued and received by us, at

97% and accrued interest, to yield to maturity 7¾%

We reserve the right to close the subscription at any time without notice and to reject any application or to allot a smaller amount than applied for. Amounts due on allotment will be payable at the office of Speyer & Co., 24 & 26 Pine Street, in New York funds, on or about December 3, 1928, as called for, against delivery of Interim Receipts exchangeable for Definitive Bonds when ready.

SPEYER & CO.

J. HENRY SCHRODER BANKING CORP.

November 21, 1928.

Guaranteed Mortgage Certificates As Bank Investments

IT IS, of course, understood that banks are restricted in their investments in various ways. Savings banks are urged to place their funds in mortgages and have a limit of 65 per cent. They are protected by a sixty-day clause. Na-

By **HORACE W. FOSTER**
New York Title and Mortgage Company

tional banks, under the terms of the McFadden Bill, have had their powers to invest in mortgages increased but it limits

such loans to the Federal Reserve District in which they are situated or within 100 miles of the bank. State banks and trust companies are frequently customers for mortgages located outside of their own city.

Community Water Service Company

THE simplicity of the financial structure of the Community Water Service Company makes it easy to determine the values back of its securities. The combined valuation of property, plant and equipment of its subsidiaries totals \$55,657,705 against which are outstanding \$31,080,700 of underlying bonds and \$8,392,650 of Preferred Stocks. Against the large

SUBSIDIARIES	
Penna. State Water Corp.	
Valuation	\$10,394,162
Funded Debt	5,450,000
Preferred Stock	10,500 Shares
Williamsport Water Co.	
Valuation	\$3,998,069
Funded Debt	2,500,000
Preferred Stock	8,297 Shares
New Jersey Water Co.	
Valuation	\$2,197,951
Funded Debt	1,200,000
Preferred Stock	303,750
New Rochelle Water Co.	
Valuation	\$7,381,951
Funded Debt	4,325,000
Preferred Stock	1,300,000
Peoria Water Works Co.	
Valuation	\$5,030,000
Funded Debt	3,472,300
Preferred Stock	250,000
Cairo Water Co.	
Valuation	\$436,787
Funded Debt	300,000
Preferred Stock	150,000
Citizens Water Co. of Washington, Pa.	
Valuation	\$2,646,317
Funded Debt	1,760,000
Preferred Stock	550,000
Lexington Water Co.	
Valuation	\$3,620,357
Funded Debt	1,725,200
Preferred Stock	275,000
Ohio Cities Water Corp.	
Valuation	\$2,992,347
Funded Debt	1,425,000
Preferred Stock	907,600
Westmoreland Water Co.	
Valuation	\$4,036,239
Funded Debt	2,480,000
Preferred Stock	6,500
Greenwich Water & Gas Co.	
Valuation	\$13,520,589
Funded Debt	6,297,200
Preferred Stock	2,126,600

All figures used are as of June 30, 1928, but giving effect to new acquisitions after that date and while not guaranteed are believed to be reliable.

equities owned by the Community Water Service Company, there are issued and outstanding in the hands of the public only \$7,120,000 Debentures. Due to conservative and capable management, the securities of the Community Water Service Company and its subsidiaries are high grade investments of the type which appeal to conservative investors.

From the foregoing, it will be seen that it would be difficult to generalize on mortgages as investments for banks for the reason that the limitations make sweeping statements hard to substantiate. It is true, however, that mortgages, as a bank investment, are becoming more popular. It is estimated that over \$1,000,000,000 of first mortgage financing was done last year, a gain of 12 per cent over the preceding year. Further estimates are given that insurance companies, banks and other lending institutions now hold more than \$10,000,000,000 of mortgages.

There is, however, a form of mortgage investment which has been popularized by large mortgage guaranty companies of New York, which are known as guaranteed mortgage certificates. These certificates are issued against guaranteed mortgages or groups of mortgages which are deposited with the trust company that authenticates each certificate and sees to it that the amount of certificates outstanding at no time totals more than the sum of the mortgages deposited. These institutions are under the supervision of the State Insurance Department.

Before an investment can be made by a bank, it is frequently necessary for several persons and the lending committee to pass upon it. When a bank has a definite sum of money to invest in a mortgage, either for itself or for some client, it must first find the mortgage. Every mortgage is naturally made for a certain amount and if the bank has, say, \$140,000, at its disposal for this type of investment, it must first secure an offering of one or several mortgages which total exactly that amount. These mortgages are submitted to the lending officer and by him to his committee. The committee approves. It is then frequently found, particularly in an active market, that the company which has guaranteed these mortgages has sold them to another client. A new set of mortgages is submitted and the whole proceeding starts again. In the meantime, the bank is losing interest and the mortgage company is distracted between its desire to please its clients and the necessity of turning over its own funds.

Guaranteed mortgage certificates, when they can be legally invested in by a banking institution, form an excellent so-



P. W. CHAPMAN & CO., INC.

115 W. Adams Street
CHICAGO

42 Cedar Street
NEW YORK

Northwestern Banker December 1928

lution for these vexing problems. The certificates may be issued against a very large mortgage, in which case the bank's lending committee can see the property itself; or, if the certificate is issued against a group of mortgages, can familiarize itself with the type of loans made by the guaranty company and can be as-



HORACE W. FOSTER

sured of the guaranty company's financial soundness, and waive inspection. In this case, investment may be made at once for the entire sum at the disposal of the bank, and, usually, with the best possible terms of maturity.

Guaranteed mortgage certificates which are issued against one very large property are arranged in serial maturities to cover amortization. For example, if the loan is \$1,000,000, perhaps \$25,000 a year will be paid in on the principal. Certificates are issued against these payments which last over a period of several years, and on the remainder, which will run probably for ten years. While it is not the custom of mortgage guaranty companies to obligate themselves to repurchase mortgages or certificates before their due dates, yet it is the practice to make such repurchases, particularly from financial institutions, either at par or for a nominal discount to cover cost of re-issuance.

Guaranteed mortgage certificates which are issued against groups of guaranteed mortgages generally have several additional features which recommend them to banks or private investors. They normally mature in ten years, but they may be called in by the holder at any interest date after three years, to be paid from the proceeds of maturing mortgages. In many instances, they are payable at the termination of the trust or death of the

holder. These features appeal to banks for investments for trust purposes, or in their recommendation to individuals who desire to have a certain sum immediately available to their estate, outside of their life insurance.

Guaranteed mortgage certificates, as issued at present, carry interest at the rate of 5 to 5½ per cent. Investigations, conducted at various times by insurance companies, state committees and others, have shown that the rate realized from mortgages is usually from 1 to 1½ per cent higher than that on other securities considered as being in the same class.

The history for guaranteed mortgages in New York City is very impressive. It

is estimated that over \$3,000,000,000 of these securities have been sold in the metropolis without loss in principal or interest. New York City enjoys the concentrated prosperity of the country. Its real estate values, meaning by this apartment houses and residential sections, are not affected by seasonal depressions or regional disturbances. The city is dependent on no single industry. Land values are made by population. The population of New York City constantly increases and its importance draws there men of affairs from all points of the country, who, in turn, bring with them the influence of their money and connections.

A New and Convenient **INVESTMENT** *in the Oldest and Safest Field*

THE first mortgage on real estate has long proved the most stable, conservative and best income-paying of investments. In the form of First Mortgage 6% Collateral Trust Notes, we have made available this old, time-tested security in a new and more convenient form, particularly fitted to the requirements of banks and individual investors.

First Mortgage 6% Collateral Trust Notes, maturing Sept. 15, 1931, are secured by pledge and assignment of mortgage collateral consisting of first mortgage notes secured by first mortgages on well-located suburban properties in the metropolitan district of Chicago.

These notes, the obligation of Krenn & Dato, Inc., (which has a net worth,

as of Dec. 31, 1927, of \$2,388,133.92), are secured by mortgages representing approximately only 31.6% of the independently appraised value of the mortgaged properties.

Each mortgage deposited with the Trustee is the direct obligation of a property owner who has paid two-thirds of the purchase price on his individual property. Guarantees of title have been issued by Chicago Title & Trust Company, or Security Title & Trust Company, Waukegan, Ill. The Trustee is The National Bank of the Republic of Chicago.

In view of their diverse and ample security, convenient maturity and liberal yield, we recommend these notes without reservation for sound investment. Full details will be sent promptly upon request.

BOND DEPARTMENT

KRENN & DATO, Inc.

Exclusive Agents for Edith Rockefeller McCormick Trust

111 Broadway
NEW YORK

39 So. LaSalle Street
CHICAGO

Northwestern Banker December 1928

Reviewing the Bond Market

WHILE bond prices have improved somewhat over the low point registered in midsummer, this year, they are still in an attractive position for the investors, says the November survey of the National City Bank of New York, which comments in part as follows:

"A somewhat easier tone in the collateral loan markets is apparently at the bottom of the change for the better in bonds. In contrast to conditions pre-

vailing a short time ago when almost any demand could be met on short notice, any substantial market order now usually necessitates active bidding. New offerings are moving satisfactorily and because of the reduced volume of underwritings, dealers' stocks have not had a chance to accumulate. Reports from a few of the leading underwriters indicate that new financing is finding its way to the market just as rapidly as it can be negotiated and that few issues are being

held back by dealers awaiting further market improvement. It is quite possible of course that the borrowing urge will be stimulated by any substantial improvement in bond prices. While there has been some improvement in the price level from the low point registered during midsummer, prices still remain attractive especially in view of the fact that present levels are due to changes in money rates and not to weakening in security. There appears to be fair agreement that interest rates over a long range will work towards lower levels. Certainly the present bond market offers a real opportunity to the investor who is looking forward to income over a period of years.

United States Treasury Operations

"A final move in clearing up the Third Liberty Loan was taken on October 8th with the offering of \$300,000,000, or thereabouts, of 11-months U. S. Treasury Certificates of Indebtedness bearing 4¾ per cent interest. The terms of the offering were more attractive than anticipated, although the amount was slightly larger than had been generally predicted. Any concern over the 4¾ per cent rate, which was higher by ¼ of 1 per cent than the last previous treasury offering and the highest since the tight credit period of 1920-1921, was relieved by imitations by the treasury department that such rate should not be considered as an unfavorable forecast for bonds generally but as simply the result of pricing the certificates to the prevailing market.

"The high coupon rate made the issue particularly attractive to banking institutions for their secondary reserves. Applications were received totaling \$838,000,000. Banks subscribed to the issue and obtaining allotments do not of course pay for the bonds at once but simply credit the treasury with deposit balances. Inasmuch as these government deposits will be gradually withdrawn and receive a relatively low rate of interest, they are a source of real banking profit at prevailing money rates.

Municipal Market Better

"The municipal bond market is in excellent condition. For the first time in several months there is evidence of real buying demand among institutional and private investors. Dealers' stocks are unusually low and a fair increase in volume of new municipal financing apparently will be required to keep pace with the growing investor demand. While it is true that some municipalities have delayed their more urgent borrowings awaiting an improvement in the general situation, the visible supply of new issues

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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is not now sufficiently large to suggest that the market will have any difficulty in absorbing it. In view of the fact that municipal bond prices have already recovered part of their earlier decline, there has been some surprise that new issues have not been coming along in greater volume. It must be remembered that this is a pre-election period during which local officials are busy cultivating favor with the voters. It is a season when bonds are being authorized rather than sold. The decision of voters on bonding programs submitted at the November general elections will be a fair indication of what to look for in the way of new issues for some months to come. Authorizations will no doubt run into large figures but such approval does not mean immediate issuance because so many programs cover a considerable period of time and the total amounts authorized will be split up into smaller blocks to be offered for sale only as funds are needed. Several states will ask authorization on road building projects which will call for spreading of the expenditure over a number of years.

"Outstanding among new municipal offerings during the month was a \$10,000,000 issue of City of St. Louis, Missouri, 4 $\frac{1}{4}$ per cent bonds due serially November 1, 1933-48 inclusive and offered at prices to yield around 4.10 per cent. These bonds are issued for public buildings and improvements and are part of a \$75,000,000 bonding program authorized by the voters in 1923 and now about half completed.

Convertibles

"Outstanding strength in many representative common shares on the New York Stock Exchange gave impetus to the upward movement in convertible and warrant bonds whose markets are controlled by the position of the stocks into which they are convertible. Among the coppers Andes Convertible 7s and Anaconda Convertible 7s both continued on the upgrade, Andes 7s reaching 169 $\frac{5}{8}$ coincident with the public offering of the stock at \$37 per share, and Anaconda 7s moving into new high territory around 148 in sympathy with the upward movement in Anaconda common. Conversion of the third \$10,000,000 block of Anaconda 7s has now been completed and current conversions are on the basis of \$62 per common share. Barnsdall Corporation 6s with warrants attached reached a new high and at present are selling around 134. A spectacular performance among the convertible utilities has been the Brooklyn Union Gas 5 $\frac{1}{2}$ s, which are currently quoted at around 310. These bonds, issued several years ago, carry the privilege of conversion into common at 50 after January 1, 1929. The stock around 160 is 110 points

above the conversion price, which naturally accounts for the enormous premium. The market for the bonds is still somewhat behind the stock, due no doubt to the deferred conversion privilege.

"Convertible and warrant attached bonds have been meeting considerable favor in recent years because of the opportunities such securities provide for sharing on an equity basis in the future prosperity of the business. The attractive feature of such securities from an investment standpoint is that they usually begin their history as pure investments whose markets are unaffected by minor fluctuations in earnings. When and if the common stock equities improve, the

bonds furnish a medium for sharing in the improvement. After such bonds sell on a conversion rather than an investment basis, their price movements are governed by the movement of the stock and recessions may be quite as violent as advances. Once the conversion feature has carried the price of a convertible bond well above an investment basis it may be to the investor's advantage from an income standpoint to convert into common stock, particularly so if this stock has achieved a good investment rating."

A man who feels that his religion is a slavery has not begun to comprehend the real nature of religion.—Titecomb.

Buy Bonds Now for the Long Pull

IT IS agreed by most market observers that bond prices today are at a comparatively low level — and that this low level will be followed by a tendency toward higher prices and lower yields.

Recognizing this fact, many banks are at present turning away from the call money and short-time paper market, and are placing their funds in high-grade bonds at current levels. Those who are doing this will secure for themselves a good return for many years to come.

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Demand Unabated

From a survey of the real estate and building construction situations in New York City, issued recently by the New York Title and Mortgage Company, it is estimated that this company will have loaned approximately \$240,000,000 during 1928 on first mortgages, secured by improved real estate in Greater New York, Long Island and Westchester county.

"It is now a safe assumption," the survey declares, "that the total building volume in the metropolitan zone, for the first nine months of this year, exceeds \$1,000,000,000. The total of building

contracts awarded, during the period under review, amounts to \$1,152,604,400, an increase of 14 per cent over the same period a year ago."

Concerning the subject of conservative appraisals in the first mortgage field, a subject which has received much attention of late, the report advocates strict adherence to the most conservative appraisal standards, stating that this policy presents one of the chief features which distinguish the conservative first mortgage lending organization among its institutional as well as individual clientele.

Upon the subject of first mortgage appraisals, the survey states that the New

York Title and Mortgage Company is unalterably opposed to the practice, still current in some quarters, of having land valued by one appraiser and building by another, instead of considering the entire property as a unit. To quote: "The Real Estate Securities Committee of the Investment Bankers Association, at their seventeenth annual convention, during October, last, reported, the moment a building is completed, the land and building become a unit having a mortgage value as such until the building becomes obsolete or too old for use.

"For many years, the conservative first mortgage institutions," the survey continues, "has pioneered along the lines now recommended by this committee, particularly adhering to the policy of requiring that joint valuation of land and buildings, based on physical values, be checked from the standpoint of earnings, trend of neighborhood, obsolescence, economic adequacy, etc., before arriving at a scientific determination of true valuation."

The principle, that real estate values invariably follow population, is again strikingly brought out in the survey by the statement that the increase alone in New York City realty assessments during the year, amounting to about \$1,500,000,000, is greater than the total assessed valuation of real estate in four of the largest American cities, viz.: Dallas, Denver, Indianapolis and Kansas City.

Bankers' Balances in Chicago

From the Bureau of Business Research, University of Illinois, comes a very interesting bulletin, entitled, "An Analysis of Bankers' Balances in Chicago," known as Bulletin 21. A brief synopsis of salient facts therein follows:

"Approximately 9,000 banks, one out of every three in the United States, have correspondents in Chicago. In almost 7,000 instances are Chicago banks reported as correspondents by banks in the greater part of the middle west. This is two and one-half times the representation of the New York banks in this area. Furthermore, Chicago banks are chosen as correspondents to a very large extent by banks in the far west. Of the 64 reserve cities outside of Chicago and New York, two-thirds of them show that every national bank has direct Chicago connections. These reserve cities are in every part of the United States. In a number of states, Chicago banks almost completely dominate as the correspondents of country banks. For example, 94 per cent of all the banking towns of Iowa report that at least one bank has a Chicago correspondent. Slightly in excess of 4,800 banking points in the country as a whole—close to 30 per cent of the total—have direct banking connections with

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Chicago through at least one correspondent.

"At the close of 1927, bankers' balances held by Chicago banks aggregated almost 360 millions as compared with 139 millions reported by them at the end of 1900. The largest of the national banks hold most of these deposits—at the present time, approximately 70 per cent of the total. The outlying national banks are not important as holders of bankers' deposits; practically all of the remainder, that is 30 per cent, is in the hands of the state banks. The latter banks show a greater concentration of these funds in a relatively few banks than do the national banks. Ten of the state institutions report as holding close to 96 per cent of the aggregate held by all the state banks.

"An analysis of the data of the central reserve city banks, that is, the largest of the national banks, shows that no pronounced seasonal movement in bankers' deposits has existed. There has appeared, however, a rather marked upward movement in the spring, followed by a decline of about the same amount in the summer. During late winter and early spring, country bankers have allowed their deposits to accumulate in Chicago banks; by summer a decline has usually taken place. From summer to fall and from fall to winter but little or no regular movement has been observed. In the case of the New York banks, it is found the falling off in bankers' balances does not take place in the summer but a season later.

"During the 26 years studied, bankers' deposits held by Chicago banks have moved in four rather distinct cycles. There has been a marked tendency for these deposits to be at the lowest point when business generally was most depressed. A recovery in general business conditions has usually been accompanied with an upward swing in bankers' balances. There are a number of instances when extraordinary fluctuations in these deposits took place. Examples are those of 1907 and 1908; 1914 and 1915; 1920 and 1921.

"While bankers' deposits relative to individual deposits do not hold the place they formerly held due to the huge expansion which has taken place in the deposits of individuals and corporations, they nevertheless constitute one of the most important factors in the Chicago money market."

The Fourth Natural Resource

Natural gas now ranks next to petroleum, coal and iron as America's fourth natural resource, according to the weekly report on the public utility industry by the W. B. Foshay Company. The report follows:

"Production of natural gas in 1927

reached 1,445,428,000,000 cubic feet, valued at \$318,000,000, and estimates point to a substantial increase this year.

"Rapid development of the natural gas industry in this country during the last two decades can be seen from the fact that in 1907 the total production was less than 10 per cent of the present output. In 1927 there were 3,984,000 domestic consumers of natural gas in the United States, in increase of 253,000 over the previous year.

"During 1928 there has been a large increase in the number of natural gas consumers, until now that form of gas ranks as the fourth natural resource of this nation. Next year will see an even great-

er development, according to present indications in the industry.

"Many electric power plants, during the last year, have changed from other forms of fuel to the use of natural gas, so that in many cities of the country today natural gas is supplying the entire community with power, light and heat.

"As gas consumption has increased, industry throughout the nation has been developed because of the relation between the two. Greater gas consumption has meant lower cost, which in turn has made it possible for industry to expand. Gas already is put to more than 21,000 different uses in industry."

Illinois Local Improvement 6% Bonds

These bonds are issued by suburbs of Chicago and are paid out of taxes levied as special assessments against the property benefited by the improvements. Being payable out of taxes they are

Exempt from Federal Income Tax

Waukegan, Illinois, 6% Bonds Special Assessments Nos. 835 and 843— Water Mains Special Assessments Nos. 887 and 904— Street Paving	Wheaton, Illinois, 6% Bonds Special Assessments Nos. 322, 331 and 333 —Water Mains Special Assessment No. 330—Sewers
Zion, Illinois, 6% Bonds Special Assessments Nos. 50 and 51— Water Mains Special Assessment No. 52—Sewers	Bellwood, Illinois, 6% Bonds Special Assessments Nos. 109 and 110— Street Paving
Mundelein, Illinois, 6% Bonds Special Assessment No. 43—Street Paving	Broadview, Illinois, 6% Bonds Special Assessment No. 16—Water Mains
Glenview, Illinois, 6% Bonds Special Assessment No. 56—Sewers	Westchester, Illinois, 6% Bonds Special Assessments Nos. 3, 4 and 6— Water Mains Special Assessments Nos. 5 and 11—Sewers Special Assessments Nos. 7, 9 and 19— Street Paving
Niles Center, Illinois, 6% Bonds Special Assessment No. 173, Docket No. 59634—Street Paving	Maturities 1930 to 1938 Price—100 and Interest Yielding 6% Full information on request

Knight Blanchard & Co.

Local Improvement Bond Specialists

29 So. La Salle Street

CHICAGO

"Economic Briefs"

The prospective good-will trip of President-elect Hoover to the countries of Latin America is focusing public attention on the ever-increasing intimacy of the economic, political and cultural relations between the United States and these countries. The latest data to appear on these countries has just been published by Ames, Emerich & Co., investment bankers, under the title "Economic Briefs of Latin America." In this book is discussed in a concise but comprehensive fashion, the economic development of the Latin American nations during recent years.

In opening their discussion of this region to the south of us, the bankers say, "There can be no doubt about the increas-

ing *commercial* relations which exist between the United States and Latin American countries as compared with a few years ago. Government statistics reveal this clearly. Imports from Latin America, which averaged \$435,500,000 for the years 1910-14, increased to \$1,018,900,000 in 1927, a gain of 133.8 per cent. Latin America, on the other hand, is becoming an increasingly important market for exports from the United States. The average amount of these exports for the years 1910-14 was \$332,800,000, while in 1927 the amount increased to \$839,800,000, a gain of 152.3 per cent.

"The *financial* relations which exist between the United States and Latin America are quite as close as are the commercial relations. The Latin American countries have been increasingly heavy bor-

rowers in the United States. In 1914 they floated loans in this country to the amount of \$13,903,750, while in 1927 the volume of financing had increased to \$365,269,300, a growth of 2,518 per cent."

This book, written by Dr. Paul M. Atkins, economist for the bankers, is a companion volume to "Economic Briefs of Europe," which was published by them last year.

Office Established

The Des Moines office of Dawson, Howe & Dawes is now established at 522 Insurance Exchange Building, and, as formerly announced, the manager of the



G. A. MOSELEY

Des Moines branch will be G. A. Moseley, who is also a partner in the firm.

Mr. Moseley needs no introduction to bankers and investors of Iowa, as his acquaintance is wide in this territory.

Gains \$10,000,000

That national prosperity is not fiction for California citrus growers is proved by figures released in the annual report of E. G. Dezell, general manager of the California Fruit Growers Exchange, which shows a return of \$130,000,000 for the California citrus crop of 59,396 earloads for the year ending October 31st, a gain of \$10,000,000 over 1927.

Banks Change Hands

The Charles E. Walters Company of Omaha report for the month of November the sale of the following banks to the respective purchasers:

First National Bank, Ault, Colo., to B. B. Helmick of Lincoln, Neb., formerly vice president of the Continental State Bank of Lincoln.

UNDERWRITERS and DISTRIBUTORS of CORPORATION SECURITIES



FOR many years Brokaw and Company has specialized in Packers, Equipment Trust, Pacific Coast and Canadian Securities.

With representatives throughout the Middle-West and direct wire connections to the larger Eastern centers, we are able to render a comprehensive investment service to Banks, Bankers, Corporations and Individuals.

Iowa Representatives

MAURICE F. LEAHY

RAY E. MASON

Manager of Trading Service Department

THOMAS T. FORD

**BROKAW
AND COMPANY**

105 South La Salle Street, Chicago

Chicago Investment News

By WM. H. MAAS

Chicago

Vice President Northwestern Banker

LaSalle Street last month welcomed another Iowa investment house which opened Chicago offices. Metcalf, Cowgill & Co., Inc., with headquarters at Des Moines, appointed J. C. White as manager of their Chicago offices in the State Bank Building, 120 South LaSalle Street. This progressive Iowa bond house also has offices in Los Angeles, Sioux City, Cedar Rapids and Sioux Falls.

General business is still following a course of progressive improvement with strengthened optimism asserting itself in many lines since the election. The recent weekly letters of Babcock, Rushton & Company, point out that the volume of production throughout the country as measured by factory employment, electric power consumed by the leading industries, and payrolls, is showing an expansion of unexpected proportions.

"Even in the depressed industries there are definite signs of fundamental betterment. The production of cotton textiles has not only been held within the requirements of consumption but there has been a further reduction in the stocks on hand. The output of bituminous coal is growing, in response to the seasonal demand, but the leaders in the trade are avoiding excess production by effective cooperation. Late reports from the lumber industry indicate that although output is increasing, demand is keeping pace. This is the most encouraging report from the lumber trade in many months. In view of the great benefits which have accrued to the oil business this year from the self-imposed curtailment program, it is interesting to learn that the producing wells in two of the most troublesome fields in the country are declining rapidly in output."

R. A. Drum, president of the Old Dearborn State Bank, announces that interests identified with the Chicago Trust Company have purchased a substantial amount of the capital stock of the Old Dearborn State Bank and will become identified with the directorate of that institution. Mr. Lucius Teter, president of the Chicago Trust Company, will become chairman of the board of the Old Dearborn State Bank, succeeding Mr. J. L. Kraft, who will remain as a member of the board. There will be other additions to the board to be later announced. No change is contemplated in the official staff or personnel of the bank which will continue to operate as such in its newly

occupied building at Wabash Avenue and Lake Street.

The Old Dearborn State Bank was organized in 1919 as the Lake-State Bank located at State and Lake Streets. The name was changed to the Old Dearborn State Bank at the time of removal to its present new building quarters at the corner of Wabash Avenue and Lake Street, within the original reservation of Old Fort Dearborn. The bank has a capital of \$500,000.

New interests added to the present group will enable the bank to keep pace with the rapid development of the section in which it is located.

A reflection of the strong financial position of the Stinnes organization of Germany is seen in the announcement that Hugo Stinnes Industries, Inc., has already anticipated the sinking fund payment due in March of 1929 on the issue of 7 per cent debentures of the company.

What is a "Satisfied Investor"?

THERE are several factors that go to make an investor satisfied—but the important thing is *safety*. Knowledge that principal is protected—that its security is sound and ample—breeds peace of mind in high degree. And this *satisfaction* is essential to the investments of institutions and individuals alike.

Robert S. Strauss & Company is in a position to offer investors a selection of high grade first mortgage real estate bonds secured by well located income-producing properties in the City of Chicago. The *safety* of these bonds is assured. A list of current offerings will be sent upon request.

ROBERT S. STRAUSS & Co.

INCORPORATED

Investment Bonds—First Mortgages

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150 Broadway
NEW YORK

Offices in Other Cities

Halsey, Stuart & Company and A. G. Becker & Company, joint fiscal agents for the company, have been notified that funds for the payment, which is in excess of \$200,000, are now available. With this payment, the original issue of \$12,500,000 debentures, offered in 1926, will be reduced to \$11,372,500.

Hugo Stinnes Industries, Inc., is one of the two principal companies comprising the Stinnes organization. It owns or controls stocks representing the coal and coal products holdings and certain other interests of the organization. The mines form a group which are among the largest and most efficient in Germany, and other controlled properties include extensive

water and rail terminal facilities, efficient coal handling equipment, barges, tug boats, ocean steamers; also several important by-products plants and related enterprises producing and selling gas, electric power, chemical products, glass, brick and the like. The company does an international business.

A new indoor sport which has been given the timely name of "conversations" among large bank executives, bids fair to become a popular pastime throughout the country during the next few months. Usage of the word is refreshing in that it has taken the place of the old camouflage of the word conference. Preceding

the contemplated merger of bank structures nowadays, the reporters and inquiring public are told by officers of the institutions that there has been "conversations" regarding the matter, but nothing definite had happened. Have you had any "conversations" carried on in your bank recently?

Following the removal of the Continental National Bank into the home of the Illinois Merchants Trust Company, with which institution the Continental has merged, announcement has been made that the Central Trust Company will occupy the Continental building. It is expected that removal will be made about February 1st.

The announcement has also been made that General Chas. G. Dawes will return to his old post as chairman of the board of the Central Trust Company, following expiration of his term as vice president of the United States.

Application has been made by Joseph T. Ryerson & Son, Inc., to list 400,000 shares of its capital stock on the Chicago Stock Exchange. Donald M. Ryerson, chairman, states, "Sales for 1928 are estimated in excess of \$29,000,000 and net profits at \$1,630,000, or over \$4 a share, in contrast with \$1,248,974 or \$3.12 per share in 1927.

"Further improvement is anticipated as the company is benefiting by the combination of sustained demand for steel with upward trend in prices, and the better relationship between productive capacity and consumption in the industry."

Celotex Company's annual statement soon to be issued will show substantial gains in earnings, according to Bror G. Dahlberg, president. "The company," says Mr. Dahlberg, "with control of abundant raw materials assured, with factory costs reduced, and with an expanding volume of sales, was never in a better position than it is today. New products now being developed will increase the sales volume considerably.

"In 1927 our business was hampered by a shortage of raw materials, bagasse, due to the failure of the Louisiana cane crop. We had to import raw materials from Cuba at considerable expense. Through affiliations with the South Coast Company in Louisiana, and the Southern Sugar Company in Florida, a permanent supply of raw material at low cost is now available. Business during 1928 was very satisfactory for Celotex, and I anticipate that 1929 will be still better. With increased sales and lower manufacturing costs, Celotex profits should continue next year to show still further gains."

What is Group Banking?

GROUP Banking is the operation of a number of banks in affiliation with 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 necessitate any change in the individuality or personnel of an affiliated bank.

A brochure of Questions and Answers regarding the nation-wide group banking program of this organization available upon request.

[The term "Group Banking" was originated and first used by American Financial Corporation of New York. Likewise, the details of operation of a Group Banking program were first clearly set forth by this Corporation.]



AMERICAN FINANCIAL CORPORATION

OF NEW YORK

50 BROADWAY

NEW YORK

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Iowa Bankers Appreciate the Proved Principles

of Iowa's Oldest and Largest Bond House

THE fact that so large a proportion of Iowa's banks buy bonds from Iowa's oldest and largest bond house, is persuasive evidence that they appreciate not only the character of our offerings, but also the sound policies that govern in all our transactions.

During the thirty-seven years in which bankers have been buying our high-grade, conservative securities, they have found it invariably the case that with respect to interest and maturities alike, their money has always been ready when their money was due.

Our current list of high-grade offerings, with diversified maturities especially suitable for bank investment, will be sent immediately upon request.

Please Address Our Davenport Office

Geo. M. Bechtel & Co.

Established 1891

Bechtel Building, Davenport, Iowa.

Equitable Building
Des Moines

First Iowa Trust Bldg.
Burlington

Grand Opera House Bldg.
Dubuque

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 December 1928

A Chicago Office For Your Bank

When you establish a connection with Central Trust Company of Illinois, you open, in effect, an office in the heart of Chicago's financial district an office fully equipped and ready to give you prompt satisfaction in every phase of your correspondent business.

CENTRAL TRUST COMPANY OF ILLINOIS

125 W. MONROE STREET *at* LaSALLE

CHICAGO

Plan to Develop Iowa

Iowa is fast becoming one of the best bond states in the country, according to officials of A. C. Allyn & Company, Chicago, who have recently made plans for a more extensive development of the security business in this section.

Gerald Nordberg, with headquarters in Chicago, is now devoting practically all of his time to Iowa. Prior to his affiliation with the Allyn organization, he spent several years in the bond department of the



GERALD NORDBERG

First Trust & Savings Bank of Chicago, and lists Illinois State University as his Alma Mater.

J. H. Riley, a director of the firm, and former resident of Dubuque, as well as J. B. Frazier, of the Omaha office, likewise devote part of their time to a growing Iowa clientele. The firm of A. C. Allyn & Company was organized sixteen years ago and specializes largely in the organization of public utility issues as well as industrial financing.

Again Heads Trust Group

John A. Reynolds, vice president of the Union Trust Company of Detroit, has been appointed for the third successive time a member of the insurance trust committee of the trust company division of the American Bankers Association. To this committee is entrusted the development of greater cooperation between insurance companies and financial institutions. Mr. Reynolds furnished much of the practical experience and advice upon which is based a new general form of unfunded life insurance trust agreement now in use.

Complete Diversification

CONTINUOUS analysis of financial conditions in your territory, and a close connection with the large securities market, enable us to place at your disposal at all times the exact type of investment necessary to meet your requirements. No matter what your needs might be, our well diversified list will fit into your most intricate investment problems.

We will gladly consult with you at any time.

Dawson, Howe & Dawes, Inc.

Investment Securities

CHICAGO DAVENPORT DES MOINES

BUY

EQUIPMENT TRUST CERTIFICATES

Issued Under Philadelphia Plan

Equipment obligations of all kinds have been pronounced the strongest of corporate obligations. They have a remarkable record of safety, according to financial writers of accepted authority.

Never, except in one case some 50 years ago, has the holder of a railroad equipment security of which record is obtainable lost on his investment. The contract is perhaps more nearly standardized in these issues than for any other type of corporation security.

Send for Circular

FIRST ILLINOIS COMPANY

BONDS FOR INVESTMENT

CHICAGO

NEW YORK

Aviation and Finance

WITH the tremendous development of aviation in the United States investment houses are turning their attention to ways and means of financing this growing industry. Air transportation presents investment problems quite new. A recent issue of "Bond Briefs," published by the Northern Trust Company of Chicago, devotes considerable space to this problem, commenting in part as follows:

"Although convinced of its practicability, the public still regards air transportation as a recent development. Air

transport in the United States has been organized and is developing on a basis of practical business utility. The 1927 government survey shows a moderate improvement in the transportation phase of the industry through the gradual elimination of insufficiently financed and impractical operators. Competition for mail, passenger and express business among the many transportation companies without sufficient information for determining profitable rates has precipitated many failures. Until the public is educated to the utility of aircraft and

companies restrict their operation to communities having a sufficient volume of business to support aerial service, the successful progress in this phase of the industry will be centered in the hands of the large and more efficiently managed companies.

Economic Aspects

"Capital requirements for air transportation are much less than for railroads which have a vast amount of capital invested in track equipment. Thus far capital for the development of aeronautical enterprises has been obtained from the sale of common and preferred stock. Eventually air lines may be financed by the issuance of various types of bonds, including equipment trust certificates, but not until the industry has passed from its present promotional stage and is composed of companies having a record of earnings established through sound economic management.

"Of vital importance in this connection is the development of adequate insurance policies covering airplane equipment. The first step in the use of bonds for airplane financing has been made by the trustees of the Guggenheim Fund who authorized an equipment loan to the Western Air Express Company for the operation of a model passenger airway between Los Angeles and San Francisco. The experience of this loan, it is hoped, will be useful in forming a basis for future airway financing.

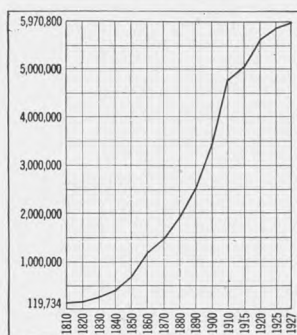
Investment Considerations

"The spectacular performances in 1927 stimulated the investing public, and money everywhere seemed to be available for aviation ventures. So marked was this development that Lindbergh issued a warning against investment in ill considered projects and questionable promotions. Many of the present companies are in the hands of inexperienced operators who fail to appreciate the economic aspects of their business and do not keep accurate records of their methods and results. The numerous transport companies operating in unprofitable territories and those failing to set aside depletion and depreciation reserves from earnings cannot be expected to prove successful.

"Many investors fail to consider that the industry is yet very young and in a decidedly unstable condition. One of the outstanding adverse conditions appears to be the possibility of overproduction due to the attraction of much outside capital and inexperienced management into this new field. Several years of careful research and actual experience will be necessary for the determination of profitable rates and economically sound methods of management before the aviation industry can be considered a field for conservative investment. Only those companies which have been most active and

5½% First Mortgage Investments with a \$60,000,000 Guarantee

OUR 5½% GUARANTEED FIRST MORTGAGES AND CERTIFICATES have every element of safety. Behind them is the value of the property, always conservatively appraised, the bond of the borrower, and our guarantee of principal and interest backed by Capital Funds of over \$60,000,000.



The graph here reproduced shows the steady growth in the population of New York City from 119,734 in 1810, to 5,970,800, as estimated by the Bureau of the Census for 1927. Real estate values follow population.

Investigate this ideal investment that is as "secure as the bedrock of New York."

Write for our booklet

NEW YORK TITLE AND MORTGAGE COMPANY

Capital Funds over \$60,000,000

135 Broadway, New York City



SECURE AS THE BEDROCK OF NEW YORK

whose activities are well diversified within the industry are worthy of present consideration for speculative investment."

Moody Forecasts Future Prosperity

By JOHN MOODY

President, Moody's Investors Service, Inc.

"The eight years which have passed since the Presidential election of 1920 have been epochal years in the economic and financial history of the United States. Not only have they been years of progress and growing prosperity, but a silent revolution has been going on in methods of production and distribution. The introduction and development of new industries, the expansion in volume and output of older industries, the perfection of methods for developing efficiency, cutting out waste and speeding up deliveries of goods; the knitting together of business activities of every kind into larger and more harmonious units; these are a few of the things which have characterized the period since the abnormal years of the World War.

"More and more, the corporate industries of the United States are becoming the property of the public; more and more are individual citizens investing their wealth and their savings in corporate securities. It is estimated that perhaps 15,000,000 men, women and children today own stocks or bonds of one type or another; millions more are indirectly affected by such ownership. And the end is not yet.

New Era Starting

"In my view, this new era in America is in its first stages only. The coming decade will witness its expansion and extension far beyond its present state. It therefore behooves the American business man, the banker, the security dealer, the many who perform constructive service in these fields, to grow with the country, scan the future in the light of the present, and continuously develop facilities for the larger business life which is looming in the years ahead.

"The background of American wealth production has undergone profound changes since the pre-war days. Unsound banking, political unsettlement, high finance and labor unrest are a few of the things that were always a menace to business in the pre-war days. None of these things have been outstanding in this country during the last eight years, while the steady recovery of Europe (especially in the last four years) has had a continuously constructive influence on America.

Stage Set Soundly

"Thus has the stage been soundly set for the remarkable period of prosperity in which America now finds itself. And

Southern Power & Light Company

One Year 5% Gold Notes

Essentially an electric light and power obligation.

No mortgage debt can be placed upon properties.

Property value over 2½ times funded debt.

Earnings over twice annual interest charges.

Due November 1, 1929.

Price 99 yielding 6%.

A Bank investment in which the short maturity eliminates the problem of market fluctuation.

Full descriptive circular will be sent upon request without obligation.

PRIESTER · QUAIL & CUNDY · INC.



BONDS FOR INVESTMENT

American Bank Building

DAVENPORT, IOWA

the structure which has been built up on this foundation is still in the making. The American economic child of thirty years ago (then so dependent on Europe for much of its financing) has become a giant; not only has it vastly increased in size but it has evolved into a mammoth corporate mechanism. Wealth production of almost every nature has gone into the corporate form and all industries are steadily changing into larger and larger corporate units. Industries and methods which hardly existed or were in their infancy eight years ago are now becoming outstanding features in our economic life. Witness the marvelous development of the chain store and mail order movements, the astounding development of the motion picture and motor industries, the radio and aeronautical industries.

"With this vast broadening of corporate activities, the machinery facilities for the financing of this modern business giant have become immensely greater than ever before; investment banking, for the mobilizing of investment capital, has become one of the gigantic cogs in the wheel of American life. And all other activities necessary to serve this economic giant, such as engineering, auditing, research and statistical facilities, have been obliged to steadily expand their facilities.

"If there is any logical explanation for the unprecedented volume of sustained stock trading during the past year or two, it is wrapped up in the facts that I have outlined above. It is being overdone, yes; but its basic causes are those which I have stated."



More profit from present depositors

By offering your depositors bonds recommended by The National City Company you not only create another source of profit for your bank, but also give your customers the benefits of National City knowledge of bonds and bond markets. The world-wide facilities of this Company are available to you whenever you say the word.

May we send you our special Bankers' List? It will keep you in touch with attractive current offerings.

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National City Bank Building, New York

Offices in more than 50 leading cities throughout the world

BONDS / SHORT TERM NOTES / ACCEPTANCES



Worth a Million to His Home Town

(Continued from page 18)

ture heads had been baffled by the problems of obtaining the right of way and financing construction. How this youth accomplished this almost superhuman task, with the aid of those friends he had made in the real estate business and in school, would take too long to recount here, but suffice it to say the road was finally finished and is still in operation today.

Task No. 2 of his life, that filled a long-felt need, was the opening of a brokerage office at Hot Springs, where prominent capitalists were wont to spend their vacations. Realizing these men needed the opportunity to keep in touch with their offices, Lonsdale arranged for a direct telegraph line to the East and fitted up a brokerage office. Thus he came in almost daily contact with the men of finance and it was but natural that his engaging manner should win him extensive patronage and valuable friendships.

It was only a short time, therefore, and before he had reached the age of 30, that he became a prominent figure in the brokerage world and New York offices were bidding high for his services. Accepting one of these offers in 1904, the year of the Great World's Fair in St. Louis, he became a partner in the banking and brokerage firm of Logan and Bryan.

Won Financial Fame

In the next ten years Lonsdale's name was more firmly impressed than ever on Wall Street. He handled large deals and won fame and success as a financier, his fundamental training in the real estate field and in the brokerage office at Hot Springs enabling him to grasp thoroughly the new details of larger and more complicated financial transactions.

One day his financial ability came to the attention of The National Bank of Commerce in St. Louis. At that time the bank was in need of a man of financial wisdom and vision. And so it came to pass that in 1915, Lonsdale was called upon to become president of "Commerce," a position which he has held ever since with increasing efficiency.

In St. Louis he at once became a permanent fixture and launched with zeal into all sorts of civic work, so before he had been here five years he was appraised by one editor as being "worth more than a million-dollar plant to the city."

The esteem in which he is held has continued to glow, not only locally, but nationally, and he is called upon on numerous occasions to head this or that committee, or to take part in varied activities that look forward to local or national improvement.

To read the list of his activities one would wonder when his work ends, and

yet he handles his many duties with admirable poise and ease of mind. Here are some of his present activities: President of National Bank of Commerce, Chairman of Board of Federal Commerce Trust Company and head of St. Louis Commerce Company, both affiliated with the National Bank of Commerce; Director Federal Reserve Bank, Eighth District; Director Missouri Pacific Railroad, President St. Louis Clearing House Association, President Bankers Club of St. Louis, First Vice President American Bankers Association, Director of Chamber of Commerce of United States, representing finance, and a member of Foreign Commerce Advisory Committee.

Has Held Many Posts

In the past he has held many high posts in the work of the American Bankers Association such as President National Bank Division, Chairman Rail Consolidation Committee and memberships in many committees.

Similar important posts have been given him in the United States Chamber of Commerce, including the chairmanship of the Committee on Aeronautics, membership on a Business Men's Commission on Agriculture, appointed jointly by The National Industrial Conference Board and The National Chamber, and member of Flood Control Committee, in addition to numerous other committee assignments.

These outside duties are taken seriously by Lonsdale because it is a part of his makeup to want to see constructive movements succeed. He feels that it is a part of his duty to humanity to put his shoulder to the wheel whenever the call comes, whether it be civic work or banking.

But it must not be inferred that these activities take up his time to the exclusion of important banking work. Somehow he seems to find time, without confusion to go from one task to another with fresh vision and energy and to dominate whatever situation arises. The fact that he has built up The National Bank of Commerce in St. Louis to a commanding position, where it is now recognized as one of the great banks of the nation, is living testimony to the effectiveness of his financial skill and banking ability.

Resigns Post as Comptroller

The resignation of Joseph W. McIntosh, comptroller of the currency, was received by President Coolidge and accepted immediately. Later in the same day the President announced the appointment of John W. Pole of Ohio as comptroller.

Mr. Pole was chief of the national bank examiners. Previously he had served as national examiner in the Fourth Federal Reserve district and as chief examiner of the Sixth district. He became chief national examiner in 1924.

Kentucky State Telephone Company

First Mortgage 6% Gold Bonds Series "A"

Dated September 1, 1928

Due September 1, 1948

Price 99 and Interest to Yield 6.08%

The Company agrees to pay interest without deduction for any normal Federal Income Tax up to 2%.

The following information is taken from official sources:

The properties of the Company are located in 9 counties in the well known Blue Grass region and the rapidly developing coal and industrial area of Eastern Kentucky, serving a combined population of 98,000. The Company serves 3,494 stations. The properties are excellently located for future expansion, and it is the intention of the Company to materially increase the present number of stations and communities served.

Hagenah & Dorsey, Independent Engineers, have valued the physical properties of the Company at a reproduction value new of \$699,079, and after allowance for depreciation a sound value of \$581,508, or 199% and 166%, respectively, of this \$350,000 issue of bonds, the sole funded debt of the Company.

Earnings available for interest requirements as audited by Messrs. Haskins & Sells, amounted to \$48,708.17, or more than 2.3 times the maximum annual interest charges of \$21,000.

Management of the Company is in the hands of executives and engineers who have had many years of practical experience in the telephone business.

We recommend these bonds for investment and shall be pleased to send circulars describing the issue in detail.

TRUE SECURITIES CO.

David O. True, President

231 South La Salle Street

Telephone Central 6556

CHICAGO

“Your Money and Mine”

—How It Is Invested

SO CAREFUL are life insurance companies in the investment of the millions that policyholders are constantly pouring into the companies' treasuries that the science of selection has been extended to embrace a diversification extending in four directions. Wilbur Sherwood, assistant cashier of The Travelers Insurance Company, Hartford, Conn., in an address before the Financial Section of the American Life Convention in St. Louis recently, explained this multiple diversification.

In order to insure maximum safety, investments are made by division as pertains to mortgages, bonds and stocks; by

geographical allocation; by diversification on the basis of kinds and divisions of industry, and fourth on the basis of maturity.

“Starting with a few investments near at home the degree of diversification will naturally be increased with the growth of the life insurance company. Moderate amounts in many different issues will be found in the lists of investment securities published by many of the larger companies.”

Diversification

In discussing diversification as to kinds and divisions of industry, Mr.

Sherwood said public utilities may be safely bought, but one should include several, such as electric light and power, water, telephone and telegraph, gas, transportation, etc. Investments thus made gain a two-fold diversification.

The practice of selecting proper maturities is followed by most careful investors because it has a tendency to keep investments liquid and at the same time permits unlimited discretion so far as it relates to the selection of future dates when funds may be invested and reinvested for greater periods of time and at more satisfactory rates of interest.

The problem of the investment of life insurance funds is not one of simply putting the funds to work at interest, Mr. Sherwood pointed out. “It is more especially a problem of investing funds safely and profitably and at a satisfactory and proper rate of interest.”

Figures contributed by fifty-two legal reserve life insurance companies to the Association of Life Insurance Presidents show that at the close of the year 1927 there was a life insurance fund at work estimated to be fourteen billion, five hundred million dollars, Mr. Sherwood said. “This compares with less than six billion dollars ten years ago. Last year the admitted assets of the country's life insurance companies increased more than one and one-half billion dollars. Reports received this year indicate that the end of the year 1928 will show assets further increased by more than 11 per cent.”

At present mortgages appear to be most favored as life insurance investments. Of the total estimated assets of all United States life insurance companies, amounting to fourteen billion, five hundred million dollars, 43.4 per cent was invested in mortgages as of December 31st, last year. Bonds and stocks represent nearly five million dollars, or 37.3 per cent of the total estimated assets.

Mortgage Holdings

Of the 142 life insurance companies comprising the total membership of the American Life Convention at the close of business 1927, 70 per cent of the member companies, it was asserted, each held between 43 and 78 per cent of their total admitted assets in mortgages. At the same time each of only nineteen member companies, or less than 14 per cent of the total membership, held stocks and bonds equal to 37 per cent of their total assets.

United States government bonds are held by life insurance companies as a secondary reserve in lieu of cash. At the

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

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BABCOCK, RUSHTON & CO.

MEMBERS
NEW YORK STOCK EXCHANGE
CHICAGO STOCK EXCHANGE
CHICAGO BOARD OF TRADE

137 SOUTH LA SALLE STREET
CHICAGO

close of 1921, largely as an answer to the call of the government, life insurance companies held more than eight hundred million dollars of these securities. During the years that have followed, there has been a decrease in these holdings because of the low rate of return, and today life insurance companies have only a little over 3 per cent of their total combined assets in such investments, as compared with more than 10 per cent in 1921. An investment in government bonds, if held for a period of years, will show a profit or loss according to the purchaser's ability to estimate the future trend of money, and not on the quality of the bonds, according to Mr. Sherwood. He adds that it is well to remember that with money rates approaching lower levels long term bonds of similar coupon rate and security will appreciate in market value to a greater degree than bonds of a shorter maturity.

Among the various choice investments of life insurance companies which Mr. Sherwood mentioned are state bonds, issued principally for bridge and road construction, and municipal bonds. State bonds, however, because of their high price and consequently low yield as compared with bonds of principal cities, are not so eagerly sought by life insurance companies.

Municipal bonds are desirable investments for life insurance companies and especially so when issued for water, sewer, school, road and other constructive purposes. The legality of the proceedings relating to the issue must always be investigated thoroughly by a competent attorney, and if the bonds constitute a direct obligation of the municipality and are payable both principal and interest from unlimited taxes against all the assessable property, the bonds are worthy of consideration.

In connection with his discussion of municipal bonds, Mr. Sherwood also cited the principal causes of default in bonds by counties and municipalities. These he listed as follows:

A desire for improvements which they cannot afford.

The issuance of bonds by small struggling communities where the property and taxing power is not sufficient to provide for the payment of principal and interest.

Misfortunes, such as disastrous floods, fever epidemics, etc.

Railroad Securities

Securities of the leading railroads have been and should continue to be a prime source of investment for the funds of life insurance companies. At the close of 1927, 19.5 per cent of the total assets of life insurance companies were invested in bonds and stocks of railroads. The total amounted to two billion five hundred seventy-four million dollars. In a year there was an increase of over 7 per cent

in the holdings of these securities by life insurance companies. Those responsible for acquiring such investments, however, need a wealth of understanding and statistical knowledge of securities, it was declared.

The railroad equipment trust certificate is one type of railroad securities where default of principal and interest is practically unknown, Mr. Sherwood says. Ordinarily they are issued for not more than 75 per cent of the total and proper cost of standard new equipment. The lease executed by the trustee to the railroad usually calls for a rental charge sufficient to pay the principal and interest of all the certificates as they mature.

The bonds of public utility companies



A Bank's Service To Banks

MUST be prompt and competent, of course, but we add something—a personal interest which assures satisfaction and indefinite continuation of the relationship.



*On these terms
we invite your business*

CHICAGO TRUST COMPANY

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

CHICAGO

TODAY'S
investment
opportunities

FOR
those in-
vestors

who buy sound securities on intrinsic values, wisely appraised—whose judgment is unwarped by “mass psychology”—today's investment markets afford great opportunities.

There has been a temporary neglect of sound investment issues on account of current speculative activity. Moreover, abnormal stringency in the money markets has for the present eliminated many banks and financial institutions as purchasers.

As a result, the prudent buyer can obtain today long-term securities whose income return is attractive under existing circumstances. As speculative conditions and money rates return to normal the prices of sound bonds and preferred stocks should advance materially.

Investment values in the public utility field are based on the economic progress of the nation. Descriptions of a number of issues which we recommend for immediate purchase will be sent on request.

G. L. OHRSTROM & Co.

INCORPORATED

Forty-Four Wall Street
New York

PHILADELPHIA 225 So. 15th St.	BOSTON 30 Federal St.
CHICAGO 231 So. La Salle St.	LOS ANGELES 548 So. Spring St.
MINNEAPOLIS McKnight Building	DETROIT Buhl Building
MILWAUKEE 425 E. Water St.	ST. LOUIS Liberty Central Bldg.
SAN FRANCISCO Russ Building	

form a type of security which has become increasingly attractive to life insurance companies within the last five years. The investments in public utility obligations have more than doubled in this five-year period, so that now life insurance companies hold nearly 8 per cent of their assets in the bonds and stocks of these companies. At the end of May, 1928, life insurance companies held nearly 35 per cent more public utility bonds and stocks

than at the same time the year previously. As with the securities of railroads, here again the analysis must be exhaustive.

The time probably will never come, in the view of Mr. Sherwood, when stocks, regardless of legality, will occupy in the investment list of life insurance companies a position comparable with either mortgages or bonds. Stocks represented in 1927 less than 1 per cent of the admitted assets of life insurance companies. Earning power, first, last and always, must be increasingly evident, it was said. An investment in stocks, however, does not necessarily imply speculation. "The risk finds its best expression in the ratio of current return expected on the capital."

In the banking and trust company field there are choice investments represented by shares of common stock. For the most part there are no preferred stocks or bonds ahead of these shares.

The investment buying power of life insurance companies is a business stabilizer of tremendous magnitude. "When securities are low, why should we not buy them, and contribute our bit, using the force of a portion of our investment power toward the stabilization of values so far as it relates to thoroughly tried and tested high-grade preferred and common stocks?"

Mr. Sherwood said it would be interesting during the coming years to watch the stabilizing value of this great buying power and its attitude of encouragement toward future financing through the medium of preferred shares of stock, as a result of the passage of the Wales-Merriman act by the New York State legislature. This act permits life insurance companies of New York State to invest in preferred shares of many corporations, subject to well-defined and proper restrictions.

The certainty of the investment must ever be the paramount consideration of life insurance companies, Mr. Sherwood says. "We must be diligent and competent and need no instruction in common honesty. Neither we nor those with us must relinquish our study of the fundamental principles of economics, of investment, of all that will help to make a safer and greater contribution to our country and our policyholders through the medium of our investment funds."

The sublimity of administration consists of knowing the proper degree of power which should be exerted on different occasions.—Montesquieu.

Our bravest lessons are not learned through success, but misadventure.—Alcott.

E. H. Ottman & Co.

Incorporated

Investment Securities

**Underwriters
Wholesalers
Participating
Distributors**

*Public Utility, Industrial
and
First Mortgage
Real Estate Bonds*

Bankers Building

Chicago



INSURED BONDS

National Distributors of
Guaranteed First Mortgage
Real Estate Bonds yielding 6
per cent.

These bonds are indorsed by
Surety Companies whose names
appear on the Government Ap-
proved list.

*Bank and Dealer
Inquiries Invited.*

H. SMITH & COMPANY

THE BANKERS BUILDING
105 West Adams Street
CHICAGO

*In the Grand
Central Section*

HOTEL MONTCLAIR

Lexington Ave.
49th to 50th St.
New York City

New York's newest and finest Hotel

800 Rooms 800 Baths

Radio in Every Room

3 minutes' walk from Grand Central,
Times Square, Fifth Avenue Shops
and most important commercial
centres, leading shops and theatres.
10 minutes to Penn. Station.

*Grand Central Palace
only 2 short blocks away*

S. Gregory Taylor,
President

Oscar W. Richards
Manager

Room & Bath
Tub and Shower

\$3 to \$5
per day
For 2 Persons

\$4 to \$6
per day

Announce New Corporation

The National Bank of the Republic has announced the formation of a new affiliated corporation, to be known as The National Republic Industrial Service Corporation, which will render analytical and reconstructive service to corporations or business firms which are not making proper financial progress.

"I have felt for many years that a company of this sort could render constructive service," said George Woodruff, vice-chairman of The National Bank of the Republic, in announcing the new corporation. "I feel that losses can be avoided by not only the creditors but also by the stockholders of business concerns if unprofitable practices and procedures can be detected and stamped out prior to the development of financial weaknesses."

"The National Republic Industrial Service Corporation will make a thorough analytical survey of administrative, productive and distributive activities and will outline a proper schedule for future successful operations. In case additional capital should be considered necessary or if a refinancing program should be decided upon, The National Republic Industrial Service Corporation will be in an advantageous position to offer attractive underwritings to banks or investment banking houses."

Arthur J. Hughes, now a vice president of The National Bank of the Republic of Chicago, will be president of this new corporation and the executive officers of the bank will act as an advisory committee.

To Increase Capital Stock

At a special meeting of the Board of Directors of the Seaboard National Bank held last month, it was decided to call a meeting of the stockholders to authorize an increase in the bank's stock from 90,000 to 110,000 shares. It is proposed also to increase the stock of the Seaboard National Corporation by a like number of shares. Units consisting of one new share in each institution will be offered for subscription to shareholders pro rata at the rate of \$300 per unit. Accordingly, each holder of four and one half shares of stock of each institution will be entitled to subscribe to one new unit.

The \$6,000,000 of additional capital which will be paid in as a result of this proposal is to be employed as follows: An increase of \$2,000,000 in the capital stock of the Seaboard National Bank, bringing it from \$9,000,000 to \$11,000,000; an increase in the surplus of \$3,000,000, bringing the surplus from \$11,000,000 to \$14,000,000; and the remaining \$1,000,000 to be allocated to the Seaboard National Corporation for an increase in the capital funds of that subsidiary from \$2,250,000 to \$3,250,000.

The combined capital and surplus of the Seaboard National Bank will be \$25,000,000, as soon as the capital issue approved by the Directors is authorized by the stockholders and approved by the comptroller of the currency.

It is expected that the present dividend rate of 16 per cent on Seaboard Bank stock will be continued after the consummation of the capital increase. Sub-

scription warrants for the new shares will be issued on December 14, 1928, to stockholders of record on that date, and the right to subscribe for these shares will expire December 29, 1928.

Great personages, who are selfish and whimsical, are generally surrounded by parasites and buffoons.—Disraeli.



MUNICIPAL bonds offered by this company are safeguarded by our careful study of their adaptability to bank investment. They are favorite investments of careful bond buyers who seek safety of principal first and foremost. Write for detailed circulars.

CARLETON D. BEH CO.

INVESTMENT SECURITIES

SUITE 518 LIBERTY BLDG.

DES MOINES, IOWA

DAWES & COMPANY

INCORPORATED

Investment Securities

39 SOUTH LA SALLE STREET

Chicago

Building a Bank on Security and Service

(Continued from page 21)

First, that of protecting the funds of its depositors beyond any possibility of loss; and secondly, that of investing its money

in enterprises which were not only safe, but economically beneficial to the community.

Security to the depositors, and service to the community, have become the watch-words of this great Los Angeles bank.



THE DETROIT COMPANY

Affiliated with
DETROIT AND SECURITY TRUST COMPANY

We maintain active markets in the following bonds:

Arkansas Power & Light Co.	5's	1956
Central Ill. Public Service Co.	4½'s	1967
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Philadelphia Company	5's	1967
Public Service Co. Northern Illinois	5's	1932

Inquiries are invited

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NEW YORK

SAN FRANCISCO

Today the Security Trust & Savings Bank stands as striking evidence of the soundness of the principles upon which it was founded. It is today the largest bank west of Chicago operating in a single metropolitan district. It has more than 328,000 depositors, equal to one out of every four residents of the district in and about Los Angeles in which it is established.

The officers of the Security Bank believed from the beginning that the secret of the bank's growth would lie in the development of the community. Therefore, as time has recorded the years, officers and directors of the bank have been identified with every major forward movement of the city of Los Angeles. They have seen it become one of the five largest cities in America.

In 1889 the population of Los Angeles was 50,000. At the end of the same year the Security Trust & Savings Bank had total deposits of \$154,007, or \$3.08 for every person in the city. Today the population of the city is estimated at about 1,250,000. Today the Security Trust & Savings Bank has total deposits of \$252,000,000, or \$200 for every one of the present population.

In 1889 the business section of Los Angeles consisted of a few low buildings in the vicinity of the Plaza. Today the central shopping area of Los Angeles is spread from First Street to Figueroa Street. In 1889 the Security Bank occupied one room in a building at First and Main Streets. Today it occupies, with its branches, ground floor space in 56 modern buildings. And the city and the bank continue to grow, each with a feeling of friendship and respect for the other.

From 1913 to 1918 J. F. Sartori was a member of the Currency Commission of the American Bankers Association, and during 1914 he was president of the Savings Bank Division of the American Bankers Association. From 1908 to 1928 he was a member of the Legislative Committee of the California Bankers Association, resigning last June at the time of the convention of the association. He is credited with the authorship of the California Bank Act, a model of legislation since copied in many states. Bank failures in California since its passage are said to have been the smallest in number of any state in the Union.

Mr. Sartori is president of the following organizations: The Los Angeles Clearing House Association, Security Company, the investment subsidiary of the Security Bank; Subway Terminal Corporation of Los Angeles and the Security Bank of Alhambra. He is vice president and director of the Central Investment Company. He is director of the following institutions: Los Angeles Branch of the Federal Reserve Bank of San Francisco, Morris Plan Company of Los

Angeles, Central Fireproof Building Company, Century Fireproof Building Company, Chester Fireproof Building Company, and Commercial Fireproof Building Company. Mr. Sartori called and presided over the group of men who built the Biltmore Hotel and was the dominant figure in the conception and erection of the Subway Terminal Building.

His social activities are centered in the Los Angeles Country Club of which he is president and the California Club of which he is a past president. Mr. Sartori helped found the former club and has been re-elected president for fifteen terms. He is also a member of the Johnathan Club, University Club, Midwick Country Club, Los Angeles Athletic Club, Craggs Country Club, Phi Delta Theta fraternity, the Historical Society of Southern California and is a director-member of the Automobile Club of Southern California.

Mr. Sartori was married in June, 1886, to Margaret Rishel at Le Mars, Iowa. Mrs. Sartori is a regent of the University of California in Los Angeles and is active in the affairs of the Federation of Women's Clubs.

Mr. Sartori, as president of the Security Trust & Savings Bank, with resources of more than a quarter-billion dollars, is head of the eighth largest bank in the United States, outside of New York City. It has fifty-three branches in the Los Angeles metropolitan area. He has achieved a notable place in financial circles through his keen insight, his exceptional grasp of the broader principles of finance, his sound judgments and sterling integrity.

Will Resist Guaranty Assessment

(Continued from page 26)

of auditing each going bank at an average of \$300 and each receivership at \$175.

Other indications of the restive attitude of the state toward the bank guaranty law have come from Bridgeport and Verdel. Depositors of two failed banks at Bridgeport decided to ask the legislature to make a thorough investigation of the methods of the guaranty fund. The Bridgeport State Bank was closed three years ago, and then was operated by the commission until its assets were sold. Depositors say they have received only 10 per cent of their deposits. The Nebraska State Bank at Bridgeport, which closed last April, has paid 15 per cent, they say.

At Verdel, where the Farmers State Bank was taken over by the commission in July, 1925, and operated for two and a half years before finally closing, depositors say they have received nothing.

Punishment of a miser—to pay the drafts of his heir in his tomb.—Hawthorne.

THIS institution was organized—
—is now being conducted—
and will continue as a conservative
investment banking organization—
with progressive management.



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TELEPHONE, WALNUT 3917

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	Rate	Due	Yield About
Council Bluffs Gas Co. . .	5s	May 1948	5.35%
Iowa Southern Utilities Co.	5½s	July 1950	5.40%
Southern Ind. Tel. & Tel. Co.	6s	June 1947	6.00%
General Water Works Corp.	5s	June 1943	6.00%
Federal Pub. Serv. Corp. Pfd.	6½%	-	7.00%

Descriptive Circulars on Request

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ROYAL UNION LIFE

INSURANCE COMPANY

DES MOINES, IOWA



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

A Fast Selling Policy

A "best seller" of the day is our Ordinary Life Coupon policy. It is the last word in thrift and savings, coupled with life insurance. By coupons it may be made a paid-up participating policy in 11 to 22 years, or an endowment in 25 years. In event of death this great contract gives protection at ordinary life rates and refunds coupon amounts at compound interest. No wonder it is a fast seller. It sells itself.



ROYAL UNION LIFE INSURANCE COMPANY

Des Moines, Iowa

A. C. TUCKER, President

BY-PRODUCTS of Life Insurance

I AM of the belief that the greatest weapon in the world with which to fight Bolshevism and Reds is property ownership and ownership of a Life Insurance policy. We never find the spirit of Bolshevism rising where there is peace and contentment, where there is property ownership, where that thing that inspires the buying of a policy contract is present, and after I consider the power of Life Insurance, I think of its functions, I think of Life Insurance in action. I believe perhaps the two greatest functions of Life Insurance are, first, to pay debts and to leave an individual square with the world when he passes away, and the second greatest thing that I believe, for the largest number, is to continue income after it has been cut off. Every individual on the face of this earth must some day have their income entirely cut off by one of three things. Either from old age gradually coming on, the hardening of the muscles, the dying down of the winds that fail before the ship has finally crossed life's seas; or disability, the loss of earning power whereby a man becomes a consumer of income rather than a producer of income, when he still continues to need the things that income produces but has no income with which to produce it; and finally the thing that I always mention last in any talk, Death, that monster demon that has no respect for persons, that usually comes at the wrong time and cuts off income and therefore causes man's plans of life to fail in their fulfillment.

When Everything Else Fails

Of all the plans devised by intelligent men since the days of Adam, we have the only institution and the only business that begins to function where everything else fails. Any other plan of creating an estate, any other plan of providing for the members of a man's family after the loss of earning power, has failed. But we remove those hazards. Life Insurance reaches out into the future, five, ten, fifteen twenty years, yes, for a lifetime. Life Insurance companies guarantee the distribution of the earnings of that man who has put it into a policy contract. They guarantee to distribute them exactly

What this great institution is doing to make America a better place in which to live.

By JOHN W. YATES

*General Agent
Massachusetts Mutual Life*

as the man would distribute them if he were here, so that the only difference is that he is not here to sign the checks. May I ask you to get that picture so clear in mind that you will never forget it—that Life Insurance reaches out and pays the economic value of a Life Insurance policy in every pay check that a man would get during his entire lifetime. Innumerable

The Results of Life Insurance

"I cannot think of the power of Life Insurance without thinking of that great amount of twelve billion dollars which has been collected from the byways and the highways of this great country of ours, that section of the money that has largely been salvaged, that would have otherwise been placed in other less worthy channels, that has been brought to this particular canvassing machinery of Life Insurance companies, in order that this vast total might make America a more wonderful place in which to live."

millions of dollars are placed in the reservoir of funds of Life Insurance companies, to be distributed back again to those people that need it.

I ask you to think of a train leaving the city of Washington each night loaded with a cargo of four million dollars of money in cash, making a trip around America, through every valley, dale, and hill, and distributing to the needy people at each and every country in this great America of ours, that portion of a man's earnings which he contracted should be delivered to somebody else when he is no longer there.

I think perhaps that I never received greater satisfaction in my life from a life

contract than one which I delivered a very short time after going into the business. It was in the city of Seattle, Washington, and it was to an executive of a car corporation. He had an income of \$18,000 a year, and in those days that was considered a very good income. He owned a beautiful city home and a cottage by the lake. He had three automobiles, one for

his wife, one for his daughter and one for himself. He was then a director of many corporations, although only 36 years of age. His wife and daughter and his mother-in-law were on their way to the city of New York preparatory for the daughter and grandmother to spend a year in Europe, where the daughter was to study. On the way there, they received a wire from this man saying that he had a light case of smallpox, nothing to be worried about. On their arrival in New York they received a telegram that he was dead. He died about 6 o'clock in the morning; at 3 o'clock that afternoon he was cremated. They thought the nurse must have poisoned him by mistake.

It just happened that he had this life contract with our company providing for \$150 per month payable to his wife during her lifetime. The family rushed back to the city of Seattle, and when they rounded up the estate, they had to sell the automobiles. It was necessary to sell their city home and to move into the cottage by the lake, and when the wife came to our office, she was disappointed that on \$15,000 worth of insurance, \$5,000 of which was paid to the bank for a loan, she received a check for only \$150. She said that she had splendid opportunities, places in which she could put her money. She mentioned four of them, and she had absolute faith in them, especially one, which was a second automobile concern guaranteed to pay 25 per cent. dividends. Reduced, if you please, from the height of prosperity to the depths of despair. The day that Mrs. Yates left for Chicago, this widow called up and said I had been very kind, and would we be interested in renting her piano for \$5 a month. But as the sun sinks down into the lake of Washington tonight, sadness will probably come into the hearts of this little family, but at the same time gladness

“Where There’s Smoke There May Be Fire”

Furnaces, stoves, open fire-places—all contribute to the warmth of your depositors.

A flying spark, a misstep, carelessness, neglect—all contribute to the danger of being “put out in the cold.”

Caution your clients to be cautious.

Cautiousness includes full coverage with an Iowa National Fire Insurance Policy.

*The Tall Grown
Company
in the
Tall Corn State*

**Iowa National
Fire Insurance Company**
DES MOINES

Fire, Lightning, Tornado, Automobile



will be there that this month and every month for the past seven years and every month through the entire lifetime of this little woman, that check will be delivered to the front door of that little cottage so that she knows that her children and herself cannot come to want.

The Heart of Life Insurance

And I think that the very heart of Life Insurance is monthly income. Let me say to you that the reason for buying Life Insurance is not because the insured is going to die, in that case he is as useless in the picture as the man is at the wedding, he is just being operated on, that fellow. The reason for buying Life Insurance is not because the insured or policyholder is going to die, but because somebody else is going to live and must be provided for. The very name itself suggests that. It is called Life Insurance, if you please, because it sustains life, and the only plan of insurance that sustains life is monthly income.—From Sales Congress Address.

May Boost Omaha Rates

Notice has been served on Omaha officials by William D Rohan of New York, fire engineer for the National Board of Fire Underwriters, that unless immediate measures are taken to restore the fire fighting forces of the city to normal, rates will certainly be increased. The commission recently cut down the amount available for the department during the remainder of the year to such an extent that the number of firemen on duty at one time is materially decreased. Mr. De Rohan is in Omaha to supervise an investigation of fire prevention facilities. Joseph Barker, vice president of the Foster-Barker agency, one of the largest in the city, said that the rate increase will be from 20 to 50 per cent unless adequate relief is given the department.

To Pay All Losses

The Nebraska Insurance Department announces that all losses incurred by the State Hail Insurance Bureau will be paid in full this year. Last year, with twice the volume of premium receipts, the fund was able to pay only 85 per cent of its adjusted losses. Premium payments were but \$21,386 this year compared with \$51,000 last year. Losses this year were \$19,602. Payment of losses will be made December 1st, by which time county treasurers must have their collections remitted.

Issues No. 100,000,000

The Metropolitan Life Insurance Company has issued industrial insurance policy No. 100,000,000. The company's first industrial policy was written in November, 1879, 49 years ago. Recently, in one week, 73,779 other industrial

policies were issued by the home office. The total insurance represented by these industrial policies is approximately \$14,750,000,000.

To Meet This Month

Stressing the present day mission of business as a builder of national unity, speakers at the twenty-second annual convention of the Association of Life Insurance Presidents will point to outstanding achievements and paint a composite picture of further opportunities at hand. Accomplishments of business in general and life insurance in particular will be discussed. Emphasis will be placed on the way in which business, by breaking down state barriers, is bringing the people of the East and West, the North and the South, into closer bonds of a common understanding and purpose. The convention, as usual, will be held at the Hotel Astor, in New York, the dates being Thursday and Friday, December 13th and 14th.

Hold District Conference

Fourteen representatives of the Northwestern National Insurance Company attended a district meeting held at Creston, Iowa, recently. H. O. Wilhelm, manager for Iowa and Nebraska, had charge of the business session in the afternoon, and was the principal speaker at the banquet. The representatives came from Villisca, Clearfield, Corning and Diagonal.

Insurance Trusts Growing

Our enormously increased wealth as a result of this country becoming the money center of the world and the greatest industrial nation has been reflected in a greatly augmented personal and life insurance trust business in banking institutions throughout the United States, ac-

ording to Walter Tresckow, of the Central Union Trust Company of New York. It is not possible to estimate the total of personal and life insurance trusts, Mr. Tresckow states, because complete figures are not available and also because the different banks and trust companies keep their books by different methods; some report par values while others use market quotations for securities held in trusts. It is believed, however, that life insurance trusts alone approximate three quarters of a billion dollars.

Over and above this, the tremendous gain in the number of incorporated industrial enterprises, has swelled the aggregate of corporate trusts to many billions of dollars, including those handled by state banks and trust companies as well as by national banks.

In addition to the necessity for safeguarding properly the enhanced wealth of the nation, another factor promoting the creation of personal trusts has been the general realization of the value of experienced banking and trust company officers in handling the investment of trust funds and in settling estates.

"In the banking field," it was stated by Mr. Tresckow, "a result of our appreciation in wealth has been to increase materially the number of banks and trust companies having trust powers so that at present not far from one-fifth of all the banks and trust companies in the United States are acting as trustees in either the personal or corporate trust branches or in both.

"A survey of the situation shows that in the 26,389 state, national, savings banks, and trust companies in continental United States, 4,925, or 18 per cent, now have trust powers. As is natural, the older and wealthier states where there are large industrial units, and where numerous large private fortunes have

JOHN HANCOCK SERIES

"Insurance companies give the best odds in the world. Every man knows in his own heart that an insurance company will bet him more than he is worth that he won't die."

—Will Rogers.

Harry Haskins
State Agent
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OVER SIXTY-FIVE YEARS IN BUSINESS

A UNIQUE FEATURE of MANAGEMENT

ACTIVE direction by a compact body of men of large affairs is one of the excellent features of Northwestern National Life's management. Of special importance is the fact that the Board, through its executive and finance committee of six members which meets each week, makes all the Company's investments and closely supervises its progress.

BOARD OF DIRECTORS

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Pres. Northwestern National Bank

*C. T. Jaffray

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Pres. F. H. Peavey & Co.

*O. J. Arnold

Pres. Northwestern National Life

*Member executive and finance committee

**NORTHWESTERN NATIONAL
LIFE INSURANCE COMPANY**

STRONG Minneapolis, Minn. **LIBERAL**

Northwestern Banker December 1928

been built up, are found the higher percentages of banks so empowered.

"The lowest ratio is that of North Dakota, where only 15, or 3 per cent, of its banks are authorized to maintain trusts. Delaware's percentage—50—is the highest, although Vermont follows closely with 49."

Is Southern Representative

Louis Jacoby, widely known among Southern business men not only in the realm of commerce, but likewise in golf, is returning to the South from New York City as Southern representative of the Seaboard National Bank of New York City, with headquarters at Dallas.

Mr. Jacoby, who has been connected with the Westinghouse Electric & Mfg. Co., for nineteen years, most of this time in the South, is a native of Dallas. He had charge of the Westinghouse offices at Dallas, from 1920 to 1926 when he was transferred to the New York City executive offices of the Westinghouse Commercial Investment Company. Mr. Jacoby left the Westinghouse Corporation to return to the South for the Seaboard National Bank.

Previous to 1920, Mr. Jacoby had served as manager of the Westinghouse offices in Houston, New Orleans and Charlotte, N. C., for a five-year period. He traveled extensively through the

South for his firm and formed a wide acquaintance in the business field.

Mr. Jacoby is a graduate of the Massachusetts Institute of Technology of Boston, with a B. S. degree in Electrical Engineering and of the University of Texas with an A. B. degree. He was elected to Phi Beta Kappa at Texas. His early schooling was in Dallas. He is a member of the Dallas Athletic Club, the Dallas Country Club and the Brook Hollow Golf Club.

"A Hunting We Will Go"

When four Des Moines men, including Clarence N. Anderson, Des Moines general agent for the New England Mutual Life, wanted to go duck hunting recently, they chartered a four-passenger Fairchild airplane and hopped off on a



Saturday morning for Minot, North Dakota. The following Tuesday evening they flew back to Iowa with 40 ducks to show for their hunting skill. Mr. Anderson, with Pilot John Cable, are shown above, standing in front of the plane.—Photo, courtesy Des Moines Register and Tribune-Capital.

A Great Company Daily Growing Greater

The Missouri State Life shows a gain of more than 50 per cent in Paid For business for the eleven months of 1928 over the same period of 1927.

Paid For business to November 15, 1928, totals over \$260,000,000.00. Insurance in force now over \$1,140,000,000.00.

*Largest Life Insurance Company West
of the Mississippi River*

J. CARTER WITT, Manager, Des Moines Branch

MISSOURI STATE LIFE INSURANCE COMPANY

Hillsman Taylor, *President* Home Office, St. Louis

Redeem Belgian Bonds

J. P. Morgan & Co. and the Guaranty Trust Company, as sinking fund administrators, have notified holders of Kingdom of Belgium external loan thirty-year sinking fund 6 per cent gold bonds, due January 1, 1955, issued under contract dated December 16, 1924, to the effect that \$1,591,800 principal amount of the bonds have been drawn by lot for redemption at par on January 1 out of moneys in the sinking fund. Bonds so drawn will be redeemed on or after January 2 at J. P. Morgan & Co. or at the Guaranty Trust Company.

Figuring Interest and How!

(Continued from page 15)

balances compounded semiannually.— (\$54.78.)

The Executive Committee of the Savings Bank Division, however, has published four methods of computing interest, for the sake of uniformity and the four methods are as follows:

a. Interest to be compounded semiannually. Deposits to draw interest from date of deposit, on all sums on deposit for at least one calendar month preceding interest date. Year to be divided into four quarters. *No interest to be allowed on withdrawals made during the quarter.* Withdrawals to be deducted from latest deposits.

b. Interest to be compounded semiannually. Deposits to draw interest from date of deposit, on all sums on deposit for at least one calendar month preceding interest date. *No interest to be allowed on withdrawals made during the six months period.* Withdrawals to be deducted from latest deposits.

c. Interest to be compounded semiannually. Deposits to draw interest from first of each month on all sums on deposit for at least one calendar month preceding interest date. Year to be divided into four quarters. *On withdrawals interest to cease on first day of quarter in which withdrawal is made.* Withdrawals to be deducted from latest deposits.

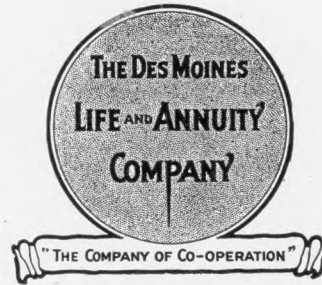
d. Interest to be compounded semiannually. Deposits to draw interest from first of each month, on all sums on deposit for at least one calendar month preceding interest date. Deposits made after the first of each month to draw interest from the first of the following month. *No interest to be allowed on withdrawals between interest periods.* Withdrawals to be deducted from latest deposits.

On savings accounts remaining dormant for two years, where the balance is \$5.00 or less, it is recommended that payment of interest cease.

Graf Zeppelin Was First

The first recorded use of manufactured gas as fuel for an air craft was marked by the recent arrival of the Graff Zeppelin in America, comments the Pennsylvania Public Service Information Committee. Gas has hitherto been used on land, underground and underwater, but this was its entrance into a new field.

The gas, known as "Blau gas," named after its discoverer, Herman Blau, of Augsburg, Germany, is said to be a mixture of ethylene and butane, both bases already well known to chemists. Americans were for many years familiar with Blau gas, which was used for illumination in railroad coaches in light called "Pintsch lights."



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 as assistant cashier or bookkeeper and teller for January 1, 1929, or sooner on short notice, in bank where there is plenty of work and a chance for industrious and thrifty man, age 25, single, 6 years' banking experience. At present employed. Can invest if desired. Address No. 3065, care Northwestern Banker—11-12-1.

Young man, 35 years old, with 10 years' practical country bank experience, desires change to some good country bank with privilege of writing some insurance. Will invest some capital to get an executive position. Would like cashiership in a city of 1,000 to 1,500 population. Can change at any time. What have you to offer? Address No. 3066, care Northwestern Banker—11-12-1.

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—7-12.

Are you the right man? A sound, fast-growing financial institution in the Middle West wants to get in touch with five men of banking experience who are unattached at the present time or who are interested in a position where there is opportunity for growth. This institution directs this advertisement to bankers, because in their present staff the most outstanding successes are bankers. Full information will be furnished in a personal interview if you will tell all about yourself in the first letter. Men between 25 and 45 preferred. No investment necessary. Address No. 3067, care Northwestern Banker—11-12.

Young man with some capital, would like to secure a position in some medium-sized city in the capacity of assistant cashier, with opportunity for advancement. Has had several years of country banking as assistant cashier. Address No. 3068, care Northwestern Banker—11-12-1.

Wanted at once, young man familiar with stenography, one or two years of bank work, as assistant cashier of new, clean growing bank. Make detailed application. Rolette State Bank, Rolette, North Dakota—11-7.

Wanted Job!—Assistant cashier by young married man. Wants place where there is plenty of work. Can give best references. Address No. 3073, care Northwestern Banker.—12.

An Ex-service Man, with several years' banking experience and some accounting desires change to some bank or other corporation where there is plenty of work to do, and a chance for an executive position in a year or so. Can make a small investment, and make a change at most any time. Wages not the reason for change. Excellent references. Address No. 3074, care Northwestern Banker.—12-1-2.

An Unusual Opportunity for a High Class Salesman

The Standard Statistics Company of New York wishes a high grade representative to sell its publications to banks, investment houses, large investors and corporations in Iowa and Nebraska.

These publications furnish vital information regarding investment securities, and trade and economic conditions. They are now being used by all the biggest financial institutions in this country.

This company is the largest statistical organization in the world. This man will have the advantage of an established prestige. He will also have the support of an advertising campaign, and co-operation from the home office in closing by mail, prospects he is unable to close personally.

He must furnish his own car. A portion of his sales work will require a car.

Compensation—generous commission, drawing account and traveling expenses.

This opening means hard work. But it offers unusual rewards to the right man.

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

Our seasoned men are earning \$6,000 to \$12,000 a year.

If this interests you, write giving complete information regarding your business and sales experience. Also references. Arrangements will be made for an interview in Des Moines and Omaha in the near future, if your letter indicates that this will be mutually profitable.

Address: R. G. Stoddard, Sales Promotion Manager, Standard Statistics Co., Inc., 200 Varick St., New York, N. Y.

Why Women's Departments Fail

(Continued from page 30)

new game and has come to regard it as a business wants the bars down. She wants to do business out in the open and to play the game without handicaps or allowances. And so she passes by the window of the woman's cage and comes out on the floor.

Another Point

There is another important point involved. The woman in charge of the women's department, if she is any good, as most of them are, should either be holding an executive position on the general staff of the bank or in line for the next vacancy. Many men have sense enough to consult a woman on matters that should be within her range of knowledge and experience, and many such matters are constantly cropping up in business. But the man may not go to the women's department, although there is nothing to keep the women to it. And so much of a good executive's capabilities are wasted by the restrictions imposed upon her position. Both the bank and its clientele need women on the executive staff, but the women's department should be relegated to the place where one's unsuccessful experiments are interred—after one has drawn all the possible deductions from them.

Poverty, like many other miseries of life, is often little more than an imaginary calamity. Men often call themselves poor, not because they want necessities, but because they have not more than they want.—Johnson.

Remember the teakettle—though up to its neck in hot water it still sings.

It is better to be on the level than to climb upward on a crooked path.



South Dakota Bank News

Officers South Dakota Bankers
Association

President.....R. E. Driscoll
Lead

Vice President.....Thomas O'Brien
Hoven

Secretary.....George A. Starring
Huron

Treasurer.....J. C. Bassett
Aberdeen



R. E. DRISCOLL
President

GEO. A. STARRING
Secretary

In New Building

The formal reopening of the First National Bank of Miller, South Dakota, was held recently in the completely remodeled building.

Among the improvements in the building were an addition of 25 feet to the length of it, and new fixtures throughout.

Punch and wafers were served, and ladies were presented with flowers. There were many floral tributes from friends of the bank and from other banks.

The improvements in the banking house were made at a cost of \$40,000, according to officials. The bank is said to be one of the best equipped in the state.

Sioux Falls Clearings

Sioux Falls, South Dakota, bank clearings for October were \$1,182,306.88 more than they were for the same month last year.

The bank clearings for the month were \$7,257,602.76, while the bank clearings for October, 1927, were \$6,075,295.88.

Sioux Falls bank clearings for the month of October this year exceeded the amount for the month previous by \$683,253.50. The September bank clearings were \$6,574,349.26.

Twenty-five Years Old

The Commercial National Bank of Sturgis, South Dakota, has observed its twenty-fifth anniversary.

The bank opened its doors for the first time 25 years ago.

It was opened then by N. W. Brown, cashier, and Frank W. Shaw, assistant cashier.

Its growth has been slow but substantial and continuous, the last published statement made at the call of the national comptroller of the currency showed total assets of over \$1,100,000.

The bank recently added considerable space to the floor accommodations by adding two large rooms and a large all-steel fire and burglar proof vault, and increasing the lighting facilities and desk room. The present officers of the bank

are Theodore Hass, president; Fred P. Hampton and Walter Johnson, vice presidents; John W. Kelley, cashier.

Pioneer Dies

O. L. Branson, 67, pioneer banker of Mitchell, South Dakota, died at his home recently after an illness of two years.

Mr. Branson came to Mitchell in 1896 and took charge of the First National Bank. He later purchased the controlling interest and became its president. He sold his interest in 1925 and entered a farm loan and investment company and later organized the O. L. Branson company bank, which he operated up to the time of his illness. He is survived by a widow, two sons and one daughter.

Meet in Canton

An association known as the Sioux Valley Bankers Association was formed at a meeting of 23 bankers from Alcester, Beresford and the towns of Lincoln County, which was held at Canton, South Dakota, recently. The officers elected were G. J. Moen of the First National Bank, Canton, secretary.

The association is similar to that of others being formed throughout the state and northwest, Mr. Moen stated, and has for its object the promotion of sound banking principles and the rendering of the most efficient service possible to the banking public.

Meetings will be held from time to time throughout the district served by the member banks and it is planned to have prominent visiting bankers and students of economics and finance address these meetings.

South Dakota News

The South Dakota Bankers Association has completed a statewide survey to ascertain the status of interest rates on time deposits. A trifle over 80 per cent return was received, 336 banks have sent in their questionnaire blanks.

This survey shows that 75 per cent or 252 banks are paying 4 per cent or less on time deposits. Forty-five banks are

paying 4 per cent for six months and 5 per cent for twelve months. Thirty-six banks are paying 5 per cent straight; two banks are paying 4 and 4½ per cent and one bank is paying 4½ and 5 per cent. Of the eighty-four banks which are paying more than 4 per cent interest, fifty-five state that they are planning to reduce this rate within the next few months—many of them by January 1, 1929. Forty-two banks have reduced their rate of interest since January 1, 1928.

A total of 219 South Dakota banks have adopted the service charge on unprofitable checking accounts. This action has been taken by 126 banks since January 1, 1928.

The protective department of the South Dakota Bankers Association will soon supply all of the member banks with an accurate printed list of South Dakota banks for the use of tellers and transit departments. Banks are having an increasingly amount of trouble on account of bad checks passed on local merchants and drawn on fictitious banks or closed banks. This list will be of considerable assistance to bank clerks in handling such items.

The regular meeting of the Hanson County Bankers Association was held at Farmer, recently, with a good attendance, all but one bank in the county being represented. President Charles Coyne, of Emery, presented a report of the tax meeting which was held in Huron. It was voted that the local delegation to the next legislature be invited to the December meeting of the county association for a full discussion of taxes and other legislative matters.

The Clark County Bankers Association held its semi-annual meeting recently, president of the association presiding. One of the chief subjects of discussion was the agricultural work of the county association, which was presented by M. J. McGillivray of Garden City, chairman of the county agricultural committee, and by County Agent Eberle. Their reports revealed that bankers of the county had loaned farm boys money on sales contracts for the purchase of forty-two good dairy calves. Geo. A. Starring, secretary of the South Dakota Bankers Association, was present and discussed such items as service charges, interest rates, analysis of accounts and taxation.

The trouble is, too many people just think they think.

All the sobriety which religion needs or requires is that which real earnestness produces.—Beecher.

How Safe Is Your Safe?

(Continued from page 28)

territory after their successful attacks in Chicago.

With well-planned jobs, adopting three methods in one operation, with a background of success on a large scale, this gang or other gangs adopting these methods are going to travel far before they are successfully stopped. *There have been few actual convictions for bank burglary.* Little evidence can be brought into court; very seldom can witnesses positively identify men seen in the semidarkness, and the best results have been obtained from a law penalizing the possession of burglar tools. Wisconsin and a few other states have such a law.

It is quite apparent that strength of equipment is the first deterrent to be considered. A big man very seldom gets a punch on the nose. Another matter to be considered in connection with burglary are adequate burglar alarms such as the McClintock "A" Grade of full six-sided protection having a burglary discount of 65 per cent, which reduction in itself is a very favorable recommendation, and for the smaller banks there are preventative devices that will foil or prevent entry to vaults through the door or that will delay their action to some considerable extent.

Our department has endeavored to impress upon the members of this association the necessity for the incorporation of torch-resisting metal in vault doors. There are still some banks that place price above

utility and buy laminated vault doors that are laid up with successive plates of open-hearth steel. The resistance to modern burglarious attempts of such a door is appallingly small.

The most modern development in vault doors sponsored by such high-class companies as the Mosler Safe & Lock Co., York Safe & Lock Co., etc., is the door with the integral shell casting with the heavy "V" type cast jam laid up with heat-resisting and drill-resisting metals and engineered to resist the known methods of attack. This type of door is sponsored by the leading vault engineers of the country and has the approval of this department.

We are fully aware that the underwriters give the same burglary discount in their manual for the door that is poorly constructed of the cheapest material, as long as it be of steel, as they do for the most carefully constructed door built to the highest type of specifications, including the best of materials and workmanship; but the question presents itself, *are you purchasing insurance discount or are you buying a door to protect the contents of your vault?* Simply because the insurance companies persist in retaining an obsolete classification there is no excuse for a bank to take the chance of a serious loss, and furthermore, what bank has complete insurance coverage?

There are many banks that cannot afford large doors and these banks are in the greater majority. What are we doing for them?

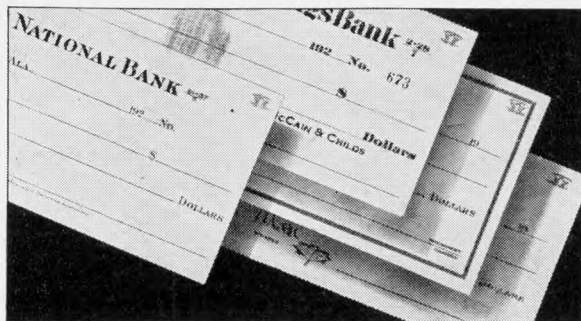
About three years ago the writer had occasion to examine gas protective devices. Inquiries kept coming in relative to a bottle to be attached to a door or placed in a safe that was selling at such low price that it attracted the banker's attention and many orders were placed subject to inquiry by this department.

We have access to several chemical analyzation laboratories, so we had this so-called gas analyzed. It turned out to be a very cheap combination of ammonia and mustard oil and upon so advising our members they cancelled their tentative orders.

Gas Not Always Effective

Realizing that there was a genuine demand for gas protective devices, possibly induced through the publicity relative to the use of gas during war time, this department endeavored to segregate the sheep from the goats, as this demand was being met by both good and bad devices. There were two products about two or three years ago that impressed us favorably. One was a solid gas, and the other was a liquid gas of the chlorpicirine type that was quite effective but liable to leakage and breakage and at the same time was inclined to be toxic to a greater degree than we felt was safe; therefore, we advised our members as to the results of this

DEPOSITORS APPRECIATE THE "SERVICE OF PROTECTION" IN THESE DISTINCTIVE SUPPLIES



All standard checking forms are available on Super-Safety paper

THE air of quality in the appearance and "feel" of the beautifully tinted Super-Safety Checks speaks well for the bank that issues them. But the most appreciated feature of these attractive checks is a service of protection they render depositors' funds in transit. Any attempt at alteration is exposed immediately. A glaring white spot appears if knife, ink eradicator or eraser is used to change the check. There is further protection in the fact that Super-Safety Checks are never sold in blank sheets—they are made only to a bank's individual order. To prevent counterfeiting, each sheet of Super-Safety paper is guarded as the Government guards bank-note paper.

The thoughtful service of providing depositors with Super-Safety Checks for protection against check alteration is evidence of an interest in and regard for a client's welfare. A personal note such as this in modern banking has done much to establish preference for a bank's service.

Many leading banks supply depositors with attractive Super-Safety Checks and use with them the hand-



Trade-mark

Covers and Binders. Antique Moorish Savings and Commercial Pass Books, Pocket Check Covers and Ring-bound Customer Check Covers, a standardized line of beautiful, durable supplies, are well qualified to represent your service. With bank building or business seal embossed on the covers they become a dignified advertising asset.

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THE TODD COMPANY, 1149 University Ave., Rochester, N. Y.
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Send me more information about Super-Safety Checks and Antique Moorish supplies.

Name of Bank _____
Name of Officer _____
Street _____
Town _____ State _____

inquiry and stated that if they decided to use gas protection we would recommend the solid rather than the liquid gas, all other things being equal.

Later we had an opportunity to test some of this solid gas that had been in our possession for about seven months. *Endeavoring to set it off in the usual way we found that it would not function.* We then lit it with a match and it burned, but apparently no tear gas was generated. This evidence of deterioration led us to inquire further and we find that this gas is being sold to police departments, sheriffs' offices, etc., and that the company's laboratories advise that the cartridges have an "effective life of (only) one year."

This statement caused us to think. Many of our banks installed this protective device two years ago or more and we were wondering what amount of protection they had if this gas deteriorates so rapidly. Inquiry among men who are in a position to know, develops the fact that jolting or shaking is one cause of deterioration, and they state that the opening and shutting of vault doors will in time separate the black powder contents of this gas so that it is not in a position to liberate the active element in the gas.

Realizing the possibilities of gas protection and looking for something more substantial in the way of service to our banks we then conferred with the Anakin Company of Chicago, and they are offering a

Think and Act Big!

Jessie Rittenhouse years ago wrote this little bit of verse:

MY WAGE

*I bargained with Life for a penny,
And Life would pay no more,
However, I begged at evening
When I counted my scanty store.*

*For Life is a just employer,
He gives you what you ask,
But once you have set the wages,
Why you must bear the task.*

*I worked for a menial's hire
Only to learn, dismayed,
That any wage I had asked of Life,
Life would have paid.*

five-year guarantee on their gas and locks together, backed by a \$500 bond for faithful performance of the function for which these protective devices are sold, and after the demonstration of the effectiveness of the combination of these two devices in the recent burglary of the post office at Ripon, Wisconsin, we believe that favorable action can be taken by this department on their devices without danger of in-

curing unfavorable criticism at a later date. This company is using a very modern product in their gas bomb.

When Locked in Vault

Recent robbery attacks have also created a demand for some means of safety for those who may be imprisoned in a vault by robbers. This demand has been met by the ventilator and vault-escape. The vault ventilator has been the choice of some banks, while others prefer to spend a little more to insure their immediate release from the vault. We are quoting Mr. H. P. Michael of the Underwriters Laboratories, Chicago, who states:

"The banker should consider human life, he should not expect his employes to resist the bandit's command if resistance jeopardizes the lives of employes and customers. Do not allow them to be locked in a vault. There are door attachments to prevent just such happenings."

An Old Story

The usual compromise that means increased outlays by the railroads for wages has been effected between the Western roads and their trainmen and conductors. It looked at one time as if disagreement would end in a strike and in fact every attempt at mediation was exhausted without result until the President appointed a special fact-finding commission, as pro-

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OUR SERVICE

We provide immediate credit of proceeds from sale of livestock. Why should commission checks travel from Sioux City to your town, be deposited in your bank, and travel back again for collection?

We can save you many dollars each year in interest and labor.

The Live Stock National Bank

of
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OFFICERS

A. G. SAM
President

H. B. SCOTT
Vice President

C. L. FREDRICKSEN
Cashier

M. A. WILSON
Assistant Cashier

W. G. NELSON
Assistant Cashier



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

FEDERAL SURETY COMPANY

W. L. TAYLOR

Vice President and General Manager

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Casualty Insurance—Surety Bonds

vided under the Rail Labor Act, to investigate the situation and report its findings. This body has apparently succeeded in bringing about a compromise whereby the roads relinquish their demands for alterations of certain working rules that would have reduced expenses while the men consent to take a wage increase of 6½ per cent instead of 7½ per cent. As the increase is retroactive, several millions will be added to the wages bill, past due, of the hard pressed Western roads.

Sometime there will have to be an end to the kind of shilly-shally compromises between the roads and their employees, of which this Western dispute provides the latest illustration. Attempts to settle wage controversies by legal methods are meritorious if they work, but when laws are used merely as a shield to cover the lack of any reasonable basis for agreement they are worse than useless, for they encourage just the sort of temporizing tactics that have been in vogue since the rail labor law was enacted. The experience of Germany with a system of compulsory arbitration indicates what may happen to the system of mediation and voluntary arbitration which our railroads are enduring. The German steel industry, after first submitting to demands for wage advances, has at last taken a stand against the system and is now resisting an officially sanctioned award of wage increases. Although our rail labor law contains no similar elements of compulsion, it possesses certain sanctions due to newness and the provisions for Government intervention as a means of influencing public opinion. But these features will not forever hold in leash the elements that are at war.—*From N. Y. Journal of Commerce.*

Become Vice Presidents

William C. Potter, president of the Guaranty Trust Company, New York, has announced the appointment of Alfred C. Howell and William L. Kleitz as vice presidents. Mr. Howell was president of the Ames Shovel and Tool Company, of Boston, when he went to the Guaranty Trust Company a few months ago. Mr. Kleitz has been an assistant vice president of the Guaranty Company for the last five years. He is a graduate of Cornell University, and entered the employ of the Guaranty after serving as a captain in the U. S. Army during the World War.

To Study Credits

The Duluth, Minnesota, chapter of the American Institute of Banking will study "credits" this winter. W. C. Beckman is president. The course is based on the institute's text book on the subject. L. G. Castle, cashier of the Northern National Bank, is instructor. Classes are in the Spalding hotel.

In all 120 chaplains are on duty with the regular army in the United States.

Nebraska Bank News

Officers Nebraska Bankers Association



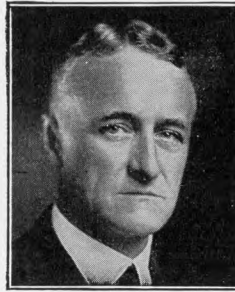
PHIL HALL
President

President.....Phil Hall
Greenwood

Chairman of the Executive
Council.....P. R. Easterday

Secretary.....Wm. B. Hughes

Treasurer.....Arthur L. Coad
Omaha



WM. B. HUGHES
Secretary

Directors Meet

The Federal Land Bank of Omaha, will loan approximately \$18,000,000 this year, according to John Carmody, secretary. The bank made \$16,750,000 in loans during the first 10 months of 1928, and now has more than \$163,000,000 in loans.

Directors of the bank met recently to discuss the placing of money in reserve, and the annual dividend.

Forty Years Old

The State Bank of Elkhorn, Nebraska, was forty years old Monday, November 5th.

The institution was originally organized as a private bank and began business November 5, 1888, by J. M. Bruner and B. B. Baldwin.

On June 15, 1909, it became a state bank and continued under the management of Messrs. Bruner and Baldwin until April 15, 1915, when it was purchased by the late Otto H. Schurman of Fremont, the late J. N. Wyatt, E. A. Schurman and J. A. Gibbons.

Mr. Wyatt was president of the bank until his death about 18 months ago, with E. A. Schurman as cashier. On the death of Mr. Wyatt, Mr. Schurman became president. Otto H. Schurman sold his interest a few years before his death, in March, 1927.

Resigns

W. O. Larson, assistant cashier of the Rising City, Nebraska, Bank for several years, has severed his connection with the bank and is succeeded by Wayne Drawbaugh, employed in the bank for two years.

Organize Security Company

With an authorized capital stock of \$100,000, the Miller Allied Securities Company has been incorporated by a group of prominent Columbus, Nebraska, men to do a general business in real estate, insurance, abstracting, loans, investment banking, guardian, administration, securities and other associated lines.

The new corporation is headed by A. R.

Miller, as president, and is, in effect, the outgrowth of the loan and securities business which he established individually after selling out his interests in the First National Bank three years ago and in which his son, Leonard S. Miller, has been associated with him since last June.

Cashier Resigns

George Wright, cashier of the Creighton, Nebraska, National Bank for the past three years, has resigned his position. Wright will be associated with W. H. Van Doozer in the organizing and building of cooperative creameries for the Nebraska Dairy Development Company.

W. L. Merrick of Minneapolis, Minn., will fill the position made vacant by Mr. Wright. Mr. Merrick has had several years' banking experience and comes to Creighton well recommended.

Use Sound Investments

Eastern investment bankers are advising their customers to put a larger proportion of their funds into sound investments, according to A. C. Potter, senior partner of Burns, Potter & Co., on his return to Omaha from New York City, Mr. Potter attended a meeting of the Omaha & Council Bluffs Street Railway Company Bondholders Protective Committee while in New York City.

Talks to Secretaries

Omaha's greatness lies in its agricultural setting and its trade territory, said Walter W. Head, president of the Omaha National Bank in a recent address before the convention of the Nebraska Association of Commercial Organization Secretaries.

Mr. Head said that Omaha was as much dependent on the smaller cities in its trade territory as the smaller cities are on Omaha.

Christmas Savings

Omaha banks will pay approximately \$500,000, about December 15th, to depositors having Christmas savings ac-

counts. The largest amounts to be paid will be at the Omaha National Bank, where \$165,000 is on deposit, and at the United States National Bank, which has approximately \$100,000 in such accounts.

The Christmas savings account is considered a big factor in the holiday trade season.

Thought in Germany

Search for Paul Wupper, fugitive president of the defunct state bank of Beemer, Neb., has shifted to Germany, it was disclosed recently by County Attorney R. R. Moodie of Cuming county.

Moodie said he had been unable to discover any evidence of Wupper having ever taken out final naturalization papers and was of the opinion that he may have fled to Germany, believing that as a German citizen it would be harder to extradite him from that country.

Investigate Armored Car

Omaha may soon have an armored automobile to take care of payrolls and also of currency between banks and various business establishments.

J. R. Allen of the Brinks Express Company of Chicago recently interviewed many Omaha banks and business houses in connection with the armored car. His company carries payrolls, currency and securities for 147 banks in Chicago, besides having contracts in many large cities of the country.

Farm Purchase Power

The purchase power of farm products compared to other commodities is 90 per cent of the 1909-14 pre-war parity, according to C. J. Claassen, chairman of the publicity committee of the Nebraska Bankers Association. Mr. Claassen said this ratio is possible in spite of an approximate 5 per cent production over 1927.

"The sustaining influence to this favorable position is due mostly to the livestock industry," Mr. Claassen said.

Install Heating Plant

The Citizens State Bank of Dorchester, Nebraska, has started to put in a steam heating plant under the rear part of their building and in addition to their own place of business they will heat the post office. The plant will use oil for fuel and they will install one of the very latest improved oil burners.

President Dies

Carl H. Heckman, 39, president of the First State Bank of Hickman, Nebraska, died recently in a Lincoln hospital. He has been a lifelong resident of the Hickman community. His widow and one daughter survive.

Rancher Leaves Fortune

F. M. Heinrich lived most of his mature years on his cattle ranch in Hardin, Mont. He rode herd as a youth, and as his years multiplied he became a cattle raiser and eventually a man of means, probably a millionaire.

Often in the last seven years he visited Omaha and there sprang up between him and those he met in a business and social way at the Stockyards National Bank a close friendship. Then, on October 27, the rancher was taken by death.

The friendships he made in Omaha were the greatest friendships of his life. He bequeathed \$140,000 to his five Omaha friends.

Ford Hovey, the bank's president, was his financial adviser and host to the rancher. He was left \$50,000. And Mrs. Ford Hovey, who presided at the table

where Mr. Heinrich was honor guest so many times, likewise received \$50,000.

Henry Hovey, son of the president, is assistant cashier at the bank. The young man was quite a favorite with the rancher. He was left \$25,000.

James B. Owen, vice president of the bank, was given a legacy of \$10,000, and the cashier, W. H. Dressler, who kept books for the rancher for the last two years was remembered with \$5,000.

No Levy Yet

Nebraska Commerce Secretary Bliss has not yet made the second special levy on state banks for the guaranty fund, but says he intends to do so before the end of the year. It is rumored that an injunction suit will be brought by a large number of banks, acting in concert, to prevent collection of this assessment.

The banks, however, may not object to a sufficient assessment to pay all remaining receivers' certificates which were purchased by individual banks in good faith.

Locate Stolen Checks

That the men responsible for dynamiting the vault of the bank at Harrisburg, Nebraska, on the night of August 20 last, and who got away with \$2,000 in currency and a large number of checks, decided to take no chances on being apprehended through attempts to raise money on the checks they stole became certain recently when special agents of the Union Pacific railroad secured possession of several bundles of vouchers which have since been identified as those missing from the Harrisburg bank, the total of the checks being reported at \$16,500.

The checks were found along the right-of-way of the new Union Pacific railroad extension near Egbert, Wyo., where the Egbert-Creighton extension crosses the Lincoln highway and connects with the main line. The finding of one bunch of checks in a thicket near the railroad resulted in a search of the locality where the robbers are thought to have stopped for a division of loot before boarding a main line train, and all of the missing checks were found.

Not Enough Signers

The plan advocated by the Nebraska Bankers Association of offering \$5,000 reward for each "dead" bank robber garnered in the state hasn't been approved by a sufficient number of members of the association and maybe never will be, William Hughes, secretary of the association said recently.

To make the plan effective 700 bankers must agree to pay \$7.50 for each dead robber. After several months agitation 681 bankers have signed up, 54 voted against the proposal and 139 were non-committal.

Hughes is making every possible effort to secure the needed nineteen signatures but said prospects are not very bright, although he believes the proposal eventually will carry.

Hurt in Accident

Charles E. Wood, cashier and acting president of the Bank of Talmage, Nebraska, was seriously injured when the automobile he was driving left the highway and entered a ditch. His shoulder was crushed.

Mrs. King, another occupant of the car, was hurt, but less seriously. She has been a housekeeper for the Wood family for a number of years.

Mr. Wood attributed the accident to the steering wheel of his sedan which he says became suddenly inoperative. The machine, headed south before the acci-

Your Bank and the Coming Year

Each new year brings many changes; some planned; some the natural results of growth.

Each year brings to us additional numbers of banks attracted by the painstaking service rendered to all correspondents.

Your business is invited

THE NORTHERN TRUST COMPANY

CHICAGO

In the Heart of the Financial District

Northwest Corner LaSalle and Monroe Streets

dent, was headed north after entering the ditch. Although damaged considerably, it was not totally wrecked.

Visits in Omaha

Eugene C. Eppley, head of the Eppley Hotels Company, was host recently at his Hotel Fontenelle in Omaha to Sir Thomas Lipton, internationally famous tea merchant and yachtman, and best beloved of Britishers.

An Omaha newspaper, commenting on the visit of Sir Thomas to Omaha, observed: "When a famous host is host to a famous host, a couple of continents may be warmed by that hospitality."

Sir Thomas, who spends much time in America, numbering by hundreds his friends in this country, is world renowned as the king of sportsmen and promoter of international good fellowship, and as a unique example unparalleled in staid old Britain, of the self-made man. For, unaided, he rose from stowaway to baronet, making his fifty millions before the age of forty, then organized all his holdings into a huge liability company and devoted himself thenceforth to the enjoyment thereof in his favorite sport of yachting.

Nebraska News

George C. Cronkleton, receiver of the First National Bank of Laurel, Neb., has filed suit in federal court against each of seven stockholders, in an effort to establish that stockholders are liable to an assessment up to the amount of their stock interest if the bank fails and its assets are less than its liabilities.

The Hartington National Bank, Cedar county's oldest banking institution, went into receivership November 14th. W. H. Allen, of Kansas City, has been appointed receiver. C. M. Jones, Sr., president, said slow paper on farm loans had forced the closing of the bank, and he was doubtful whether the bank, whose assets were formerly \$500,000, could salvage much.

John W. Bender, who helped organize the First National Bank of Humphrey, Neb., and who was vice president of the bank from its beginning, died November 10th. He served two terms in the state legislature.

C. J. Claassen, of the Peters National

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Oldest firm in Des Moines
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1106 Commonwealth Building

Complete Financial Service

**U.S. National Bank
Trust Company**

Omaha



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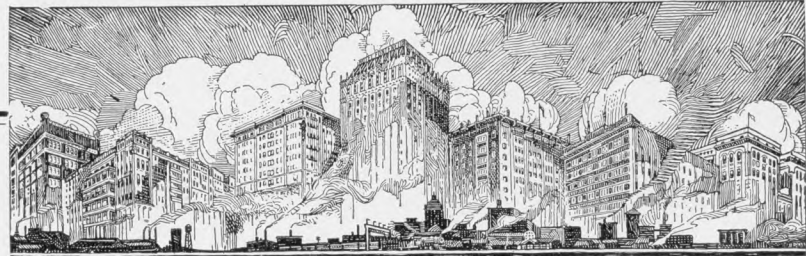
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LIVE STOCK NATIONAL BANK

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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

Bank and Trust Company, and of the publicity committee of the Nebraska Bankers Association, has received a letter from Ernest S. Coats, a farmer of Valley county, Nebraska, urging Nebraska to advertise its resources, in order to prevent farms being abandoned and to stimulate business. He spoke of meeting Nebraska, Iowa and Dakota farmers on a trip to California, all of whom were planning to return to their farms in the spring.

"There must be some prosperity on the farms if a farmer and his wife can spend from \$500 to \$2,000 on a trip and have possibly the same amount invested in an auto, besides owning a modern residence and up-to-date farm buildings at home," he writes. "For one, I am proud of my occupation as a farmer, and do not relish being held up as subject to the need of government aid."

A. E. Anderson, state and federal crop and live stock statistician, upon receiving his regular reports from Nebraska bankers, announced at Lincoln that while shipments of stocker and feeder cattle into the state in July, August and September were nearly double what they were in 1927 during those months, the late movement is expected to be below that of a year ago and winter feeding operations will be reduced.

During the three months named, 132,419 cattle were brought into the state, against 69,000 the previous year. Sixty-five Nebraska bankers reported sufficient corn for all feeding operations and ninety bankers said there was enough hay and forage. Bankers report only 83 per cent as many locally produced cattle were sold for grain feeding as compared to a year ago.

John G. Lowe, president of the Farmers State Bank of Kearney, Neb., recently made an extended trip through the east, including stops at Washington, D. C., Baltimore and New York City. He urges an appropriation of \$100,000 by the next state legislature to advertise the resources of Nebraska.

Public offering of the securities of the newly organized Southern Bond and Share Corporation was made recently by Taylor, Ewart & Company and E. E. MacCrone & Company. The financing is in the form of 40,000 shares of no par value \$3.00 series preferred stock priced at \$50 per share, and accrued dividend, each share carrying one-half share of Class B common.

Southern Bond and Share Corporation started business several weeks ago when offering was made of 40,000 shares of Class A stock and 20,000 shares of Class B common stock, which offering was

largely oversubscribed. The current issue will bring the total investments of the corporation up to more than \$3,000,000. Upon completion of this financing the company will have outstanding 40,000 shares of \$3 series preferred, and 40,000 shares Class A common and 110,000 shares Class B common.

The capitalization of the company also provides for a prior preferred stock and eventually the issuance of debentures.

Not Telling

Clergyman: "Do you know where little boys go who fish on Sundays?"

Little Boy: "Yes."

Clergyman: "Well, where?"

Little Boy: "You must find out for yourself, like I had to. I'm not letting you in on a good thing."

Guaranty Company Expands

Guaranty Company of New York has taken corporate proceedings to increase the capital stock of the company from \$5,000,000 to \$9,000,000. When this increase in capital becomes effective a stock dividend of \$4,000,000 will be declared out of surplus and reserve accounts. As the Guaranty Trust Company of New York owns all of the stock of Guaranty Company of New York, the dividend will be paid to the Guaranty Trust Company of New York.

**THE
HANOVER
NATIONAL
BANK
OF THE CITY OF NEW YORK
Established 1851**



Capital . . . \$5,000,000
Surplus and Profits . \$27,000,000

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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.

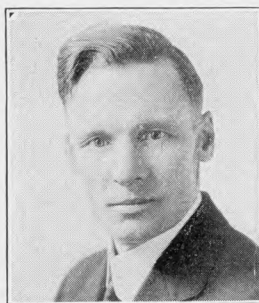
BUREAU OF CANADIAN INFORMATION: The Canadian Pacific Railway, through its Bureau of Canadian Information, will furnish you with the latest reliable information on every phase of industrial and agricultural development in Canada. Our Reference Library, at Montreal, maintains a complete data service covering 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.

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



I. E. HANSEN
President



GEORGE SUSENS
Secretary

Adopt Service Charge

At a meeting of the Martin County Bankers Association, held at Fairmont, Minnesota, recently, the following officers were elected for the ensuing year:

President, J. F. Haeckel, cashier, Fairmont National Bank, Fairmont; vice president, G. W. Gruber, president, First National Bank, Ceylon; secretary, Arthur J. Peterson, cashier, Triumph State Bank, Triumph; treasurer, B. J. Dahlman, cashier, People's State Bank, Truman.

A resolution was adopted putting the service charge recommended by the Minnesota Bankers Association into effect, beginning with the month of January. A charge of 50 cents per month will be made on checking accounts not having an average balance of \$50.00 for the month. The uniform schedule in regard to other charges, recommended by the state association, was also adopted.

Urge Excise Tax

An excise tax on banks to get around the federal supreme court decision holding Minnesota's national bank tax law illegal, was proposed in the annual report of A. J. Veigel, state bank commissioner.

Most national banks in Minnesota last year paid, and this year are paying, the tax as levied under the state law, as a result of an agreement made near the close of the last legislative session, by which the legislature was prevented from hastily enacting a new bank tax law which might have proved detrimental to the banks.

The state's bank tax law, as applied to national banks, was held invalid by the federal supreme court as a result of an appeal by the First National Bank of St. Paul.

The proposal outlined by Mr. Veigel points out that the federal bank law provides for four possible means of taxing national banks by states, the fourth which allows use of an excise tax having been little used. It is this one which would allow the plan proposed for Minnesota, Mr. Veigel said.

Elected Director

John H. Field, president of the Northwestern Lumber and Wrecking Company and an executive in several other companies, has been elected a director of the Metropolitan National Bank of Minneapolis, to fill the vacancy caused by the death of James H. Leck.

Mr. Field has been prominent in Minneapolis business since 1883, when he became affiliated with the old Washington Bank. Later he became cashier of the Scandia Bank and then organized and served as president of the Bankers Exchange Bank. He organized the Northwestern Lumber and Wrecking Company in 1902. In addition he is chief executive of the Central Investment Company, Field-Martin Company, Crystal Lake Cemetery Association, vice president of the Hillside Cemetery Association and secretary and treasurer of the Real Estate Development Company.

In Pine City

Irving Melin, formerly cashier of the Henriette State Bank, has accepted a position in the First National Bank of Pine City, Minnesota, and began work there recently. Since the consolidation of the Henriette Bank with Mora State Bank, Mr. Melin has been working at the Mora Bank.

Liquidates

Formal notice of voluntary liquidation of the First State Bank of Pine Creek, Minnesota, was received recently by A. J. Veigel, state commissioner of banks.

It was certified that all depositors and creditors of the bank have been paid in full.

Merge in Dassel

Consolidation of the Kingston State Bank of Dassel, Minnesota, and the Citizens State Bank of Dassel, to be known as the Farmers and Merchants State Bank of Dassel, was announced recently by A. J. Veigel, state commissioner of banks. The merged institution will have a capital of \$30,000 and will begin business with deposits of \$584,000.

The action is in line with the efforts of the state commissioner to provide fewer and stronger banks throughout the state. John E. Matson, is president, and Frank A. Carlson, cashier. Both are of Dassel.

Reorganized

In a reorganization of the Farmers and Merchants State Bank of Delhi, Minnesota, recently completed, L. I. Ewart, vice president of the Citizens State Bank of Redwood Falls, took charge of the institution.

Wealth Increased

Direct evidence of a vastly improved banking situation in the northwest and of a big increase in the aggregate wealth of northwest people, as compared both with pre-war years and with the 1919-1921 period of inflation, is furnished by figures showing that, on June 30, 1928, the 2,555 banks in the ninth federal reserve district held total deposits of \$1,677,259,000, had total commercial loans of \$940,212,000 outstanding and had borrowed only \$14,938,000 from the federal reserve and correspondent banks.

This deposit total of \$1,677,259,000 is more than double the \$755,534,000 reported for June 30, 1913, representing, in fact, an increase of 122 per cent. This gain was registered despite the fact that the number of banks in operation in the ninth district decreased 13 per cent in the 15 years, from 2,928 in 1913 to 2,555 last June. By contrast, this year's discount total, \$940,212,000, represents an increase of only 55 per cent over the \$613,393,000 recorded as of June 30, 1913.

Even more striking evidence of improved financial conditions throughout the northwestern states is supplied by the records of the borrowings of ninth district banks from the Federal Reserve Bank of Minneapolis and their correspondent institutions. On June 30th of this year, the aggregate sum borrowed was \$14,398,000. No record is available of the borrowings in 1913 and 1914, but the figures for this year and last are roughly parallel to those for the pre-war years of 1915 and 1916.

MIDLAND NATIONAL BANK and TRUST COMPANY

Resources \$25,000,000.00

MINNEAPOLIS

Deposits Increase

Deposits of country banks in the Ninth Federal Reserve District increased 8 per cent in the last year, while city banks, members of the Federal Reserve System, had an increase in deposits totaling \$25,000,000 between September 19th and October 17th, the Federal Reserve Bank of Minneapolis reported recently.

Country member banks were able to increase their holdings of bonds and other securities 13 per cent during the year. The largest percentage increase in deposits was in the livestock range banks.

The volume of business in the northwest during October apparently will equal the total of last October, which was the largest for October in any year since the Federal Reserve Bank of Minneapolis started gathering statistics, according to the monthly review of the bank.

The forecast for Minnesota, North and South Dakota, Montana, and parts of Michigan and Wisconsin is based on conditions in the Ninth District during the first half of the month.

An increase in the volume for Minneapolis and rural portions of the district offsets a decrease at St. Paul and Duluth, as compared with a year ago, the report said.

The smaller grain movement is called an important factor in the reduced volume of debits at Minneapolis and Duluth during September and at Duluth during the first part of October.

Heads County Bankers

The Steele County Bankers Association at a meeting in Owatonna, Minnesota, elected B. M. Hanson of Medford, president; W. E. Galloway of Ellendale, vice

president, and R. A. Potter of Owatonna, secretary-treasurer. The association will join in on the state campaign of the Minnesota Bankers Association to help agriculture, cooperating with County Agent R. W. Seath and the county farm bureau to promote more alfalfa growing, to get lime for rundown farms and better seed for the farmers.

Dies in Wadena

Warren E. Parker, 59 years old, banker in Wadena, Minnesota, for 35 years, died at his home recently. He was operated on at Rochester following an illness of several months. He was cashier of the First National Bank of Wadena.

Surviving are his wife, father, five sons, two daughters, a brother and sister.

Mr. Parker was prominent in Masonic circles and was a past president of the Wadena Lions Club.

Bank Celebrates

The First National Bank of Gilbert, Minnesota, recently celebrated its twentieth anniversary, having invited 400 to attend. Stores helped by offering special bargains, which brought the people in from the rural districts. A program was given at 1 p. m. in the high school auditorium with supper in the cafeteria. President Alfred Hoel talked and Miss Lillian Havilah, assistant cashier, made a talk in Finnish on the relation of banking and farming. H. G. Sandhoff, agricultural instructor, talked on animal husbandry. Carl Salminen, editor of the Duluth Finnish paper, was the chief speaker. Thirty-five presents were given to visitors.

Banker Passes

Marshall C. Dalton, for years a resident of Fairmont, and for the last several years cashier of the First State Bank at Eagle Lake, Minnesota, died at a Mankato hospital recently, following a short illness with brain fever.

Elected Vice President

Julius H. Brogmus, for the past three years cashier of the Security State Bank of St. Paul, Minnesota, has been elected vice president and a director and assumed active management of the bank. Mr. Brogmus was born and raised in Iowa and was formally connected with the Citizens Bank of St. Ansgar and the First National Bank of Pomeroy. The Security State Bank is one of St. Paul's largest suburban banks with resources of a million dollars. It operated a real estate loan, bond and insurance department, besides its growing savings and commercial departments. Mr. Brogmus has also been elected treasurer and a director of the Riverview Commercial Club, which is one of the outstanding clubs in the city.

What's Christmas

Without a Calendar



IT'S NOT TOO LATE

A call to The Thos. D. Murphy Company at Red Oak, Iowa, will make it unnecessary to disappoint your customers.

Write, Phone or Wire

THE THOS. D. MURPHY CO.

RED OAK, IOWA

The Birthplace of Art Calendars

Memo to Stenographer:

Write The Thos. D. Murphy Co., Red Oak, Iowa, about Christmas calendars and greetings. Also mention personal greetings.

North Dakota Entering New Era

C. E. DANIELSON, the president of the Greater North Dakota Association, had occasion to address recently the Service Clubs of Minnot. He explained in detail just what the Greater North Dakota Association was and what it was trying to accomplish. A part of his address follows:

"While we may not yet announce that the aims of the Greater North Dakota Association have been fully realized, it is generally agreed that North Dakota has taken a decided step forward. Our state is entering upon a new era—an era that for stability and economic security for its people will be second to none, in the United States. For this happy consummation no organization, however strongly financed or ably directed, could ever claim anything but a relatively small part of the credit, since without the resources with which a benevolent Creator has endowed our state, all human effort would be futile. But, on the other hand, having this great heritage of natural resources, having throughout the state a splendid citizenship, and having the energetic and, in fact, unsurpassed cooperation of such a citizenship, I wish to say that the work which was undertaken with doubt and misgiving has in all of its branches progressed with almost uphoped for success.

"According to a survey made a few months ago by the University of Colorado, North Dakota is thus far the only state in the union to advertise the commonwealth on a nationwide basis. After listing the names of state advertising agencies throughout the nation, the university's report declares that 'the most interesting case of this group is the Greater North Dakota Association.' Mention is being made also of the substantial financial support the Association has received from over the state. Commenting on its methods the report of the university's survey commission says: 'This indicates that the experiment has been successful. As far as this study has been able to determine this is the only statewide organization that has successfully advertised the whole state on a nationwide basis from voluntary contributions. It is impossible to go into details at this time, but its success seems to be due to the fact that it has a development program as well as one of advertising. * * * It has approached the problem with a scientific attitude, and has worked to improve the state as well as to sell it to others.'

"Time and space do not permit of more than slight mention of more than a few of the great projects with which the Greater North Dakota Association must

concern itself. These remarks must be confined to some of the major things. Rarely has nature favored any region with more magnificent and awe-inspiring scenery than part of that section of the state known as the Bad Lands. At some time in the future this spectacle of the Creator's handiwork will assuredly be more profoundly appreciated than is now the case. We can do a great deal to hasten that day, and thereby hasten the recognition of our state as a Mecca for the rapidly increasing volume of tourist

travel. The establishment there of a state or possibly a national park has been given a good start.

"Of great importance also is the proposal to divert the Missouri river so as to create extensive artificial bodies of water in North Dakota; thereby not only providing great summer recreational centers in this otherwise almost lakeless state, but, at the same time, diverting a sufficient volume of water from the Missouri river each spring to measurably reduce the hazards of the terrible life and



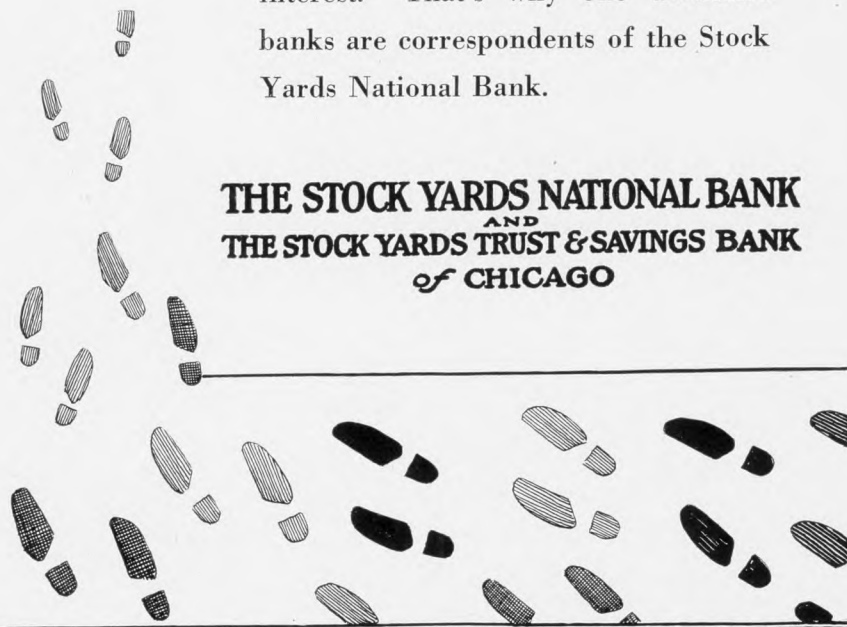
Make this bank your headquarters when you come to Chicago for the International Live Stock Exposition, December 1 to December 8.

Within 100 Steps of Our Front Door

Fifty to 90 per cent of the Chicago Exchange of a large number of mid-western banks originates within 100 steps of our front door.

Your live stock shipments can be handled by us with a saving of time and interest. That's why one thousand banks are correspondents of the Stock Yards National Bank.

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



Northwestern Banker December 1928

SALMON P. CHASE, *Secretary of the Treasury under LINCOLN*

The Chase National Bank

of the City of New York

PINE STREET CORNER OF NASSAU

Capital	\$60,000,000.00
Surplus and Profits	78,807,343.06
Deposits (October 3, 1928)	892,388,858.54

OFFICERSALBERT H. WIGGIN
*Chairman of the Board*JOHN McHUGH
*Chairman of the Executive Committee*ROBERT L. CLARKSON
*President**Vice Presidents*

SAMUEL H. MILLER	GEORGE E. WARREN	HUGH N. KIRKLAND
CARL J. SCHMIDLAPP	GEORGE D. GRAVES	JAMES H. GANNON
REEVE SCHLEY	FRANK O. ROE	WILLIAM E. PURDY
SHERRILL SMITH	HARRY H. POND	GEORGE H. SAYLOR
HENRY OLLESHEIMER	SAMUEL S. CAMPBELL	M. HADDEN HOWELL
ALFRED C. ANDREWS	WILLIAM E. LAKE	JOSEPH C. ROVENSKY
ROBERT I. BARR	CHARLES A. SACKETT	

Vice President and Cashier
WILLIAM P. HOLLY*Second Vice Presidents*

FREDERICK W. GEHLE	FRANKLIN H. GATES	AMBROSE E. IMPEY
EDWIN A. LEE	ARTHUR M. AIKEN	ROBERT J. KIESLING
ALFRED W. HUDSON	S. FREDERICK TELLEEN	LYNDE SELDEN
JAMES L. MILLER	OTIS EVERETT	THOMAS B. NICHOLS
JOSEPH PULVERMACHER	WILLIAM H. MOORHEAD	GEORGE S. SCHAEFFER
LEON H. JOHNSTON	HAROLD L. VAN KLEECK	J. SPERRY KANE
	T. ARTHUR PYTERMAN	GEORGE A. KINNEY

Comptroller
THOMAS RITCHIE***Foreign and Trust Department Facilities***

property destroying floods of the Missouri and along the Mississippi river.

"Of immediate and surpassing importance is the agricultural development question. That is the foremost question with which the Greater North Dakota Association has to deal at present. Reference to the necessity of agricultural development may seem very commonplace. It may have become a trite subject, but when we consider that agriculture is the basic industry, the one upon which rests our economic security, then it becomes clear that our concern lies primarily along this line.

"The Greater North Dakota Association is not a benevolent institution for the farmers of this state. It is a purely constructive, non-political organization through which the farmers may function for the advancement of their industry, as it is an organization through which all other business interests within the state may function. It seeks to be of service to all necessary and legitimate enterprises, and as agriculture is the principal industry, the one upon which all other businesses in the state are dependent, it is natural that it be given primary consideration.

"I feel justified in saying that, guided by the splendid cooperation and advice we have had from practical and earnest men in all parts of the state, as well as from the group of outside members, the work of the Greater North Dakota Association has been carried out to date with a substantial degree of success. We are now in the midst of a program of constructive activity, such as calls for renewal of our energies and a revival of our determination, that justice may be done to our state, and that North Dakota may not only continue to shine before others as a state where great things are started, but also as a state where, with the aid of such boosters as North Dakota is widely known to possess, great things are carried to a successful conclusion.

North Dakota Convention

June was favored as the month in which the annual convention of the North Dakota Bankers Association will be held in Minot, by members of the executive committee meeting in Minot.

The selection of a definite date was left to R. E. Barron, of Minot, chairman of the executive committee, and vice president of the association.

He will confer with other Minot bankers and with officials of the Association of Commerce before a date is set.

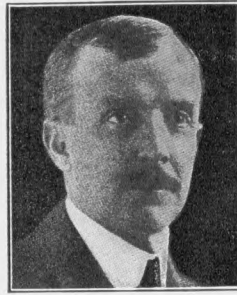
He who borrows trouble pays interest with worry.

A product is what the men who make it are.

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
Secretary.....	W. C. Macfadden
	Fargo



W. C. MACFADDEN
Secretary

School Savings

A total of 3,645 pupils out of an enrollment of 6,453 pupils in the Sioux Falls, South Dakota, schools deposited a total of \$840.93 in the school savings system conducted under the auspices of the Union Savings Association, at the last banking day, it was announced recently in the weekly report of the school's saving system.

The percentage of depositors was 56.4 per cent and the amount of interest for the week was \$14.37. The balance on hand now is \$38,488.99.

Sells Bank Interests

David Lloyd, organizer and president of the First National Bank of LaMoure, North Dakota, completed negotiations recently whereby most of his holdings in the bank are sold to A. F. Lehr and J. M. Hummel of Gackle. Mr. Lehr succeeds Mr. Lloyd as president of the bank, but Mr. Lloyd continues as a director. Mr. Lehr is also president of the First National Bank of Gackle.

Paul Adams continues as vice president and R. A. Lowe as cashier of the bank. Mr. Hummel's name has been added to the board of directors.

Mr. Lloyd who is just past 80 years has been actively engaged in the business life of LaMoure since the early '80's. He organized the First National Bank of LaMoure more than 30 years ago. It is said he has placed loans of upwards of \$3,000,000 and never had to resort to foreclosure proceedings.

Dies in Jamestown

D. C. Rand, 51, a resident of Jamestown, North Dakota, for the last 30 years, president of the Citizens National Bank, owner of the Northern Auto Company and considerable city and farm property, died at his home recently following an illness of several months. Mr. Rand was born at Sheldon, N. D.

He was a member of the El Zagal temple, Fargo, the Jamestown Masonic lodge, A. F. & A. M., the Jamestown

lodge of the Elks, the Episcopal church and had taken a prominent part in the development of the community. He established the Northern Auto Company in 1907 and had been engaged in the automobile business continuously since then.

Sound Conditions Prevail

Sound banking conditions prevail in North Dakota, according to officials of the state banking department who have recently compiled the statement showing the condition of all state banks at the time of the last call for a report on October 3.

Deposits have increased and loans and discounts also have gone up, indicating a tendency on the part of banks to be more liberal in their loaning policy.

At the same time, it is pointed out, the statements of the banks do not show as heavy an increase in deposits as might reasonably be expected from the sale of crops produced this year, the reason being that a relatively large part of the wheat and other crops is being held on the farms in hope of obtaining higher prices.

All banks are carrying heavy reserves with approved federal reserve agents, some of the money from this year's crop having not yet been invested. This item totals \$12,087,671.56, an increase of \$1,510,022.97 since October of last year and \$3,902,153.07 since June.

Demand certificates of deposit, a form of "quick" money, totals \$807,285.99 an increase of \$514,186.10 since October, 1927, and of \$279,498.05 since June.

North Dakota News

Clarence Bahr has accepted a position as bookkeeper of the Northern State Bank, Grand Forks.

L. C. Fischer is now a director of the First State Bank of Strasburg.

Laura V. Meyer has been appointed stenographer and assistant teller of the Citizens State Bank of Wales.

J. W. Hubbard is now a director and vice president of The Citizens State Bank, Mohall, succeeding L. M. Depue, who has resigned.

The **First State Bank**, Glenfield, has increased the number of its directors from three to five.

The **Secretary of State** has issued a certificate changing the name of the Interstate Bank of Billings County, Sentinel Butte, to "The Interstate Bank." This bank has also renewed the term of its corporate existence and increased its capital stock from \$10,000 to \$15,000.

O. A. Ruud is now a director of The Farmers State Bank, Hoople, succeeding Robert Baird, who passed away recently.

S. A. Haas, formerly assistant cashier, is now cashier of the First Security Bank, Raleigh, succeeding W. C. Grace, who is now out West.

Franklin Gifford has accepted a position as assistant cashier of the Shields State Bank.

Ernest W. Pederson has accepted a position as assistant cashier of the Security State Bank of Killdeer.

"Bootleg" Money and Safety of Call Loans

(Continued from page 18)

terest rates. The result would be an increase in the rate with a consequent return of money into the market. Again, there are many lenders representing a large number of diversified interests, and it seems that with the great volume of outside money now in the market, that rates will remain high enough to prevent the sudden withdrawal of large amounts.

A Proper Risk

"Taking into consideration the experience and responsibility of correspondent banks, through which call loans are usually obtained, the margin demanded in the security, the liquidity of the market, and the reputation and responsibility of the members of the New York Stock Exchange, it is my personal opinion that call loans in reasonable amounts represent a proper business risk for banks desiring to obtain, for a portion of their funds, and without sacrifice of liquidity, a higher rate of interest than that paid for open accounts."

Watch Needs at Home

J. L. Mitchell, president of the First National Bank of Sioux City, likewise sees no cause for alarm in the call loan market, but sounds a note of caution to Iowa

bankers not to overlook the credit needs of their own communities. He says:

"I feel that loans such as are issued, as a whole, are good and that there is sufficient collateral back of them to make their liquidity sound. Possibly there are exceptions to the rule, but on the whole, I feel they are good. However, I have sometimes wondered whether or not some bankers in Iowa were not taking the attitude of leaning backwards when they call attention to secondary reserve and show large amounts loaned on call. Secondary reserve is a very commendable position for a bank to occupy, providing they have not misused their communities by withholding funds from a legitimate safe use from

their clientele with the sole purpose in mind of showing secondary reserve. Funds deposited in Iowa banks should be so used as to assist borrowers in the communities where the banks are located so that community can prosper. I do not mean by this that loans should be made that are not liquid, but I do believe that as far as possible the money available in Iowa should be used for Iowa purposes and where we border on other states it should include the entire territory that we are serving.

"I fully realize the necessity of being in a strong position of first reserve and a certain percentage of secondary reserve, but in viewing some bank statements I find

that a large portion of their funds have been loaned or invested in securities, in which would be included brokers' loans, when in their community there are loans available that are safe and sound and of not long maturities.

"Now, money produced through agriculture will only be made when proper, safe consideration is given to financing those that are engaged in this occupation. I, myself, prefer loans to our local customers and particularly to good farmer clients in this territory whose statements show that they are entitled to assistance in feeding cattle and hogs and retaining their surplus of grain and corn so that all can be marketed in an orderly manner."

THE SUPREME GIFT

Life

*May it be genuinely enjoyable
and filled with successful achievements for you.*

in

1929

It has been a pleasure to serve you—to work with you during the past year—and in token of our appreciation we send this sincere Christmas-New Year message to our banker-friends in the Middle West



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

I. B. A. Appointments

Ray Nyemaster of Davenport, president of the Iowa Bankers Association, recently announced his committee appointments for the year 1929. The appointments follow:

Agriculture—Otto C. Herman Boone, chairman; C. E. Narey, Spirit Lake; Ira Rodamar, Waterloo; E. E. Phelps, Mount Pleasant; J. F. Archer, Archer; Fred S. Risser, Chariton; C. R. Wooden, Centerville; F. L. Pearson, West Branch; C. S. Rye, Manly; C. J. Adam, Guttenberg, and T. P. Breheny, Atlantic.

Americanization—L. A. Andrew, Ottumwa, chairman; O. P. Miller, Rock Rapids; R. E. Jones, Webster City; Hanford MacNider, Mason City; F. S. Richards, McGregor; J. W. Miller, Jr., Denison; E. D. Rayburn, Montezuma; J. M. Dinwiddie, Cedar Rapids; G. L. Mitchell, Maquoketa; H. J. Stuhlmiller, Fontanelle; T. W. Kriehbaum, Burlington.

Auditing—D. V. Ferris, Diagonal, chairman; Halstead M. Carpenter, Monticello, and N. P. Black, Perry.

Banking Analysis—Irvin J. Green, Davenport, chairman; L. F. Parker, Cherokee; E. H. Rich, Fort Dodge; K. J. Johnson, Osage; F. M. Orr, Monona; Leo J. Wegman, Carroll; R. A. Crawford, Des Moines; E. R. Moore, Cedar Rapids; Oscar Anderson, Lamoni; F. Von Schrader, Ottumwa; Carl M. Keck, Washington; Emil Webbles, Burlington, and L. A. Andrew, state superintendent of banking.

Bank Taxation—E. H. Furrow, Cedar Rapids, chairman; C. E. Brenton, Des Moines; John W. Foster, Guthrie Center; A. M. Henderson, Story City; N. C. Gindorff, Dubuque; George J. Schaller, Storm Lake, and J. C. Jacobsen Danbury.

Federal Reserve—Charles C. Kuning, Cedar Rapids, chairman; H. L. Horton, Des Moines, and C. J. Weiser, Decorah.

Insurance—Robert L. Leach, Adel, chairman; P. J. Thede, Dixon, and H. H. Karmann, Oelwein.

Legislative—C. C. Jacobson, Sioux City, chairman; Fred J. Figge, Ossian; M. W. Fitz, Manson; R. D. McCullough, Wapello; F. E. Sheldon, Mount Ayr; C. E. Beman, Oskaloosa, and W. G. C. Bagley, Mason City.

County Organization—I. O. Hasbrouck, chairman; E. S. Pitman, Buckeye, and Stoddard M. Robinson, Indianola.

Rivers Development—J. K. Deming, Dubuque, chairman; A. C. Smith, Clinton; Gustav Steuben, Davenport; B. L. McKee, Muscatine; J. L. Edwards, Burlington; J. A. Dunlap, Keokuk; John P. Eckert, Guttenberg; J. L. Mitchell, Sioux City; F. F. Everest, Council Bluffs, and C. F. Johnston, Sheffield.

Time Locks—John Sieh, Spencer, chair-

man; Ray Whitacre, West Liberty, and I. G. McQueen, Moulton.

Publicity—G. O. Van Derveer, Waverly, chairman; L. L. Blomgren, Winterset; Harold J. Kriebs, Elkport; Bert McKee, Des Moines; C. F. Rauseher, Ottumwa; G. A. Phelps, Kingsley, and G. H. McMurray, Grinnell.

State Banking Board—L. A. Andrew, Ottumwa, chairman; Ray Nyemaster, Davenport; C. J. Wohlenberg, Holstein; E. W. Miller, Waterloo, and Homer A. Miller, Des Moines.

Education—M. E. Tate, Keokuk, chairman; M. H. Dake, Lost Nation; Will A. Lane, Waterloo; W. C. Rathke, Glenwood; E. N. Dougherty, Creston; Frank Camp, West Union; W. N. Enyart, Agency; A. W. Crossan, Eldora; B. B. Vorse, Des Moines; Carl C. Wohlenberg, Holstein, and H. E. Smith, Clarion.

Van Gorder Married

The marriage of E. S. Van Gorder, president of the First National Bank of Audubon, Iowa, to Mrs. Jessie McKee of Connorsville, Indiana, was performed recently.

Mr. and Mrs. Van Gorder have left for an extended wedding trip through California. They will return to Audubon shortly before the holidays.

Cooperative Bank

Under the new cooperative banking law passed some time ago by the Iowa legislature, the town of Leland, in Winnebago county, is establishing a cooperative bank, the second of its kind in the state. The first cooperative bank was started at What Cheer a year or two ago. Any profits derived from the bank will be credited to the depositors of the institution after all expenses for conducting the bank are paid.

Sioux City Meeting

John B. Sills of the Anthon State Bank; Edward O'Donnell, I. G. Umhoefer and N. H. Nielsen, of the Citizens State Bank, were Anthon's representatives at the meeting of the Woodbury County Bankers Association held recently in Sioux City, Iowa.

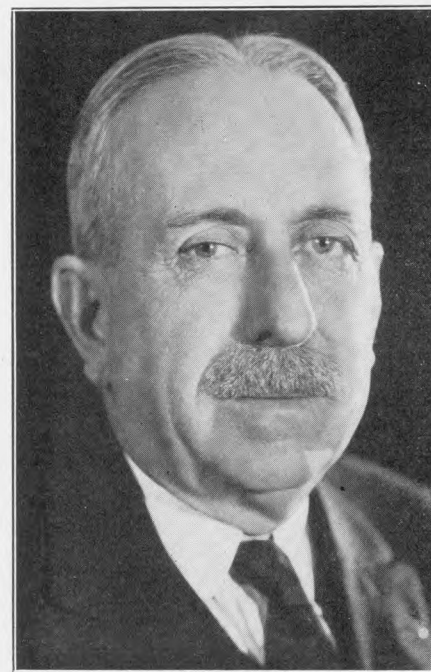
Two hundred persons attended the banquet with the members of the Woodbury

county vigilance committee being the guests of the association. Anthon vigilantes were represented by L. J. Schrunk, Wm. Schrunk, John Walling, Ray Wilson, Ronald Ripple and John Stender.

E. S. Phelps Succeeds Emil Webbles

E. S. Phelps, prominent Burlington, Iowa, business man, and head of the Phelps Insurance agency of that city, has been elected president of the First Iowa State Trust & Savings Bank of Burlington, succeeding Emil Webbles, who resigned on account of ill health. He has already assumed the duties of his new position.

Mr. Phelps, a native of Burlington, is likewise one of its most influential citizens. The insurance agency that bears his name has been in operation since 1883. He will retain his interests in the agency. Mr. Phelps is president of the Citizens Water Company of Burlington,



E. S. PHELPS

a past president of the Burlington Rotary Club, and a member of the Greater Burlington Association. He likewise served a term as president of the Fire Underwriters Association of the Northwest and is nationally known as an insurance man.

Mr. Webbles, the retiring president, and past president of the Iowa Bankers Association, became ill six weeks ago and requested a leave of absence that he might go to Battle Creek to regain his health. He was able to return to Burlington later, and then went to California to rest. His wife and children have joined him on the west coast.

The First Iowa State Trust & Savings
Northwestern Banker December 1928

Bank is one of Iowa's largest banks backed by a strong directorate, which includes the following men: John Blaul, William Bongert, William Carson, H. W. Chittenden, W. N. Churchill, J. R. Copeland, Walter B. Eaton, W. F. Gilman, W. H. Grupe, G. G. Higbee, W. C. Kurrle, C. S. Leopold, C. H. Mohland, Robert Moir, C. E. Perkins, E. S. Phelps, H. S. Rand, Ray Redfern, Henry Ritter, Ralph E. Schramm, J. J. Seerley.

Buys Bank Stock

L. R. Perry of Forest City has bought of J. F. Helgeson the stock formerly owned by the latter in the First National

Bank of Thompson, Iowa. With the purchase of this block of stock Mr. Perry was named as a member of the board of directors of the institution.

Stock in the bank that was owned by C. H. Martin of Des Moines has been purchased by C. F. Lehmann.

Meet in Clarion

U. H. Rummel was reelected president of the Wright County Bankers Association at a meeting at Clarion, Iowa, recently. H. F. Luick, Belmond, vice president; Geo. W. Young, Jr., Clarion, secretary; and D. C. Young, Clarion, treasurer are the other officers of the association.

About forty bankers representing every bank in the county were present and the frequent bank robberies in Iowa and near by states was the principal topic discussed.

As Private Secretary

Miss Lenore Swinehart has accepted a position as private secretary to the president of the Knoxville National Bank and Trust Company at Knoxville, Iowa.

In Omaha Hospital

Clyde Rochholz, assistant cashier of the Exchange Bank of Adair, Iowa, underwent a hernia operation at one of the hospitals in Omaha recently. Mrs. Rochholz accompanied her husband and expects to remain with him.

Meet in Sioux City

J. F. Brooks, cashier of the Farmer's Savings Bank of Pierson, Iowa, Mayor W. H. Hinkhouse, Marshall E. S. Crom, D. J. Pedersen, Dewey Forbes, James Watkins, A. N. Bryant, and F. L. McCurdy attended the meeting of the Bankers Association and Vigilance Committee, which was held in Sioux City recently.

The meeting was called for the purpose of discussing ways and means of curbing holdups and bank robberies, which have been so prevalent.

Talks were given by Charles Logan, of Merville, president of Bankers Association; Sheriff Paul Beardsley; Sheriff-elect John A. Davenport, who was a guest; Deputy Sheriff A. M. Mead; Chief of the Vigilance Committee C. C. Jacobson of Sioux City, and W. E. Hall, mayor of Merville.

House Warming

Employees of the Whitney Loan & Trust Company Bank of Atlantic, Iowa, and the Whitney Insurance Agency and their families staged a surprise house warming affair and fruit shower recently in honor of Mr. and Mrs. Ralph Lehman in their new home. Mrs. Lehman is employed with the insurance department at the bank.

Twenty were present at the affair.

Opens to Public

The newly organized State Bank of Terril, Iowa, opened its doors to the public recently, and in the center of a prosperous trade territory, the new institution began business under a bright prospect, with every indication of a prosperous future. The institution is capitalized at \$25,000 with a surplus of \$5,000. F. E. Duroe of Minneapolis is president, Gaylord Olson, vice president, and C. R. Duroe, cashier. The board of directors consists of F. E. Duroe, C. R. Duroe, Gay-

Your Omaha Items

For 62 years The Omaha National Bank has rendered exceptional service on Omaha items. Today we serve many of the leading banks throughout the country. Your bank can profit by the advantages we offer.

The Omaha National Bank

FARNAM AT

SEVENTEENTH



RESOURCES OVER

FORTY MILLIONS

lord Olson and Fritz Buhl of Terril and L. A. Parker of Des Moines.

To Build Addition

A \$25,000 addition to the Euclid Avenue State Bank building will be added to the present structure early next year it was announced by Mayor G. B. Jensen, president of this Des Moines Bank.

Construction will get under way next spring, as soon as a building now occupying the site can be dismantled and necessary grading completed.

Offices of the bank will be moved from its present corner quarters to a position near the center of the new building, Mr. Jensen stated.

Celebrates Birthday

J. W. Wadsworth, president of the board of directors of the Kossuth County State Bank at Algona, Iowa, was 75 years old recently. The bank force remembered his birthday by placing a large and beautiful bouquet upon his desk.

Mr. Wadsworth entered the Ingham & Smith Bank, the first in Algona, on May 12, 1873, as bookkeeper. He was then a young man 20 years of age and from a clerk he rose to cashier, vice president and later president. Fifty-five years of service spent in the same location is a record of which Mr. Wadsworth might well be proud. Of the original officers of this pioneer bank, which consisted of Captain W. H. Ingham, Lewis H. Smith, Barnett Devine, Theodore Chrischilles, J. R. Jones and others, he is the only survivor.

Organize Vigilantes

Seventy-seven vigilantes in various parts of Keokuk County, Iowa, were appointed at a recent meeting of the Keokuk County Bankers. The meeting was called by Attorney Willcockson and Sheriff Beasey. Hi Yackey and A. B. Neyman of the Des Moines Department of Justice also attended.

There had in years gone by been a similar organization in Sigourney, but no organization of the entire county and, with the large number of bank robberies occurring, it was considered wise to organize the entire county, the county organization to be a part of a like state organization.

To Prevent Holdups

If the old adage that it takes a thief to catch a thief is true, then it logically follows that the best person to catch a bank robber is a bank robber. For that reason, Jerry Nepovim, 21, and Joe Hadrava, 29, believe they are well qualified to work out a scheme for preventing and thwarting bank holdups. And that is the very thing they are attempting to do.

Nepovim and Hadrava were taken to the state penitentiary at Fort Madison, Iowa, on May 23rd for robbing the Palo and the Swisher banks. Their sentence was for the duration of their natural lives. But since their incarceration they have been working on a plan to prevent bank holdups and when it is completed they have promised to turn it over to the bankers of Iowa.

Add Deposit Boxes

Since the merger of the Peoples Savings Bank with the Bankers Trust Company Bank in Des Moines, 600 safety deposit boxes have been added to the

vaults of the latter institution, it was announced by B. Frank Kauffman, president. No other expansions are contemplated at this time, it was reported.

Vote of Thanks

At the meeting of the Crawford County Bankers Association, which was held at Kiron, Iowa, recently, a resolution was passed according Sheriff A. C. Greene a vote of thanks for his many good deeds and courageous efforts in curbing lawlessness, particularly that of highway robbery and holdups.

The County Bankers Association has been cooperating with the county vigi-

The merger of the Peoples Savings Bank into the Bankers Trust Company marks another step of progress in our history.

We invite you to share in the advantages of this increase in resources and personnel.

Officers and Directors

B. F. KAUFFMAN, *President*
 B. B. VORSE, *Vice President*
 C. H. MARTIN, *Vice President*
 L. B. BARTHOLOMEW, *Vice Pres.*
 E. A. SLINGER, *Vice President*
 CARL W. MESMER, *Asst. Vice Pres.*
 C. H. STEPHENSON, *Cashier*
 S. C. PIDGEON, *Secretary*
 E. R. MILLARD, *Assistant Cashier*

PAUL BEER
President, The Flynn Dairy Co.

DR. O. J. FAY
Surgeon

HENRY FRANKEL
Treasurer
Younger Bros.-Harris-Emery Co.

J. G. GAMBLE
Attorney

J. W. HOWELL
Vice President
Warfield-Pratt-Howell Co.

J. W. HUBBELL
Vice-Pres., F. M. Hubbell Son & Co.

S. L. SHEUERMAN
Secretary, Sheuerman Bros., Inc.



**BANKERS TRUST CO.
 BANK**

Cor. 6th and Locust Sts., Des Moines
 Capital \$1,000,000.00 Surplus \$200,000.00

lantes, believing that this system affords much protection.

The association presented Sheriff A. C. Greene with a check for \$100.00.

Laid to Rest

Last rites were held recently for John Jacob Large, former president of the First National Bank of Sioux City, Iowa.

Intimate friends of the family and former business associates were active and honorary pallbearers. Active pallbearers were A. B. Darling, W. J. Hayward, L. L. Hobelson, W. L. Frost and W. W. Orcutt, of Sioux City, and A. D. Horton of Hawarden, Iowa.

Honorary pallbearers were C. W. Britton, W. J. Bertke, Charles Breun, John

Catheart, Dr. Milton Daily, C. C. Flanley, H. P. Guiney, F. L. Hutchins, H. J. Hutton, Mike King and George Sinclair of Sioux City, and C. J. Wohlenberg of Holstein, Iowa.

Change in Officials

Announcement was made recently of the advancement of J. Fred Mattered and M. D. Brodt to the presidency and cashiership of the First National Bank of Sibley, Iowa. J. B. Ludlow becomes vice president and a new member of the board of directors. The affairs of the bank have been entirely in charge of Messrs. Mattered and Brodt for a number of years, practically since Mr. Emmert moved to Canada more than 15 years ago,

and the concern will continue the business policy it has pursued under the management of these men.

Heads County Bankers

H. W. Wentz, cashier of the Commercial National Bank, was elected president of the Black Hawk County Bankers Association for the ensuing year, at the annual meeting held recently in Waterloo, Iowa. Mr. Wentz succeeds J. H. Byers of Cedar Falls.

Other officers elected were H. C. Smith, cashier of the Cedar Falls National Bank, first vice president; Ralph Bordner, Hudson, second vice president; Albert J. Burk, First National Bank, Waterloo, secretary, and F. P. Davis, president of First National Bank, Dunkerton, treasurer.

Sheriff H. T. Wagner discussed the timely subject of protection of banks against robbery, suggesting a watchman behind a steel balcony, for each bank. The plan would entail considerable expense but would aid materially in the reduction of the number of bank holdups, and lower insurance rates, the speaker said.

Rates Favorable

Iowa compares favorably with other states in the matter of bank insurance rates against bandits.

The rate in Iowa is \$1 a thousand, while in Oklahoma, the same insurance costs \$10. Other states having high rates are Kansas and Illinois, \$6; Michigan and Missouri, \$4, and Arkansas and Indiana, \$3.

That coverage is for protection only against holdup men staging daylight robberies. Additional insurance is carried by banks against burglaries, embezzlement and other losses. The banks are given a discount of 10 per cent each for the employment of daytime watchmen up to three. Other allowances are made, computed on the basis of the equipment of the bank and its location with reference to the section of the city and proximity to a police station or county authorities headquarters.

Discounts are allowed for resistance enclosures, daylight holdup alarms and tear gas equipment.

Noon Hour Closing

The two Colfax, Iowa, banks, the Citizens State and First National, will close



A Distinctive Service

for

Banks and Bankers

Through a special division, handling exclusively the accounts of banks, a service is offered which is complete, efficient and distinctive. This division, in charge of four officers, is co-ordinated by the officers with other divisions and departments of the two banks. Our service for banks and bankers, developed since 1863, is completely outlined in a booklet which bankers have found helpful. We will gladly mail you a copy on request.

FIRST NATIONAL BANK OF CHICAGO

Affiliated

FIRST TRUST AND SAVINGS BANK

Resources Exceed
\$450,000,000.00

Frank O. Wetmore, Chairman
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THE NAME
 “The Commercial National
 —Waterloo”

means a strong bank—a good business friend to its correspondents—a business friend with the facilities and an organization to give exceptionally competent and intelligent banking service as a matter of daily routine.



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

WATERLOO, IOWA

CAPITAL AND SURPLUS—ONE-HALF MILLION DOLLARS

their places of business during the noon hour.

This action is taken at the recommendation of the State Bankers Association and as a safeguard for the banks.

During the noon hour there is almost always just one man in each bank and with the outbreak of more daylight bank robberies the past few weeks over the state, the Bankers Association is recommending that all of the banks in the smaller towns and cities take all precautions possible to safeguard against these holdups.

A. B. I. Meeting

The Tri-City Chapter of the American

Bankers Institute met recently in Davenport, Iowa, for study on the subject "Negotiable Instruments," with Attorney Albert Block of the American Commercial and Savings Bank as the instructor. The class met in the First National Bank.

In Memoriam

The Federal Reserve Bank of Chicago has made public the resolutions passed by its board of directors on the death of Director C. H. McNider which occurred October 30th. The resolutions follow:

"WHEREAS, Charles Henry McNider has served as a director of the Federal Reserve Bank of Chicago since January 3, 1920, and

"WHEREAS, Mr. McNider, by his clear sighted vision acquired by signal achievements in financial and business activities, by his wise and able counsel, and by his generous gift of time and energy, has rendered the Federal Reserve Bank of Chicago distinguished and invaluable service and has contributed to the sound development of the Federal Reserve System as a whole; be it

"RESOLVED, that in the death of Mr. McNider, the Federal Reserve Bank of Chicago has been deprived of a valuable friend and a wise counsellor; and be it further

"RESOLVED, that as an expression of our sympathy a copy of these resolutions be spread upon the records of this board, and that a copy be sent to the surviving members of the family of the late Mr. McNider."

Clayton County Meeting

Seventy-nine bankers and guests representing every town and nearly every bank in the county attended the annual fall meeting of the Clayton County Bankers Association which this year was held in Guttenberg, Iowa.

The banquet was served by the ladies of the O. E. S., and was followed by a short business meeting at which R. C. Lemka, now deputy clerk of the courts, resigned his office of president. K. W. Rash of Monona, former vice president, was advanced to the office of president and George Downey of Edgewood was elected to succeed Mr. Rash.

For Reserve Director

President Irvin J. Green of the First National Bank of Davenport has been nominated for election to a directorship of the Chicago District of the Federal Reserve Bank, the vacancy being caused by the death of the late C. H. McNider of Mason City.

Five states are included in the Chicago District, Iowa, Illinois, Indiana, Michigan and Wisconsin. The electing banks for the vacant directorship number about 300. One other Iowan has been placed in nomination. He is Glenn M. Averill, Cedar Rapids, also a very well known Hawkeye banker.

Christmas Clubs

Iowa banks will distribute \$5,600,000 in Christmas clubs. Of this amount, Des Moines banks will contribute approximately \$176,300.

The Des Moines figures by banks are, roughly: \$50,000, Central State Bank; \$45,000, Bankers Trust Company; \$40,000, Capital City State Bank; \$30,000, Valley National Bank; \$5,500, Home Savings Bank; \$4,000, Euclid Avenue State Bank; \$1,800, Continental Trust and Savings Bank.



Capital - - One Million Dollars
Resources - Ten Million Dollars

Prompt, intelligent service is rendered correspondent banks by every good bank, but the outstanding feature of the **FIRST NATIONAL BANK OF SIOUX CITY** service is our real co-operation in meeting the needs of correspondent banks in the extension of credit and helpfulness in securing high class investments for their secondary reserve.

WE INVITE YOUR ACCOUNT

DIRECTORS:

R. J. ANDREWS Real Estate and Insurance	RALPH J. HALEY President, Haley-Neeley Co.	W. S. KNAPP President, Knapp & Spencer Co.
F. B. BUCKWALTER President, The Buckwalter Co.	A. S. HANFORD, SR. President, Hanford Produce Co.	W. A. KLINGER Constructor
E. C. CURRIER President, Hansen Glass & Paint Co.	H. A. GOOCH Vice President	J. L. MITCHELL President
DAVE DAVIDSON President, Davidson Bros. Co.	JOHN B. KEEFE Secretary-Treasurer, M. L. Flinn Paving Co.	D. C. SHULL Attorney
E. B. FLINN President, M. L. Flinn Paving Co.		HENRY G. WEARE Ranchman and Banker

Some of the banks do not have larger amounts because they did not stress the Christmas savings angle. Other banks discontinued the club.

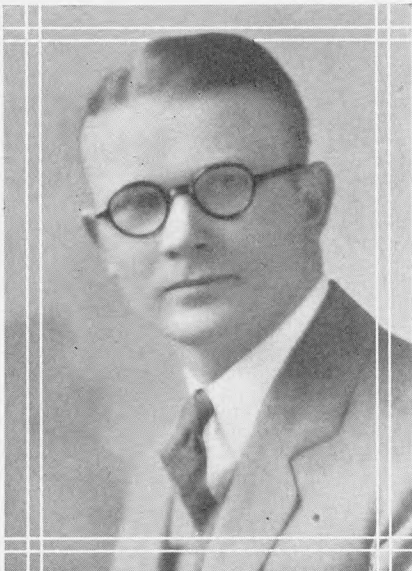
Among those who discontinued the club are Iowa National Bank, Des Moines National Bank and the University State Bank.

Though the fashion for Christmas clubs is apparently declining, a record Christmas club distribution, estimated at \$550,000,000, will be made by more than 8,000 banks and financial institutions of the United States.

In the distribution, more than 8,000,000 members will participate. The sum is about 10 per cent larger than last year's distribution of about \$500,000,000 and more than five times the amount in 1920. The average distribution to each member amounts to \$59.10, a slight increase over 1927.

Is Assigned Iowa Territory

W. M. Knutson, representing the Illinois Merchants Trust Company of Chicago, in Iowa, Nebraska, Minnesota and South Dakota, for the past few years, is now devoting his entire time to building up Iowa business for the Continental Illinois Bank and Trust Company, which



W. M. KNUTSON

was recently formed by the consolidation of the Illinois Merchants Trust and the Continental National Bank and Trust Company.

Mr. Knutson is a thorough student of Iowa banking conditions, starting in the banking business in northern Iowa at the age of seventeen years. At the age of twenty-one he was cashier of an Iowa bank. He served with the Iowa state banking department for three years and has been four years with the Illinois Merchants.

The consolidated bank, the Continental Illinois Bank and Trust Company, takes its place as one of the financial giants of the country. It has combined deposits of \$874,209,900 with combined resources of a billion dollars.

On the Warpath

Iowa's vigilantes are on the warpath. The recent robbery of a trio of Iowa banks has been taken by the vigilantes as a challenge flung in their faces by the holdup gangs, and vigilance organizations all over the state are preparing a drastic reception for future invaders.

According to a bulletin issued by Frank Warner, secretary of the Iowa Bankers Association, the vigilantes are clamoring for more saved-off shotguns and am-

munition, and county units are holding rifle and pistol matches daily. Linn County vigilantes even have an airplane at their disposal.

Cass County bankers following the bank robbery at Atlantic got busy, and are now completing the organization of a vigilance committee. Formerly Cass had not been organized.

Worth County vigilantes now are making a daily patrol of the banks located in the various towns morning, noon and

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evening, while the Cherokee County vigilantes are making a practice of stationing men at vantage points during the opening hours, the noon hour and at closing time. These sharpshooters command every approach to each bank, and the robber crew that tries to operate in Cherokee County will not find the vigilante artillery loaded with blanks.

Several other counties have adopted similar measures, and a number are closing at 3 o'clock instead of 4 o'clock in the afternoon. This practice will continue during the winter months, so that it will still be broad daylight when the front blinds are drawn, and holdups will not have the cover of oncoming night to shield them in their getaway.

Meet in Des Moines

The Polk County Bankers Association held its regular monthly meeting recently

in the East Des Moines Club rooms. Following the dinner, A. J. Robertson, vice president of the Iowa National Bank, gave a talk on "Bonds from the Standpoint of the Bank as Purchasing Them." A business meeting followed the address given by Mr. Robertson.

One thing of particular interest engaging the attention of the Polk County Bankers Association is an agricultural project being worked out between the county association and the county agent for Polk county. Elmer Myhre, cashier of the Farmers Savings Bank at Ankeny, made a report on behalf of his committee that had conferred with the agent on the agricultural project of making it more convenient for farmers to have a supply of lime on hand with which to lime the soil, looking toward the widespread introduction of alfalfa production in this county. Walter B. Skinner, cashier of the Farmers Savings Bank at Runnells, reported on what his bank had done in the little town of Runnells and gave an interesting talk on the formation of a local organization of twenty farmers with his bank in building a large bin that will hold several carloads of lime, which is sold both to members and nonmembers of their organization at cost plus 20 cents a ton. It is anticipated that the 20 cents will eventually pay the original twenty farmers and the bank for the cost of building the lime bin with the slight overhead involved in the managing of it. It just makes it possible for farmers to get lime at any time they may want it or whenever they find the roads are available to haul it. Heretofore, oftentimes the lime arrived when the roads were bad or when the farmer was so tied up with his work that he could not get to town. It then was incumbent upon him to pay the demurrage charges, all of which added to the cost as well as to the inconvenience of the farmer.

The meeting being the annual one, new officers were elected by the forty bankers present. The new officers elected were:

President, Elmer Myhre, cashier, Farmers Savings Bank, Ankeny; vice president, Will A. Luge, cashier, Capital City State Bank, Des Moines; secretary, W. E. Grismer, cashier, Citizens State Bank, Mitchellville; treasurer, E. A. Landess, assistant cashier, Polk City Savings Bank, Polk City.

Merge in Vinton

Establishment of the strongest and biggest bank in Benton county's history was revealed in Vinton, Iowa, recently, with the announcement of the merging of the Farmers National Bank and the Vinton Savings Bank.

Combined assets of the two merging institutions will total nearly \$1,500,000,

A Merry Christmas

The First National Bank of Omaha wishes its correspondent banks a Merry Christmas. We have had pleasant relations with some of our correspondent banks for nearly three-fourths of a century.

F. H. DAVIS
President

**First National
Bank of Omaha**

C. T. KOUNTZE
Vice President
and Chairman

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 December 1928

according to A. H. Ellis, president of the new bank.

The new bank will be called the Farmers National Bank in Vinton.

Officers of the new merged bank will be:

Clarence Nichols, chairman of the board of directors; A. H. Ellis, president; J. F. Traer, vice president; H. M. Main, cashier; F. L. Gerberich, assistant cashier.

The board of directors of the new bank will be composed of Clarence Nichols, J. D. Nichols, Garth Carrier, George Horridge, A. H. Ellis, H. M. Main, all from the old Farmers National Bank; and Dr. C. C. Griffin, W. E. Bickel and J. F. Traer, from the old Vinton Savings Bank.

Advocates Holding Crops

It is the custom of M. W. Fitz, president of the Farmers Savings Bank at Manson, Iowa, to publish in his local newspaper occasionally a column discussing crops and the farm situation in general.

Recently Mr. Fitz commented on the disposal of the 1928 corn crop, saying that he believed it better to hold the crop for better prices, rather than to make a sacrifice resulting in a loss. The grain buyers, of course, think it wrong for Mr. Fitz to advise farmers to hold their crops.

The conclusion of Mr. Fitz' statement follows:

"Personally, I have always held to the farm warehouse system rather than central terminal or the market warehousing. To discuss this section of the subject in hand would require an entire treatise, and the farm warehousing involves the farmer in doing his own financing, which is now being advocated by Carl N. Kennedy, assistant secretary of agriculture, who states that many of the Iowa banks

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

Illustrated booklet free on request

CURTIS A. HALE, Managing Director

Successful Management

By Men With
Over 30 Years' Experience
In The Operation Of
Public Utilities
Financing And Directing
Industrial Companies

"For Over Eleven Years—All Your Money—All The Time—On Time"

W.B. FOSHAY CO.

Incorporated August 31, 1917

FOSHAY TOWER
MINNEAPOLIS

OFFICES IN 20 PRINCIPAL CITIES



East
of the Tower

PEARSON HOTEL

Pearson and Seneca Streets
One Block East of North Michigan Avenue
CHICAGO

THE Pearson, located in the famous new hotel district of the near North Side, offers its guests an address of distinction and convenience. Within a few minutes' walk, or a short ride by bus or taxi, from the offices, shops, and theaters of the downtown district, the Pearson is distinguished for an atmosphere of quiet refinement, gentility, and unobtrusive service. Large, bright, airy, elegantly furnished rooms. An excellent restaurant. 300-car fireproof garage nearby.

Charges agreeably moderate throughout.

Daily Rates: Single, \$3.50 to \$6.00; Double, \$5.00 to \$7.00.

58 Years of Successful Conservative Banking

Statement of Condition
of

THE CITY NATIONAL BANK
of Clinton, Iowa

November 13, 1928

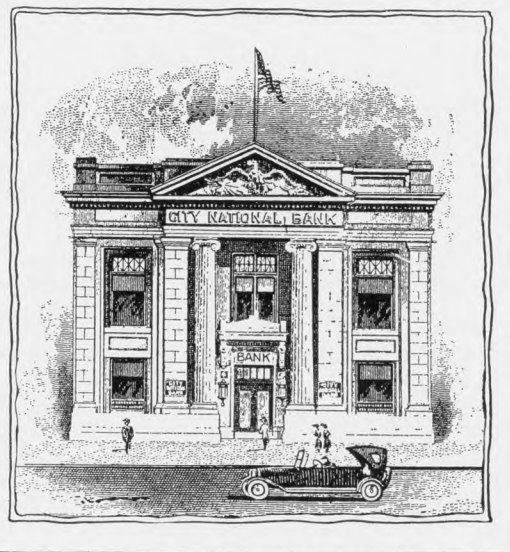
RESOURCES

Time and Demand Loans.....	\$5,961,917.40
U. S. Bonds.....	393,799.54
Stock in Federal Reserve Bank..	19,500.00
Banking House and Real Estate	97,383.51
Bill-of-Lading Items-in-Transit.	99,126.44
Cash and Due from Banks and U. S.	1,149,286.83
	<hr/>
	\$7,721,013.72

LIABILITIES

Capital	\$ 300,000.00
Surplus	350,000.00
Undivided Profits.....	219,328.55
Reserved for Interest and Taxes.	90,000.00
Circulation	300,000.00
Deposits	6,461,685.17
	<hr/>
	\$7,721,013.72

Clinton
County's
Largest
Bank



The City National Bank

CLINTON IOWA

Northwestern Banker December 1928

DIRECTORS AND OFFICERS

- ALFRED G. SMITH,
Chairman
ALFRED C. SMITH,
President
G. L. CURTIS,
Vice President
President, Curtis
Companies, Inc.
G. W. DULANY, JR.,
President, Eclipse
Lumber Co.
Chairman, Climax
Engineering Co.
H. W. SEAMAN,
President Clinton Wire
Cloth Co.
M. J. GABRIEL,
President Gabriel
Lumber & Fuel Co.
J. PETERSON,
Peterson-Bowman Imple-
ment Co.
J. O. SHAFF,
State Senator
Farmer and Live Stock
Dealer
B. M. JACOBSEN,
President
Clinton Thrift Co.
E. J. CURTIS,
Vice President Curtis
Bros. & Co.
C. A. ARMSTRONG,
Pres. C. F. Curtis
Company, Inc.
W. R. SMITH,
General Manager
Clinton Corn Syrup
Refining Co.
A. P. BRYANT,
Manager of Operations
Clinton Corn Syrup
Refining Co.
F. H. VAN ALLEN,
V. P. and Sec'y.
J. D. Van Allen & Son,
Inc.
H. S. TOWLE,
V. P. and Treas.
Towles & Hypes Co.
O. P. PETTY, Cashier
- J. H. NISSEN,
Assistant Cashier
H. G. KRAMER,
Assistant Cashier

are already becoming interested in offering service to the farmer, taking as security warehouse receipts, bills of sale and chattel mortgages, on the same plan operated between the farmer-feeder and their banks. Another timely suggestion on this section of the subject is that in some sections of the state afflicted with bank troubles, the farmer will not be able to secure financial aid from this source, many of them will be forced to market the crop, therefore this plan of storage in no way endangers the gradual or systematic marketing of the crop and will constantly supply any reasonable demand and in the event of an unnatural demand will automatically advance the price."

Two Bankers from Iowa

Leo M. Meeker, president of the Pan-American Bank of Los Angeles, recently introduced to the people of Los Angeles, through the pages of the Los Angeles *Examiner*, two vice presidents of his institution who are, as he calls them, "two bankers from Iowa."

C. L. Hill began his banking career in Iowa, and for four years was connected with the Hopkinton State Bank. From Iowa he was engaged in banking in Colorado, and more recently has been connected with a number of California institutions.

P. W. Hall needs no introduction to Iowa bankers, having been the secretary for a time of their state association. Mr. Hall organized the Sheldon, Iowa, National Bank and was its vice president and cashier. For the past eleven years he has been associated with the Mechanics & Metals National of New York, and later with the Chase National when it absorbed the former institution.

Mr. Meeker extends a cordial invitation to former Iowans and those visiting Los Angeles from that state, to come to the bank and meet Mr. Hill and Mr. Hall.

A Correction

An item relative to the Wayland Savings Bank at Wayland, Iowa, published in the November issue of the NORTH-WESTERN BANKER, gave the impression that the Wayland Savings was a new institution and had just opened recently.

What really occurred was that the Wayland Savings had renewed its charter for another fifty years. The bank was originally organized in 1893, and has been doing business at the old stand ever since.

We are glad to make the above correction.

Cashier Resigns

G. O. Summers has announced his resignation as cashier of the Bonaparte State Bank of Bonaparte, Iowa. About a year and a half ago Mr. Summers

bought a 10-acre poultry farm one and a quarter miles northwest of Bloomfield and since that time has been planning to change his position from that of banker to poultry farmer.

Miss Opal Van Auken, deputy treasurer of Van Buren County, is the new employe in the bank in place of Mr. Summers.

Changes Position

John S. McCord, cashier of the Moravia, Iowa, State Bank, which was recently robbed, has resigned to become cashier of the Security State Bank at Promise City. He began his new duties November 1st.

In Knoxville Bank

C. C. Cooper of Glendale, California, has purchased an interest in the Knoxville National Bank and Trust Company of Knoxville, Iowa, and will become a vice president in that institution. Cooper will succeed J. A. Bundy as an officer in the bank.

The bank was purchased by A. M. Bundy and R. J. Harrison of Cedar Rapids more than a year ago. Bundy and Harrison will continue their interest in the bank, the former as president and the latter as vice president. Cooper and E. R. Jordan will be the active vice presidents and S. L. Walker will continue as cashier.

Goes to Scranton

Glen C. Cory, who has been cashier of the Pilot Mound Savings Bank the past five years, has resigned his place and accepted a position with the J. W. Holden Bank of Scranton, Iowa. D. W. Crouch, president of the Pilot Mound bank, will take active charge as president and manager, and Roy Crouch will remain as assistant cashier.

Consolidated

The Citizens Savings Bank and the Security Trust and Savings Bank of Cedar Falls, Iowa, have merged and the consolidated bank began operations recently. Business will be continued in the building occupied by the Citizens Bank. The consolidated bank will have resources amounting to \$1,400,000. The merger is in the interest of sound banking and follows the trend in banking circles to create larger units of banking capital and to cut down the cost of operation. The merger leaves the town with but two banks.

Becomes Vice President

Sam S. Hiller is now vice president and director of the State Central Savings Bank of Keokuk, Iowa, succeeding L. J. Montgomery, whose resignation became effective recently. Mr. Hiller has

1876

1928

*A Pioneer
Among
Iowa's Financial
Institutions
and Growing in
Service
with the Years*



**Consolidated National
Bank**

UNITED STATES DEPOSITORY

DUBUQUE, IOWA

J. K. Deming, President

Geo. W. Myers, Vice President

Herman Eschen, Secretary

Jos. W. Meyer, Cashier



Valley Bank Building

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

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

**Valley National Bank
 AND
 Valley Savings Bank
 DES MOINES, IOWA**

R. A. CRAWFORD, President
 D. S. CHAMBERLAIN, Vice President
 C. T. COLE, JR., Vice President
 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

**A Waterloo
 Connection That
 You Can Rely
 Upon in
 EVERY Way**

**First National Bank
 Waterloo, Iowa**

been in Keokuk acquainting himself with the routine duties of the office.

Mr. Hiller is no stranger either to Keokuk or to the banking business. In the summer of 1893 he was in Keokuk in the Central Savings Bank which was then situated on Seventh street. In the fall of 1894 he was one of the organizers of the Exchange Bank at Kahoka, Missouri, being elected assistant cashier at its organization. In 1895 he was elected cashier of that bank and continued as such until November 1st of this year, when he was named vice president of that bank, a position which he still holds.

New Bank

The State Bank of Strawberry Point, Iowa, an institution resulting from the reorganization of the Strawberry Point State Bank, opened for business recently. The new bank is capitalized at \$35,000, and J. J. Matthews, for the past five years an employe of the State Department of Banking, is the cashier.

The other officers and directors chosen at a recent meeting of the stockholders are: President, L. W. Preston; vice president, H. M. Eaton; directors, J. R. Alderson, Albert Kash, L. W. Preston, R. C. Norris, E. H. Fitzgibbons, H. M. Eaton and Carl Zwanziger.

To Increase Rates

A. C. Hauck, cashier of the First Trust and Savings Bank of Alta, Iowa, is advertising the action of the board of directors in deciding that they would issue long time investment certificates with semiannual interest coupons attached. With this decision they also decided that they would pay an increase in rate of interest on these certificates. The three-year certificates will draw interest at the rate of 4 per cent payable semiannually and the five-year certificates will draw 4½ per cent interest, payable semiannually.

Dairying and Bank Deposits

Figures are usually dull and uninteresting. But recently we ran across some that are most significant. In an advertisement by one of the Strawberry Point banks the total deposits of the 24 banks in Clayton County are tabulated. The total was, in round numbers, twelve million dollars. Clayton County has about twice the population of Audubon County.

Audubon County has long been recognized as one having strong banks. The deposits of Audubon County banks are above the average for the banks of Iowa, as are their average assets. But the total deposits in Audubon County are approximately three million dollars, or one-fourth the deposits in Clayton County.

To those who have traveled through

northeastern Iowa the figures are not surprising. There is one dominant reason—the dairy cow. The hills of Clayton County will not produce half as much corn as Audubon County hills. That is the good fortune of that county. The twelve million dollars in bank deposits of that county are mute but expressive evidence of that fact. The cooperative creameries that one sees frequently in that section of the state are turning out tubs of gold and bringing in streams of gold to the farmers and merchants. The well painted farm buildings indicate that bank deposits are not being built up at the expense of other things, either. We even marveled at the fact that the barns in that section of Iowa are all painted white. Farmers there scorn to use cheap red paint. There are almost no run down farms and the towns have an appearance of prosperity that we are sorry to say is not seen in many parts of the state.

Other counties in Iowa have seen the light. Up at Spencer the business men have been encouraging dairying by financing the purchase of dairy calves for several hundred boys and girls of Clay County. That's casting their bread upon the waters in a most intelligent way.

If this newspaper were to name the one thing which might be done in Audubon county that would bring a larger measure of prosperity than a dozen McNary-Haugen bills, it would be the fostering of the dairy industry. We would rather see ten thousand dairy cattle in Audubon County than a guarantee that corn could be sold at a dollar every year. The one would encourage the kind of farming that makes for permanent prosperity, the other would encourage the kind of farming that robs the soil and impoverishes an agricultural community in the long run.

What an opportunity there is before the farm bureau, the banks and the civic organizations in Audubon County!—From the Audubon, Iowa, *Advertiser*.

Attends Reunion

C. J. Weiser, president of the Winnesheik County State Bank at Decorah, was among the many Iowa bankers who attended the recent A. B. A. convention in Philadelphia. While in the east, it was also his privilege to attend a reunion of the Weiser family, held in York, Pennsylvania. York was the home of Conrad Weiser, the first member of the family to land on our shores, coming here in 1720.

Conrad Weiser became a nationally known character, and was on intimate terms with George Washington, Benjamin Franklin, and other prominent men of that period. C. J. Weiser says the present generation is the ninth, and that each generation has had a plentiful supply of bankers among its numbers.



THE ONLY NATIONAL BANK

*in Scott County, Iowa, and
Rock Island County, Illinois!*

This fact together with our complete facilities for promptly and efficiently caring for any business referred to us urges your appointment of the First National Bank of Davenport, Iowa, as your correspondent bank in this territory.

First National Bank



At Second street and Main
Davenport, Iowa

Founded with vision *Built by Service*

Standard Foreign Trade Books

More than two hundred foreign trade executives, educators, economists and editors have contributed to a selected bibliography of foreign trade which has just been issued by the National Foreign Trade Council. The bibliography which lists about 120 titles, is published as a guide to the standard books and reference works most widely used by American foreign traders.

It is obvious from this bibliography that American foreign traders are now stand-

ing on their own feet as regards the literature of foreign trade. They systematized information on international business conditions from thoroughly authentic American sources which this booklet reveals is available to every American business man and it is his privilege to make the most of it.

American foreign trade grows through the far-sighted capacity of most American traders to share the knowledge and experience which have helped the fortunate few. This bibliography carries on that

spirit of co-operation by citing the most worth-while books on foreign trade theory, foreign trade practice, the merchant marine, trade with Latin America and the far east, and reference books and directories. The council has also listed a number of government handbooks and pamphlets of the bureau of foreign and domestic commerce with special regard to their practical use.

Yachts at Million Each

Yachting in million dollar pleasure cruising craft would appear to be the hobby of chief executives and big stockholders of the General Motors Corporation, inasmuch as orders for three such and others costing less have recently been placed with a New York shipbuilding company.

Alfred P. Sloan, president of the General Motors Company, and Fred J. Fisher, an executive of the same organization, are to have two of the million dollar ships. The third has been ordered by another automobile executive whose name was not disclosed.

Charles F. Kettering, chief engineer for General Motors, has ordered a \$500,000 yacht. Jules S. Bach, New York financier, is to own a \$200,000 vessel. The shipbuilding company said the total of \$3,700,000 in orders is the largest sum ever placed with an American designer for delivery of pleasure yachts. The three \$1,000,000 vessels are to be identical in practically all details, and will be among the most luxurious of their type.

Show Increase in Earnings

The department of commerce reports gross earnings in September, 1928, of 95 public utility enterprises, exclusive of telephone and telegraph companies, as \$179,000,000, compared with \$174,000,000 in August, and \$169,413,885 in September, 1927, increases of 2.8 per cent and 5.6 per cent respectively; for the nine months ended September, 1928, \$1,637,917,891, against \$1,558,277,178 in the corresponding period of 1927, increase of 5.1 per cent.

Net earnings, representing in general the gross, less operating expenses and taxes, or the nearest comparable figures, were \$67,000,000 in September, 1928, compared with \$60,000,000 in August, increase of 11.6 per cent, and \$61,897,207 in September, last year, increase of 8.2 per cent; for nine months ended September, 1928, \$618,457,941, against \$560,765,642 in corresponding period of 1927, increase of 10.2 per cent.

Wish I Had

Father: "Well, do you think you can make my daughter really happy?"

Suitor: "Say, you should have seen her last night!"

Stabilizing the Banking Business

(Little Talks on Tiling, No. 37)

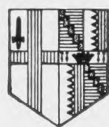
STEADY, dependable farm incomes make the entire banking business stable, safe and profitable. Stability of farm income is more dependent on the uniformity of crop yields than on any other one thing. And weather is the chief cause of fluctuating crop yields. But farmers who have all their clay

soils thoroughly tile drained find that their crop yields are practically independent of weather extremes. They get good, dependable yields whether the season is wet and cold, hot and dry, or just average. Year in and year out their crop production and cash income are about the same from a given acreage.

Stabilize Your Own Business
By Stabilizing Farm Incomes

Mason City Brick and Tile Co.

312 Denison Bldg. Mason City, Iowa



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 *Mawretania*, and a foreign branch office at 196 Piccadilly, London, specially equipped for the use and convenience of visitors in London.

AMERICAN DEPARTMENT: POULTRY, LONDON, E.C.2

MIDLAND BANK
LIMITED

HEAD OFFICE. 5 THREADNEEDLE STREET, LONDON, E.C.2

IN THE DIRECTORS ROOM



Miles Per Gallon

Marie came walking home, tired from an auto ride, denouncing the new flivver.

"What's the matter with it?" she was asked.

"Oh, they go so far on a gallon of gas that they're far out in the country before the tank runs dry."

Bad Management

A small boy, while walking on a railroad track, was astonished when he saw that two fast freight trains running on the same track were about to crash head-on. Much frightened, he took to a nearby high bank where he witnessed the smashup. Later some officials, learning that there had been an eyewitness to the wreck, found him and asked:

"What were your thoughts at the time of the crash?"

"Well," the boy answered slowly, "I thought it was a darn poor way to run a railroad."

Too Much Progress

Book agent to farmer: "You ought to buy an encyclopedia, now your boy is going to school."

Farmer: "Not on your life. Let him walk, the same as I did."

Very Obliging

Widow writing a testimonial for a life insurance company: "On August 9th my husband took out a policy. In less than a month he was drowned. I consider insurance a good investment."

"Bare" All Right

Two bluejackets were watching the bathing girls at Atlantic City when one of them pipes up: "Do you think the girls could wear their bathing suits much smaller?"

"I don't know," said his shipmate, "but there's a bare possibility."

He Knew

The female orator was raving and ranting to a small audience of men. "Women," she shrieked, "at all times have been the backbone of all nations. Who was the world's greatest hero? Helen of Troy! Who was the world's greatest martyr? Joan of Arc! Who was the world's greatest ruler? Who, I say, was the world's greatest ruler?"

And simultaneously that entire crowd of men arose and answered in one voice, "My wife!"

Same Thing

"Well, pop has another wife to support now!"

"What, what—he's not a bigamist, is he—do tell?"

"Nope, but I just got married."

A New Approach

"Well, who's been waiting the longest?" asked the dentist cheerfully as he opened the door of his surgery.

"I think I have," said the tailor, presenting his bill. "I delivered that suit you're wearing three years ago."

The Meat Boy's Love

I never sausage eyes as thine,
And if you'll butcher hand in mine,
And liver round me every day,
We'll seek some ham-let far away,
We'll meat life's frown with life's caress
And cleaver road to happiness.

Name, Please!

Although the lovers had known each other only three days, they had to part.

"Come along, please!" shouted the brakeman and the young couple, lingering on the edge of the platform, started.

"It'll be beastly without you," he observed.

"And I'll miss you, too," she said. "I never was so happy, and all because we met three days ago."

"But think how dreadful it's going to be," he wailed.

"Stand away, there!" shouted the trainman.

"You'll write?" she called from the window.

"Every day," he answered.

Then suddenly he tore after the train, and as he almost overbalanced on the extreme end of the platform, he made a trumpet of his hands and cried:

"Darling! Darling! What on earth did you say your name was?"

Not Guilty

Judge: "You have been acquitted of the charge of bigamy and are quite free to go home."

Prisoner: "To which one, your honor?"

Justifiable Grounds

Judge: "And what are your grounds for divorce?"

Young Bride: "Harry snores."

Judge: "How long have you been married?"

Y. B.: "Two weeks."

Judge: "Granted; he shouldn't snore."

Mush for Breakfast

Wife: "George, the cook left and I don't know what we are going to eat for the next few days."

Mr. H.: "You still have my old letters, haven't you?"

Wife: "Yes, of course."

Mr. H.: "Well, drag 'em out, and we'll have mush for breakfast, anyway."

Not That Kind

Kind Old Gentleman: "What do you call those two kittens, Johnny?"

Small Boy: "I call 'em Tom and Harry."

K. O. G.: "Why don't you name them Cook and Peary after the great explorers?"

S. B.: "Aw, gwan, mister; these ain't polecats."

No Hope

"Now," cautioned the judge, "remember you are to tell the truth, the whole truth and nothing but the truth."

"Golly!" exclaimed the dusky defendant. "Mah case am los' right now!"

Too Good

The day at the links had distinctly not been a success. Neither the irascible Jones nor the equally so Smith had succeeded in breaking a hundred and a quarter. In the hope of averting conversation from his disastrous score, Jones asked when they reached the clubhouse:

"Is your caddy good?"

"Good?" exploded Smith. "Say, when it comes to telling me how many strokes I'm lying, that boy's a religious fanatic."

Power exhibits itself under two distinct forms—strength and force—each possessing peculiar qualities, and each perfect in its own sphere. Strength is typified by the oak, the rock, the mountain. Force embodies itself in the cat-act, the tempest, and the thunder-bolt.—Garfield.

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Associate Manager

Chicago Office: Wm. H. Maas, 1221 First National Bank Bldg., Phone Central 3591
St. Louis Office: D. H. Clark, 408 Olive St., Phone Garfield 2138
Minneapolis Office: Frank S. Lewis, 840 Lumber Exchange, Phone Main 3865

Official Publication of
THE SOUTH DAKOTA BANKERS ASSOCIATION
THE IOWA FARM MORTGAGE ASSOCIATION
THE IOWA BOND DEALERS ASSOCIATION





Des Moines National Bank

Christmas Greetings

In extending Christmas Greetings to the bankers of Iowa, the officers and directors of the Des Moines National Bank send to you an expression of a genuine feeling of friendship—not only during the holiday season, but for every day of the year.

The New Year

We believe 1928 has shown conclusive evidence of an improvement in Iowa business conditions, which entirely justifies an optimistic outlook for the coming year.

OFFICERS

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Capital \$ 1,000,000.00

THE APPROACHING CONSOLIDATION...

... **P**roviding an even more

COMPREHENSIVE SERVICE *for*
correspondent banks

UPON the consolidation of Illinois Merchants Trust Company and Continental National Bank and Trust Company of Chicago to form CONTINENTAL ILLINOIS BANK AND TRUST COMPANY, there will be conveniently concentrated in the new institution a greater and still more comprehensive service to correspondent banks.

The new bank's resources of over a billion dollars and the many thousands of bank correspondents which it will have in every part of the world (it will serve more banks than any other bank in the United States) make possible service on a scale to satisfy every bank's requirements and to handle each bank's business with

facility and dispatch. It is planned that the consolidated bank will be a member of the Federal Reserve System.

CONTINENTAL ILLINOIS COMPANY, the affiliated securities company to be capitalized at \$20,000,000, will provide exceptionally strong cooperation in the underwriting and distributing of investment securities. It will offer an unusually wide range of securities suitable both for the investment of bank funds and for resale to bank customers. It will be a valuable source of investment information and counsel.

In the consolidated institution, customers will continue to transact their business with the same officers who are now serving them.

ILLINOIS MERCHANTS TRUST COMPANY

Resources Over 450 Million Dollars

CHICAGO