

Northwestern BANKER

DES MOINES

APRIL, 1930

Hunter S. Marston Heads
Bancamerica-Blair

(Page 16)



HUNTER S. MARSTON
President, Bancamerica-Blair Corporation

How Bankers View Group Banking

(Page 13)



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Northwestern Banker

Des Moines

The Oldest Financial Journal West of the Mississippi

Number 513

APRIL, 1930

35th Year

Just Between Us

Desperate Chances

"Is your husband a good provider, Dinah?"

"Yessum, he's a good providah all right, but I'se allus skeered dat niggah's gwine er git caught at it."

Faith

Everyone takes frequent glimpses into the future through one of two field glasses—faith or fear. The doers, the winners-to-be, believe in what they want to see. There's something of the quitter in a man who can't see anything good ahead.

Your faithful present will build your successful future but fears of what's to be will destroy your power to control the present.

Believe your plans good until you find them faulty. Believe in the possibilities of other men. And when you're forced to give up some of your beliefs find newer and bigger ones to take their places.

You better live your best and act your best and think your best today; for today is the sure preparation for tomorrow and all the other tomorrows that follow.—Harriet Martineau.

Some people have a perfect genius for doing nothing, and doing it assiduously.—Thomas C. Haliburton.

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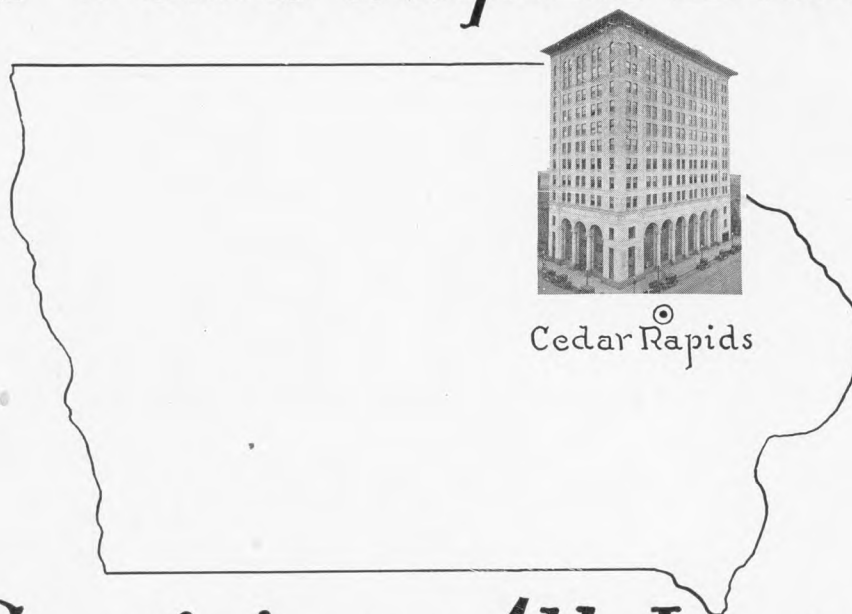
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Across the Desk, From the Publisher

By Leifford Delaney

Our Survey of Group Banking

IN THIS issue of the *Northwestern Banker* considerable space is given to a recent survey which we made of group banking.

Six different questions were asked in all, and the answers to these are very interesting as you will find by reading the article.

In answering our first question which was "Is your opinion of group and chain banking favorable or unfavorable," 15% of the banks replying to our questionnaire were favorable and 85% were unfavorable to group and chain banking.

Of the 15% which were favorable to group and chain banking 23% said that they were already members of a group or chain system.

Therefore, if we eliminate the banks which were already members of some group or chain from those who said they were favorable to group and chain banking, we find that 11.6% of banks not now members of any group or chain voted favorably for this method of banking.

On this basis, our final percentages would be 11.6% banks favorable to group and chain banking and 88.4% unfavorable.

Among other questions the *Northwestern Banker* asked was to list in order of their importance the principal *advantages* of group and chain banking.

The majority of replies contained these three points.

1. Greater safety.
2. Reduced overhead.
3. Better management.

We also asked the question what were the principal *disadvantages* of group and chain banking, and an analysis of the replies indicated that the three principal ones were these.

1. Lack of community pride of chain or group management.
2. Destruction of banker's initiative.

3. Centralization of local funds in large cities.

Another question which the *Northwestern Banker* asked was "Do you think group and chain banking will completely supplant unit banking?" The majority of the answers to this question were "No," and it seemed to be the consensus of opinion that group, chain and unit banking would continue to flourish in this country for many years to come.

The bankers replying to our questionnaire seem to feel that the individual initiative which has made and built America would continue to show itself in the management and operation of independent unit banks.

One bank which had been invited to join one of the groups said that it was waiting to see how the plan worked out and that many of their best customers were opposed to having them join any group and that if they did so these customers would start a new independent bank.

Another banker in presenting the disadvantages of group and chain banking made this point, "An exceptionally well managed and profitable unit would, it appears, have to share its profits with the weaker units if it is a member of a group or chain."

Another one of our good subscribers who has evidently been listening to our friend Henderson over the radio, said "Unless we are all weaklings we will never allow group or chain banking to completely supplant unit banking. If there was any real fight in us, we would not permit it to go on as we have. We do not have the nerve that our fathers and other pioneers had or we would be doing more than we are."

Some of our banker friends became facetious in answering the question as to the principal disadvantages of group and chain banking—one of them said, "The bigger they are the harder they fall." Another said, "There is room for both group banks

and unit banks in the United States and I believe both will continue. I can see advantages to both. Unit banks properly managed can operate with profit as well as the other banks."

One banker in replying evidently felt that it was a reflection upon his ability as a manager of his bank if he joined any group, and in answering the question giving the principal advantages of group and chain banking, he said, "There are absolutely no advantages unless the men in charge are not able to run the bank and need someone to take charge of the management. We do not want to go into the group or chain until we are willing to admit that we need someone to tell us how to run the bank."

This whole discussion of group, chain and unit banking has emphasized the need of better bank management and this will be to the real benefit of the whole banking business.

Many bankers felt that the individualism which has founded this country was being destroyed by group and chain banking, and that if it was destroyed we would resort to old world methods which have not been of the progressive and individualistic type displayed in this country.

The monopolistic tendency of the combination of large capital is also referred to as being undesirable by many of our readers who replied to our questionnaire, and this was brought out by J. M. Folda, President of the Colfax County Bank of Howells, Nebraska, who said:

"Huge combines and trusts if permitted, will get too powerful, and are not a good thing for the people in general. Certain sized trusts and merged concerns if properly reined by law are not bad and not to be feared, but they must be held under control."

Another banker leaves the future of the whole proposition dependent upon whether the customers want more individual service and are willing to pay a little extra for it, or whether they wish to have less service and not receive as much personal attention. "The future development of banking," says this banker, "whether toward more and more

chains and groups, or in the form of a reaction toward independent banking, depends largely upon whether the bank's customers, in small communities particularly, are willing to pay a little more for the personal service provided by the independents, or will prefer the impersonal, comparatively uninterested service which the groups can undoubtedly provide at a lower cost.

"It is to be doubted whether one system is more favorable than the other. One big bust-up wouldn't be any better than a lot of little ones. An institution which is too small to make a profit should and will be ruled off sooner or later under either system.

"In the final analysis, then, the development of banking in the next fifteen or twenty-five years will depend not upon the wishes of the banker, but of the banking public, who will get what they are willing to pay for."

There is no question about it that the weak banks have no place in any banking system, whether independent or group banks and the increased competition which the development of banking will bring about will, as we have pointed out before, cause banks to give more attention to cost accounting, the grading of interest rates according to deposit balances, careful diversification of their loans, and a general improvement in the management of their banks, which will be beneficial to the independent unit banks.

In the final analysis, the public must be the judge and the jury of the kind of banking system which will continue to meet with their desires and wishes.

Banking, is the most intimate and personal business in the world. It will in our opinion be done by groups, chains, and independent banks, thus giving the public an opportunity to choose between these various forms of banking systems, but it is hardly conceivable that the 18% of our banking resources which are now represented by chain banking will grow to 98%.

In any event, a good, strong, well managed, profitable unit bank has nothing in the world to fear.

Investment Trusts

Investment trusts, as we know, have come to occupy a very important place in the financial structure of the United States.

As far back as 1922 there were 18 organized investment trusts in the United States.

The greatest growth has been in 1928 when 121 such trusts were organized, and in 1929 when 173

were organized. The total investment trusts in the United States at the present time is 484, with capital fund of \$5,303,477,000.

The well managed, fully supervised investment trust will play a real part in the future development of America, and the sooner the weak ones and the mismanaged ones are eliminated the better it will be for those remaining.



2025 - RUFFED GROUSE IN THE HILLS

"RUFFED GROUSE IN THE HILLS"

This wonderful dog picture was painted by the late Edmund Osthaus long considered America's leading painter of dogs.

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Northwestern Banker March 1930

THESE QUESTIONS WERE ASKED IN THE SURVEY:

1. Is your opinion of group and chain banking favorable or unfavorable?
2. Is your bank a group or chain member?
3. Please list what you consider the principal (a) advantages and (b) disadvantages of group and chain banking?
4. Do you think group or chain banking will completely supplant unit banking?
5. What do you think will be the banking structure of the United States fifteen or twenty years from today?

HOW BANKERS VIEW Group and Chain BANKING

THE subject of group, chain and branch banking only a few years ago could not be discussed in the open by a gathering of bankers, without hard words, heated argument and angry debate. Opponents insisted the country would be nearing financial chaos under such a plan, while the group proponents in many cases were equally as obstinate in their views.

An extensive survey of the subject last month by the NORTHWESTERN BANKER, indicates that bankers in Iowa, Nebraska, Minnesota, North and South Dakota, are gradually analyzing banking developments of the past few months to a point where open mindedness on the subject of group, chain and branch banking, is the rule rather than the exception. This article will deal with the results of this survey, conducted among a thousand NORTHWESTERN BANKER readers. Included also will be a number of letters received from bankers, giving their ideas on the trend of financial history and group and chain banking in general.

In the NORTHWESTERN BANKER questionnaire, Question No. 1 was as follows: "Is your opinion of group and chain banking favorable or unfavorable?" In reply, 85 per cent of the answering banks said "Unfavorable," while 15 per cent replied "Favorable." While many of the bankers on both sides of the question qualified their answers by various "ifs" and "ands," the above percentages must be treated as distinctly affirmative or negative.

Question No. 2, "Is your bank a group or chain member?" of course, has a distinct bearing on the first question, for it was to be expected that every group or chain member would be favorable to that type of banking. Of the 15 per cent who favored group or chain banking, one-fourth are group or chain members. Another interesting feature was the rather large number of bankers who refused to go on record in answer to Question No. 1, with such replies as "We are open minded," "Have formed no conclusion," or "Too early to venture an opinion."

Question No. 3 was worded as follows: "Please list in the order of their importance what you consider (a) The principal advantages of group and chain banking, (b) The principal disadvantages of group and chain banking. In these answers, both group and unit bankers will be deeply interested.

Group and chain banking, according to the questionnaire answers, has sixteen distinct advantages over unit banking. These advantages, together with the number of times they were mentioned by answering bankers, are as follows:

Survey of sentiment among Northwestern Banker readers shows eighty-five per cent opposed to group and chain idea, but further development of group theory along with continuance of well managed unit banks is predicted.

	Times mentioned
Better management	104
Greater safety for the depositor	76
Lower cost of operation	52
Better loan accommodations for large businesses	41
More profit for bank stockholders	40
Greater confidence on the part of the public	36
Better cooperation between banks	35
Greater flexibility of credit	28
Establishment of uniform bank practices	26
Wider diversification of loans	24
Better facilities for investment	20
The power of centralized resources	12
Wider market for bank stocks	8
Limitation of stockholders' liability	7
Elimination of unfair competition	4
Smaller capital requirements	3

The above answers were given in total, by all of the answering banks, including members and nonmembers of groups or chains. It would appear, therefore, that in the eyes of the banking fraternity, the three principal group or chain advantages are better management, greater safety for depositors, and lower operating costs, at least two of which are primarily of concern to the bank depositor rather than the stockholder. "Profit for stockholders" comes fifth on the list. In the letters appended to this article, including arguments both for and against group and chain banking, will be seen the reasons for the above votes.

Section B of Question No. 3, "What do you consider the principal disadvantages of group and chain banking," brings out nine distinct disadvantages, listed as follows, together with the number of times they were mentioned:

	Times mentioned
Lack of interest in the communities served	188
The centralization of money in the big cities	132
The destruction of the individual banker's initiative	102
Lack of knowledge of local conditions	64
Promotion of financial monopolies	40
Destruction of the small town	32
The danger of failure of a group or chain	20
Elimination of character loans	19
Probable elimination of the double liability feature	4

From this survey, it would appear that by far the severest criticism of group and chain banking is their presumed lack of interest in the communities they serve, with the centralization of money in the big cities as a fair second. It is also interesting to note the relatively small percentage who fear the danger of chain or group failures, in contrast with the 76 bankers who listed "Greater safety for depositors" in their principal advantages.

How Bankers View Group

Question No. 4, "Do you think group and chain banking will completely supplant unit banking?" although somewhat related to the question that followed it, brought an interesting set of figures. Of those replying definitely, 74 per cent answered "No," while 26 per cent predicted that unit banking must give way completely to groups, chains, or branch banking.

Question No. 5, "What do you think will be the banking structure of the United States fifteen or twenty years from today?" was asked with no definite hope of obtaining accurate percentages, but principally to secure an expression of opinion on future developments in banking. These opinions will be evident in the letters that follow this article. The large majority believe that the future will see a banking system comprised of both groups and chains and unit banks. Here are some of the briefer comments: "Group banking controlled by the Federal Reserve in each district." "The Lord only knows." "Eight or ten big branch banks, and no other system." "A system similar to the Canadian system." "Under proper management, branch banking is the ideal system." "Banks for the handling of commercial accounts only. Time deposits are working out of banks." "More groups and chains, and stronger unit banks." "The Bank of Italy will dominate American banking."

Some of the letters from bankers on the general subject

of group, chain, branch and unit banking are as follows:

A Nebraska Banker:

I do not think that group and chain banking have any advantage over unit banking, particularly when there is just one unit bank in a town of 2,000 population or less. I believe group and chain banks are much more independent and for this reason of less service and value to the communities they should serve. Locally owned banks have the interest of their own community at heart. If group and chain banks can be reduced to such an extent that they will serve the smaller communities well they will be successful. Otherwise, I am afraid it will result in a different plan of banking and finance.

By this I mean, it will cost the public to use the loan corporations for the obtaining of money, and will open the field of more state bond and mortgage corporations, as are now offering opportunities to the public for their money. The short and long of it is, that big banks become too big and too independent to know the small monied man, and will only be able to see the bigger corporations and their financial problems, and in this way will cause difficulties to the agricultural public, and indirectly will cause hard times for the farmers, and the small business man.

Run Your Bank Right and Fear Nothing!

THE reaction of a large number of bankers to chain and group banking is the same as the merchants to the chain store, and a great many of them get together and wax warm and fluent on the subject, one of the great menaces of the country. As I see it, it is just another step in the constant evolution of our economic world, and should be treated in a sane manner. In far too many instances the independent banker has not played the part that he should in the economic structure of his community, so naturally group, chain or good independent banking will remove him from the picture.

In the past we have heard too much of Smith's or Jones' Bank. All the people that lined up with Smith in his social, religious and political views also did their banking business with him, and in the same manner those who agreed with Jones on the color of neckties or prohibition did business with him. Then both factions tried to recruit cohorts from the ranks of the other, with the consequence that a great deal of time, energy and money, too often the latter, was dissipated to obtain an account that would assay a loss in the end.

By H. N. THOMSON

*Vice President, Farmers and Merchants
State Bank, Presho, South Dakota*

Banking is a quasi-public business, the same as railroading or the distribution of light and power and should be considered as such. The laws of the country were framed from this point of view, but too often the banker considers himself a Gould or Harriman. In too many instances the public has been taught that a banker must be the outstanding social, moral and financial light of the community. I admit that the last is what he should be, but in the past too much of his time has been spent in upholding the first two.

Naturally, group and chain banking have a great many things in their favor, almost all of which we agree upon, such as, group purchasing, distribution of loan hazard, both geographically and industrially, economies of group operation which do away with overlapping, etc. Too, it has its faults, chief of which is re-

mote control, always a big factor in any organization.

As I look at the subject, the independent banker, who runs his bank in the most efficient manner, possesses rare business judgment and foresight, and exercises every avenue of safety and profit, has no fear of the chain bugaboo. He has so many things in his favor that the chain or group bank cannot purchase, despite their huge resources. All that he has to do is sit tight and keep his eyes open to the progress of the world, which he can do through:

Closer and franker relationship with his metropolitan correspondents.

Legitimate charges for a great many of the things that he now gives away.

Keeping himself educated as to the progress in the banking world.

Keeping out of factional local disputes.

Tending strictly to the banking business.

He need never fear the chain, group or any other kind of competition, for above everything he has the good will of the American people and can only lose it by violating their trust.

and Chain Banking

A Minnesota Banker:

Group banking will result in a monopolistic control by a few banks. This country's banking system should be liberalized by the Federal Reserve banks to counteract the advantages that group banks possess. This country was founded on the principles of individualism and will resort to old world methods if this is destroyed.

John M. Folda, President, Colfax County Bank, Howell, Nebraska:

Chain banking like chain stores and other huge mergers will eventually destroy the independence and initiative of the American people. If chain banks would have operated in years gone by under the same conditions that faced the unit banks would our middle western country ever have been settled? Would chain banks have loaned a man money waiting until he harvested a crop? Huge combines and trusts if permitted to become too powerful are not good for the country in general. Trusts of certain size, if properly controlled by law, are not harmful but they must be held under control.

An Iowa Banker:

Group and chain banking will never completely take the place of unit banks unless we are all weaklings. If there is any real fight in us we will not permit it to develop as it is now doing. We do not have the courage that our fathers and pioneers had or we would be opposing it more than we are.

L. H. Bock, Hills, Minnesota:

We will never secure the complete confidence of the public until we bankers offer a guarantee plan that is worth while. All banks should be members of the Federal Reserve System and all Federal Reserve earnings and overstocked dividends would be placed in a guarantee fund that could be used to pay depositors of closed member banks so far as possible. The Federal Reserve Bank earnings do not belong to the government since the government has no money invested and pays no salaries. They rightfully belong to the member banks and should be set aside to pay depositors of failed banks. Then with rigid national examination losses in closed banks would be kept below the earnings of their Federal Reserve banks, providing the latter

banks were economically managed.

A North Dakota Banker:

I do not think that group or chain banking will be a good thing for any farm community. It would not permit close enough contact with the individual. I do not think you can successfully operate a city bank in a rural community.

A South Dakota Banker:

Group and chain banking cannot be made to fit rural communities. It tends to weaken rural banking in so far as support of agriculture is concerned, and takes away from the farmer what little financial independence he may already have attained. It is distinctly un-Iowan and would cheat our people out of the privilege of managing their own business. It would place us at a disadvantage and we would eternally pay tribute to the large banking centers.

WHAT THE SURVEY SHOWS

Bankers feel that the three principal advantages of group and chain banking are:

1. *Better management*
2. *Greater safety for the depositor*
3. *Lower cost of operation*

The three outstanding disadvantages are given as:

1. *Lack of interest in the communities served*
2. *The centralization of money in the big cities*
3. *Destruction of the individual banker's initiative.*

An Iowa Banker:

I cannot see where group or chain banking will be any stronger competition to a good independent unit bank than chain stores are to the up-to-date independent merchant. It appears that we are going to have this system of banking in one form or another. The opportunity for group banking was presented by the independent banks through their failure to keep their institutions up to the standards demanded by the public. That condition is rapidly disappearing in Iowa and as it disappears we will find less demand for group banking especially among the small cities. Good sound banking backed by personal contact is mighty hard to beat whether it comes from a chain or group bank or a unit bank.

An Iowa Banker:

From the depositor's standpoint group and chain banking will probably be bet-

Results of Northwestern Banker survey among its readers on most widely discussed topic of the day.

ter since each unit will help support the other units and better management will result. So far as the executive officers are concerned they will be lowered to the point of becoming rubber stamps, giving little or no consideration to the borrower. However, it looks as though group and chain banking will eventually completely supplant unit banking.

A Nebraska Banker:

I can see no advantage in chain banking except that of bigger profit to the stockholder. So far as stabilizing the banking situation is concerned the group and chain banks are taking nothing except the cream of the banks that are already enjoying the confidence of the public. They will eventually take away the control of their units from local directors and centralize the money of the nation in our large financial centers.

An Iowa Banker:

I believe that the objectionable features of group and chain banking will eventually be eliminated since the controlling heads of groups and chains are not losing sight of the fact that rural community spirit is absolutely necessary for the successful management of their

units.

W. C. Rempfer, First National Bank, Parkston, South Dakota:

The chief defect in chain banking is that individual banks are operated by minority stockholders. This is fatal to the permanent structure. Branch banking does away with this and furnishes more direct control over the operating personnel of the bank. The assets of branch banks are more liquid, and supervision and correct banking practices are more efficient and effective in branch banking. However, group and chain banking is superior in every respect to our present system of unit banking which has proven to be a colossal failure in the United States.

W. G. Liggett, president, Bank of Commerce, York, Nebraska:

It appears to me out of the question entirely that chain or branch banking

Northwestern Banker April 1930

can, unless policies heretofore in effect with respect to capital loans in particular is modified in certain vital respects, meet properly the demands of the average agricultural community. I have the idea, however, a change will be made in that regard, and that before long banking departments, both state and national, will liberalize and authorize more equitable supervision, to the end certain objectionable features thereof may be eliminated. It is a large question and calls for deliberate thought and plans, and this I have confidence, will be applied.

D. E. Wilkins, cashier, First Trust and Savings Bank, Menville, Iowa.

Chain and group banking, in keeping with trends in every line of industry, is inevitable. However, I believe that public opinion will be strong enough to hold the chains down to organizations more in the form of holding companies for bank stocks, where the members banks keep the same personnel and do not have so much the appearance of being just a branch of some large bank in a large city.

Benton County State Bank, Blainstown, Iowa:

Our opinion in regard to group or chain banking is that the larger banks will be grouped in a chain so that they can combine their resources in case of emergency or to handle larger loans with chances of bigger profits. Also, in case of a chain of banks extending over a large part of the country, if there is a depression in one part of the country, the resources of the group may be shifted to the location where most needed and thus save embarrassment.

It is hard to foretell what might be the future banking structure of the country but banking is tending to the chain or branch plan. We think it will be a long time, however, before all the small banks are linked up because the opportunity for profit is smaller. The larger banks in the cities will all no doubt sooner or later be joined in groups and then gradually the smaller banks will be taken in. We think that in the future all banks will become more or less united in groups under one plan or another for mutual protection and additional strength to the members.

We do not know whether we favor branch banking or not. From the standpoint of safety to the depositor, it might make the banking system safer under the branch bank plan where the resources of a large number of banks are pooled. On the other hand, if the manager of a local branch is not given comprehensive authority to conduct his branch, it might tend to slow up business if all matters have to be submitted to the head office before being acted

Northwestern Banker April 1930

Hunter S. Marston Heads Bancamerica-Blair

(See Cover Photo)

HUNTER S. MARSTON, for the past ten years vice president of Bancamerica-Blair Corporation and its predecessor Blair & Co., Inc., and a member of the organization since 1908, has been elected president of Bancamerica-Blair Corporation. Mr. Marston succeeds Elisha Walker, recently elected chairman of the board and active executive head of the Transamerica Corporation, the largest securities holding and investment company in the world, having resources of over \$1,000,000,000. Bancamerica-Blair Corporation is the securities affiliate of the Bank of America, N. A., which is one of the oldest banks in the United States.

THE selection of Mr. Marston as president of Bancamerica-Blair Corporation by his associates places at the helm of this organization the son of Edgar L. Marston (retired), one of the original members and for many years one of the active heads of the old predecessor firm of Blair & Co. which was organized in 1890.

MR. WALKER, while devoting practically all of his time to Transamerica Corporation, will continue as chairman of the board of Bancamerica-Blair Corporation.

WITH the exception of one interruption during the World War, Mr. Marston, since his graduation from Brown University in 1908, has always been affiliated with Bancamerica-Blair and its predecessor corporations. During these past twenty-two years he has gained for himself an outstanding reputation in the banking world. He is today a director or trustee in many corporations, the more important of which are Transamerica Corporation, Bank of America, N. A., Northwestern Trust Company, Merchants Trust Company, First National Bank of St. Paul, Tidewater-Associated Oil, Petroleum Corporation of America, Oil Well Supply Co., American Home Products, Chesebrough Manufacturing Co., Interstate Equities Corporation, and Gould Coupler Company.

MR. MARSTON also holds membership in numerous prominent clubs including the Brook, Downtown Association, Deepdale Golf, University Club, Piping Rock, Racquet & Tennis, The Riding Club, Union League and Union Club.

upon. There are so many arguments for and against group banking that it is hard to form an opinion. It looks like a good thing for the big fellow but the fellow with limited capital would not be in a position to take advantage of establishing a branch banking business, unless he would be an exceptional organizer and promoter.

J. D. Costello, cashier, Kellogg State Bank, Kellogg, Iowa:

1. There are things favorable and unfavorable about group banks.

2. We are not a member.

3. (a) More safety for the depositor is the main favorable factor. This will be due to better management because the concentration of capital will enable to hire better brains. 2. Better loaning accommodations for men and businesses now requiring more money than their local banks can handle. 3. Better facilities for investment. 4. Better service between banks as chain or group members will give better service and aid to other members of same chain.

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Livestock specialists pronounce this an ideal condition for profitable production of pork. Note the fact that the young porkers are using individual bungalows far removed from farm buildings and on ground that never was used before for raising hogs. They should weigh 200 pounds by the time they are six months of age.

FARMS *and* FARMING

By C. A. CRAIG
Farm Editor

EVIDENCE that the farmer has both the ability and determination to improve his methods of production is furnished by the example of the raisers of hogs.

Just a few years ago—four or five to be exact—hog production took a new turn. The industry was badly beset. Necrotic enteritis, worms, influenza, pneumonia, and a host of other diseases in addition to the dreaded cholera were taking such a toll of pigs that many farmers were finding pork raising unprofitable.

Then came the McLean county system which originated in Illinois and was nothing more or less than a sanitary system whereby the pigs were farrowed under sanitary conditions and raised on clean ground. This new plan worked. With it came a new system of production, of feeding for rapid gains and to strike earlier markets. Instead of marketing pigs at a year old they were pushed so that they go to slaughter at six months of age. Instead of weighing 80 or 90 pounds at six months of age they were being made to weigh 200 and frequently this figure has been exceeded by a wide margin. Farmers were finding that a balanced ration with plenty of protein supplement and an adequate supply of minerals were needed for this speeding up of pork production and the self-feeder came into prominent use. A greater share of the pig's life was spent on pasture and old, dirty, parasite infested lots passed out of the picture. Clover and alfalfa pastures became used more extensively with rape proving an acceptable substitute where a temporary pasture was required.

The next question was whether or not the farmers of the middle west would take up this new system which produced pork quickly and profitably and was successful where the old-time methods were failing. In other words, were the farmers guilty of refusing to accept a new idea or would they rise to the occasion

and seize upon a method designed to make them more efficient?

Here is the answer:

It is estimated that 4,000,000 pigs, or approximately a third of the total raised in Iowa last year, were produced under the sanitary system.

Comparable records were made in other states. Iowa, Nebraska, Illinois and Missouri are the big hog producing states of the nation with Minnesota and the Dakotas making rapid strides to get into the front rank.

The writer drove through McLean county, Illinois, a year ago and there was plenty of evidence that the pigs were being raised out in the open. Not all of the equipment was expensive but it was serviceable.

So it is throughout the middle west. Hogs are being raised better, healthier, quicker and cheaper. Production costs have been cut and profits have been increased.

TESTING OF CATTLE for tuberculosis under state laws has been given a decided forward impetus in two states recently. In Nebraska the state supreme court upheld the law in that state.

In Iowa four district court decisions have speeded up the testing and served to ward off opposition. In Fayette, Delaware, Black Hawk and Cedar counties district court judges have refused to grant permanent injunctions against the state department of agriculture to stop testing of cattle belonging to men who object.

The Iowa state law will come before the state supreme court soon when the cases from Mitchell and O'Brien counties come up for hearing on appeal from district court decisions which gave a victory for the opponents of testing.

MARCH is such a fickle month that it

is unsafe to write today anything for perusal even a few days hence. It is true, however, that the middle west enjoyed unusually favorable weather during February and the first half of March. Indications point to an early spring and much field work has already been done throughout Iowa, Nebraska and Missouri.

The winter wheat looks to be in good shape throughout most of the area in the corn belt and much spring grain has already been sown.

Cornstalks have been cleared from the ground and spring plowing has been done. This work in many localities is from two to four weeks in advance of normal and certainly far ahead of what it was at the same time last year. This is particularly true in southern Iowa and Nebraska and in Illinois and Missouri.

Conditions a year ago were not quite so backward in the Dakotas and southern Minnesota.

Many things may happen within the next few weeks but just now conditions favor the getting in of crops in satisfactory condition and in good time.

Early reports on young livestock are quite favorable and sunshine has done wonders for the early pigs and lambs and chicks. Pastures are getting a better start than usual.

It looks like a good year—if the favorable weather just keeps up.

OF THE MANY things mentioned in the 1930 agricultural outlook report issued by the United States department of agriculture about the only crop mentioned that could be expanded without fear of overproduction and price cut was flax.

Consequently the state colleges of several northwestern states including the Dakotas are uniting in urging farmers to increase their flax acreage at least a third.

The farmers are advised that flax should be sown on new ground or following sweet clover or pasture land in reg-

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1. *Who Pays?*
2. *The Court Order*
3. *A Case of Identity*
4. *The Illegal Loan*
5. *Bank and Broker*

In This Article

6. *Was He a Stockholder?*
7. *The Cashier Knew*
8. *Holding the Stakes*
9. *The Substituted Note*
10. *Section 60*

Questions of Law to Test Your Mind

IF A bank owns land, asks B to sell it, B employs C, without mentioning the bank or saying who owns the land, and C negotiates the required sale, can C collect his commission from B?

"I was merely acting for the bank," B contends.

"You made the contract in your name, and you're the only person I know in the transaction," C retorts and the case of *Bacon vs. Rupert*, a decision of the Minnesota courts reported in 40 N. W. 832, is in his favor.

The Court Order

IF A sells bank stock to B and the bank wrongfully refuses to transfer it on the bank books, B cannot get a "mandamus" to compel the bank to make the required transfer, but must either go into equity or sue the bank for damages for the conversion of the stock. In some cases stock is sold under an order of the court, and may it be argued that in that case the purchaser of the stock is entitled to a mandamus to compel an actual transfer, on the ground that the officers of the bank become the officers of the court in reference to this particular transfer?

Yes—see *Bailey vs. Strohecker*, 38 Ga. 259.

A Case of Identity

IF THERE are two banks of the same name, and a written document refers to a bank of that name, but there is nothing whatever within the four corners of the document itself to show which one it means, is verbal evidence admissible under these circumstances to show which bank is meant?

In *Hickley vs. Thatcher* (139 Mass. 477) the Massachusetts Supreme Court arrived at an affirmative reply, and there are Connecticut, New Jersey and Wisconsin decisions to the same effect.

The Illegal Loan

IF THE law says that a director shall not borrow money from his own bank, but he does borrow money and

By the Legal Department

pays it back, the law has been broken, nevertheless. Suppose, however, that the director refuses to pay. What then?

"If no action could be maintained by the bank to recover the money, it would often work a great injustice and wrong," says one state court in laying down the rule that the bank can collect.

Bank and Broker

IF A bank employs a broker to sell property and the broker finds a buyer, the bank cannot, in the absence of an agreement to the contrary, defeat the broker's right to his commission by refusing to sell, unless it has a valid reason.

A case may arise, however, where the bank has a valid excuse, but merely refuses to sell without giving any reason whatever, and then, when the broker sues, the bank sets up the excuse in court.

Is it too late?

Yes, according to the California, Illinois, Iowa and New York courts.

Was He a Stockholder?

A SOLD stock in a national bank to B, and took B's note for the purchase price.

"You'll have to hold the note until the dividends on the stock pay it," B proposed.

"That will be satisfactory," A agreed. A certificate for the stock was made out in B's name, signed by the vice president, but not by the cashier, the bank's seal was not affixed, the certificate was never delivered to B—but when the bank went into insolvency the receiver attempted to collect the stockholders' statutory liability from B.

"The circumstances indicate a purpose not to make an immediate transfer, and that B did not become a stockholder of the Bank," said the United States Circuit Court of Appeals in deciding in B's favor

The Cashier Knew

IF A holds stock in trust for B, all the officers and directors of a bank know it, and then A pledges the stock with the bank, the bank cannot deny that it knew that the stock was held in trust. Suppose, however, that the arrangement is made with the cashier alone, and A tells the cashier that the stock is trust stock. Is the knowledge of the cashier the knowledge of the bank in this instance?

It is, according to a decision of the United States Supreme Court reported in 15 Wallace, 165, where the court ruled that the knowledge of an authorized bank agent acquired in the course of a transaction within the scope of the officer's authority, is the knowledge of the bank.

Holding the Stakes

IF X and Y are having a lawsuit over a certain sum of money, and agree to deposit the cash in a bank, to abide the result of the suit, and to be paid to the winner, can the bank legally receive the deposit under these circumstances?

The bank had better keep out of trouble, but there is no reason why it cannot receive the deposit if it wishes, according to a ruling of the New York courts in 47 N. Y. 290.

The Substituted Note

A SOLD stock in a certain company to B through fraudulent representations, got B's note, offered it to a South Dakota bank, B told the bank of the fraud before the bank bought the note, and the bank offered to sell the stock for B, in return for his note payable to the bank.

"Well, I suppose it's a case of making the best of a bad bargain," B agreed, signed the note, the bank paid A, took over B's note in favor of A, delivered it to B, and then, when B's note in favor of the bank fell due he refused to pay.

"The original note was void in the hands of the payee, and the note given

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Why Group Banking Continues

By P. J. LEEMAN,

Vice President and General Manager,
First Bank Stock Corporation,
Minneapolis-St. Paul

to GROW

Group banking was designed to meet definite conditions and it is meeting them in a most satisfactory way.

associated with only the largest banks.

Careful examination of each unit's operations in behalf of the system as a whole and its owning stockholders.

Increased security for depositors due to the combined results of the benefits listed.

It is our purpose through the group plan to afford the depositor of the smallest unit in the group the same degree of security that has hitherto been provided by the great metropolitan banks. At the same time, the unit continues to be strictly a local institution in relation to the community in which it is situated. Corporately, the bank is unchanged. Only its stock ownership is altered. Its management and the exercise of its credit power are in the hands of local officers and boards of directors and the remedy for mismanagement is the same as it has always been, except now the remedy may be more quickly applied.

In establishing the group, we were definitely seeking to put into effect a practical means of strengthening the banking structure of the territory by bringing into partnership the territorial banks of the metropolitan cities, the commercial banks of the industrial centers and the agricultural banks of the rural districts. And strange as it may seem, what criticism we are meeting is coming from the rural areas where we hope the greatest benefits will result. Most of such criticism is apprehensive rather than actual and will be dissipated as the results are disclosed.

Sometimes we hear the fear expressed that the group will draw the capital away from the rural areas. I foresee the complete opposite result. For a number of years, the rural banker, to maintain public confidence, has felt constrained to keep

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P. J. LEEMAN

WITH the exception of the creation of the Federal Reserve system, no development in American banking in this generation has aroused public interest as has the group movement as exemplified in our Northwestern states. Those of us who by circumstance have been the most active participants are constantly being confronted with queries designed to draw forth defense and explanation. It would be simple to take the easy position that something had to be done, and that group banking is the result. And we might go beyond that and suggest that if anyone has a better plan for meeting the requirements of our district, let it be brought forth.

But we are not adopting such a guarded attitude. Group banking was designed to meet definite conditions and is meeting them in a most satisfactory way. In fact, we are highly gratified with the results thus far.

In discussing the group plan there is need of exact definition. Our understanding of what a group system is has been defined recently in the following words:

"A banking system, whereby a number of corporately independent financial institutions, retaining their own identity, capital, personnel and management, are coordinated, through majority stock ownership, by a supervising holding company, operated by the banking interests of the territory which it serves."

The definition might also include the point that the group system is developed around one or more established banking institutions of a territorial nature. We point to real distinctions between groups and chains. Chains of banks have operated in the United States for many years and have represented ownership or control of a number of banks by one or more individuals. A group system is owned and supervised by holding companies with public ownership largely within the territory served. Ownership of the First Bank Stock Corporation, for instance, is by more than 16,000 stockholders, of which all but about 600 are residents of the territory.

A group then is a territorial organization created for mutual advantage of its

member units. And here are some of the advantages that we see:

Wider diversification of risk and resource in a group over a unit.

Greater diversity of territory served.

A means of mobilizing the credit resources of the territory for the benefit of general business.

Facility for the investment of funds beyond local needs in support of territorial requirements.

"In no sense are we seeking to thrust the group idea upon anyone. The independent banker is not being coerced in any way to associate with the holding corporation, but the rapid spread of the movement indicates that the rural banker generally appreciates the benefits that are inherent in a group system."

Independence from reliance upon financial facilities located outside the territory.

Supervision of management designed to maintain high standards of judgment and efficiency.

Expert assistance in the selection of suitable investments for reserve balances.

Facilities for the exchange of information and the development of sound and profitable methods and practices.

Contact with credit resources fully able to meet any demand beyond the capacity of a single unit.

The maintenance of supplementary facilities in territorial divisions of the group providing customers of all affiliates the type of service formerly

Organizing a Trust Department

THE trust department at the present time is receiving more careful thought and consideration than any other department in the bank and the reason for this is, that a properly organized and efficiently conducted trust department is capable of providing three things very much desired by bank executives.

First—It provides profit.

Second—It enables the bank to furnish a much needed service to the community.

Third—It provides an excellent opportunity for new business contacts and the creation of good will.

Five hundred twenty-one banks in Iowa, or approximately 37 per cent of the incorporated banks have qualified under the Trust Act and are now permitted to exercise fiduciary powers. Trust companies in every locality report a very rapid increase in trust prospects and trust accounts.

Wealth Increasing

EVERY locality has its pioneers, those who by industry and perseverance have accumulated considerable of this world's goods, and who must make plans and provisions for the proper distribution of their estates. Where in the past years few were considered wealthy, now with the assistance of life insurance and modern business development, and progress, many are financially independent, and these are looking more and more to trust companies to manage and conserve this wealth after they have passed on.

A vast amount of advertising has been circulated by trust companies during the past few years, showing the advantage of the corporate trustee, executor and administrator over the individual, and the effectiveness of this advertising is evidenced by the rapid increase in trust company business.

With the interest in trust functions that is being evidenced by both banks and customers, it would seem that it is

By James F. Hart, Trust Officer of Iowa-Des Moines National Bank & Trust Company, at the Midwinter Trust Conference of the Iowa Bankers Association, Des Moines, Iowa, March 20, 1930.

an opportune time for those banks that have not yet qualified, to consider seriously including trust powers in their banking operations. Conditions in Iowa are such that practically every community that can support a bank, has trust prospects, and these prospects are entitled to and should receive the advice and help that can be furnished them by an efficient trust department.

The first step in organizing a trust department is to ascertain by careful analysis whether or not your community warrants the maintenance of a trust department. After this is fully determined, you can qualify under state or national supervision. After receiving your commission, select from your organization the person who will act in the capacity of trust officer. It is well to keep in mind that the duties of the trust officer are varied and exacting. To him will come some of the most trying problems of the bank and upon him will depend to a great extent the progress and development of the department. A great deal is written and said about the continuity of existence, financial responsibility and specialization, being the attractions to the corporate fiduciary, but we must admit that a large part of our business comes through the personalities in our institutions. A trust officer must be sincere in his profession. It is essential that he have a background of banking experience. He should possess a knowledge of law and the statutes bearing on the work of his department, and the rules and customs of the court. He should be tolerant and patient and should possess and retain the confidence of the community.

The accounting system for the small trust department should be accurate and complete but need not necessarily be cumbersome.

The new trust department should confine its activities to that of administrator, executor, and trustee of estates, guardian of minors, and incompetent persons, escrows and agencies.

Satisfied Clients

AFTER your trust officer is selected and your department is organized it would be well to let the fact be known to your community in whatever method of advertising best suits your purpose. When you get your first estate, handle it in such a manner that it will bring you more; keep in mind that there are always two parties interested in the estate, the creditors and the beneficiaries. If these can be satisfied, you will have very little trouble from other sources.

The matter of inheritance tax is not complicated. Estates under \$100,000 are exempt from federal tax and the state treasurer's office always shows a willingness to give all the help and assistance necessary in connection with any tax problems submitted to them.

Charges for trust services should be adequate; reasonable compensation should be charged for all services rendered. The charges in estates can be based on the statutory fee allowed by law. If extraordinary services have to be rendered, by a proper showing to the court, additional fees will be allowed. There are very few trusts that you accept but what you assume and incur liability and you must anticipate this in your charges.

There are very few banks but what are already familiar with many trust functions. They have been performing them for years, perhaps gratuitously. The advantage of having a fully equipped trust department is that these functions can be cared for in an efficient manner and

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ALL DEPENDS ON HOW YOU LOOK AT IT

—Byck in the Brooklyn Times.

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How a National Bank

REQUIREMENTS governing national banks in the conduct of trust business are national in scope except, "Whenever the laws of the state authorize or permit the exercise of any or all fiduciary powers by state banks, or other corporations which compete with national banks, the granting to and exercise of such powers by national banks shall not be deemed to be in contravention of state or local law." In other words, national banks in any state may be granted the same privileges as those enjoyed by state created institutions, in competition with national banks.

Thus a national bank in Iowa making application for permit for the right to act in certain fiduciary capacities, will find that the Iowa law, governing its state institutions, will have an important bearing.

Procedure in Brief

HERE, in brief, is the procedure necessary for a national bank to qualify: Application is to be made to the Federal Reserve Board, on a form approved by said board, for a special permit authorizing it to exercise fiduciary powers under section 11(k) of the Federal Reserve Act as amended by the Act of September 26, 1918. In the case of an original application, that is, where the applying bank has never been granted the right to exercise any of the powers authorized by section 11(k), that application should be made on FRB form 61-b. In case of a supplemental application, that is, where the applying bank has already been granted the right to exercise one or more of the powers authorized by section 11(k), the application should be made on FRB form 61-b. Both forms are made a part of the regulation and blanks may be obtained from any Federal Reserve Bank. The Federal Reserve Board will give consideration to the application, considering the amount of invested capital, surplus and undivided profits; general condition of the bank; needs of the community to be served; ability of the management, and by other facts and circumstances that seem to be proper, and may grant or refuse the application accordingly. Provided, that no permit shall be issued to any national bank having a capital and surplus less than the capital and surplus required by state law of state banks exercising such powers.

After the Federal Reserve Board has approved the application there will be additional requirements, all reasonable and tending toward safe management in the interest of the bank and of the beneficiaries of the trust. (1) A separate

May Qualify for TRUST BUSINESS



C. C. JACOBSEN

By C. C. JACOBSEN

Vice President, Security National Bank,
Sioux City, Iowa

all times be adequately bonded. The securities shall be so kept as to make it impossible for any one custodian to have access to the trust securities or investments without the presence of one of the other custodians named with him. (7) Whenever funds received or held in the trust department awaiting investment or distribution, are deposited in the commercial or savings departments of the bank to the credit of the trust department, the bank shall first deliver to the trust department, as collateral security, U. S. Government bonds or other readily marketable securities owned by the bank, which collateral securities shall at all times be at least equal in market value to the amount of the funds so deposited. (8) Funds held in trust must be invested in strict accordance with the terms of the will or other instrument creating the trust. If discretionary investments may be made, funds held in trust shall be invested only in those classes of securities which are approved by the directors of the bank. Where the instrument creating the trust does not specify the character or class of investment to be made and does not expressly vest in the bank, its officers, or directors, a discretion in the matter of investments, funds held in trust shall be invested in any securities in which corporate or individual fiduciaries in the state in which this bank is located, may lawfully invest. Where a national bank acts in a fiduciary capacity under appointment by a court, all investments shall be made under an order of that court and copies of such orders shall be preserved and filed with the records of the trust. If the court, by a general order, vests a discretion in the bank to invest funds held in trust, such funds shall be invested in any securities in which corporate or individual fiduciaries in this state may lawfully invest. All investments of trust funds shall have the approval of the board of directors, or a committee appointed for that purpose, and such approval shall be recorded in the minutes. No trust funds shall be loaned to any director, officer

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Getting Close to the Customer

MR. CHAIRMAN, members of the Iowa Bankers Association. The subject on which I am to speak is: "Does a Trust Department Link a Bank and Its Customers More Closely Together?"

Now the peculiar thing about this subject is that it is all rather new to me, and fortunately, it reminds me of no stories at all, so we can get down to business and attempt to figure the thing out.

Now in the past, in banking institutions of our smaller towns, it has not been so much the bank as the cashier of the bank who has been performing the duties and functions of a trust department. The cashier has been the executor, the administrator, the guardian, the financial adviser and the trustee. The people of the community have looked to him for aid in all times of stress and trouble. He has been, almost without exception, what might be called a modern Moses, leading his community to better things. And lucky the bank and the community that had and still have that type of individual with them.

The question might well arise, then, that if the cashier is such a success,

By C. F. HARRIS

Cashier, State Bank, Gladbrook, Iowa

(From address before Mid-winter Trust Conference, Iowa Bankers Association, Des Moines.)

where is the need for change? And the answer readily presents itself. That man is human. Man dies. Man moves on to other things. And when he moves or dies, another man must take his place; a trust dies, and another is born. And it is in counteracting this continuous change, so deleterious in its effects both to the community and the institution, that the trust department is so invaluable, even in the smaller banks, which comprise about 75 per cent of the total.

The First Conclusion

THIS, then, is the first conclusion: That a trust department in a smaller bank, while not greatly differing from the present system except in name, will bind the customer more closely to the bank by reason of continued existence; by mere permanency and stability alone.

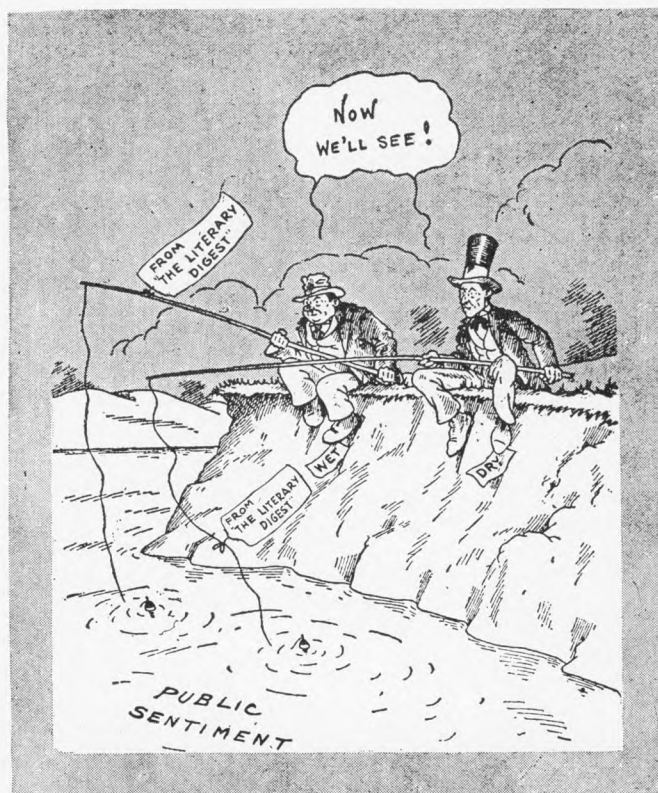
But the tie that in reality and inevitably binds the customer to the bank

lies in the very nature of a trust. In the majority of cases the clients of the trust departments are looking for help. I might say that they are looking for help in every instance. This implies that they need it, and the corollary that, getting help, there is an intangible and invisible, yet very real tie of gratitude. There is a trust to be created; an estate to administer; a ward to be guarded. In the very nature of things there is a great human feeling, other than that of business. That is the feeling of man, through an association or business instrumentality if you like, helping his fellow man. This creates a twofold tie: that of satisfaction on the part of the original client, and gratitude of the objects of the trust, who are assisted and guided by the trust department. In either instance the parties are all, in a majority of cases, bound in the future to the bank, through the trust department.

We have not discussed the needs of the trust department and its resulting use to the larger banks, because we feel that there is no room for argument there. It is primarily in the smaller members of this association that the question

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Cartoons of the Month



TRYING THE NEW POLE

—Voss in the Brooklyn Daily Times.



TRUE LOVE WILL TELL

—Evans in the Columbus Dispatch.

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How an Iowa State Bank Can Qualify for Trust Business

THE answer to this question which has been propounded to me can be very brief and simple as it does not require any elaboration on the problems and the ethics of operating a trust business.

State banks, savings banks, and trust companies are corporations that are authorized by charter issued by the superintendent of banking to function as banks in Iowa. These institutions may then act as fiduciaries, if they are given the additional powers in their articles under Chapter 416 of the Code of Iowa. Banks organized before 1913 could not have had authority under this chapter as the act was passed by the Thirty-fifth General Assembly in 1913 (shown under Section 9284 of the Banking Law in your hands). Any such banks organized before that date or any bank organized subsequently that did not include in their articles the authority granted by Chapter 416 of the Code can acquire that authority by amending their articles in the following manner. At a regular meeting of stockholders or at a duly called special meeting of stockholders the following resolution might be passed:

Resolved, That Articles of Incorporation be amended to give this bank additional powers, as follows:

"To act as receiver, assignee, guardian, administrator, or other trustee, when appointed by will or any court of record in this state; to act as fiscal or transfer agents, or registrar for estates, municipalities, companies, or corporations; to take, accept and execute any and all such trusts and powers of whatsoever character and description, not in conflict with the laws of the United States or of the State of Iowa, as provided by Chapter 416 of the Code."

Instructions will be sent to any bank on request relative to the procedure.

It might be stated that the approved articles of incorporation of any bank in Iowa that includes the word trust in its title always include authority to act as fiduciaries, while those state and savings banks that do not include the word trust in their title may or may not include in their articles the authority given under Chapter 416.

The authority for a trust company to issue debenture bonds is not included in Chapter 416.

The Iowa law under Chapter 416 further provided that national banks, when



W. O. REED

so authorized by any law of the United States now in force or hereafter enacted, may exercise the same powers and perform the same duties as those prescribed for trust companies and state and savings banks.

I am assuming that approved methods of handling trust business will be ably covered by capable men here present. However, in addition to the mere legal

"The Iowa law under Chapter 416 further provided that national banks when so authorized by any law of the United States now in force or hereafter enacted, may exercise the same powers and perform the same duties as those prescribed for trust companies and state and savings banks."

procedure to qualify under the law as fiduciaries, it might be interesting to know what questions you will be required to answer to the banking department concerning your trust business. Some of these questions are here set out:

In General

1. Have trust powers been granted to bank?
2. Has bank established a separate trust department under management of officer or officers designated by, and

(From address at Mid-Winter Trust Conference, Iowa Bankers Association, Des Moines, March 20, 1930.)

whose duties are prescribed by, the board of directors?

3. Does trust department keep an adequate, separate, and distinct set of books and records of all fiduciary activities, both individual and corporate, and are such books and records so kept as to permit a thorough and satisfactory audit?

4. Are securities held in trust kept separate and distinct from securities owned by bank, and are securities of each trust kept separate and distinct from one another?

5. Are securities of this department under joint custody of two or more bonded officers or other employes designated by the directors?

(a) Do bonds of officers and other employes of trust department now in force specifically cover their duties as such?

6. Are there on file:

(a) Original instruments creating each trust or properly authenticated copies thereof?

(b) Properly receipted vouchers evidencing payments under each trust?

(c) Properly evidenced reports to courts, or others, accounting for trusts?

7. Does the bank segregate trust cash and show this total in a separate account on the general ledger?

8. Does bank receive in the trust de-

partment deposits of current funds subject to check or the deposit of checks, drafts, etc., for collection or exchange purposes?

9. Are all investments of trust funds authorized or approved by the directors or a committee of same especially designated for that purpose?

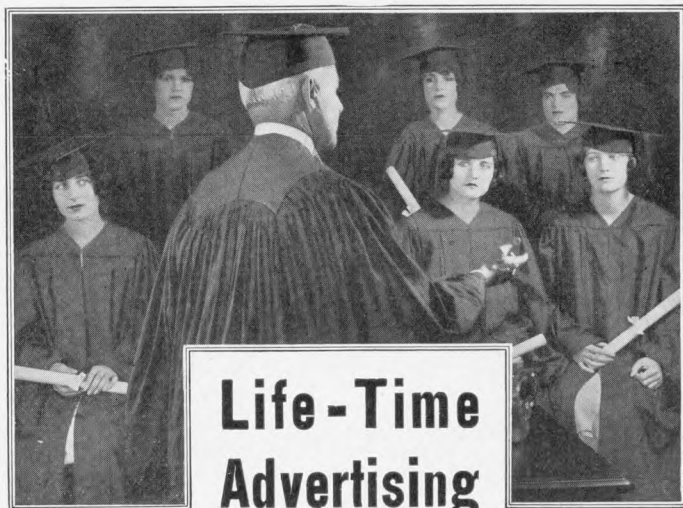
10. Is opinion of competent counsel obtained and filed in all important matters pertaining to trusts, both individual and corporate?

11. Where trust instruments specify character of investments, are investments made in accordance with such provisions?

12. Where trust instruments expressly leave investments to discretion of bank or its officers or directors, in what manner are investments authorized or ap-

Convention Calendar

May 14-16—National Ass'n of Mutual Savings Banks.....Atlantic City
 May 22-23—Kansas Bankers Association.....Wichita, Kan.
 June 5-6—Wisconsin Bankers Association.....Milwaukee
 June 11-13—South Dakota Bankers Association.....Aberdeen
 June 16-18—Minnesota Bankers Association.....St. Paul
 June 16-18—Iowa Bankers Association.....Davenport
 June 16-20—American Institute of Banking.....Denver, Colo.
 June 23-25—Illinois Bankers Association.....Peoria, Ill.
 July 8-9—North Dakota Bankers Association.....Bismarck
 Aug. 6-8—Eighth Regional Trust Conference.....Seattle
 Sept. 29-Oct. 3—American Bankers Association.....Cleveland



Life-Time Advertising

Within a very few weeks graduation time will be here. Thousands of young people will be entering on future school life—or business. There is no better time to build for the future than at this auspicious moment. Prove your friendliness for the younger generation by sending a Graduation Book with your compliments. These books constitute lifetime advertising so that the cost is the merest fraction of a cent per year.

We will gladly submit samples and prices—or send a salesman without obligation.

The Thomas D. Murphy Co.

Red Oak, Iowa

The Birthplace of Art Calendars

NEW YORK CHICAGO TORONTO LONDON

Calendars — Direct Mail — Blotters — Holiday Greetings — Booklets
 Fans — Maps — Gift Leather — Advertising Pencils

proved, and in what manner is such authority or approval recorded?

13. Where trust instruments neither specify nor expressly leave the character of investments to the bank, its officers, directors, etc., are investments confined to legal investments for a fiduciary?

14. Where trusts are under court order, are investments made strictly in accordance with the terms thereof?

15. Where court has by general order left investments to discretion of bank, are investments confined to securities in which fiduciaries may lawfully invest? (12772, Code '27) (Sec. 9183, Bank Law, 1-2-3-4-5.)

16. Have any trust funds been loaned to any officer, director or employe of the bank?

17. Are trust funds invested in securities or concerns in which officers, directors, or employes are interested? If so, list in detail.

18. Has the trust department, in any case, purchased from the bank, any of its assets as investments for trust funds, or has the trust departments sold to the bank any trust assets? If so, give full information and details.

19. What audit or examination of trust department books and securities is made by or for the directors?

20. Did you make a thorough examination of this department, auditing the trusts and verifying the securities?

21. List criticisms, if any, and list in detail any defaulted, objectionable or illegal investments that have been purchased by the trust department for the various trusts.

22. Reconcile cash account as shown on trust records with total cash as shown on the general ledger of the bank.

If your institution handles corporate trusts and underwrites bond issues, explanations would become too complex to be taken up at this meeting, as only a few of our banks would be interested.

For Trust Business

(Continued from page 21)

or employe of the bank. (9) The examining committee of the bank is to make thorough semi-annual examinations of the trust department of the bank and report to the board of directors in writing and the report of such examinations shall become a part of the minutes. (10) No national bank may receive in its trust department, deposits of current funds subject to check or the deposit of checks, drafts, bills of exchange, or other items for collection or exchange purposes. (11) If the laws of a state authorize the deposit of securities with state authorities or with the Federal Reserve Bank, in lieu of surety bonds, national banks in that state are to have that privilege and securities so deposited shall be held for the protection of private or court trusts

as provided by the state law. If a bond is required by the laws of the state, national banks shall have the power to execute such bonds. (12) The comptroller of the currency will require that the authority and duties of the officers in charge of the trust department, shall be fixed by the board of directors, by resolution, and a copy of the resolution be sent to him for his files. (13) A national bank acting in a fiduciary capacity is entitled to receive for its services such fee or compensation as may be allowed by state law or provided for in the will, court order, or other instrument creating the trust. If the amount of compensation is not otherwise fixed, the bank may charge not more than a reasonable fee.

Get Prepared

THE subject assigned is very limited but I want to make the prediction that within ten years 75 per cent of the trust business in Iowa will be handled and conducted by the incorporated banks of the state, provided, however, that banks prepare themselves so that fiduciary business may be safely, efficiently, and satisfactorily transacted.

All fiduciary business offered to a bank should be scrutinized with the same care as is given to other important offerings and business and if the instrument creating the trust is poorly drawn or its provisions are ambiguous, it is well to decline to serve unless all matters pertaining to the trust can be clarified satisfactorily prior to acceptance and qualification. Litigation and consequent undesirable publicity and criticism will thus be reduced to a minimum.

Trusts in unsatisfactory financial condition should be avoided.

It is essential and important that competent counsel be available and his opinion obtained in the acceptance of a trust. We are bankers, not lawyers, and as a matter of protection to ourselves and to beneficiaries of the trust, are entitled to counsel in all legal matters so that fiduciary business may be handled in such a manner that there will be no litigation or criticism.

Courts, attorneys, and beneficiaries gladly cooperate with banks in such matters and, properly administered, the trust departments of all Iowa banks have before them a virgin field for the development of desirable business.

Organizing a Trust Department

(Continued from page 20)

that a legitimate charge can be made for the service.

It would be well for the new trust department not to be too eager to accept every trust or estate that is offered, without giving it some careful consideration. Many estates are unprofitable and you give your time and efforts, assume

Experienced Service is Dependable Service



Experience gained through many years of friendly and intimate contact with all types of out-of-town banks, in every section of the country, assures to our correspondents a sympathetic understanding of the problems they are called upon to meet.

Whether it be the daily routine of every-day transactions or whether it be the unusual, the emergency, or the uncertainty of changing bank practice that gives rise to the need, our service is complete and dependable.



...THE...

PHILADELPHIA NATIONAL BANK

ORGANIZED 1803

PHILADELPHIA, PA.

Capital and Surplus \$50,000,000

liability and then discover that the estate cannot afford to pay reasonable compensation. In some cases the entire estate would not be sufficient to reimburse you for the services rendered. You will perhaps not heed this suggestion but as your department grows you will find, much to your regret, that it is all too true.

There is a great future for trust business in Iowa, and the banks can give no greater service to their communities than to efficiently manage and conserve the wealth of its customers for those who are left behind.

Industrial Earnings

It is natural that there should be a great deal of anxiety on the part of the business public and of the financial market as well, to find out the major results of the first few weeks of 1930. The time is too soon to obtain definite figures, for only two complete months have passed and it will be some time before even very general results can be furnished by the larger corporations for their first quarter. With a few the first quarter runs from December 1 to March 1, and for these results can be fairly well stated in broad terms. But after all, the forma-

tion of a sound general judgment will take some time.

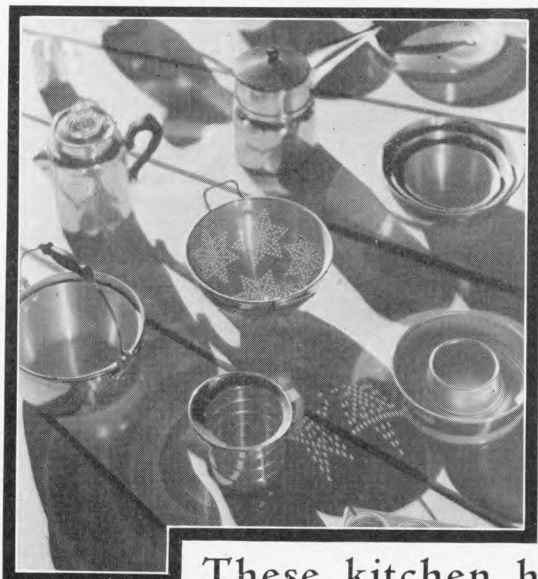
However, it is already evident from figures relating to volume of business and other business indicators that the first months of the year will in most lines show falling off. This will be true of transportation and of the staple manufacturing enterprises. It will not be true of specialties, amusement enterprises, companies catering particularly to specialized demand such as those producing cigarettes and tobacco and to some few others. But taken as a whole a sharp decline as compared with the figures of the corresponding months a year ago is inevitable. President Hoover's Committee on Economic Survey in its optimistic review of the situation recognizes in many cases falling off to the extent of 18, 20 or 25 per cent, in volume of business. Other things equal, this will mean a falling off of like amount in profits, and for that all should be prepared as the official figures make their appearance. It should be definitely borne in mind that these represent past or actually realized declines and that what we are interested in is not that but the prospects of better conditions in the early future. There is abundant reason to think that the latter will be hopeful.

The great danger in the situation is that stock market boomers may succeed in putting current quotations too far ahead and in thus making it appear that prices are higher than they ought to be in the light of unfavorable first quarter returns. That, of course, is the unavoidable result of unwarranted or over early stock booming, and those who are responsible for such booming must naturally expect to take the consequences.—From *New York Journal of Commerce*.

Enemies of the Nations

All over the world there are enemies of the governments under which they live. They are in England, in France, in Italy, in Germany and in the United States. Here, in times of peace, they have free speech, and are at liberty to hurl their accusations and air their hatreds for the government, the republic, and the constitution and the supreme court that it is sworn to protect it.

Take that meeting of communists, socialists, atheists, and haters of capital earned and saved by others, along with a sprinkling of anarchists and nihilists, no doubt—all enemies of our government and openly desiring the overthrow of the principles under which we have become the greatest people on earth. Also, they revile all the religions, deny the existence of God. The free men in the country are in so great a majority that they stabilize society against the wishes of the enemies of our government.—W. G. Sibley, in Chicago *Journal of Commerce*."



These kitchen helpers serve in homes throughout the world

Squat skillets, plump coffee percolators, an endless parade of pots and pans do kitchen police in a million homes. Good cooks, it is natural they would create a steady demand for aluminum products—and in recent years Wisconsin has led all other states in the production of aluminum ware. From Manitowoc, West Bend, Two Rivers, Kewaskum and Kewaunee aluminum products are shipped all over the world. In 1925 (the latest figures available) the value of Wisconsin's aluminum products was \$19,813,231.

Business men and bankers are invited to consult First Wisconsin officers on all questions related to the diversified industrial and agricultural prosperity of this state.

FIRST WISCONSIN NATIONAL BANK
MILWAUKEE



*A*LIVE to the needs of the territory it serves, quick to meet new conditions with new methods, the First National Bank in Minneapolis has built its modern facilities and service on the bedrock foundation of intelligent banking. The skill and experience of sixty-five years, the facilities of today . . . are available to our correspondents.

FIRST NATIONAL BANK

The Oldest Bank in Minneapolis—Established 1864

MINNEAPOLIS, MINNESOTA

F. M. PRINCE
Chairman of the Board

F. A. CHAMBERLAIN
Chairman Executive Committee

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DEPARTMENT of BANKS and BANKERS

P. J. LEEMAN
Vice-President

M. O. GRANGAARD
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Asst. Cashier

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Asst. Cashier

W. A. VOLKMANN
Asst. Cashier

Affiliated with

FIRST BANK STOCK CORPORATION

NEWS AND VIEWS OF THE BANKING WORLD

By Clifford De Puy

W. G. C. BAGLEY, president of the Iowa Bankers Association, and J. M. Hutcheson, chairman of the Committee on Trust Powers and Trust Business for the Association, received many compliments upon the excellent meeting of the first midwinter trust conference of the Iowa Bankers Association which was held in Des Moines recently.

The trust business has developed very rapidly among banks in the last five years, and almost every phase of this interesting topic was discussed during the one-day conference.

J. F. HART, trust officer of the Iowa-Des Moines National Bank & Trust Company, said that their service charge for handling trusts was 5 per cent of the annual income. This caused a great deal of discussion, and many bankers brought up the point that when they did extra service they should have an extra remuneration. Chairman Hutcheson said that one account they handled in Cedar Rapids required almost every kind of extra service which could be imagined, including shaking down the furnace each night, and therefore they made an extra charge over and above the regular fee.

F. A. JOHNSON, secretary of the American Trust Company, of Davenport, spoke of "Life Insurance Trusts," and said that they had no regular fee or fixed charge but simply charged "a reasonable fee." Mr. Johnson pointed out that the minimum amount of an insurance trust should be at least \$20,000 to make it worth while from the standpoint of the bank.

E. R. JACKSON, trust officer of the Council Bluffs Savings Bank, wanted to know how to make insurance trusts furnish an income to the bank before the trust actually became operative. He said that they had a number of these insurance trusts, but their prospects all seemed to be long-lived.

FRANK WARNER, secretary of the Iowa Bankers Association, in his usual efficient manner gave some very interesting facts and statistics concerning the trust business, and pointed out that out of 1,006 state incorporated banks, approximately 432 have qualified under the Iowa Trust Company Act to carry on a trust business, and that out of approximately 251 national banks 89 have also

qualified under the Iowa Trust Company Act. Therefore approximately a total of 37 per cent of the 1,400 banking institutions in Iowa are qualified to do a trust company business.

Nationally, out of about 26,000 banks there are 6,000 which have established trust departments.

The Iowa Legislature in 1913 empowered banks to conduct a trust company business and this branch of banking has been growing steadily ever since.

H. R. YOUNG, cashier of the American National Bank of Arlington, spoke on the cost of setting up a trust department in a smaller bank. He was to speak at the afternoon session but the chairman called on him just before noon, and he said they would have to excuse him while he went to his room and got his speech, which was in his bag. Mr.

Young soon reappeared and gave a most excellent address to the convention.

RECENT reports of the General Motors Corporation show that in 1929 the net earnings were \$248,282,268. For the same period the United States Steel Corporation showed a net of \$187,592,060.

The United States Steel showed a gain of 73 per cent over 1928 and the General Motors Corporation was under its high figure of 1928, when it made over \$276,000,000 net.

When the agricultural interests of America get so that they can price their own products they will also be in the same position with industry, and show a real profit.

Food products are certainly as necessary to mankind as steel and automobiles, but the trouble with agriculture is that the man who produces it can't put his price on it. When this is changed we will have a different picture for agriculture.

J. FLETCHER FARRELL, treasurer of the Sinclair Oil Company, and for a number of years vice president of the Fort Dearborn National Bank, was in

Bankers Honor Engravers



Seward Prosser (at the right), chairman of the board of the Bankers Trust Company, New York, presents the first of the new issue of A. B. A. travel cheques to Harold P. Areher, one of the engravers who helped make it. Mr. Areher is a descendant of a long line of American engravers who go back to the time of Paul Revere. A knowledge of the craft and secret formulas of inks

have been handed down from father to son. Mr. Areher's grandfather and great grandfather were engravers, and today his father still works in engraving, in the same company with him. It is his 51st year of service. For the son it is his 25th year. Both worked on the new A. B. A. cheque which Mr. Prosser, in paying tribute to the Archers, called a "masterpiece of bank note engraving."



The Future of the Bond Market

WHILE bond prices have made some substantial gains since January First, the rate of improvement has been slower than some financial observers have expected. Prices are still out of line with money rates.

Institutional buying is becoming a strong factor in taking up the slack in the market and the reparation financing should prove an additional stimulant. While bond prices early in March were about on a level with the prices a year previous, the 1930 situation, with little speculative interest and easy money, is much more promising for a strong market than were conditions a year ago.

Iowa bankers who buy bonds find many issues on our offering list well suited to their requirements. For years it has been the privilege of this Company to serve a large percentage of the Iowa bankers who are bond buyers. They find our offerings consistently high grade and our service satisfactory. Write, without obligation, to our Burlington office for our latest bond list.

W. D. Hanna and Company

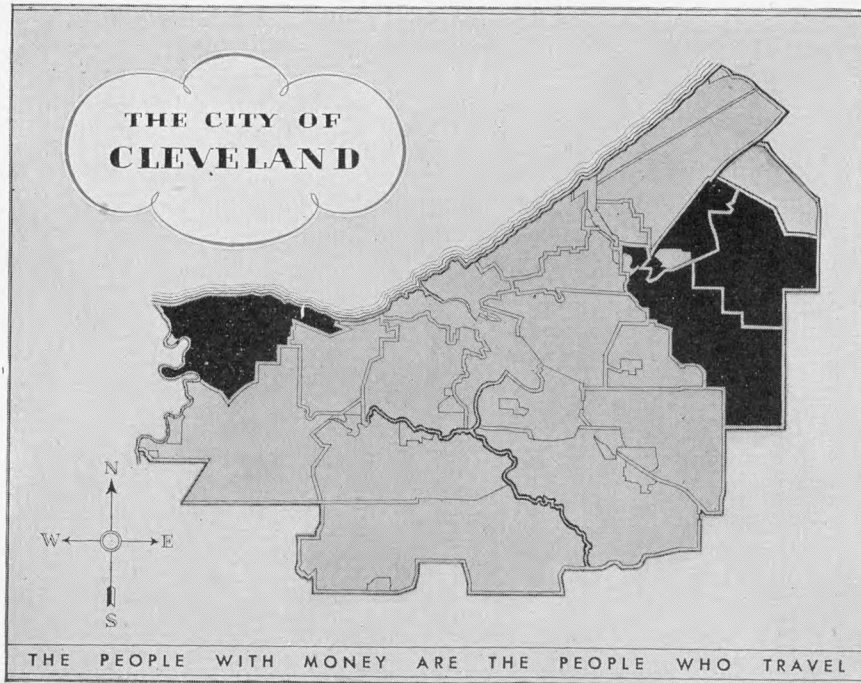
BONDS FOR INVESTMENT

Burlington, Iowa

Pioneer Bank Building, Waterloo

The Higley Building, Cedar Rapids

The Laurel Building, Muscatine



In CLEVELAND . . . as elsewhere



Cleveland Heights, Shaker Heights and the Lakewood section in Cleveland are synonyms for profitable markets. They have their counterparts in every city. In Boston—Back Bay; in Los Angeles—Beverly Hills; in Butte—the West Side. Here live the people who enjoy the best that life affords—who have the largest incomes—the finest homes—and who do the most traveling.

There is no better time to call bank services to their attention than when they are leaving for a trip. And there is no better method of approach than by selling them A·B·A Cheques. The very appearance of the Cheques is gratifying to people of taste—their insurance features appeal to those accustomed to manage property—and they must come to the bank to get them.

The bank which provides its customers with A·B·A Cheques supports its reputation for quality, and puts into the hands of customers travel cheques that bear its name,—an exclusive A·B·A feature.

A·B·A CHEQUES

CERTIFIED

OFFICIAL TRAVEL CHEQUE OF AMERICAN BANKERS ASSOCIATION

Northwestern Banker April 1930

Excelsior Springs recently enjoying a much needed rest.

Mr. Farrell originally came from Paris, Missouri, where he was in the banking business with his father, and from there went to Chicago, and later with the Sinclair Corporation. Mr. Farrell has made an enviable record for himself in the oil business. In addition to being a director of the Continental Illinois Bank & Trust Company, he is also a director of sixty other corporations.

GEORGE W. DAVISON, president of the Central Hanover Bank & Trust Company of New York, has followed out the plan he outlined at the American Bankers Convention, to have regional meetings of correspondent banks which do business with his institution. The first of these meetings was held recently in Atlanta, Georgia, and proved a real success.

The purpose of the meetings is to strengthen relationship and develop closer cooperation between the banks in that territory doing business with their New York correspondent.

This plan will probably be carried out in the rest of the country, and is a very interesting development in modern banking.

JOHN FIELDS, president of the Federal Intermediate Credit Bank of Wichita, Kansas, in discussing the activities of the twelve Federal Intermediate Credit banks, points out that from organization to the beginning of this year approximately \$470,320,000 has been advanced to farmers' cooperative marketing organizations upon warehouse receipts representing staple agricultural commodities stored in acceptable warehouses.

Since the organization of these banks they have loaned to 92 cooperative organizations, which associations have a membership of approximately 1,000,000 individuals. Included in these associations are 12 handling wheat, 11 wool, 18 cotton, 10 tobacco, and 21 canned fruit and vegetables.

JOHN HOGAN, vice president of the Continental Illinois Bank & Trust Company, was approached by a depositor recently and asked the question: "Have you been with this bank long?"

John looked up at the customer and said: "Oh, yes—I was here when there were only ten vice presidents."

Since ALBERT H. WIGGIN and W. W. ALDRICH, presidents of the Chase and Equitable Banks, have merged their institutions, we have been waiting for CHARLES MITCHELL to announce the consolidation of the National City Bank with the Guaranty Trust Company in

order that he might regain his supremacy of the world's largest bank.

In the meantime, however, the laurels have gone to the Chase-Equitable organization, with total resources of \$2,700,000,000 and deposits in excess of \$2,000,000,000.

HAVE YOU ever read what I call one of the "IF" circulars?

"If" folders tell how much you would have made IF you had put in \$100 or \$1,000 ten years ago in some corporation and then could sell your stock today?

Well, the latest one of these is, that IF in 1922 you had put \$1,000 in 100 shares of American Founders stock, today this would have been equal to 38,000 shares, with a market value of about \$29 a share, or over \$1,000,000.

I said "IF" you had—but you probably didn't.

IN THIS AGE OF FLAPPERS, flivvers, movies and speakeasies, and with Senator Smoot worrying about the smut that is being imported into this country, it is interesting to know that the Bible continues to be the world's best seller, and that last year 14,000,000 Bibles and Testaments were sold in the United States, while 36,500,000 were sold throughout the world.

Evidently the world is not as black as some of our so-called evangelists have been painting it.

GEORGE T. GUERNSEY, president of the Commercial National Bank of Independence, Kansas, had to close his bank recently, and the causes of the closing are now being investigated.

For forty-six years Mr. Guernsey had been connected with this bank, and was one of the most prominent citizens in his community.

It was his custom in the morning to get to the bank very early, open the mail, distribute it to the department heads, and then get shaved.

Several years ago he bought a barber chair and installed it in the basement of the bank building, and promptly at nine o'clock every morning his favorite barber would call at the bank and go with him to the basement barber chair and shave him.

REPRESENTATIVE F. DICKINSON LETTS, who is a member of the House Banking and Currency Committee, has expressed his opposition against the extension of branch banking. Judge Letts has obtained data from California indicating that branch banking under the state system there dominates the financial situation.

The banking problems ahead of the committee he regards as both difficult and important, and likely to take much time to solve.



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 \$ 105,000,000.00
 Surplus and Profits . . . 136,364,145.14
 Deposits (Dec. 31, 1929) . 1,248,218,351.70

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Chairman of the Board

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JOHN McHUGH

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*We invite the accounts of Banks, Bankers,
 Corporations, Firms and Individuals*

GENERAL BANKING
 TRUST DEPARTMENT
 FOREIGN DEPARTMENT

LOUIS C. KURTZ, chairman of the board of the Iowa-Des Moines National Bank & Trust Company, believes that continued prosperity and good times will be enjoyed in Iowa during the coming year.

"In county seat towns correspondent banks inform us that agricultural conditions are abnormally good," says Mr. Kurtz. "Although the prices of farm products show a decline, the general belief is that agricultural conditions are better than those in almost any other industry.

"Bank deposits, bank clearings, postal receipts, and building permits, indicate that Iowa is forging ahead both in retail business and industrially, and to my mind there is no better indication of the trend of business."

PHILLIP M. LA FOLLETTE, a brother of Senator Bob La Follette, Jr., who is now campaigning for republican nomination for the governorship of Wisconsin, in a recent address in his state argues very strongly for the present unit banking system, which he says "Has been sufficiently adequate in the movement of credits to discharge the banker's full part in the expansion of the United States to the highest economic development yet known. It has financed, or assisted in the financing of more in-

dustrial enterprises, with greater credit needs, than ever known in the world. It was sufficiently flexible and mobile to finance the government, industry, agriculture and business in the unprecedented financial strain of the World War. With this record of flexibility and mobility, is it unfair to ask for greater particularity from the advocates of chain banking to the charge that the unit system does not furnish sufficient credit flexibility?"

RAY NYEMASTER, vice president of the American Commercial & Savings Bank of Davenport, sent me the following story which one of his customers told him:

Mistress—And did you have a honeymoon, Mandy?

Mandy—Well, Rastus done helped me wid de washin' de fust week.

HERBERT V. PROCHNOW, of the First National Bank of Chicago, in an address before the Des Moines Credit Men's Association recently, outlined the steps necessary for success in business today which are, "produce a profit; know your business; set a goal; be aggressive, and open minded and do plenty of hard work."

Mr. Prochnow pointed out that "some are of the opinion that consolidations

will bring a solution, but in many cases this won't solve the problem. Any business must show a profit. In the mad race to get volume we have overlooked the big factor—that of profit."

Mr. Prochnow is a very keen student of business conditions and has analyzed reports of many corporations, and knows whereof he speaks.

DR. HAROLD F. CLARK, professor of education at Teachers College, New York, declares that education cuts the earning power of many students.

He points out that we are graduating too many doctors, lawyers, teachers, etc., to take care of the actual economic demand.

He says that you cannot train 100,000 people for 90,000 jobs without creating pressure to decrease the remuneration of the 90,000.

Dr. Clark further says: "The boy with ability will get to his destination in the business world quite regardless of a college education. A college education is likely to make a man too pensive and hesitant for the task of money making, when daring and courage are the prime necessities."

We presume he would point to Edison and Ford as examples of those who have made a big success without a college education.

SUPER-SAFETY CHECK PAPER WAS PROVED IN THE LABORATORY... YOU CAN PROVE IT AT YOUR DESK!



INTRODUCED a year ago, the New Super-Safety paper was the first ever created exclusively for check purposes. Testing engineers proved it superior to other check papers in every respect. Practical bankers agreed. We'll send you their reports if you ask for them.

But we're much more anxious to send you actual samples of Super-Safety. We know that your personal examination of this new paper will prove its merits better than pages of print.

The coupon below will bring you samples post-haste. We'll leave the rest to you—and Super-Safety. Compare it with your present check paper—or any other. Put it through every ordeal that checks must undergo.

Crease it sharply with your finger-nail—again and again. You'll grow tired before Super-Safety will! Tear it. And on the torn edges, notice the extra-long

fibers that mean surpassing strength. Write on it. See how smoothly and eagerly the ink is absorbed. Eradicator, knife or eraser leaves a glaring spot.

Consider Super-Safety's crisp, fresh feel and the beauty of its six soft colors. Think how your depositors would appreciate such safe, sturdy and distinguished checks. Remember that Super-Safety costs no more than other papers. . . . And here's the coupon. The Todd Company. (Est. 1899.) Bankers' Supply Division. Rochester, Chicago, Brooklyn, St. Paul, Denver, Dallas, Buffalo, Birmingham, Des Moines, Boston, Spokane.

THE TODD COMPANY 4-30
Bankers' Supply Division
1149 University Ave., Rochester, N. Y.

Please send me complete information concerning Super-Safety Checks made of the New Super-Safety paper.

Name of Bank _____
Name of Officer _____
Street _____
Town _____ State _____



TODD SYSTEM OF CHECK PROTECTION

Northwestern Banker April 1930

However, education of any kind or character is valuable, and helps to develop the individual to a point where he will be a better citizen and a more useful member of society.

VIDA RICHARDS, assistant secretary of the Minnesota Bankers Association, reminds me that the Central States Conference of presidents, vice presidents and secretaries of the various bankers associations of the country will have their 1931 meeting in Minneapolis as guests of the Minneapolis Clearing House Association.

Officers for next year are as follows: George Starring, secretary, South Dakota Bankers Association, president; M. A. Graettinger, secretary, Illinois Bankers Association, vice president; George Susens, secretary, Minnesota Bankers Association, secretary.

Attends Conventions

E. M. Wagner, who is frequently seen at midwest bankers' conventions as representative of Central Trust Company of Illinois, is a native Missourian. He "grew up" in the banking business with the First National Bank of Tarkio, Missouri, which is the largest cattle feeding



E. M. WANGER

center in the state and one of the largest in the middle west. As assistant cashier of the bank, Mr. Wagner was close to all the problems of the cattle feeding industry as well as of agriculture in general.

Before entering the army at the time of the World War, Mr. Wagner attended William Jewell College in Missouri. After nine years' association with the Tarkio bank he came to the Central Trust Company two years ago.

General Motors Stockholders

The total number of General Motors common and preferred stockholders for the first quarter of 1930 was 240,483 compared with 198,600 for the fourth quarter of 1929.

There were 218,392 holders of common stock and the balance of 22,091 represents holders of preferred and debenture stocks. These figures compare with 176,693 common stockholders and 21,907 preferred, for the fourth quarter of 1929.

Premium Increase in 1929

The Republic Insurance Company, subsidiary of Globe Underwriters' Exchange, Inc., enjoyed in 1929 the best year of

its history. Net premiums showed an increase of nearly 3 per cent and the loss ratio of 32.8 per cent was the lowest in the history of the company, comparing with a loss ratio of 43.5 per cent over a period of ten years. Surplus increased \$225,286 in the annual period covered, after giving effect to the low level of security prices which prevailed on December 31, 1929. These results are shown after the payment of \$240,000 in cash dividends. The assets now amount to \$6,061,993, with a surplus to policyholders of \$4,234,888.

There is only one way to get ready for immortality, and that is to love this life and live it as bravely and faithfully and cheerfully as we can.—Henry Van Dyke.



Keeping Up Profits...

under present conditions is a matter of vital importance to all banks. That is why we have published a little booklet covering this timely subject.

A copy will gladly be sent you upon request

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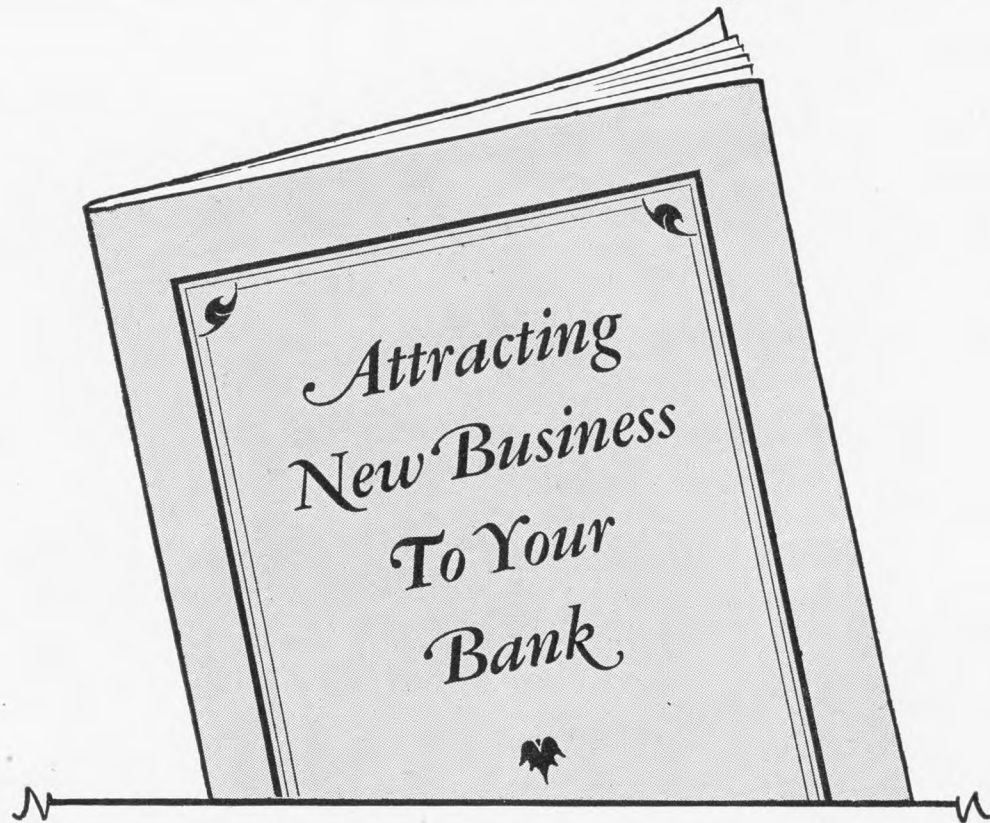
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Investment Securities and
Corporate Financing

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Is the subject of this Book of interest to you?



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CHICAGO

ORMAN LEWIS
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Bonds and Investments

Bank Investments and Secondary Reserves

From address of Dr. Paul M. Atkins, Engineer-Economist, Ames, Emerich & Company, Chicago, Illinois, before the Central Atlantic States Bank Management Conference under auspices of the American Bankers Association, Philadelphia, Pa., March 14, 1930.

IN DETERMINING the size of a secondary reserve, consideration must be given to the several factors revealed by the analysis of the position of the bank: (1) the ebb and flow of funds, (2) the distribution of its deposits between demand and time deposits, (3) the distribution of the size of its deposit accounts, and (4) the class of bank in which it finds itself. The basic consideration is, of course, the deposits—the distribution, increase and decrease, etc.—since the reserves of a bank, both primary and secondary, are set up for the purpose of protecting the deposits.

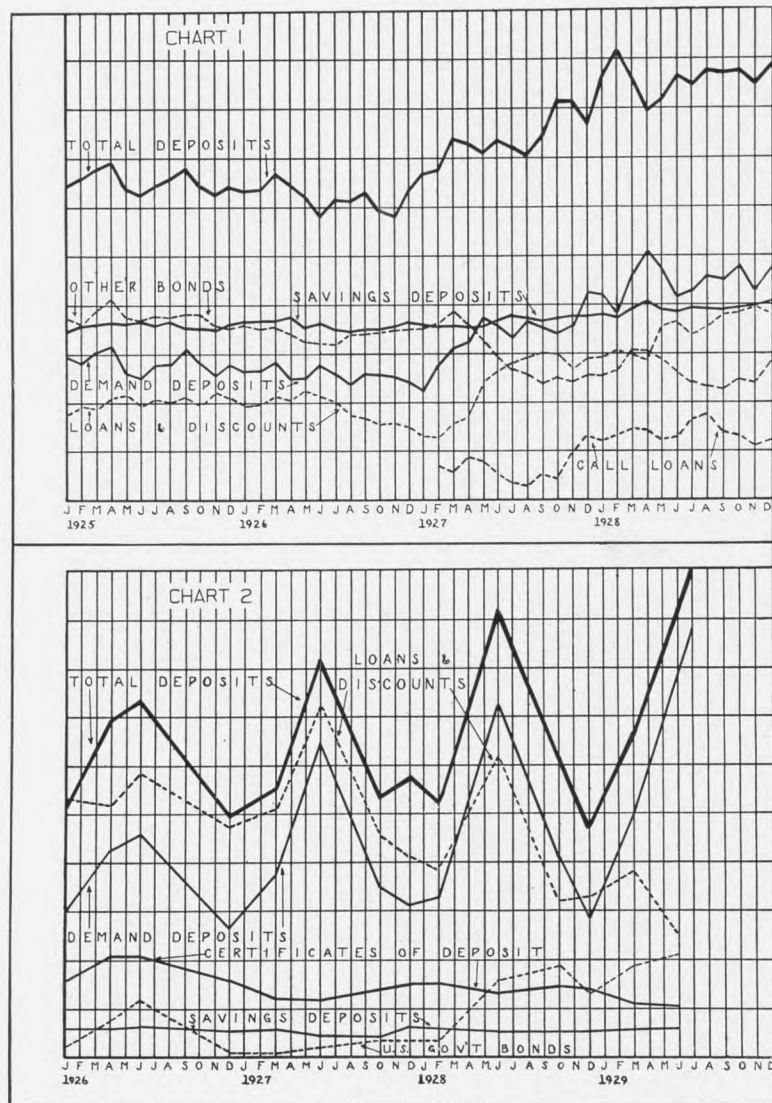
To show in detail the analysis of these factors and their inter-relations and the final conclusions reached, would require more space than has been allotted to this paper. Certain general standards which have been attained as the result of the examination of a large number of cases are, however, presented. Experience in analyzing many banks shows that these standards are applicable with little or no modification in the vast majority of cases. For country banks and reserve city banks, a 35 per cent reserve against demand deposits and a 10 per cent reserve against time deposits is usually satisfactory. For central reserve city banks a secondary reserve of 40 per cent against demand deposits and of 10 per cent against time deposits is suggested. While the same secondary reserve ratios are proposed for both country and reserve city banks, a different distribution of the secondary reserve assets for these two classes of banks provides for greater liquidity for the reserve city banks than is set up for the country banks.

The composition of the secondary reserve of a bank should be planned in order to give as substantial an income as possible, commensurate with a high degree of liquidity. A long study of this question and the examination of many cases has led to the following conclusions for the several classes of banks.

In the case of country banks, it is desirable to divide the secondary reserve into two equal parts. One-half should be made up of highly liquid assets, such

as call loans, bankers' acceptances, commercial paper and United States government securities, and the other half of general list bonds whose maturity is not more than ten years distant. In the case of reserve city banks it is desirable to have 60 per cent of this reserve made up of the more liquid type of assets and

40 per cent of general list bonds, whose largest maturity is not over six years. In the case of the central reserve banks, it is suggested that 70 per cent of the reserve be in the form of highly liquid assets and 30 per cent in general list bonds, all of which mature in three years or less.



Above, Chart No. 1, shows the ebb and flow of funds of a typical bank, a normal bank, revealing some fluctuations which are the result of normal changes in the economic conditions of its community. Normal primary and secondary reserve standards can be applied with success to a case of this kind.

There are instances, however, where the sharp fluctuations in the ebb and flow of funds are such as to demand special consideration and treatment. Any banker will recognize that the situation presented in Chart 2 is radically different from that shown in Chart 1, and that reserves which would be adequate in the first case would be insufficient in the second. It is significant to note that, in the case represented in Chart 2, loans and discounts were in marked excess of the demand deposits. While such a condition is far from unknown, it is one which requires especial attention to the adequacy of the reserves, both primary and secondary.

Call loans, bankers' acceptances, commercial paper and United States government securities are all highly liquid. Call loans may be called at any time when the stock exchange is open. Bankers' acceptances are very actively traded in, and, moreover, the Federal Reserve Banks usually are willing to buy them at any time. Most commercial paper—of the proper maturity—is rediscountable at the Federal Reserve Bank and so may be used to secure funds when needed. The maturities of bankers' acceptances and commercial paper may be chosen in such a way as to provide for an almost constant rotation of maturities. If none is bought for a short time, cash funds almost immediately become available through the run-off of the paper held. It is desirable, therefore, to purchase such assets with this rotation of maturities in mind. United States government short term notes may be looked upon from this point of view substantially the same as bankers' acceptances and commercial paper. Because they are eligible to secure loans from Federal Reserve Bank, they should also be grouped with the Liberty and Treasury Bonds. These long term bonds are classed with the highly liquid assets not only because they are so easily marketable but also because they are, like the short term notes, a means of borrowing from the Federal Reserve Banks.

It is evident that while such assets add substantially to the liquidity of a bank they do not, during most periods, increase its earning power greatly. In order, therefore, to develop this factor and, at the same time, maintain a high degree of liquidity, it is desirable to add certain short term bonds to the secondary reserve. These bonds should be securities of at least a good quality rating and possessing broad or active marketability. They should be selected so as to provide for adequate diversification among municipal, public utility, railroad, industrial and foreign bonds, and for a satisfactory diversification within these groups for such factors as management type of industry, geographical location, etc. When properly chosen such groups will possess a high degree of liquidity and will also give a greater rate of income than the type of asset previously discussed.

No General Rule

IT IS evident that there is no single general rule to be followed in order to build a secondary reserve account. It is necessary to give consideration to a variety of factors, to determine the size in terms of the requirements of the bank as revealed by a scientific analysis, and to select the assets in such a way as to make it possible for the secondary reserve to meet its objectives.

From the preceding discussion, several points should be quite evident. In the first place, the term "secondary reserve" has a very definite meaning, a meaning which is quite different from that of "investment account," even though no clear definition of this latter expression has yet been given. In the second place, it is not sound to think of the "bond account" of a bank as synonymous with "secondary reserve." In the third place, an adequate secondary reserve is not to be built by guess work.

So far the entire discussion has been devoted to the subject of the secondary reserve account and nothing has been said about the investment account of a bank. With a clear idea in mind of the goal sought through the development of this reserve and of the means of attaining this goal through the proper organization of this account, it becomes much easier to treat the question of building an investment account for the bank.

There are certain marked contrasts between the secondary reserve and the investment account of a bank. The major object of the first is to increase the liquidity of the position of the bank; the principal reason for the existence of the latter is to develop its earning power. Because of the difference in the ends sought, the organization of the two accounts are far from alike. Safety of principal is the first consideration in selecting assets for either of them. The liquidity of the assets is the second point in connection with the secondary reserve account, while potential earning power is the second in connection with the investment account. The secondary reserve account, moreover, is subject to certain restrictions in regard to its size, the maturity of the securities which it includes, etc., which do not effect the investment account.

There is no theoretical limit to the size of the investment account of a bank. Unless funds are needed more for some other purpose, they should be invested in assets which are incorporated in the investment account. There is no type of asset which is ineligible for this account, provided it meets the standard of safety established and provided further that the addition of any particular asset would not unbalance the account. It is usual to exclude local loans and discounts from this account, as well as the assets incorporated in the secondary reserve, but other earning assets of all kinds are suitable if they are acquired under conditions which make it possible for them to add substantially to the income of the bank. Mortgages, call loans, commercial paper, bankers' acceptances and bonds of all kinds are suitable, although under most conditions, the major portion of the account will be composed of general list bonds.

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This company has had the privilege of serving Iowa bankers, Iowa investors and Iowa industry in this manner. It offers you the facilities of a progressive, constructive organization for developing local community prosperity, and for assistance in the profitable and safe investment of your reserve funds.

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CEDAR RAPIDS

Diversification of Assets

IN BUILDING up an investment account for a bank, it is necessary to give due consideration to the adequate diversification of assets. It is undesirable to allow an excessive portion of the account to be dependent on any one line of credit, as, for example, real estate, as represented by mortgages and real estate bonds. It is not wise to fix definite proportions from which no deviation is allowed, but rather to permit a certain flexibility which will make it possible for a bank to take advantage of changes in market and general economic conditions affecting particular types of securities.

Attention has already been called to the fact that the possibility of procuring income as a result of capital accretions to this account should not be overlooked. This object may be attained by giving due heed to changing economic conditions, and especially to the trends in the rate of interest. At a time when interest rates are falling, long term bonds should be purchased for this account, for the market price of this class of bonds will move higher with a fall in interest rates than will the price of short term bonds. When the downward trend of interest rates is checked and it appears likely that interest rates will tend upward, the long term bonds should be

sold and replaced with short term bonds, whose prices will not be depressed nearly so much by an increase in the interest rates. It is even possible that occasions may arise when it is desirable to place the funds of this account temporarily in call loans, commercial paper and bankers' acceptances while awaiting the development of a definite trend in interest rates.

Bonds which are incorporated in the secondary reserve account of a bank should ordinarily be left in that account until maturity unless they are utilized to procure cash for the primary reserve. If there appears to be any reason to doubt their credit position they should, of course, be eliminated from this account at once. It is not necessary, however, to take this same attitude in regard to the bonds which have been purchased primarily for the investment account. If at any time, for any of a number of reasons, the market price of these bonds appears to be unduly high when compared with the prices of other bonds, these bonds should be sold and replaced with securities which represent a better value. An undue concentration in regard to any diversification factor should, of course, be avoided in making these shifts.

A Broader Field

THE field from which bonds may be selected for the investment account of a bank is much broader than is that from which secondary reserve bonds must be chosen. Bonds of relatively small issues whose credit position is thoroughly sound but which do not possess broad marketability because of their size frequently are excellent components of an investment account because of their high yield, combined with marked safety. Local special assessment municipal bonds which are practically never suitable for a secondary reserve account are often quite acceptable for an investment account of a bank, provided the officers of that bank are personally well acquainted with the tax situation upon which the credit of these bonds are based. There are but two examples of many which might be given.

It is, perhaps, clear from this brief discussion, that there are many points to be considered in building up a satisfactory investment account for a bank. In order to obtain productive results from this account it is necessary to analyze many factors, exactly as in the case of the secondary reserve account. The factors to be analyzed, however, are different in the two instances. In the case of the secondary reserve account it is particularly necessary to study the needs and requirements of the bank. It is usually unnecessary, however, to analyze the prospective assets in any great detail, for it is relatively easy to deter-

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of the Iowa Bond Corporation
under the active management
of George D. Thompson and
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We call attention particularly
to our offers of general market
bonds, notes and commercial
paper attractive for the
investment accounts of banks.



Iowa Bond Corporation

Investment Securities

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DES MOINES

8

Short Term Bonds

AMONG the securities on our current list are eight bond and note issues of high rating which are especially suited to the needs of banks. Maturities from three months to five years; coupons $5\frac{1}{2}$ and 6 per cent; yields from 5.25 to 7.00 per cent. Full details will be sent promptly upon request.

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mine whether they measure up to the standards set for such assets. In the case of the investment account, on the other hand, it is essential to scrutinize with great care the securities which are being considered for incorporation therein. The greatest values for this account can usually be obtained by the purchase of little known credits. It requires careful discrimination to be able to winnow the wheat from the chaff in such cases. It behooves the banker, therefore, to assure himself of competent investment counsel in such matters. The fact that greater flexibility is permissible in bulding an investment account than in developing a secondary reserve account for a bank means that a greater responsibility is placed upon the knowledge and good judgment of the

person selecting the securities.

The organization of the secondary reserve and investment accounts of a bank is not as simple and easy a matter as may appear at first glance. On the other hand, there is nothing mysterious or occult about it. It requires careful study, hard work and the application of scientific principles and methods. Such accounts are worth the effort which they necessitate, however, for they are great and permanent aids to the banker in solving the problem of maintaining satisfactory earning power for his bank and at the same time of assuring it adequate liquidity.

A politician thinks of the next election; a statesman, of the next generation.—James Freeman Clarke.

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enjoy the protective background of highly liquid assets, with credit factors widely diversified in region and enterprise. Long regarded as a national standard for short term investment, they have been purchased by thousands of banks, institutions and individuals the country over.

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Joins Investment Securities Firm

James E. Bradbury, former assistant cashier with the Bankers Trust Company, has joined the sales organization of the Victor J. Silliman Company, Des Moines investment firm.

For the past two years Mr. Bradbury has been located at Canon City, Colorado, where he operated a twenty-acre fruit ranch. He left the Bankers Trust



JAMES E. BRADBURY

Company in 1928, after eight years of service, to go west for his health. Since regaining his health, he returned to Des Moines recently, to enter the security investment field.

In his new connection he will have complete charge of all banking investment matters for the Silliman Company.

The Silliman Company maintains offices at 203-205 Fleming Building in Des Moines.

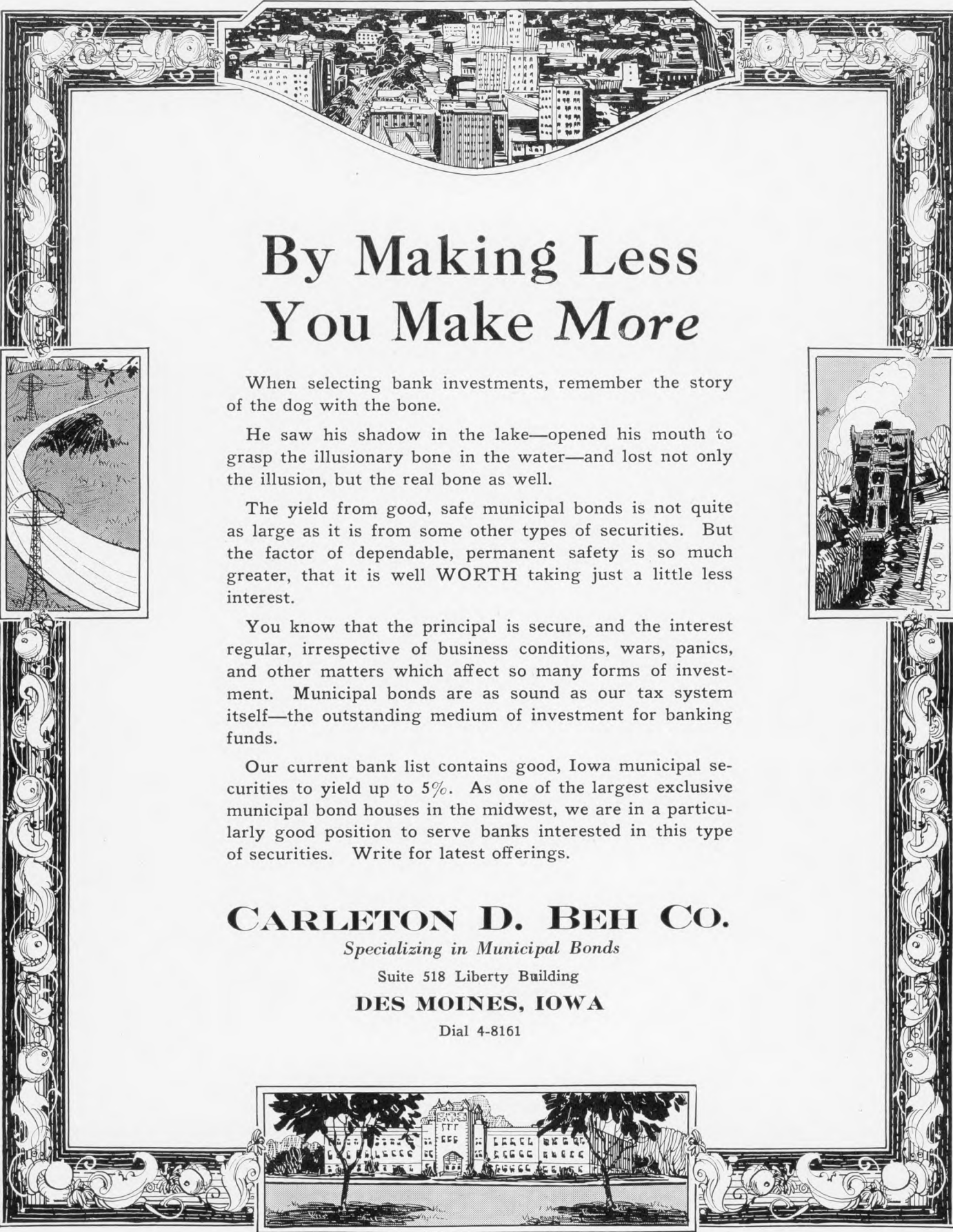
"The Meaning of Money"

"The Meaning of Money" is the title of an attractive book, revised edition of which has just been published by E. P. Dutton & Co., Inc., of New York City. The author is Harley Withers. He presents clearly the new theories and problems of money that have developed out of the World War, and explains not only how America has risen to her present commanding position of wealth and power but what effect it has had on the international world of finance.

A Shrewd Policyholder

Anxious Wife: "Abie, have you done anything about that Black Hand Letter?"

Abie: "Oh, ain't I, though. I turned it over to my insurance company. They got \$20,000 tied up in me; let them worry."—*The Envoy*.



By Making Less You Make *More*

When selecting bank investments, remember the story of the dog with the bone.

He saw his shadow in the lake—opened his mouth to grasp the illusionary bone in the water—and lost not only the illusion, but the real bone as well.

The yield from good, safe municipal bonds is not quite as large as it is from some other types of securities. But the factor of dependable, permanent safety is so much greater, that it is well WORTH taking just a little less interest.

You know that the principal is secure, and the interest regular, irrespective of business conditions, wars, panics, and other matters which affect so many forms of investment. Municipal bonds are as sound as our tax system itself—the outstanding medium of investment for banking funds.

Our current bank list contains good, Iowa municipal securities to yield up to 5%. As one of the largest exclusive municipal bond houses in the midwest, we are in a particularly good position to serve banks interested in this type of securities. Write for latest offerings.

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What the Utilities Are Doing

I BELIEVE that at this time, more than at any other in the history of industry, people generally are inclined to have faith in the honesty and fairness, economy and efficiency of big business," declared Matthew S. Sloan, president of the New York Edison Company and associated companies, in a recent address.

"I believe our record in the utility field," he continued, "has justified the existence of such faith in respect to electrical utilities. Our future must be concerned with establishing it for all time, in the face of an admitted disturbance of the public's mind produced by pres-

ent developments in the set-up of electrical utilities."

Mr. Sloan's audience was composed of officials and employes of electric light and power companies in the metropolitan area, and his address was one of a series he is delivering to regional conferences of utility people throughout the United States in his capacity as president of the national organization.

The keynote of his address was "good will," which he described as "something which comes from a knowledge that the utilities are honest and efficient and economically administered."

"It comes," he continued, "from the

knowledge that the service supplied is safe, certain, abundant for all demands the public can make under any conditions. It includes a confidence that prices are fair—that is, that they are not yielding undue profit to the business in view of the costs of operation, and are such as to permit an increasing use of service. It is brought forth by experience with alert, intelligent, helpful representatives of utilities. It takes in faith in the attitude of the management toward its responsibilities. It sums up as satisfaction of the customers in their transactions with the company, *plus*.

Why We Exist

BUSINESS is an effort conducted by a group of human beings to supply something to meet a requirement of other human beings. Our business—different from most others in its requirement of large capital invested for the dollar of revenue, its privilege of exclusive service rights within the franchise territory, its regulation by public authorities in all essential matters—is no different in basic principles. We exist to supply something—electrical service—considered a necessity in modern life. But electrical utilities can grow and prosper—and growth is the law of life—only as they supply their services with a fair return to themselves and with advantage to their customers.

"Our job must continually be the seeking of ways and means to make it cheaper to use electricity than not to use it, if we are to do our full part in electrifying America. Lowered prices, however, are not possible without lowered costs and increasing sales. Our problem is to make the most of every possible means for effecting economies in operation and administration.

"Mergers and holding company combinations in the utility field are one result of this great need for lowered costs. A few years ago the public's requirements for electricity supply could be met satisfactorily by individual companies, operating within their respective territories as independent units.

"But conditions of American business life have changed, and methods and machinery have had to change in accordance with those changed conditions. Mass merchandising, vast capital requirements make necessary business set-ups on a different scale from those existing before the World War. The demands of today on business are great. Great business organizations are necessary to meet these demands properly.

"Consequently mergers and combinations of companies have been undertaken, in our business as in others, in

FOR INDIVIDUAL AND INSTITUTIONAL INVESTORS

Every investment account, whether made up entirely of fixed interest-bearing securities or including a proportion of equity issues, should have a foundation of high-grade bonds. Government, State, Municipal and the best Corporation bonds are the recognized media for the conservation of capital, and are just as suitable investments for individuals as for savings banks, insurance companies and other institutions.

The National City Company provides conveniently located investment offices in the following cities where recommendations for the employment of current surplus funds will gladly be made:

Albany, N. Y.	Indianapolis, Ind.	Portland, Ore.
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Atlantic City, N. J.	Los Angeles, Calif.	Rochester, N. Y.
Baltimore, Md.	Louisville, Ky.	St. Louis, Mo.
Birmingham, Ala.	Memphis, Tenn.	St. Paul, Minn.
Boston, Mass.	Miami, Fla.	San Diego, Calif.
Buffalo, N. Y.	Milwaukee, Wis.	San Francisco, Calif.
Chicago, Ill.	Minneapolis, Minn.	Scranton, Pa.
Cincinnati, Ohio	Newark, N. J.	Seattle, Wash.
Cleveland, Ohio	New Orleans, La.	Spokane, Wash.
Dallas, Texas	Oakland, Calif.	Tacoma, Wash.
Davenport, Iowa	Omaha, Neb.	Toledo, Ohio
Denver, Colo.	Pasadena, Calif.	Washington, D. C.
Detroit, Mich.	Philadelphia, Pa.	Wilkes-Barre, Pa.
Hartford, Conn.	Pittsburgh, Pa.	Montreal, Canada
Houston, Texas	Portland, Me.	Toronto, Canada

The National City Company

National City Bank Building, New York

INVESTMENT SECURITIES



Annual Report

MISSOURI-KANSAS PIPE LINE COMPANY

— A Natural Gas Utility —

To the Stockholders of
The Missouri-Kansas Pipe Line Co.

In order that you may be informed as to the Company's financial position and past earnings, we are submitting a graph showing by months the gross income and net earnings from the Company's inception May 5, 1928, to February 28, 1930.

We wish to emphasize the fact that the earnings from the first month have been sufficient to more than cover all operating expenses. In view of the large expenses incurred in organizing a new company, and the many heavy non-recurring charges which have been met, we feel that this report is evidence of stability and sound management.

Gross income and net earnings have been rapidly increasing. Net earnings from operations and interest earned for the month ending February 28, 1930, were \$65,789.25, which is equivalent to \$1.33 annual earnings per share of stock on 593,095 shares outstanding.

The Company is in a strong cash position, and when this cash is invested in the business, greater returns from these funds can be expected.

Depreciation and depletion is charged annually, the rate being determined by Messrs. Brokaw, Dixon, Garner & McKee, Petroleum Engineers and Geologists of New York, the total amount for 1929 being \$113,935.09. All property and equipment owned by the Company is carried on the books at cost, appreciation created by new wells drilled and negotiated contracts not being reflected in the balance sheet.

On March 1st the new 10" line connecting the Blue Springs field to the main pipe line system was completed, adding three million feet to the present daily deliveries. Accordingly, a further substantial increase in the earnings can be expected for the current month.

CONSOLIDATED BALANCE SHEET AS OF JANUARY 31, 1930

(Adjusted to reflect principal transactions in February and pending changes in capital structure)

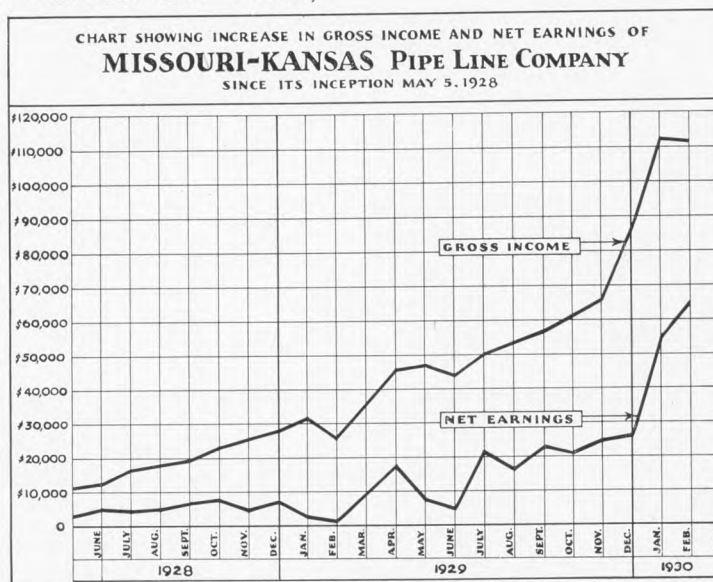
ASSETS		LIABILITIES	
Property, Plants, Leaseholds, etc.	\$ 6,343,594.43	Capital Stock—Common:	
Working Funds and Deposits	4,171.97	Authorized	Outstanding Par Value
Investments in and Advances to Affiliated Interests	241,833.26	Class A 5,000,000 shs.	593,095 shs. \$5.00 \$ 2,958,435.00
Note Discount, Expense and Other Deferred Charges	80,331.28	Class B 5,000,000 shs.	None 1.00 2,694.25
Subscriptions for Capital Stock (Partial Payments)	749,000.00	Dividend Scrip Issued	2,694.25
Current Assets:		Funded Debt:	
Cash on hand and in banks	\$1,088,366.15	Two-Year 6% Gold Notes, Kentucky Natural Gas Co.	1,500,000.00
Subscriptions for Capital Stock (Due March 25, 1930)	2,150,000.00	Reserve for Depreciation, Depletion, etc.	229,054.79
Marketable securities	44,660.00	Current Liabilities:	
Accounts receivable	246,535.56	Notes payable	\$ 12,000.00
Accrued interest	23,329.55	Other current liabilities	354,422.75
Unbilled gas sales	17,168.46	Deferred Liabilities:	
Material and supplies	111,138.93	Consumers' security deposits	\$ 4,620.00
	<u>\$ 3,681,198.65</u>	Purchase money obligations—producing properties	\$91,000.00
		Surplus:	
		Capital surplus	\$5,004,086.70
		Earned surplus	23,405.55
		Operating profit—January and February, 1930	120,410.55
TOTAL	<u>\$11,100,129.59</u>	TOTAL	<u>\$11,100,129.59</u>

DIRECTORS

FRANK P. PARISH Chicago, Illinois President	CHARLES A. MEYER Toledo, Ohio Treas. o. Nat'l. Supply Co.
FRANCIS I. duPONT Wilmington, Delaware Capitalist	C. S. SHIPPEY Kansas City, Missouri Vice-President
BURT R. BAY Kansas City, Missouri Vice-Pres. and Gen'l. Mgr.	RALPH B. MAYO Denver, Colorado Ralph B. Mayo & Co., C. P. A.
S. J. MADDIN Chicago, Illinois Vice-President	J. F. McMANMON Chicago, Illinois Vice-President
RALPH G. CRANDALL Chicago, Illinois Vice-Pres. and Gen'l. Counsel	

Executive Offices—10 South La Salle Street, Chicago

Northwestern Banker April 1930



The Company has important plans for new projects and further expansion of its present system during the year 1930.

The Company owns very large natural gas reserves in Texas, Kansas, Missouri, Illinois and Kentucky, which assures the Company's future position in the rapidly expanding natural gas industry.

The Company has paid a regular quarterly dividend of 2½% in stock, conserving its cash for future development.

With well organized executive and operating staff, thoroughly experienced engineering department, large natural gas reserves, and adequate capital, the Company is in a splendid position to become the outstanding leader in the natural gas industry.

FRANK P. PARISH,
President.

order to produce and permit economy in raising capital, to bring about economies and betterments in operation, to stimulate the marketing of products through unified control and management or for all of these reasons.

"These changed conditions in electrical utilities have had a profound effect on the public mind. There is some acceptance of these conditions as necessary and desirable. There is, on the part of some, a disposition to regard them as inevitable and to hope for the best. There is some downright and outspoken antagonism toward them. There is an oft-repeated fear of a power trust.

"The changes and developments in the set-up of corporate units in the electrical industry may seem desirable enough to

us—an inevitable and logical compliance with present-day economic conditions. We know what it's all about. We know that out of this seeming confusion there is emerging gradually, not any 'power trust,' but organizations large enough in resources and territory served to handle existing power business capably and cope with the problems of future development and demand.

"We know that the electrical business cannot stand still in its policies, practices or the size or inter-relationship of the companies engaged in supplying a vital service to ever-growing America. Yet we should be blind if we did not recognize that developments intended to make our industry a more effective business instrument and agency of public

service will yield the desired results only as they are understood and accepted by the public which makes or unmakes business and particularly our business, public utilities.

"In this stage of electrical utility expansion, we of the utilities must continue to strive to convince everybody that if for no other reason than intelligent self-interest we are bound to operate the utilities to the benefit of the public.

Need Only One Rule

I BELIEVE the utilities need only one rule: serve the public well and truly. Every element of the industry's and the public's welfare is incorporated in that rule. Such a course is the most effective answer we can give to those who are afraid that we are putting temporary business interest or gain before our duty.

"And when I say 'serve the public well and truly,' I mean specifically this: supply of service technically as good as the most advanced standards of the electrical art and our financial and human resources can compass; operate so efficiently and intelligently that we may be able by improved methods and increased sales to reduce unit costs and consequently from time to time lower prices; conform our policies and practices to the changing needs of our customers as such needs develop; keep in mind always the social as well as the economic aspects of electricity supply; plan and carry on our business so that we earn, deserve and obtain, not alone the respect of the public for our companies as businesses, but also the public's good will toward us as servants entrusted with a vital job. On that basis, and only on that basis, may we expect the attitude of public mind toward our industry which will enable it to progress in its job with maximum benefit to itself and its customers.

"The public needs ever improving, ever expanding electric service. We are confident our industry can supply such service better and more advantageously for the public than any other agency. We must, however, justify our faith in ourselves by our works, and prove our purpose and our words by deeds."

In reference to the large expansion of the industry's service in recent years, Mr. Sloan pointed out that the use of power for all purposes increased "three and three-fourths times faster than the population in the last five years."

"About 60 per cent of this increase," he said, "was reflected in increased output of commodities, which means that 60 per cent more wealth—usable goods—was available for each individual than would have been the case had the electrical industry remained static.

"Two out of every three horsepower of energy used in industrial purposes are

LANSFORD & COMPANY SECURITIES

33 North LaSalle Street
CHICAGO

Specializing in
Illinois Local Improvement Bonds

EVANSTON
WAUKEGAN

NILES CENTER
PARK RIDGE

Exempt from all Federal Income Taxes.

THERE is no substitute for experience. This house has been specializing in municipal bonds and bank investments for nearly ten years. We will gladly send our list of recommended offerings to any Iowa bank and let it speak for itself.

BALLARD-HASSETT CO. Investment Securities

1114-1120 Commonwealth Bldg.

DES MOINES

GUARANTEED BONDS

FILL EVERY INVESTMENT NEED

Surety Guaranteed Bonds are 6% Real Estate Bonds that bear the joint and several guarantee of the Federal Surety Company and the New Jersey Fidelity and Plate Glass Insurance Company.

Their safety is assured beyond question by the directly endorsed joint and several guarantee of the two surety companies appearing on each bond.

They combine safety with liberal yield, and therefore should be numbered among the investments of banks, institutions, trust estates and individuals.

In case of emergency, they have a higher market rating than any real estate bond now on the market, by reason of this binding guarantee.

Security dealers and bankers can safely recommend these bonds to their most exacting clients, and will find them an attractive, profitable and worry-proof addition to their lists of offerings.

Our new booklet, "A Part of All You Earn Is Yours To Keep," describes the care exercised in underwriting this type of investment, and will be sent free upon request.

PROVIDENT STATE SECURITIES CO.

134 North La Salle Street

Chicago, Illinois

now supplied by the central stations of the electrical industry. The balance of electrical power which is supplied by factory plants, is rapidly giving way to power purchased from central stations."

Tracing recent developments in the industry, he said:

"The industry in its development has conquered many technical and engineering problems. Improvements in fuel efficiency have made possible enormous savings in coal consumption in the last 25 years. It now takes only one-fifth as much coal to produce a unit of current as was needed 25 years ago. Generators have become larger and larger until a single large unit today has 40 times the capacity of the largest unit of 25 years ago. This development has resulted in reduced costs of output and in greatly improved character of service. There are sure to be many improvements in the future, provided by the research

agencies of the utilities and the manufacturing companies, but our technic is well in hand. Although the record of this industry is one of steadily improved and widely expanded service at steadily decreased rates for household use—the only item entering in the cost of living that is lower than in 1913—we cannot slacken our pace or stand still.

"The industry's job now is to use the machinery and methods it has and the better ones the future will provide to bring about the immense economic benefits and consequent social advantages that can be foreseen as coming from the widest possible use of electricity."

Is Appointed Economist

Harland H. Allen, authority on business and financial conditions, has been appointed economist to the Foreman-State National Bank, the Foreman-State

Trust & Savings Bank, and the Foreman-State Corporation.

Mr. Allen will sponsor a mid-monthly survey of finance and business for the Foreman-State group. He will also act as director of research and consultant in industrial situations and general business conditions.

He is well known for his speaking and writing on economic subjects. Mr. Allen long has been interested in the international aspects of business and finance and has spent considerable time in Europe studying economic conditions.

The new economist for the Foreman-State group is a graduate of the University of Chicago. He has served on the faculty of that university as well as on the economic staff of the University of Illinois. He also has been dean of the school of commerce at Oklahoma State College.

His interest in educational movements has resulted in his taking an active part in adult educational activities. He is president of the Adult Education Council of Chicago. He also is a member of the City Club, Chicago Council on Foreign Relations, the Investment Analysts Club, the Economic Club, and numerous professional and Greek letter societies.

During the last few months the Foreman-State group has carried on an extensive program of broadening its banking service. The most conspicuous development in this program has been the very great expansion of underwriting activities and securities distribution through the formation of the Foreman-State Corporation.

"America Looks Abroad"

"America Looks Abroad" is the title of a new book written by Paul M. Mazur and published by the Viking Press, 18 East 48th Street, New York City. Mr. Mazur is the author of a former book, "American Prosperity," which has been widely read among the financial fraternity.

In his new book, Mr. Mazur has explored the relations between America and Europe, emphasizing the problem of international trade. He discusses the paradox of America's having an export balance at the same time being a creditor nation to the tune of some twenty billion dollars. He gives thought to the war of tariffs, the proposed United States of Europe, cancellation of war debts and the entire social and economic reform of Europe.

Slippery Slope

Greenboy—Of course, I know marriage is a grave step.

Oldun—Step! My dear lad, it's more like a flight of steps and every one of 'em greased.

Quality Is Predominant in This Investment Trust

A fixed list of 28 of the world's greatest companies was chosen after exhaustive analyses and tests.

Hundreds of investment stocks were examined but only 28 met all the requirements.

These 28 companies have assets exceeding twenty billion dollars—over 1/20th of our estimated national wealth.

They have paid dividends continuously, on average, for 33 years and are all listed on the New York Stock Exchange.

These stocks underlie North American Trust Shares, an investment trust of unusual quality, and rated "A" by Moody's Investors' Service.

Circular showing an 18-year period of earnings will be sent on request.

We offer an attractive arrangement for bankers desirous of handling these shares. Write.

Price about \$10.25 per Share

HARRY H. POLK & CO.

Investment Securities

Insurance Exchange Bldg.,

Des Moines

Our current list of high grade bonds can be had on request.

Railroads

Atch., Top. & Santa Fe
Railway Company

Canadian Pac. Ry. Co.

Illinois Cent. R. R. Co.

Louis. & Nash. R. R. Co.

N. Y. Central R. R. Co.

Pennsylvania R. R. Co.

Southern Pacific Co.

Union Pacific R. R. Co.

Oils

Royal Dutch Company
(New York Shares)

Standard Oil Company
of California

Standard Oil Company
(New Jersey)

Standard Oil Company
of New York

Texas Corporation

Industrials

Amer. Radiator & Standard
Sanitary Corp.

American Tobacco Co.
(Class B)

duPont (E. I.) deNemours
& Company

Eastman Kodak Company
of New Jersey

General Electric Co.

Ingersoll-Rand Company

National Biscuit Co.

Otis Elevator Company

United Fruit Company

U. S. Steel Corporation

Westinghouse El. & Mfg.
Company

Woolworth (F. W.) Co.

Utilities

American Tel. & Tel. Co.

Cons. Gas Co. of N. Y.

Western Union Tel. Co.

The Growth of Investment Trusts

Cedric Smith, president, Smith, Burris & Co., was guest speaker last month before a group of about thirty Northwest bankers and business men at a luncheon in the Minneapolis Club sponsored by Paul Brown & Co., of Minneapolis.

"Four years ago when we were pioneering our first investment trust," Mr. Smith said, "investment trusts were new and little known in this country. The first trust we created and marketed was called fixed trust shares, and while there were one or two other trusts of the fixed type which slightly preceded fixed trust shares, nev-



CEDRIC SMITH

ertheless there were incorporated in fixed trust shares numerous fundamentals which were new and unheard of, but which have since been adopted by almost all of the leading fixed trusts now being marketed.

"When we first marketed fixed trust shares, we found that our problem was one of education. The public knew practically nothing about a fixed trust. It had only a smattering knowledge of the benefits to be gained from a group holding of common stocks. Even bankers in those early days were unfamiliar with the fixed type of trust and this unfamiliarity naturally caused them to shy at the recommending of the fixed trust as an investment, not to mention the matter of distributing fixed trusts themselves.

"Today this situation is different. Fixed trusts have been advertised from coast to coast by their various sponsors. Lengthy articles of explanation have been run in leading financial publications. Salesmen for the various fixed trusts have told the story to investment dealers and to bankers. So today in selling investment trusts we have an entirely different situation than we had four years ago.

Optimism

"Those who have faith in the essential soundness of American business, and in the good judgment of its business leaders and bankers, may with reason be confident that well managed and properly sponsored American investment companies will, over a period, give quite as good an account of themselves as their British prototypes."



The above quotation, a statement by a well-known authority, sounds the keynote of optimism for those interested in investment trust shares.

Well-managed, safe for the investor, and developing a satisfactory yield, *The United States Shares Corporation* stands out prominently among such institutions. Already it has created and is operating nine investment trusts, with an aggregate sum under its direction of over \$20,000,000.

Write us for full details regarding this investment. We shall supply them with pleasure.

E. Raymond Dutro & Company

(Incorporated)

Tele. Kenwood 1583 DAVENPORT, IOWA American Bank Bldg.

Dealer Inquiries Invited

Authorized distributors of United States Shares Corporation for the State of Iowa

Northwestern Banker April 1930

"Four years ago there was relatively little capital invested in American trusts. Today there are something over two billion dollars invested in trusts and the startling point is that over one and one-half billion dollars of this capital was created in twelve months just preceding the October, 1929, market collapse."

A Collection Idea

"If you collect this money," said the insurance agent, "I will give you a regular job."

To the agent's astonishment, the young man returned in half an hour with the money.

"How did you do it?" he gasped.

"I told him," said the young man, "that if he didn't pay me I would tell all the other creditors that he had paid."—*Exchange.*

Form Iowa Bond Corporation

A NEW investment firm for Des Moines and Iowa was announced last month by the firm members, including George D. Thompson and James C. Enyart. The new firm is to be known as the Iowa Bond Corporation, with offices at 523 Insurance Exchange Building, Des Moines.

Mr. Thompson was cashier of the Iowa-Des Moines National Bank and Trust Company and is well known in Iowa financial circles. He began as a messenger for the Des Moines National Bank thirteen years ago and after holding various positions with the bank was named cashier in November, 1926. He was for three years assistant cashier of the bank.

Mr. Enyart was for two years with

the receivership department of the Iowa banking department. In 1926 he became associated with the bond department of the Iowa National Bank, traveling throughout the state, and he leaves that institution to become a member of the



GEO. D. THOMPSON

new firm. The company will handle a general list of bonds with special emphasis on short time paper.

Officers of the new corporation are Watson N. Enyart, cashier of the Agency Savings Bank at Agency, president; George D. Thompson, vice president, and



JAMES C. ENYART

James C. Enyart, secretary and treasurer. Watson Enyart, father of James C. Enyart, will not become actively associated with the corporation.

Analysis

The move in bonds is on. Long-expected, it is now present in the highest grade bonds. Will your list share in the profits of the bull bond market?

Upon request, we shall be glad to check your list of holdings and to make you a detailed report in line with latest information as to their suitability.

Iowa Representative
MAURICE F. LEAHY

Manager of Trading Service Department
THOMAS F. FORD

B R O K A W

AND COMPANY

105 South La Salle Street

CHICAGO

New Deputy Manager

The appointment of Henry E. Sargent as Deputy Manager of the American Bankers Association and Secretary of its Trust Company Division has been announced by F. N. Shepherd, Executive Manager.

Mr. Sargent has been with the American Bankers Association since July, 1928, as associate editor of the American Bankers Association Journal. He is a native of Washington, D. C., where he was engaged in newspaper work, serving as chief correspondent of the New York Journal of Commerce. Mr. Sargent was educated at Princeton University and the law school of the University of Virginia.

He succeeds Reuben A. Lewis, Jr., who has resigned to become a Second Vice President of the Continental Illinois Bank and Trust Company, Chicago. Mr. Lewis will assume his duties in Chicago March 1.

Chain Store Sales

Forty-eight chain store companies reporting their February results, compiled by Merrill, Lynch & Company, New York, show aggregate sales for the month of \$159,925,226, compared with \$148,265,342 in February, 1929, an increase of 7.86 per cent.

Aggregate sales of these companies for the two months of 1930 totaled \$328,728,443, against \$299,539,124 in the corresponding period of 1929, an increase of 9.74 per cent.

Postal Telegraph and Cable

The consolidated net income of the Postal Telegraph & Cable Corporation and its associated companies for the year ending December 31, 1929, was \$2,972,671.38. The consolidated net income before interest charges on \$50,670,209 collateral trust 5 per cent gold bonds outstanding on December 31, 1929, was \$5,504,385.40. After providing for bond interest, the net income available for dividends on the 305,295 shares of preferred stock outstanding as of December 31, 1929, was \$2,972,671.38.

Tax Returns Reach \$517,803,027

According to figures made public by the treasury department, collections of income taxes for the first twenty-two days of March totaled \$517,803,027, compared to \$547,189,703 for the same period a year ago.

Although no definite statements were made at the treasury, it was indicated that collections had not proceeded far enough to warrant the belief that the total collections in the first quarter on 1929 incomes would total about \$540,000,000, or about \$60,000,000 less than last year.

The treasury balance for March 22, 1930, was \$376,489,956.65 while on the same day last year the balance was \$410,571,409.

OUR EXPERIENCED PERSONNEL

*Is a Distinct Advantage
for Bankers*

THE personnel of the Victor J. Silliman Company, Inc., is made up of men who have had many years experience in the investment security business. These men are qualified to render you invaluable assistance in helping you invest your bank's secondary reserves.

Secondary Reserves are of almost first importance to the Banker. To keep them continuously invested at maximum efficiency so that quick and profitable liquidation is possible when necessary, requires experience, vigilance, and knowledge.

Our success, the success of our representatives, rests upon yours. Consider them, therefore, as your assistants—backed by an organization known for sincerity of service and vigilant follow through.

Mr. James E. Bradbury, formerly of the Bankers Trust Company of Des Moines, is in complete charge of all Bank Investment matters.

VICTOR J.
SILLIMAN
COMPANY, INC.

203-205 Fleming Building
DES MOINES, IOWA

Chicago Investment News

WITH THE pendulum in the bond market swinging back to normalcy, optimism prevails again on La Salle Street. Evidence that the improved conditions are not confined to Chicago, but throughout the country as a whole, was borne out in a statement given to this writer a few days ago by Trowbridge Calloway, president of the Investment Bankers Association. He had just returned from a long trip which included the southern and Pacific Coast states. He pointed out that due to easier money and a return of confidence on the part of the investment buying public, the bond business had shown an upward turn during the

By **WILLIAM H. MAAS**

*Vice President,
The Northwestern Banker*

past three weeks. During his extended trip over the country, meeting with dealers in various cities, he found that the stock market crash had in many instances taught the buyer to be more discriminate in the purchase of his securities. Mr. Calloway also feels that the outlook for the small bond house is better today than ever before.

MARCH SALES OF Corporate Trust

Shares, investment trust sponsored by American Depositor Corporation, were the largest in the history of the trust. On March 17th, all previous records for a single day's sales were broken, exceeding the previous record by 37 per cent. Cedric H. Smith, vice president of American Depositor Corporation, said the market for Corporate Trust Shares indicates buyers of high grade common stocks still consider present price levels attractive. Corporate Trust Shares is a fixed type of trust, comprising the common stock of twenty-eight American corporations.

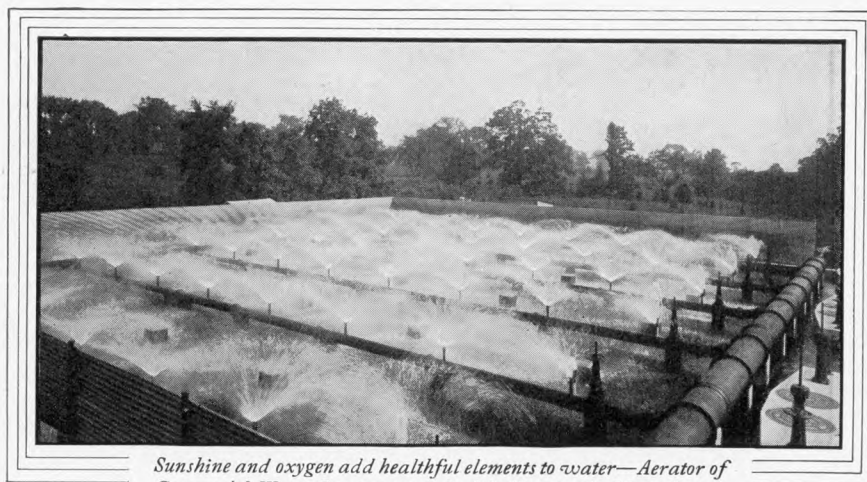
A. C. ALLYN & COMPANY have announced the removal of their Chicago office to 100 W. Monroe Street. The opening of the new quarters held on March 12th was the occasion for hundreds of visitors as well as numerous congratulations and flowers from friends on the success of the institution.

THE INVESTMENT activities of the \$700,000,000 Detroit Bankers Company, holder of the stocks of five Michigan banking institutions, will, in the future, be handled by the First Detroit Company, whose organization has just been announced. The new company assumes the active operation of the bond departments of Detroit and Security Trust Company, its affiliate, the Detroit Company, and First National Company of Detroit, Inc. The Chicago office will be under the direction of E. M. Burnett and Gilbert Porter III.

THE CHICAGO Stock Exchange has announced plans for extending its quotation ticker service to the Rocky Mountain region and to the Pacific coast. Approximately 4,000 miles of leased telegraph wire will be necessary for the west coast extension, which is the largest expansion of the ticker service ever undertaken at one time by the Exchange. The service will be operating to the west by June 1st.

THE HAMBLETON Corporation, formed in August last year by Hambleton & Company, Inc., has declared an initial semi-annual dividend of \$1.50 a share on its participating cumulative \$3 preferred stock. The dividend was payable March 1st, to stockholders of record February 21st.

IN CONNECTION with announcement of the initial dividend, it is stated that the plans and function for which the Hambleton Corporation was formed, that of acquiring substantial interests



Sunshine and oxygen add healthful elements to water—Aerator of Greenwich Water Company, a unit of the Community Water System

Health from the Flowing Tap

A MARVEL of modern water supply is the constant purity of the flow. No other necessity of life is more closely safeguarded—yet none costs the consumer less. Between the faucet and impounded streams in the hills stands ever-vigilant science, cleansing, testing, proving the quality of water before it is released.

Steady growth of the properties of Community Water Service Company for various periods up to 77 years, records the dependability of the service rendered to people in more than 100 communities. We recommend the Company's Bonds, Preferred and Common Stocks. Information about them will gladly be sent on request.

*The Common Stock is listed on the Chicago Stock Exchange
and New York Curb Exchange*

P. W. CHAPMAN & CO., INC.

115 West Adams St.
Chicago



42 Cedar Street
New York

An Investment in Tax-Exempt IOWA COUNTY PRIMARY ROAD BONDS

Is A Practical Way of Helping Every Part Of The State to Enjoy
Greater Progress

WITH the resumption of Iowa's good roads program, which will have the effect of helping every part of the State out of the mud, bankers and their customers have an opportunity to help forward the work of progress through the purchase of Iowa County Primary Road Bonds.

Every year sees an increase in road-borne traffic, with much of it originating outside of the State. And every additional mile of cross-state and main paved highway will be not only a definite aid in the progress of the immediate district served, but a standing invitation to motor tourists who pass that way to come again, instead of a warning to shun the section.

As Iowa's oldest and largest bond house, we are glad to have a practical part in helping forward this broadly-conceived and soundly progressive program. For 39 years we have specialized in sound, high-grade Iowa municipal bonds, and in all that period we have never handled an issue which we believe has a greater practical bearing on the future prosperity of the State than the County Primary Road Bonds.

To banks and bankers throughout the State, we offer the long and highly specialized experience of this organization in the periodical review of their holdings and in the maintenance of a soundly constituted investment program.

Our Davenport Office will be glad to send you a list of maturities of the County Primary Road Bonds together with other attractive current offerings.

Geo. M. Bechtel & Co.

Established 1891

Bechtel Building, Davenport, Iowa.

First Iowa Trust Building
Burlington

Equitable Building
Des Moines

Grand Opera House Building
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

“The Time Has Come—

—to use advertising as it was intended to be used, to stimulate business. Never has there been a time for a clearer test. There are no adverse factors except the mental hazards of last year's stock slump in men's minds. The obstacle is psychological not physical.”

This is one of the many stimulating paragraphs from Ernest Elmo Calkins' article in the March issue of the Review of Reviews on the subject “Now Is the Time to Advertise.”

The Northwestern Banker believes thoroughly in what Mr. Calkins has to say. We believe it because for 35 years this old established financial publication has seen the business of banks, investment houses, insurance companies, bank fixture companies and many other institutions increase their business through the advertising columns of the **Northwestern Banker**.

“Advertising was never more necessary than now,” is another statement of Mr. Calkins' which every institution must follow if it wants to get the most business possible in 1930.

Let the Northwestern Banker help you accomplish this result.

THE NORTHWESTERN BANKER

“The oldest financial publication west of the Mississippi River”

DES MOINES

Minneapolis

-

Chicago

-

New York

in enterprises subject to development and expansion, have been largely completed and on a satisfactory basis. These accomplishments have been subsequent to the break in the market in October and November of last year, it is stated.

"IF THE PAYMENT of time deposits may be postponed until thirty days after notice, whereas demand deposits must be paid at sight, it should be clear that demand deposits require larger reserves, both primary and secondary, than do time deposits," says Dr. Paul M. Atkins, engineer-economist of Ames, Emerich & Co., in the latest number of *Current Bank*

Obvious as this may seem, since it is recognized by the Federal Reserve System and by many of the state bank laws or regulations, it is not always considered in building bank secondary reserve account, continues Dr. Atkins. Failure to observe this factor frequently endangers the liquidity of banks with a large proportion of demand deposits and sometimes impairs the earning power of banks which have a large percentage of time deposit.

CONGRATULATIONS are in order for the popular Foreman brothers—Alfred K. and Edwin G., Jr.—of the Foreman-State National Bank and Foreman-State Securities Corporation. The two well known bankers head as president and chairman of the executive committee respectively, the State Savings Bank & Trust Company which has just opened its doors at Roosevelt Road and Kedzie Avenue. The new institution has assumed the deposit liabilities of the Independence State Bank. It has been organized with capital, surplus and reserves of \$875,000.

HORNBLOWER & WEEKS, in their recent *Investment Review*, have expressed decided optimism in regard to the business outlook over the next few months and believe that while there may be some reaction in stock prices, that such a reaction will be short lived and will be followed by a broad upward movement. Expressing the view that the general trend of money rates toward lower levels emphasizes the sound tradition of fixed income securities, they point out that many new issues undoubtedly are being delayed only a sufficient time for bankers to feel out the digestive powers of the bond market, thereby contributing to a technical situation which is not encouraging for an immediate material upward movement in bond prices.

Goes With Polk & Co.

Lech T. Niemo of Buffalo and New York City has come to Des Moines as executive vice president of Harry H. Polk & Company, investment house, according

to announcement by Col. Harry H. Polk. He has already assumed the duties of his new position.

Mr. Niemo began his business career as a lawyer in Buffalo, where he practiced law for twelve years. In his law practice he gradually became an investment counsel and eventually became connected as a salesman for Eastman, Dillon and Company, New York investment house, doing investment consultation work for this firm. A year later he became sales manager for Taylor, Ewart and Company, in New York City. There he became acquainted with Colonel Polk, resulting in his present new connection.

The ladder of life is full of splinters, but they always prick the hardest when we're sliding down.—*Brownell*.

Is General Chairman

A Douglas Oliver, advertising manager of the Provident Trust Company of Philadelphia, has been appointed general chairman of the program committee for the convention of the Financial Advertisers Association, it was announced last month by A. E. Bryson, president of the association. Mr. Oliver will be in direct charge of the preparation of plans for the fifteenth annual convention which will be held in Louisville, September 17 to 20, at which it is anticipated there will be an attendance of probably 600 financial advertising men from all parts of the United States.

The work of drawing up the program is a very important one, for it must take in all of the varied aspects of the financial field, including not only advertising

A telephone for every six people



TODAY there is a Bell telephone for every six people in the United States. This compares with one telephone for every nine people in 1920, one for every sixteen in 1910, and one for every ninety persons in 1900.

The business of the Bell System has both stability and growth. The interests that it serves are as diversified and as widespread as the nation itself. The growth of the System is not only due to the growth in population, but to a constantly increasing growth of the telephone habit.

In order to meet this growing

demand, construction expenditures of the Bell System during the last five years have been more than \$2,000,000,000, and it is estimated that similar expenditures during the next five years will be well in excess of this amount.

The present assets of the System total more than four billion dollars, only 25% of which is represented by funded debt. Because of its conservative capitalization, net earnings are more than four times interest requirements.

May we send you a copy of our booklet, "Bell Telephone Securities"?

BELL TELEPHONE SECURITIES CO. Inc.

195 Broadway, New York City



Northwestern Banker April 1930

developments but also associated activities of interest to men in financial work.

Mr. Oliver has been active in association circles for a number of years.

Open New Office

The Hanchett Bond Company, well known as dealers in municipal bonds and other investment securities, has opened a branch office at Phoenix, Arizona. The office will be in charge of H. G. Hanchett, vice president of the company for many years. Offices will be located in the Security Building. This is the first branch office to be opened in Arizona by an eastern investment firm.

Guaranteed Bonds Cannot "Freeze"

By J. KENNETH EDLIN

President of Provident State Securities Co., Chicago

IN RECENT months, a number of investment houses have suffered severe losses, and attention has been called to the causes to which they attribute their reverses, one of the principal reasons being depression in the bond market and consequent "freezing" of their assets.

It can and often does happen that a financial institution otherwise solvent, is confronted with the problem of converting its resources into cash on short no-

tice, and where this cannot be readily accomplished, disaster is inevitable.

Houses underwriting unguaranteed real estate bonds have been among the sufferers from this condition with the result that bankers, as well as individual investors, are asking themselves the question, "Is this a safe form of investment?"

Many of the failures can be attributed to four distinct factors: (1) Depression in the bond market with consequent "freezing" of assets; (2) overfinancing, resulting in heavy carrying charges; (3) rental schedules based on abnormal conditions; and (4) carelessness on the part of the house of issue with regard to the business experience and ability of the mortgagor or manager of the property.

These things cannot happen in the case of Guaranteed Real Estate Bonds for the reason that the surety companies that place their guaranty upon a bond issue are performing this service for a consideration, their fee being paid them for placing their guaranty of payment of principal and interest directly on the bonds. Therefore, they are assuming a heavy obligation which, in their own interests, they must carefully protect at all times.

The relatively small premium which they charge for this service does not permit them to assume hazardous risks, and they cannot afford to suffer a loss that would offset the premium collected for their guaranty upon the bonds.

Therefore, they take unusual precautions against the possibility of loss, and adopt certain stringent regulations as a condition of their guaranty, which regulations must be strictly lived up to on the part of the institution underwriting the bonds.

In the case of the ordinary unguaranteed bond, the whole question of setting up the issue depends on the underwriter and the mortgagor, who, through mutual concessions and by agreement decide on the amount of the loan, interest rate, trusteeship, and other features of the loan; whereas in the case of a Guaranteed Bond, this procedure is secondary to the strict and searching investigations made by the surety companies with reference to location, actual values, the appointment of an independent corporate trustee, and the careful investigation of the financial standing and business ability of the man who is borrowing the money with which to build.

CORPORATE TRUST SHARES

A FIXED INVESTMENT TRUST

underlying which are stocks of the 28 companies listed below, plus a Cash Reserve Fund (interest on which is paid to shareholders) designed to insure a minimum annual distribution of 70c per Corporate Trust Share.

No. of Shares	UTILITIES AND QUASI-UTILITIES	Moody Rating	No. of Shares	RAILROADS	Moody Rating
4	American Telephone & Telegraph	Aa	4	Atchison, Topeka and Santa Fe	Aa
4	Consolidated Gas of New York	A	4	Illinois Central	A
4	General Electric	Aa	4	Louisville & Nashville	Aa
4	Westinghouse Electric	A	4	New York Central	A
4	Western Union Telegraph	A	4	Pennsylvania Railroad	A
			4	Southern Pacific	A
			4	Union Pacific	A
	INDUSTRIALS				
4	American Radiator & Standard Sanitary	Baa			
4	American Tobacco (Class B)	A			
4	du Pont	A			
4	Eastman Kodak	A			
4	Ingersoll-Rand	A			
4	International Harvester	A	4	Standard Oil Company of California	A
4	National Biscuit	Aa	4	Standard Oil Company of Indiana	Aa
4	Otis Elevator	A	4	Standard Oil Company (New Jersey)	Aa
4	United Fruit	A	4	Standard Oil Company of New York	Aa
4	United States Steel	A	4	Texas Corporation	A
4	Woolworth	A			
				OILS	

Outstanding Features and Earnings Record

1. Semi-annual distributions are paid on June 30th and December 31st against coupons attached to certificates.
2. Cash distributions for 1929 were as follows:

	June 30, 1929 (for 6 mos.)	Dec. 31, 1929 (for 6 mos.)	Total for 1929
Regular coupon rate.....	\$0.35	\$0.35	\$0.70
EXTRA DISTRIBUTION81½	.45	1.26½
Total distribution	\$1.16½	\$0.80	\$1.96½

3. 17-year average annual distribution (1913 to 1929 inclusive) has been \$1.53 per share, equal to 14.8% return on the annual average price of the shares during this 17-year period (assuming existence of the shares during this period).
4. Moody's rating "A."
5. Issued by THE EQUITABLE TRUST COMPANY OF NEW YORK, TRUSTEE, and countersigned by American Depositor Corporation, Depositor.
6. Denominations: 10, 25, 50, 100, 250, 500, 1,000, 2,000 and 10,000 shares.
7. Rights are issued semi-annually permitting reinvestment of part of distributions.

SMITH, BURRIS & COMPANY

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

LLOYD PHILLIPS & COMPANY, Inc.

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

Corporate Trust Shares are distributed at retail by over 200 banks and investment houses in principal cities.

Safe Investment Form

REAL estate is and always will be one of the safest forms of investment known, and where the surety companies that guarantee real estate bonds adhere to conservative practices and careful financing, the possibility of loss is reduced to the minimum.

There are certain definite formulas by which the value of properties can be determined within a remarkable degree of accuracy, and if bankers as well as individuals will adhere to these rules they will at all times find a Guaranteed Bond to be well within the limits of safety as prescribed by conservative underwriting and investment banking.

So far as the surety companies are concerned, the fact that they are under the supervision of the United States Treasury Department as well as the states in which they are licensed to transact business is an assurance that the likelihood of their resources becoming impaired is too remote to merit consideration.

The supervision of the surety companies by various governmental agencies is an added safeguard to the investor, who can at all times have the satisfaction of knowing that the companies which guarantee his bonds are at all times watching his interests in order to protect their own and, in turn, are under the watchful eye of various insurance departments, whose sole function it is to protect the interests of the policyholders of the companies.

Therefore, the protection afforded the bondholder does not necessarily consist exclusively of the closed first mortgage on the property or the income from the property, but, in the final analysis, on the continued financial health and good repute of the surety companies, which is reasonably assured by reason of the close supervision above referred to.

Thus protected, safeguarded and insured, a Guaranteed Bond cannot "freeze," and for this reason has a higher collateral value at banks, is more readily marketable in case of necessity, is distributed over a wider range and to a larger number of individual investors than other types of real estate bonds, and is particularly attractive to institutions who must not lose, and to individual investors who cannot afford to lose.

Business Situation Improves

THE Chatham Phenix National Bank & Trust Company, in its bulletin for March, says:

As the third month opens, evidence is accumulating that business is definitely recovering from its recent sinking spell. The improvement is moderate as yet, and is by no means uniformly distributed between the various components of

"Do you think the Investment Trust idea is sound?"

77% of the bankers answered "YES!"

UNITED FOUNDERS CORPORATION has total resources of over \$219,000,000 and occupies the key position in the extensive "Founders Group." Through its affiliations the assets of the Corporation are diversified among the investment trust, public utility and bank and insurance fields. In each of these groups it is rapidly assuming an important position.

The Common Stock is listed on the New York Curb and current stock dividends are being paid to yield 5.71%.

Of the large number of investment trust securities outstanding, we have endeavored to confine our recommendations to companies of sound management. We have in our files valuable current information and invite your inquiry on the United Founders or any investment trust security.



PRIESTER · QUAIL & CUNDY · INC.



INVESTMENT SECURITIES

American Bank Building

DAVENPORT, IOWA

production, finance and trade. Taken as a whole, however, there appears to be little doubt that the continued downward trend of the last half-year has reached bottom and is on the rebound.

This conclusion finds support in various composite indices which are generally taken as reflecting the broad business movement. These barometers are practically unanimous in reporting recoveries from the low average of activity noted at the end of the year, the gains ranging from 3 to 9 points, according to the bases and methods of computation used.

While this upward movement still leaves current levels considerably below

the corresponding marks of last year, this fact presents no cause for concern, in the opinion of most authorities. Among these is Secretary of Commerce Lamont, who points out that January and February regularly represent low points in the calendar of the country's business, and that these months were exceptional in 1929.

That the current upswing is not more rapid is even viewed with a degree of satisfaction by some. These recall the experience of 1924, when a sharp decline at the end of the preceding year was followed by a prematurely rapid recovery in the first two months, resulting in a still more severe secondary recession

which lasted well into the summer. The comparatively slow but orderly progress now being made is viewed as giving assurance that such a mishap is not likely to be repeated in the present case.

Basic Industries Gain

THE most hopeful evidences of recuperation now seen are offered by three of the great basic industries, steel, automobiles and, to a somewhat less degree, textiles.

The steel plants in February were operating at about 80 per cent of capacity, as compared with 60 to 70 per cent in January and 45 or 50 per cent in December. January ingot output at 3,786,000 tons was larger by 890,000 tons than in the preceding month. Unfilled orders show steady gains over the last five months. The U. S. Steel total at the beginning of February was 360,000 tons greater than at the same time in 1929.

These indicators are taken as solid ground for encouragement, since steel has generally proved to be one of the surest of the barometers. On the other hand, a downward price tendency and a diminishing ratio of new bookings to capacity are offered as arguments against overgreat optimism based upon steel.

February schedules of the automobile plants called for production totaling more than 300,000 machines in the short month. This compares with an output of 273,089 cars and trucks reported by the United States Commerce Department for January and 119,950 units in December. Employment in the motor factories gained 7.8 per cent in January by comparison with December, the United States Labor Department announced. These gains were principally due to the activity of Ford and Chevrolet. Opinion in the industry looks to a generally good year, although not on the scale of the extraordinary achievement of 1929.

Textiles More Active

IMPROVEMENT in the textile industry is indicated by an increase to 577,235 bales in the quantity of raw cotton consumed by the mills in January, as against 453,892 bales used in December. The rate of this seasonal increase was even greater than between the corresponding months a year ago, although actual consumption was less.

Further contribution to the recovery of textiles came from the stepping up of production in the woolen and silk mills.

Over against the gains in these fundamental lines must be placed less favorable reports from building, commodity distribution and trade.

The progress of construction thus far has proved disappointing. January contracts showed a 2 per cent gain over December, but February activity has lagged. This is partly attributed, in

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	Maturities	Price
WILMETTE, ILLINOIS, 6% Improvement Bonds.....	1931-39	100
PARK RIDGE, ILLINOIS, 6% Improvement Bonds.....	1931-39	100
NILES CENTER, ILLINOIS, 6% Improvement Bonds.....	1934-44	100
ALBUQUERQUE, NEW MEXICO 6% Improvement Bonds.....	1934-37	100
OKLAHOMA CITY, OKLAHOMA, 6% Improvement Bonds.....	1932-38	100

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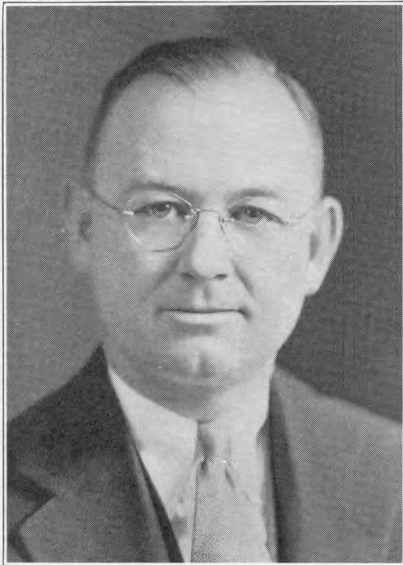
some sections, to the severity of the winter. Awards for public works and public utilities in January were in unusual volume, however, according to Secretary Lamont, and commercial building large. Residential work remains the class which is chiefly backward. Easing money rates and the advance of the building season are counted upon to help remedy this. Most observers adhere to their opinion that, by and large, 1930 will prove a better construction year than 1929.

Retail trade throughout the country was 2 per cent less in January than in the same month last year, as shown by Federal Reserve Board data covering department store sales. This showing cannot strictly be called unfavorable, since turnover in January, 1929, was very large, being 6 per cent above that of 1928, which was itself a good year.

Mak Elected Vice President

Leo L. Mak, for the past four years in charge of the Waterloo office of W. D. Hanna & Company, Burlington, Iowa, investment house, has been elected vice president of the company. He will remain in charge of the Waterloo office.

Mr. Mak was in the commercial bank-



LEO L. MAK

ing business in Iowa and South Dakota for eleven years, going with W. D. Hanna & Company five years ago. Leslie H. Schrubbe is associated with him in the Waterloo office. Offices at Waterloo are in the Pioneer National Bank Building.

Raises Money for Chicago

That the modern day banker not only is conservatively equipped to weigh the favorable or unfavorable elements of a

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(Fixed Type)

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Des Moines, Iowa

Phone 3-5181

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McMURRAY HILL & COMPANY

INCORPORATED

INVESTMENT SECURITIES

Dial 4-4138

214 Sixth Ave.

DES MOINES

loan, but also is trained to quick and effective action when occasion demands, is strikingly demonstrated in the success of the recent "faith in Chicago drive" to save the city from an embarrassing financial situation.

Due to protracted delays in readjusting satisfactorily Chicago's tax assessment problems, the city found itself temporarily without funds to cover payroll necessities and other current emergencies. Into this crucial breach, at the urgent request of the Citizens Committee headed by Silas Strawn, stepped Philip R. Clarke, president of the Central Trust Company of Illinois, the banking unit of the Central Group.

In order to meet the existing crisis, the formidable amount of \$74,000,000 was required forthwith. To raise the money it was decided to appeal to the public direct, asking them in a spirit of civic loyalty, to purchase tax anticipation warrants which would later be redeemed on payment of taxes to be collected after the long two years' delay, due to reassessment difficulties.

Mr. Clarke was temporarily released from his bank duties and, with free rein, immediately organized an efficient force to put over the "drive." He equipped one of the bank's committee rooms as headquarters and went to work. Day and night, early and late he was on the job, directing the campaign and inspir-



PHILIP R. CLARKE

ing his workers to reach their respective quotas.

Notwithstanding the onus of city politics, of quiet business conditions and innumerable other obstacles, Mr. Clarke and his assistants raised the entire amount of \$74,000,000 with several hundred thousand to spare in exactly eleven days. The feat was accomplished in the face of much opposition and with the

discouraging suggestion that it could not be done at all. The fund was the result of subscriptions from 939 concerns and individuals.

In a talk on the "drive" before the Chicago Association of Commerce, Mr. Clarke emphasized the fact that Chicago is entirely solvent, but facing an unusual technical situation calling for temporary assistance. He deplored the unwarranted and untrue criticisms that have been directed toward the key-metropolis of the middle west, and called upon the citizens of Chicago to defend its good name and help to place it again solidly where it belongs, in the forerank, as the country's second city.

Mr. Clarke also explained that much of the quick success of the "drive" was due to the experience had by a majority of the workers in the Liberty Loan drives of the world war.

Ownership Revealed

American Depositor Corporation, sponsor of Corporate Trusts Shares and American Basic-Business Shares Corporation, sponsor of Fixed Trust Shares and Basic Industry Shares, are owned by Administrative and Research Corporation, it was revealed last month. The two investment trust corporations were purchased January 1.

Ross Beason, president of Administrative and Research Corporation stated that the acquisition of the trusts involves no change in management or personnel but that additional directors, representing a number of important investment banking groups, shortly will be placed on the board.

"This move is not a recent idea," said Mr. Beason, but is part of an extensive plan, laid out more than four years ago when work on our first investment trust, Fixed Trust Shares, was begun. Our program of development is just beginning. Within a few weeks we will move to new and larger quarters in the 120 Wall Street Building, where we will occupy the entire 32d floor."

\$500,000 in Ramsey Bonds Offered

A syndicate headed by the BancNorthwest Company of Minneapolis last month offered \$500,000 in Ramsey county city hall and courthouse bonds. These are 4 and 4½ per cent securities, dated April 1, 1930, and maturing serially every year to 1950. They are priced to yield 4 per cent. Affiliated in the syndicate with the BancNorthwest Company are the First Union Trust & Savings Bank and Northern Trust Company of Chicago and First Detroit Company, Detroit.

First Dutchman: "I don't feel preddy well, Adolph, I haf a horse in my throat."

Adolph: "Dat is not right, you mean you have a colt in your head."

SPECIALISTS

The members of our staff are all specialists in analyzing investment securities, and in outlining a profitable investment program. Whatever your needs or problems, they can be of material assistance to you. We shall be delighted if you consult them frequently.



Stanley Securities Corporation

Investment Bankers

I. C. STANLEY, President

CEDAR RAPIDS

Des Moines Branch: 400 Royal Union Life Building

Is Assistant Vice President

Charles C. Fagg, who recently was appointed an Assistant Vice President of The Equitable Trust Company of New York, has many friends and acquaintances in the Northwest. He is a native of Mankato, Minnesota, and was educated in the public schools of Minneapolis.

Mr. Fagg started in his business career



C. C. FAGG

with the Van Dusen-Harrington Company of Minneapolis, and after ten years of employment in the organization he joined the Seaboard National Bank, New York, in 1922. He was appointed an Assistant Cashier of the Seaboard in 1927 and following the merger with The Equitable Trust Company has been affiliated with the official staff at the 45th street office of that institution.

Joins Chatham Phenix

The Chatham Phenix National Bank & Trust Company announces the election of Paul L. Hardesty of Chicago as an assistant vice president. Mr. Hardesty has been on the official staff of the First National Bank of Chicago, and prior to that of the Union Trust Company. He is one of the best known, and considered one of the ablest of the younger generation of bankers in Chicago, and comes to Chatham Phenix with an unusual record of achievement. He will divide his time between New York and Chicago, and will direct the field operations of the Chatham Phenix National Bank in the middle west from the Chicago office, 105 South La Salle Street.

Books are true levelers. They give to all who faithfully use them the society, the spiritual presence of the best and greatest of our race.—*Channing.*

Mr. James E. Bradbury

Formerly of

The Bankers Trust Company,

has recently become associated with us in our Sales Department, and will have complete charge of all banking investment matters.

Victor J. Silliman
COMPANY INC.
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 Des Moines, Iowa

LAMSON BROS. & Co.

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Stocks • Bonds • Grain • Consignments

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Royal Union Life Insurance Company

Des Moines, Iowa

Just the Territory You Want May be Open!



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

If you are not now under contract and are looking for a pleasant and profitable agency connection, write us. Just the territory you want may be open!

There are many reasons why you will want to make a connection with our fast-stepping agency organization.

Give full particulars as to your responsibility, experience and ability in first letter.

Royal Union Life Insurance Company

Des Moines, Iowa

A. C. TUCKER, President

EVEN we who are engaged most aggressively in Life Insurance probably fail to grasp adequately what it is doing and what it is likely to do.

The whole country gasped a bit at the end of July last when the announcement was made that our outstanding promises to pay then totaled \$100,000,000,000.

By a curious twist in newspaper psychology values that should have made everybody gasp long ago, but attracted no especial attention, became "news" when they reached \$100,000,000,000, and at once all the leading papers in the world devoted columns—chiefly editorial—to this amazing fact. The really amazing thing in this bit of "news" was not the size of the figures but the extent of the public service which these figures represent and their prophetic significance.

Many editorial writers saw the true significance of the figures and philosophized over it, but what mainly attracted their attention was not the social service rendered by Life Insurance but that staggering total. The publicity that followed was almost unprecedented and unequalled. It reminded me of a passage in Coleridge's "Ancient Mariner":

The fair breeze blew, the white foam flew,
The furrow follow'd free;
We were the first that ever burst
Into that silent sea.

Sociologically and Life Insurance-wise the daily press has been generally a "silent sea." With our hundred billions we were indeed "the first that ever burst" up that silence.

Life Insurance really represents a peaceful social evolution. It is democracy in a new form and in a new field; it is co-operation in a truly democratic way between units which represent the only real values in the world.

One of the critical problems in statecraft now is this—Can we, under our form of government, wisely supervise the almost unbelievably huge developments in present-day business? Beyond question business has outrun government. We may as well face the facts and admit that strictly democratic processes, as we currently understand them, cannot be applied in the development of modern science and business. The scientist is and must be an individualist. This is almost equally true of the initiative and creative side of business.

Imagine a New England town meeting

MEDICINE MEN—AND MACHINES

By **DARWIN P. KINGSLEY**
President, New York Life Insurance Co.

(From address before N. Y. Life agency meeting)

trying to develop the incandescent light. (They would probably progress in the solution of that problem about as rapidly as the Interstate Commerce Commission has in evolving a plan for the consolidation of our railroads.) Imagine such a meeting trying to run the Chase National Bank or the New York Life Insurance Company. Yes; imagine the United States Senate trying to do either job. The capacity of the United States Senate to talk is almost equal to that of the Continental Congress in the days of George Washington.

A New Problem

HERE is a new problem. Democracy, in statecraft, is still as it was planned to be or a little worse. Our democracy is founded on that opening and palpably inaccurate statement in the Declaration of Independence that "all men are created equal."

"The fact is, human life is only just beginning to understand its own value and power. Sociologically it is just entering the mastodon age. Its period of sunset and evening star is yet to come."

Business and scientific progress is based on practices and principles that totally negate that great political axiom. Men are not equal in anything from birth to death.

Leaders in business are generally real leaders. They are not chosen because men are created equal, nor because they have glib tongues, nor because they know how to shake hands.

Leaders in science are more or less self-selected. They respond to an impulse which demands that they sacrifice weary years on weary quests—most of which come to nothing.

Imagine a politician doing that. Real statesmen sometimes do something like that.

Business is co-operative but not democratic, giving that word its usual sig-

nificance; science is not even remotely democratic. And yet both labor for the betterment of the masses of the people.

After all, what is the real aim of democracy and, theoretically, of every form of government? Isn't it to achieve justice between man and man through sound and efficient government?

The form of any government is important chiefly because of what it achieves.

There is no divinity in democracy as a method of government.

The test of forms of government, of business development and of scientific progress lies in what each actually achieves.

Which of these three phases of human activity has made the most substantial progress within fifty years?

Has undemocratic business advanced in that time? Yes; almost beyond comprehension.

Has undemocratic science achieved greatly in that time? Yes; to a degree that we who are its beneficiaries and take the incandescent light, the telephone and the radio as matters of course, do not and cannot appreciate. Science which now sends the human voice round the world, which routs disease from its lair and destroys it, which has substantially eliminated time and distance, calls for a corresponding social structure, a structure as different from ours as ours is different from that of the stone age.

And it is coming; make no mistake. It is coming.

That \$100,000,000,000 which is now acclaimed as "news" will soon be recognized as the herald of a social revolution.

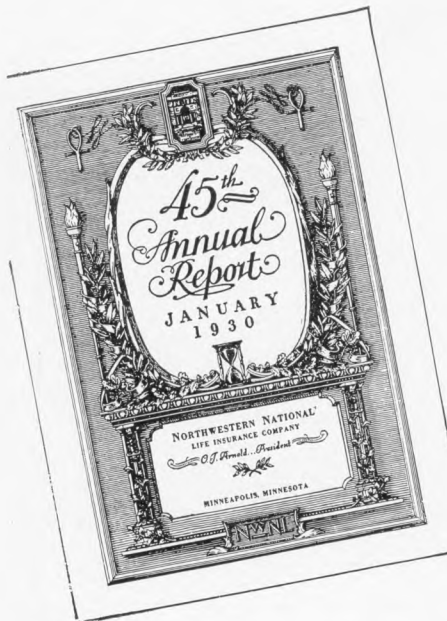
The microbe hunters and the life insurance agents are putting the incantationists and the medicine men and the witch doctors out of business. They are putting these fakirs out of business because they have educated society to appraise them properly. The job is not yet finished.

Not so long ago the witch doctors had the better of the argument. That happened in the days of Galileo and Bruno. It happened in Charleston in 1648, in Boston in 1655 and in Salem in 1692.

The voice of the witch doctor is now re-echoing from at least five states of the Union; the latest to join the chorus is Alabama.

Witch doctors in whatever form, of whatever age, have been and are all "die-hards." "Do you mean?"—(I am now, from the audience, questioning myself)—"do you mean that society

Northwestern Banker April 1930



SEND FOR THIS REPORT

IT summarizes the consistent progress of this old conservative Company during 1929 — another record-breaking year in its history. Of special interest to bankers and investors is a complete schedule, covering 30 pages, of bonds owned by the Company — as fine a list as you have ever seen.

Every investment made by the Company is examined and approved by a Finance Committee consisting of six Directors, including F. A. Chamberlain, chairman of the executive committee, First National Bank; E. W. Decker, president, Northwestern National Bank; C. T. Jaffray, president, "Soo Line" railway; Theodore Wold, vice-president, Northwestern National Bank; Thomas F. Wallace, president, Farmers & Mechanics Savings Bank; and O. J. Arnold, president, Northwestern National Life. George C. Holmberg, treasurer of the Company, is secretary of the Committee.

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

O. J. ARNOLD, PRESIDENT

STRONG ~ Minneapolis, Minn. ~ LIBERAL

MORE THAN \$325,000,000 INSURANCE IN FORCE

Northwestern Banker April 1930

will ultimately be changed and changed as radically as the physical appearance of New York and Chicago and Los Angeles and Detroit has changed in fifty years?"

That's just what I mean. And the leader of that amazing revolution—backed by the forces of science—will be Life Insurance.

The fact is human life is only just beginning to understand its own value and power.

Sociologically it is just entering the mastodon age.

Its period of "sunset and evening star" is yet to come.

That \$100,000,000,000 is the first stroke of the hammer in the bell-tower of sociology. It prophesies and it warns. It warns the witch doctors who would control society by teaching palpable untruths, that they are to be discarded.

It foreshadows a society based on a form of democracy that will preserve individuality, husband and reward individual achievement, and utilize all scientific truths, whatever old and established forms of society those truths may cast on to the dump heap of history.

One hundred billions of dollars in value pledged co-operatively to do what?

To the translation of some part of the productive value of the lives of about 67,000,000 people into cash just at the moment when death, that purveyor of poverty, would otherwise win its age-long victory; to protect business; to pay taxes; to support all kinds of educational and charitable endowments. When these pledges reach \$200,000,000,000, \$300,000,000,000! What then? When those pledges are equal to all the present physical wealth of the nation! What then?

Even then outstanding insurance will be expressed in figures which will represent only a fraction of the total value of human life.

When we compare the volume of outstanding insurance with population, we are apt to overlook one important fact. We have in round numbers 120,000,000 people. We measure the significance of that hundred billions of Life Insurance by our people. But we all live, measured by experience and achievement, four or five times as long as our grandparents did, and the value of life has correspondingly increased. Our measuring rod, therefore, should perhaps be 500,000,000 people. With that accepted it is obvious that with all our vast totals we are not keeping up with the increasing value of human life.

Meantime what will be happening sociologically? How will society be changed as radically as New York City has been changed physically?

I answer—

Poverty will disappear.

Charity will be unknown because unnecessary.

That little criminal fringe which will not work will be eliminated under the inexorable laws of evolution.

Current Events in Advertising

Current events and important financial changes lend opportunity to the life underwriter for excellent publicity. The stock market break of last fall was an example of this.



Above is shown a reproduction of an illustration used by Edward S. Howland, estate planning engineer for the Minnesota state agency of the Equitable Life of Iowa. He had photostatic copies made and sent them to prospects and policyholders at the time when public interest in the stock market situation was at its height.

Mr. Howland is a firm believer in taking advantage of every sales aid in making the public conscious of the desirability of a well rounded life insurance estate.

New Form of Advertising

Aetna agents have the opportunity to be pioneers in the use of a brand new form of advertising as a result of arrangements completed recently by the Aetna's publicity department. Each month during 1930, an animated cartoon movie with full sound effects including incidental music by a ten-piece orchestra will be available to Aetna agents for them to run in their local moving picture theater. Each of these films is built around the current Aetna national magazine advertisement and contains the name and address of the local agent from whom Aetna coast-to-coast protection may be obtained.

So far as is known, this is the first use by an insurance company, and in fact by an advertiser in any line, of the new



Condensed Financial Statement
FEDERAL SURETY COMPANY
 DAVENPORT, IOWA

As of December 31, 1929

ASSETS	LIABILITIES
Cash	Reserve from Claims and Losses...\$ 711,917.26
Stocks and Bonds	Reserve from Unearned Premiums 859,944.76
Real Estate	Reserve for Commission and Taxes 129,538.93
Real Estate Mortgages	\$1,701,400.95
Miscellaneous Assets	Cash Capital
Interest Accrued	Net Surplus
Due from other companies	Surplus to Policyholders
Premiums in Process of Collection.. 551,166.16	Total Liabilities
Total Assets	\$3,952,258.36

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CHARLES SHULER <i>Chairman</i>	W. L. TAYLOR <i>President</i>	FRANK COHEN <i>Vice President</i>	GEO. E. DECKER <i>Vice President</i>	CHARLES PAUSNER <i>Vice President</i>
FRANK B. YETTER <i>Vice President</i>	THEO. G. LORENZEN <i>Secretary</i>	IRA A. SCHILLER <i>Treasurer</i>	CHARLES D. ROBBINS <i>Chm. Finance Committee</i>	
W. H. STUART <i>Asst. General Manager</i>	CARL SHERMAN <i>General Counsel</i>	HAROLD HODGES <i>General Attorney</i>		

COMPARATIVE GAINS FOR 1929

Gain in "Investment Income".....	\$ 84,874.58
Gain in "Total Reserves"	224,919.24
Gain in "Net Premiums"	290,340.22
Gain in "Surplus to Policyholders".....	303,781.66
Gain in "Premiums in Force".....	365,394.25
Gain in "Net Surplus"	495,481.66
Gain in Net "Admitted Assets"	528,700.90

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 Fidelity and Surety Bonds,
 Accident & Health, Automobile, Burglary,
 Plate Glass, and other forms of
 Casualty Insurance*

[Correspondence solicited from agents in unoccupied territory]

sound movies for advertising purposes in connection with theater distribution by local representatives.

Resigns at Omaha

C. I. Hart, agency manager of the Equitable Life Insurance Company of Iowa at Omaha, has resigned to assume the management of an Iowa farm that he owns. The company has consolidated the offices at Omaha, Lincoln and Hastings, and these will be put in charge of A. E. Wilder, agency manager at Lincoln, who will make Omaha his headquarters.

New Directory

The new membership directory of the Investment Bankers Association of America has just come off the press. As the directory lists all officers and committee members of the Association and of the

seventeen local group organizations of the Association, it should have interest as a reference book. The directory contains 652 main offices and 1308 branch offices of the members of the Association, pages 17 to 132. Pages 133 to 148 include the Association's committees, and pages 162 to 202 define the groups and list the group committees.

Three New Policies

The Equitable Life Insurance Company of Iowa has recently announced three new policies on the 3 per cent reserve basis: Ordinary life, maturing as an endowment at age 85, Life Paid-up at 65 maturing as an endowment at age 85, and Endowment at age 67. The minimum policy issued will be \$10,000 and the saving in expense because of the increase in the average size policy will make the net cost very attractive. The

policies are not of the so-called "select" class and the same underwriting rules used on the company's other policies will apply to these new contracts. The three contracts provide a well balanced series of 3 per cent policies and make it possible for the company to offer a policy to fit practically every insurance need.

Low Death Rate

The amazingly low death rate of 9.40 per 1,000 has been set for January, 1930, making this the best January from a health standpoint among the more than 19,000,000 industrial policyholders of the Metropolitan Life Insurance Company. The previous best record among this class was 9.41 in 1927.

Disability Facts

Statistics compiled by Edward W. Marshall, associate actuary of the Provident Mutual Life Insurance Company, and contained in an article published in the annals of the American Academy of Political and Social Science give some new angles on the probability of permanent disability:

In the earning period from age 25 to 60—out of 1,000 men:

162 will have been continuously disabled for at least 90 days.

32 will have been totally disabled for at least five years.

22 will have been totally disabled for at least ten years.

In the earning period from age 35 to 60—out of 1,000 men:

140 will have been continuously disabled for at least 90 days.

30 will have been disabled for at least five years.

21 will have been disabled for at least ten years.

In the earning period from age 45 to 60—out of 1,000 men:

112 will have been continuously disabled for at least 90 days.

25 will have been disabled for at least five years.

17 will have been disabled for at least ten years.

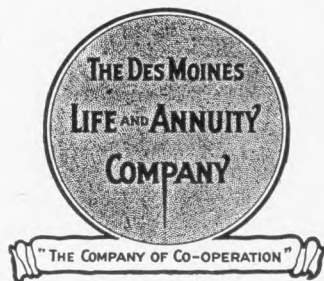
In the earning period from age 55 to 60—out of 1,000 men:

55 will have been continuously disabled for at least 90 days.

12 will have been disabled for at least five years, or past age 60.

8 will have been disabled for at least ten years, or past age 65.

In using these figures in solicitation, the agent can point out that permanent disability protection has become an important adjunct of life insurance and the coverage offered today is at its peak from a standpoint of liberality.—*The Echo*.



Fitted and Trained for Volume Production

Personal supervision and training by experienced field men; proven sales plans, constructed to fit actual field conditions; the most modern of policy forms; spell volume production and financial independence for enthusiastic, capable representatives when backed by complete home office co-operation.

Des Moines Life offers all of these to men who join this strong, aggressive institution.

Be a "Co-operator" and Prosper.

J. J. Shambaugh, Pres.

Des Moines Life and Annuity Company

Des Moines, Iowa

Sets New Record

The agency force of the Royal Union Life Insurance Company set a new all-time February record with a total of \$2,560,000 of new business.

The new record was a tribute to B. M. Kirke, vice president and field director of the company, in whose honor February was designated "Kirke" month.

The best previous February high peak mark was \$1,251,000 made last year. This year's February total was made possible by the energetic work of the Iowa agents who wrote almost 50 per cent of the month's business.

Of the first ten high men for the month, Iowa had five. They were in order of production, Billy Hinshaw, Des Moines; Peter Kern, Ft. Madison; C. D. Hellen, Des Moines; Joe Best, Clarion, and H. M. Culbertson, Panora. R. E. Lepper of Fairfield, while not among the high ten, established an enviable record by producing an application a day for every working day in the month.

The field force of the Royal Union under Mr. Kirke's leadership expects to roll up a new production record for 1930, and the February total will prove a big boost toward the year's goal.

He is one of the youngest agency executives in the country.

A Great Record

F. G. Crowley, who represents the Truman H. Cummings agency of the Northwestern National Life of Minneapolis at Merrill, Michigan, must hold some kind of a record for intensive cultivation of territory, having insured the majority of the residents of the village. Out of a population of 200 persons, Mr. Crowley reports that 115 are his policyholders.

This agent practices the principles of thorough insurance protection as well as preaching it, as his three children are owners of 20 payment life children's policies in the Northwestern National Life, all with waiver of premium clauses which guarantee the completion of premium payments by the company in the event that Mr. Crowley should die or become disabled. The three children are Helen Frances Bertine, 13 years old; Ruth Evelyn, 11; and Lester Robert, 5.

Oil Consolidation Suit

Attorney General Mitchell has now filed his expected suit to prevent a consolidation of the Standard Oil Company of New York with the Vacuum Oil Company. He informs the court that the consolidation would restrain trade. It is true that nobody, no matter how small, can consolidate with anybody else, no matter how small, without restraining trade to some degree. The question now is whether a consolidation of Vacuum with Standard of New York would restrain trade to such a degree as to injure the public welfare.

For proof that this is so, Mr. Mitchell's further arguments will be awaited with interest.

Meanwhile it is well to bear in mind that the business of Standard is mainly domestic, and the business of Vacuum mainly foreign; that the Standard Oil of New York and the Vacuum Oil Company were detached by the federal courts from the Standard Oil Company of New Jersey nineteen years ago, on the ground that Standard of New Jersey was too big; that it is not considered too big now—at least the government is not suing it; that its total assets according to the latest available figures, those as of December 31, 1928, were \$1,572,267,610; and that the

combined total assets of Vacuum and Standard of New York, as of the same date, were \$882,429,829—scarcely more than half as much. The excessive bigness of the proposed consolidation is not evident.—From Chicago "Journal of Commerce."

Somewhat Mixed Up

"How did the wedding go off?"

"Fine—until the parson asked the bride if she'd obey her husband."

"What happened then?"

"She replied: 'Do you think I'm crazy?' and the groom, who was in a sort of daze, said, 'I do'."



Bankers Say—"O. K."

AMONG our policyholders are scores of men who have insured with this company because their banker recommended us to them.

We thank our banker friends for this expression of confidence.

And we pledge our best efforts to continue to merit our rating of "EXCELLENT" in regard to Assets, Reserves, Mortality and Management—and to maintenance of the first-class service to policyholders which has brought us substantial growth during the past 35 years.

Assets, More Than \$32,500,000.00

Insurance in Force, Nearly \$200,000,000.00

Central Life Assurance Society

(MUTUAL)

T. C. DENNY, President

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 bookkeeper-teller. Energetic young man desires connection with country bank. Five years' actual business experience as bookkeeper-cashier in large Minneapolis concern. Pleasing personality. Good penman. Excellent references. Address No. 3127, care The Northwestern Banker.—4.

Bond Salesman, over eight years' experience, at present employed, desires position with bank or bond house in eastern Iowa. Has established clientele throughout Iowa. Can analyze securities and fully competent to manage or start bond department of bank. Reasonable salary to start, with increased opportunity for advancement. Excellent references. Address No. 3128, care The Northwestern Banker.—4-5.

For Sale: Victor screw-door safe, priced reasonable. Address No. 3129, care The Northwestern Banker.—4.

Wanted: Second-hand Vault Omnibus. Give description, location and price.

Address No. 3130, care Northwestern Banker.—4.

Wanted to Buy: Interest in good Iowa bank in town of 10,000 or more. Willing to invest \$50,000 to \$100,000. Controlling interest not required. Highest references exchanged. Address No. 3131, care Northwestern Banker.—4.

Popular Stocks

Consolidated Gas of New York is held by more investment trusts than any other common stock issue, according to an analysis of 1929 investment trust portfolios just released by Frazier Jelke & Co. General Electric is the most favored industrial, Union Carbide has the distinction of being the most widely held chemical stock, and New York Central stands first among the rails. Of 64 issues appearing in more than ten different investment trust portfolios, 19 are utilities and 11 are rails. At the end of 1929, 79 companies analyzed had about 2,429 million dollars of their capital invested in securities and about 317 million dollars in cash.

The ten most popular stocks with investment trust managers appear to be Consolidated Gas of New York, Electric Bond and Share, American Telephone, General Electric, New York Central, Union Carbide & Carbon, Columbia Gas & Electric, Standard Oil of New Jersey, Pennsylvania Railroad and Union Pacific. National Dairy Products stands first among the food shares and Kennecott leads the coppers. Remarks published along with the annual reports of investment trust companies, according to the survey, "strongly suggest that the investment trusts were big buyers of

stocks during October and November; but in spite of this, market appraisal of the portfolios of 50 companies was less than cost at the close of the year, while only 30 had a profit on their investments.

"It also should be remembered that management type investment trust is a new institution in America and has not yet become thoroughly acclimated, that 1928-1929 was a difficult period to buy good investments at a bargain, and that the object of long term investment is not immediate profit but longer term appreciation and a satisfactory yield with safety.

"In making up their income accounts for 1929 most companies disregard capital losses unless actually realized and did not include in their statement of income any unrealized profits. Not a few managements explicitly tell stockholders that the stocks and bonds purchased have been bought for permanent investment and income, and not for resale. Seventy-seven companies report an aggregate income of approximately 187 million dollars, many of them having operated less than a full year."

Dispersed Harmony

A Southern storekeeper, who was also justice of the peace, was sitting in front of his store when a colored man drove up.

"Say, squiah," the latter announced, "dat woman you married me to las' week has ten chillun, an' every one ob dem plays some kin' ob a musical inst'ment."

"Why, that's a regular band, Mose," replied the justice. "Do you want me to send off and get you a horn, too?"

"No, suh," was the dismal response. "Ah wants to git disbanded."—*Goblin*.

Sauce for the Goose

Porter: "Mis, yo' train is coming."

Pedantic Passenger: "My good man, why do you say 'your train' when you know that the train belongs to the company?"

Porter: "Dunno, miss. Why do yo' say 'mah man' when yo' knows Ah belongs to mah wife?"

Whatever strengthens and purifies the affections, enlarges the imagination, and adds spirit to sense, is useful.—*Shelley*.



COMPLETE
FINANCIAL
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SINCE 1863

The First National
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Affiliated
First Union Trust
and Savings Bank

Resources Exceed \$600,000,000

Accountants

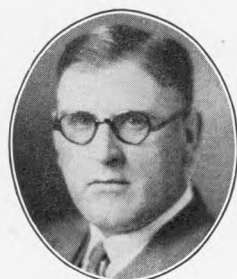
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THOMAS O'BRIEN
President

South Dakota Bank News

Officers South Dakota Bankers
Association

President.....Thomas O'Brien
Hoven

Vice President.....A. B. Cahalan
Miller

Secretary.....George A. Starring
Huron

Treasurer.....H. E. Edmunds
Yankton



GEORGE H. STARRING
Secretary

South Dakota Group Meetings

Seventh—Mobridge	April 29
Sixth—Webster	April 30
Fourth—Watertown	May 1
Second—Canton	May 2
First—Vermilion	May 3
Third—Mitchell	May 7
Ninth—Huron	May 9
Eighth—Spearfish	May 10

Starring Named President

George A. Starring of Huron, South Dakota, was elected president of the Central States Conference, organization of officials of bank associations in fourteen states, at the annual meeting held at Tulsa, Oklahoma. Mr. Starring was secretary of the organization the past year.

Three officers—president, vice president and secretary—of bankers associations in Minnesota, North and South Dakota, Iowa, Nebraska, Ohio, Indiana, Illinois, Oklahoma, Arkansas, Kansas, Michigan, Missouri and Wisconsin are members of the conference.

For the past several years, since leaving Brookings, Mr. Starring has been secretary of the South Dakota Bankers Association. His new office will not interfere with his duties in the South Dakota organization.

Opens National Bank

The Bank of Philip, South Dakota, chartered as a state bank in 1907, with a capital of \$7,500, has secured a charter as a national bank and opened its doors as the First National Bank, with a capital and surplus of \$70,000. Active officers of the bank are J. C. Nelson, president; E. F. Walden, cashier, and George C. Inman, assistant cashier. E. F. Walden has been with the bank since its organization, J. C. Nelson since 1916, and George C. Inman since 1917.

Last December the Western Investment Company, a holding company, was organized by officers of the Bank of Philip which took over all the bank's real estate as well as other assets of the bank.

Deposits of the First National Bank

are in excess of \$600,000 and discounts in excess of \$570,000.

Promotes Poultry Raising

The Bank of Ipswich, South Dakota, has started a movement to promote interest in poultry raising and is offering to each boy and girl a setting of well bred White Orpington setting eggs if they promise to care for the chickens.

The first part of October each one who receives a setting of eggs is to bring a hen or cockerel into the bank and a poultry judging event will be held in the nature of a poultry fair.

Art is more godlike than science. Science discovers; art creates.—*John Opie.*



Right in the same building as the offices of the commission firms at the stock yards—and also adjacent to the Sioux City business district—is the Live Stock National Bank—strategically located for the prompt disposal of your live stock and other transactions.

Where could you find a more logical banking connection than this institution on the main floor of the Live Stock Exchange Building? Our 35 years of specialized service backed by the strength of the Northwest Bancorporation assure prompt and efficient handling of your live stock items. No matter what your financial needs may be, you will profit by using this bank—*Your Representative at the Stock Yards.*

Live Stock National Bank

SIoux CITY ~ IOWA

Affiliated with NORTHWEST BANCORPORATION
COMBINED RESOURCES OVER \$483,000,000



Minnesota Bank News

Officers Minnesota Bankers Association

President.....R. W. Putnam
Red Wing

Vice President.....C. B. Brombach
Minneapolis

Treasurer.....T. A. Perkins
Windom

Secretary.....George Susens
Minneapolis



R. W. PUTNAM
President

GEORGE SUSENS
Secretary

Minnesota Group Meetings

First & Third—Owatonna.. May 13-14
 Second—Pipestone May 15
 Sixth & Ninth—Brainerd... May 20-21
 Seventh & Ninth—Fergus Falls....
 May 27-28
 Eighth—Ely May 17

Seeks Charter

An application for a new bank, to be known as the Farmers State Bank of West Concord, Minnesota, was filed recently with A. J. Veigel, state banking commissioner.

Proposed capital is \$20,000. Hearing was set for 11 a. m., April 1st.

Applicants, all of West Concord, are W. A. Bringold, W. J. Smith and L. C. Fairbank.

Robbinsdale Bank with First

The Security State Bank of Robbinsdale, Minnesota, has become an affiliate of the First Bank Stock Corporation, and hereafter will be operated as a mem-

ber of the First National group of Minneapolis, according to an announcement of P. J. Leeman, vice president and general manager of the corporation. The Robbinsdale bank is the first rural Hennepin member of the group, which now numbers 98 banks and financial institutions in the ninth federal reserve district.

With the entrance of the Security State Bank into the First Bank Stock Corporation, Capt. W. H. Fawcett, who has been a principal stockholder and vice president of the bank, is retiring from participation in its management to devote his time to other interests. J. W. Roche, who has been cashier since the bank's organization in 1919, becomes vice president and cashier. The other officers remain, including T. P. Howard, president; E. A. Jaenisch and L. W. Chouinard, assistant cashiers. Mr. Howard is a former mayor of Robbinsdale and is manager of the Howard Lumber Company.

The board of directors of the bank has been somewhat expanded and now in-

cludes Dr. Martin Nordland, physician and surgeon; H. A. More, secretary treasurer Carter Mayhew Manufacturing Co.; Cornelius Gleason, farmer; George P. Schutz, vice president Deere & Webber Company; Guy W. LaLone, assistant vice president First National bank in Minneapolis, Mr. Howard and Mr. Roche.

Hendrum Banks Joined

The Farmers State Bank of Hendrum, Minnesota, has been taken over by the Norman County State Bank of Hendrum, A. J. Veigel, state commissioner of banks, announced. Mr. Veigel also announced the payment of a 10 per cent dividend to depositors of the closed State Bank of Dovray amounting to \$15,448. Previously depositors had been paid dividends totaling 40 per cent. Closing of the Farmers State Bank at Currie, Minnesota, with deposits of \$133,000, because of lack of reserve and "poor paper," was also announced by Mr. Veigel. The bank had a capital of \$20,000 and a surplus of \$5,000.

Joins First Group

The St. Paul National Bank has affiliated with the First Bank Stock Corporation, according to an announcement by R. C. Lilly, president of the First National Bank of St. Paul, Minnesota, and vice president of the holding company.

The St. Paul National, located at Payne avenue and York street, will operate as a unit of the First National group of St. Paul. Present officers will be retained.

The St. Paul group now includes nine banks and trust companies of which the St. Paul National is the largest suburban unit. Its capital is \$100,000, with surplus and undivided profits of \$48,600. Deposits December 31, 1929, were \$1,376,893, and total resources \$1,540,994.

E. C. Turnquist is president. Other officers are Harry J. Johnson, vice president and cashier, and Ellert Ahl, assistant cashier.

One Thousand for Information

One thousand dollars reward will be paid to anyone giving information leading to the arrest and conviction of robbers of banks which are members of the Minnesota Bankers Association.

George Susens, secretary of the association, made this announcement recently in an effort to secure a higher rate of convictions of bank robbers.

"Witnesses of robberies or those who have information," said the announcement, "have but to secure the arrest and conviction of the robbers and the \$1,000 will be paid."

Mr. Susens stated that the offer was good up to March 8, 1931.

ADEQUATE banking and trust service as Minneapolis correspondent for Northwest Banks.

MIDLAND NATIONAL BANK AND TRUST COMPANY
 Where Second Avenue South Crosses Fourth Street
 MINNEAPOLIS

Affiliated With Northwest Bancorporation Combined Resources Over \$483,000,000.00



"If a witness can catch the robber or robbers on the spot," he explained, "the reward will be paid after proof that the robber committed the crime is established."

"If only information is given and the robber is captured, \$500 will be paid. If the burglar is convicted another \$500 will be added to that paid for the information."

Information should be given to the association's office at 718 National Building, Minneapolis. Payment is guaranteed by the National Surety Company.

Heads Minnesota Bankers

Representative bankers from ten Lyon county banks convened in Marshall, Minnesota, recently. Officers of the association were elected for the coming year.

F. E. Timm, of Balaton, was elected president of the Lyon County Association for 1930, and O. Johnson of Tracy, vice president. The association elected H. F. Gieseke, of the First National Bank of Marshall, secretary and treasurer for the same term.

Every bank in Lyon county with the exception of three was represented at the meeting. Banks which sent representatives to the association's gathering were those of Cottonwood, Green Valley, Amiret, Garvin, Balaton, Minnesota, Ghent, Russell, and the First National and Marshall State Banks of Marshall.

Buys Six More Banks

Inclusion of six rural banks in North Dakota and Montana within the First Bank Stock Corporation system was announced last month by P. J. Leeman, vice president and general manager. Three of the newly acquired institutions are brought into the group through consolidation with other banks.

The First Bank Stock Corporation's system now consists of 97 banks and financial institutions all located within the Ninth Federal Reserve district. The announcement included the following:

Farmers & Merchants Bank, Cooperstown, N. D.—consolidated with the First National of Cooperstown.

First National Bank and Farmers Security Bank, Park River, N. D.—consolidated under the name First National Bank of Park River.

First State Bank, South Heart, N. D.—This bank which was organized in 1913, serves the west end of Stark county.

First National Bank of Egeland, N. D.—consolidated with the First National Bank of Cando, the Cando bank assuming the deposit liability and taking over the assets of the Egeland bank.

First National Bank, Jordan, Mont.—The sixteenth Montana bank to affiliate with the Corporation.



**FISHER
FIXTURES**

From Your Doorway Looking Inward

Stand by the entrance of your bank and view the interior from the doorway.

Does it inspire confidence in a stranger—does it impress him with your progressiveness and stability?

Or does it lead him to believe that your banking service as well as your fixtures are antiquated?

Fisher Fixtures do not add to a bank's primary or secondary reserve, but they do advertise its prosperity and modern methods.



The Fisher Co.

BANK FIXTURE HEADQUARTERS

Charles City, Iowa

Questions of Law

(Continued from page 18)

in lieu thereof was also void in the hands of the payee named therein," said the South Dakota Supreme Court, in ruling in B's favor.

Section 68

A CUSTOMER owed a bank \$900, had \$899 to his credit, gave the bank a check for that amount on account of the debt, the customer went into bankruptcy the next day, and the trustee sued the bank for the amount of the deposit.

"When you accepted his check you

waived your right to apply the deposit under Section 68 of the Bankruptcy Act," the trustee contended.

"We see no reason for disallowing the offset because the parties anticipated the action of the law," said the Circuit Court of Appeals in ruling in favor of the bank.

Why Group Banking Continues To Grow

(Continued from page 19)

cash on deposit in the larger correspondent banks, or in highly liquid assets such as government bonds, short term notes and commercial paper that the loaning

power of his bank has been greatly reduced. The group bank, supported by the diversified and pooled resources of the system, will be able to draw back into its own trade area a large proportion of these funds.

We also hear an occasional criticism that the group bank is asking financial statements from prospective borrowers where the independent bank did not. My answer to this is that the well-managed, independent bank has realized for some time the necessity of requiring the same information that the group bank is asking. The financial statement is purely informative; and sound banking demands full and complete information at all times. Any borrower should be willing to furnish his banker with all the desired facts necessary for the exercise of loaning judgment.

Personally, I feel that the intelligent user of a bank's credit facilities will have increased faith in the institution which operates according to sound business principles.

In no sense are we seeking to thrust the group plan upon anyone. The independent banker is not being coerced in any way to associate with the holding corporation, but the rapid spread of the movement indicates that the rural banker generally appreciates the benefits that are inherent in a group system.

These men are loyal to their home communities; have given their lives to their development and look for their own future prosperity in the growth and development of these cities and towns. Certainly, they would do nothing to injure them. They know that their home towns and their neighbors will prosper as the Northwest as a whole prospers, and in the group a backlog of prosperity is being laid.

Farms and Farming

(Continued from page 17)

ular rotation and that at least thirty-five pounds to the acre should be sown for best results. Buda, Red Wing, Bison or Linota are suggested as the best varieties for South Dakota.

THE FARMER has two options as to the best course to pursue in order to increase his net return, according to Dr. George A. Pond, farm management specialist with the University of Minnesota.

One is to either reduce the cost of production or he may change his production to more profitable crops or livestock than those now being produced. Cutting the cost of production of both grains and livestock is the more feasible, Dr. Pond says.

THE CORN BELT'S most interesting experiment in the utilization of corn-stalks, the Maizewood plant at Dubuque,



How well do we know correspondents? That's the key to a thorough understanding of problems. How well do our correspondents know us?

Personal acquaintanceship is a big factor at Drovers and leads to that highly satisfactory service to banks known as Drovers Service—the best in relationship between banks.

DROVERS
NATIONAL BANK
TRUST & SAVINGS BANK
 Union Stock Yards • Chicago, Ill.

has been making a desperate effort the last few weeks to get enough cornstalks from the Iowa farmers to make certain an adequate supply for the summer months.

The factory, which makes wallboard, got under production under its present ownership only during the last few months and weather conditions made it very difficult to harvest, bale and ship to the factory the needed raw material during the months of February and March.

By the time another spring has rolled around it is quite likely that improved methods of harvesting stalks will be available and probably in a year or so the harvesting and baling of cornstalks will have become a common practice and an added source of income on many farms in the middle west.

With men like Frank O. Lowden, Bernard Baruch, George Peak, and heads of the International Harvester and Deere companies backing the enterprise, there is good and sufficient reason to expect success for the venture.

THE SOUTHWEST may be the breadbasket of the United States but the Mississippi and Missouri Valleys, and especially the territory in between the two, can lay claim to furnishing the meat for the nation. Iowa leads in sales of beef cattle, hogs, and has the most horses, cattle and hogs on farms, according to government reports regarding sales of livestock last year and livestock on farms on January 1, 1930.

Texas has the most cattle but the Iowa cattle are worth more money. Nebraska is second in hogs, Illinois third, Missouri fourth and Minnesota fifth. Nebraska is third in cattle on farms with Wisconsin fourth and Kansas fifth.

The Tariff Censorship

The curious violence of Senator Smoot's emotional reaction to his studies in pornography, coupled with the horrible examples introduced for the edification of the senate, has been enough to reverse that body's previous vote against the tariff embargo on obscene literature. The embargo is restored, under the form of a compromise. We ourselves believe with Senator Cutting that it would be better to drop the provision from the tariff act. It does not seem to us that it is the function of the federal government to censor the citizen's reading matter, and it does seem to us that the suppression of imported pornography, like the suppression of the domestic product, can be left to the local authorities acting under the existing state laws.

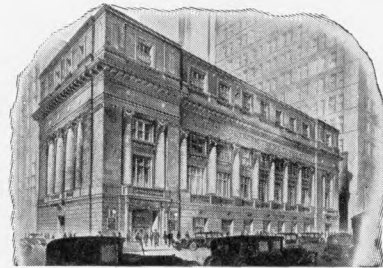
This has been prevented by Senator Smoot's singular outburst. The language

of the existing law has, however, been modified to make mandatory the reference of customs seizures to the courts for a decision as to whether the books are actually obscene or not, while the importer has the right to a jury verdict on the question. Such procedure can be and has been followed under the existing law, so the advance may not be great, but in practice the effect of the amendment would probably be to reduce the arbitrary power now wielded by customs clerks. The morality division of the treasury department could still hold up books, but only under the necessity of getting an immediate court review of the correctness of its literary tastes.

The most remarkable section of the compromise is that which permits the secretary of the treasury to admit "classics" at his discretion on condition that they are imported "for non-commercial purposes." The illegality of this is start-

ling, but it is only a reflection of the fundamental illogicality in which the whole effort at censorship inevitably gets itself bogged. The immediate difficulty of determining what is a "non-commercial purpose" is obvious, while the attempt to distinguish between obscenity when it is modern and when it is classic seems to give away the whole case.

It is perhaps our first legislative admission that "obscenity" is not a fixed quality, like weight or height or number of pages, but a reflection of the general feeling of the times—a vague quality, compounded of the intent of the writer, the taste of the age, the mental make-up of the consumer. If obscenity were really what the statutes pretend that it is—a kind of poison, always deadly and easily recognizable—, a provision permitting its importation provided it were more than a hundred years old would be absurd.—*New York Herald-Tribune.*



Customer banks find us unusually well-equipped to analyze their investment lists and those of their clients. It is our desire to be of helpful assistance to out-of-town customers with respect to their secondary reserves--their construction and analysis.

THE NORTHERN TRUST COMPANY

Northwest Corner LaSalle and Monroe Sts.

CHICAGO

depositors in failed banks to sue the state, either in their own counties or in Lancaster county.

While it was proposed, during the session, that the investigation of the management of the guaranty fund and the failed banks, which has been carried on under the direction of former Governor A. C. Shallenberger, be done away with, this proposal failed, and the audit is to continue.

Holds Annual Meeting

The annual meeting of the Security State Bank was held in Norfolk, Neb., recently, the regular semi-monthly dividend declared, and a substantial amount added to the bank's surplus fund.

The bank officers reported that the past year was one of the best in the institution's history.

Following is the list of officers and directors elected for the coming year: C. J. Hulac, president; Frank D. Perry, vice president; Fred W. Muller, cashier; William F. Drucek, assistant cashier; Directors, Frank D. Perry, Herbert Bluechel, Fred Terry, O. H. Johnson, Earl E. Perry, John C. Koerber and C. J. Hulac.

Half Million Deposits

The Wakefield, Nebraska, National Bank was one year old on March 2nd, having opened for business on Saturday, March 2, 1929, and on the anniversary of that date, taken as Saturday, March 1st, the deposits of the bank had climbed beyond the half million mark.

With a total of deposits amounting to over \$500,000 in one year, with a count showing almost 1,000 checking accounts, and 325 time deposit accounts, it is necessary to employ six people to handle the volume of work in the bank.

Nebraska News

THE STATE BANK of Seward, Neb., on March 1st became the Cattle National Bank. The bank, one of the oldest in its district, was organized in 1872 by Claudius Jones. In 1879 John Cattle, Sr., assumed control and for many years Walter Cattle has been the president of the bank. His son, Robert Cattle, is the cashier.

GUY S. HOFFER, who had been in the Omaha office of the H. M. Bylesby Company of Chicago since August, 1928, has been appointed sales manager of the company, and will have headquarters in the Chicago office of the investment house.

Last October Mr. Hoffer had been transferred to the Chicago office, but had spent much of his time traveling in mid-western territory and maintained his home in Omaha. Before Mr. Hoffer's connection with the Bylesby company

he was associated with Burns, Potter & Co., of Omaha.

WALTER DALE CLARK, president of the Omaha National Bank, returned early in March from a trip of several weeks in New York and other eastern points.

FREDERICK H. DAVIS, president of the First National Bank of Omaha, has been on a brief vacation to the west coast.

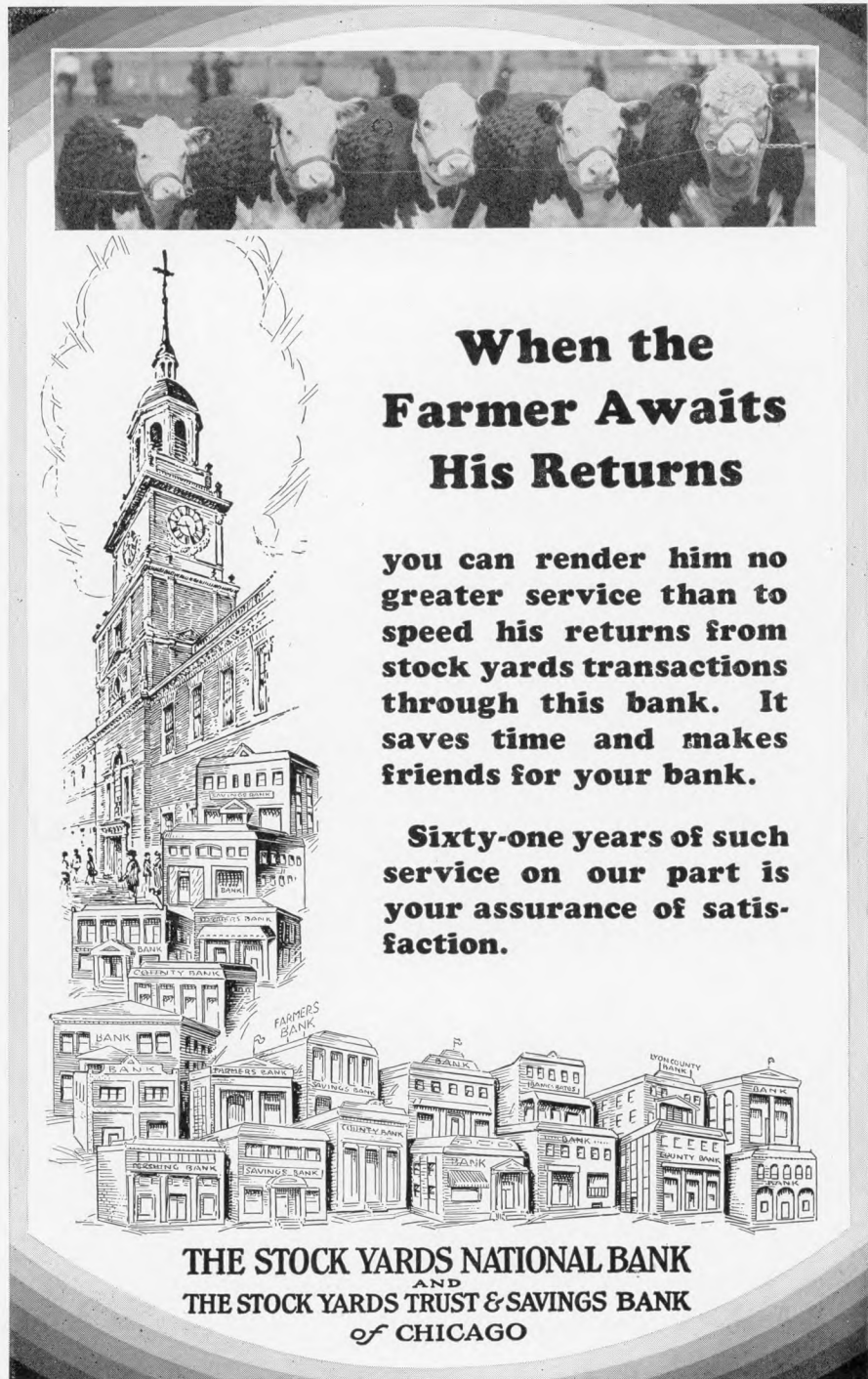
THE OMAHA NATIONAL Bank has altered its women's quarters to provide

more room and a greater degree of privacy. Three tellers are now in this department, compared to one who formerly served the women customers of the bank.

TWENTY-FIVE state banks of Nebraska, which were closed and taken over in the past year under the provisions of the law passed by the legislature of 1929, have been reopened by composition settlements made with the depositors.

Six of the banks had previously been in the hands of the guaranty fund commission.

The Harrison State Bank accom-



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you can render him no greater service than to speed his returns from stock yards transactions through this bank. It saves time and makes friends for your bank.

Sixty-one years of such service on our part is your assurance of satisfaction.

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plished reorganization without change of ownership or management and without loss to depositors.

The reopened banks are:

Nebraska State Bank of Bloomfield, Farmers State Bank of Raeville, State Bank of Surprise, Surprise, Neb., City State Bank of Sutton, Mason City Banking Company, Kennard State Bank, Kennard, Farmers State Bank of Cozad, Rosalie State Bank of Rosalie, Commercial Bank of Grant, Dawson County State Bank of Lexington, Citizens State Bank of Alliance, Abie State Bank, Abie, Farmers and Merchants Bank of Bloomfield, Sutton State Bank, Sutton, St. Libory State Bank, St. Libory, First State Bank of Bertrand, Farmers and Merchants Bank of Edison, Farmers State Bank of Clarke, American State Bank of Kearney, Farmers State Bank of College View, Peoples State Bank of Wolbach, Harrison State Bank, Harrison, State Bank of Cairo, Bank of Eagle, American State Bank of York.

Starring Heads Central States Conference

The Central States Conference, whose members consist of the president, vice presidents and secretaries of fourteen state bankers associations of the middle west, held its nineteenth annual convention last month at Tulsa, Oklahoma, and elected officers for the following year as follows: President, George Starring, (secretary of the South Dakota Bankers Association); vice president, Martin Graettinger (secretary Illinois Bankers Association); secretary-treasurer, George Susens (secretary, Minnesota Bankers Association).

The convention accepted the invitation of the Minneapolis Clearing House Association, and will hold its 1931 meeting in Minneapolis. Invitations were also received from Detroit, Chicago, and Oklahoma City.

Officers from the following 14 states attended the conference: Arkansas, Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, and Wisconsin. The invitation from Minneapolis was accepted over those from Detroit, Michigan, Chicago, and Oklahoma City.

Due to the resignation of Charles H. Mylander as president during the year, Frank Warner, secretary of the Iowa Bankers Association, presided at the conference. George A. Starring, of South Dakota, was present as secretary-treasurer.

If wrinkles must be written upon our brows, let them not be written upon the heart. The spirit should not grow old.
—James A. Garfield.

Accounting Forms for Trust Records

By C. R. GOSSETT

Cashier, First State Bank, Mapleton, Iowa

(From address before Mid-winter Trust Conference, Iowa Bankers Association, Des Moines.)

One of the first problems to be anticipated in each trust is the proper accounting. The forms for city and rural banks differ, due to the difference in clientele, type of business and method of administration.

I know I am not capable of telling several of the bankers here anything about accounting for there are many very good systems used in our rural and city banks.

I will confine my few remarks to things which I think will be of most assistance to the rural banker who may be interested in developing a trust department.

To install a costly accounting system in most rural banks is unnecessary for the office supply companies have stock forms which are used in a loose leaf ledger system, giving a variety of forms to select for each trust. Examine carefully and analyze the needs of the community and install a system to fit the requirements. The installation of such a system will be a step forward in the development of a profitable trust business and the institution so equipped will thereby be in a position to deliver a higher type of service.

There is a wide variation in the different trusts but I think there are four primary accounts which are necessary in most every trust, even though small. They are Principal, Income, Cash and Investments. These accounts may be posted separately on the proper form so that it will give a brief and accurate accounting which will show at all times the true condition during the life of each trust. In connection with these accounting forms it is necessary to keep a complete record of all court proceedings and these should be filed for each trust in rotation as to the dates of the transaction. With the proper accounting forms and legal filing records the work of making the annual and final reports will be minimized.

No accounting system is complete without giving the history of the trust, the inventory, receipts, disbursements and investments. The card system or tickler memorandum is found in most of the larger trust departments. This makes a very dependable method for keeping accurate account of all investments as to interest and principal maturity dates, and calls to the attention of the officers any other items of importance.

A corporation inviting the public to use its trust service should have an efficient system outlined to show its client how satisfactory results are to be ob-

tained. I do not know of a more convincing factor than that of a complete simplified accounting system.

I would like to suggest to those who intend to install an accounting system that they purchase standard forms which will simplify the detail work and be very helpful in auditing by the bank examiner.

Name Key Men

The names of county key men to serve for the current year on the agricultural committee of the South Dakota Bankers Association were announced recently by C. L. Chase of Willow Lake, chairman of the committee. These county key men are county chairmen to head the agricultural activities of banks in their respective counties.

The group chairmen will hold sessions with their county key men early this spring for the purpose of determining activities which are to be featured during 1930.

The list of key men by groups follows:

Group 1—J. A. Danforth, Yankton, group chairman. William Thompson, Tyndall, Bon Homme; W. H. Frei, Wagner, Charles Mix; George K. Brosius, Vermilion, Clay; Karl Fromm, Corsica, Douglas; Lawrence Authier, Elk Point, Union; and T. J. Frick, Yankton, Yankton.

Group 2—A. L. Berg, Baltic, group chairman. J. R. Shirey, Winfred, Lake; J. Huisman, Hudson, Lincoln; T. S. Mayer, Bridgewater, McCook; H. A. Schueller, Canova, Miner; George McMahon, Sioux Falls, Minnehaha; J. R. Coonrod, Flandreau, Moody; and F. E. Jackson, Hurley, Turner.

Group 3—R. H. Seydel, Menno, group chairman. Frank Loevinger, White Lake, Aurora; C. H. Coxe, Chamberlain, Brule; R. A. Johnson, Gann Valley, Buffalo; E. A. Lommer, Mitchell, Davison; Julius Bertsch, Fulton, Hanson; K. T. Aisenbrey, Adpena, Jerauld; V. A. Jorgenson, Draper, Jones; E. B. Serr, Kennebec, Lyman; and F. H. Winson, Letcher, Sanborn.

Group 4—C. L. Chase, Willow Lake, group chairman. A. R. Johnson, Brookings, Brookings; M. J. McGillivray, Garden City, Clark; Henry Hanten, Watertown, Codington; A. G. Berger, Clear Lake, Deuel; P. C. Lien, Revillo, Grant; and C. N. Halvorsen, Castlewood, Hamlin.

Group 5—Camden Rayburn, Huron, group chairman. F. B. McKichan, Bonilla, Beadle; George Gunnison, Orient, Faulk; Russell Bard, Miller, Hand; Charles Lee Hyde, Pierre, Hughes; R. J. Drew, Highmore, Hyde; William Habel, Arlington, Kingsbury; R. J. Haekl, Hoven, Potter; J. D. Fargo, Redfield, Spink; and M. R. Brown, Onida, Sully.

Group 6—W. S. Given, Milbank, group

chairman. J. H. Kissinger, Hecla, and Robert Weidenbach, Aberdeen, Brown; J. Schad, Roslyn, Day; V. E. Swenson, Langford, Marshall; Henry Helvig, Sisseton, Roberts.

Group 7—M. I. Larsen, Mound City, group chairman. J. J. Brokofsky, Pollock, Campbell; J. O. Van Nice, McLaughlin, Corson; A. B. Lord, Eagle Butte, Dewey; K. J. Kundert, Bowdle, Edmunds; W. M. Bennett, Buffalo, Harding; L. E. Turner, Leola, McPherson; R. A. H. Brandt, Bison, Perkins; E. A. Walter, Selby, Walworth; H. R. Hommedal, Dupree, Ziebach.

Group 8—W. E. Dickey, Spearfish, group chairman. T. C. Gay, Belle Fourche, Butte; T. W. Delicate, Custer, Custer; S. J. Clarke, Hot Springs, Fall

River; G. C. Inman, Philip, Haakon; L. A. Pier, Belvidere, Jackson; B. E. Colby, St. Onge, Lawrence; B. Datin, Faith, North Meade; H. R. Jennings, Sturgis, South Meade; and A. K. Thomas, Rapid City, Pennington.

Group 9—Frank T. Fetzner, group chairman. J. H. Meyhaus, Bonesteel, Gregory; C. A. Hodson, Norris, Mellette; and R. E. Montgomery, Colome, Tripp.

One Never Knows

Spivvins was attending his first opera and was puzzled.

"Is she singing in English?" he whispered to his neighbor.

"How do you expect me to tell?" replied the old-timer. "She's a soprano."—*American Legion Monthly.*



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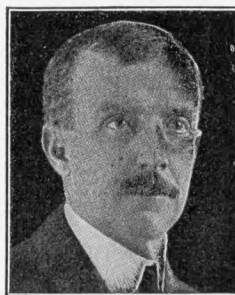
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North Dakota Bank News

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Vice President.....J. E. Davis
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Secretary.....W. C. Macfadden
Fargo



W. C. MACFADDEN
Secretary

North Dakota News

C. W. BROTON has been elected assistant cashier of the German State Bank, Beulah.

ALBERT C. LEMBKE has accepted a position as bookkeeper and assistant cashier of the First State Bank, New Leipzig.

CLIFFORD L. LIEN has been elected assistant cashier of the Northwestern State Bank of Grenora.

ROBERT EGO has accepted a position as bookkeeper of the Farmers State Bank of Lisbon.

ALICE NELSON has been appointed bookkeeper of the Farmers and Merchants Bank, Beach.

RUTH DENNIS has been appointed bookkeeper of the Flasher State Bank, Flasher.

THE SECRETARY of State has issued a certificate renewing the term of corporate existence of the First State Bank of Rogers.

Joins First Stock Group

Merger of the First National Bank and Farmers Security Bank of Park River, North Dakota, was announced recently by the presidents of the two institutions. The new bank, which retains the First National's name, has resources in excess of \$500,000, and is affiliated with the First Bank Stock Corporation. Officers of the new bank are Henry Denieker, director; Karl J. Farup, president; C. P. O'Brien, vice president, and K. D. Bennett, cashier. C. J. Mauritson and M. B. Holmquist are assistant cashiers.

Netcher Made Chairman

Arthur Netcher, of Fessenden, North Dakota, was named chairman of the state banking code commission appointed by Governor George F. Shafer to review North Dakota's banking statutes, at the initial meeting of the group.

North Dakota Banks Merge

An important change in the banking interests of Killdeer, North Dakota, and

the north country occurred when a merger of the Security State and First National Banks of Killdeer went into effect.

Methods of handling all lines of business have changed rapidly these last years and consolidation, to conserve overhead expense and give greater efficiency, is noticeable everywhere.

Banking needs and methods are no exception to the general trend of business. Hence we hear of branch banks, chain banks, consolidated banks and mergers.

Working along the line of greater efficiency and less overhead, the two Killdeer banks decided to merge. Both were in fine shape financially, both had the confidence of not only the community but of the banking departments as well, and the move was entirely voluntary and made in the interests of good business.

The business will be conducted by the combined forces of the two banks in the First National Bank building.

Becomes Vice President

Following the announcement that the First National Bank of Mandan, North Dakota, had become affiliated with Northwest Bancorporation, Charles W. Wright was elected vice president of the Mandan bank. Mr. Wright formerly was cashier of the Citizens National Bank at Baker, Oregon, and prior to that was with the First National Bank, Union, Oregon. He also was identified with the Bank of Haines, Oregon.

Mr. Wright is one of four brothers, all bankers. I. D. Wright is chief national bank examiner for the Ninth Federal Reserve District, E. M. Wright is national bank examiner stationed in the Twelfth Reserve District, and Will T. Wright is president of the Bank of Oregon City, Oregon.

Banks in Three Mergers

Three bank consolidations were announced recently by the state banking department of North Dakota. The Farmers & Merchants Bank at Coopers-town has discontinued business and its deposit liabilities have been assumed by the First National Bank of Cooperstown.

Deposit liabilities of the Farmers Security Bank of Park Rivers has been assumed by the First National Bank at Park River. The First State Bank of Max has taken over the deposits and liabilities of the First National Bank at Max.

Pays Heavy Dividend

In addition to paying the first annual cash dividend since its organization in 1909, stockholders of the First National Bank of Mott, North Dakota, voted at their annual meeting to declare a stock dividend of 100 per cent and to increase the capital stock from the original \$25,000 to \$50,000.

Word has been received from Washington that this action has been approved. In addition directors voted to place \$10,000 out of undivided profits in the surplus fund so that the capital and surplus of the bank is now \$60,000.

Period of Transition

Business is in a unique period of transition that promises well for future prosperity, in the opinion of Trowbridge Callaway of Callaway, Fish & Co., New York, president of the Investment Bankers Association of America.

"It may seem trite to remark that business is in a period of transition," said Mr. Callaway; "it's always in that condition. I refer particularly, however, to the new and important part that the widespread public ownership of securities now plays in the economic welfare of the country. It was only a few years ago that the holders of securities constituted a small fraction of the population. Today they are numbered by millions—15,000,000 it is estimated by one authority—and, if we consider the indirect interest that holders of life insurance policies and savings accounts have in investment securities, the number is increased by many millions more. A colossal part of our national wealth is now in the form of securities which are held by millions of investors and speculators.

"All this is of direct importance from a basic bread-and-butter standpoint and from that of progressively higher standard of living for all, which is the ultimate justification and purpose of finance and business. I believe we are entering a period of more intelligent public understanding of the uses of sounder investment and, thereby, a period with a better basis for continued prosperity. People are discovering that investing and speculating are neither sports nor get-rich-quick pastimes. The country is so rich that the deflating of an over-inflated speculative market a few months ago should have only a temporary retarding effect. If we have learned a fair part of a lesson from that experience,

that speculation, rightly used, is a legitimate, beneficial, creative force and not a sporting proposition to get something for nothing, then the recent stock market deflation was a bargain, at the price of slowing up business for a few months.

"Evidences of a more constructive attitude are very encouraging. There is a large demand for higher grade bonds. Savings accounts are increasing and in speculation there is a healthy tendency to select stocks of well managed, substantial enterprises that can be bought on a basis of fair return and expectancy. In the investment business, itself, a realization of the necessity for greater efficiency and economies is demonstrated by numerous, recent consolidations of investment houses and of banks. Securities are nothing but working tools, and we who put our savings into them or into the business of creating and distributing them must realize that very fact. Their value is determined by what they can earn, not by rah-rah hopes led by cheer leaders in the form of professional tipsters and the dreams of uninformed enthusiasts."

Teacher (brandishing ruler): "Johnny, put out your hand!"

Johnny: "But I ain't gonna turn no corner!"—*San Diego Union*.

Getting Close to the Customer

(Continued from page 22)

arises. And it goes without saying that all that has been said on this subject would apply with even greater force in the case of the larger institutions.

It has already taken years, and will undoubtedly take many more years of education, through personal contact and printed matter, before the public as a whole will accept the idea in the rural communities. But in the end the organization of a trust department and the proper liaison between the bank and the customer will be firmly established. Then indeed we will find that the bank and the customer are a firmly bound entity, enduring the one for the other, for the mutual and continued benefit of each.

Corntossel (at the phone): "Hello! Hello! Kin you let me talk to my wife?"
Operator: "Number, please."

Corntossel: "Say, I ain't no Mormon, miss!"

The Mean Thing

An enraged wife was seeking divorce on grounds of cruelty.

Judge: "Can you cite an example of his alleged cruelty?"

Plaintiff: "It all started in church. When he heard that Adam lost Eve after

eating the apple, he came home and planted an apple orchard."

"What is it when you're married twice at the same time?"

"Polygamy."

"What when you're married once?"

"Monotony."

—*Michigan Gargoyle*.

Can't Live on Love

"Marriage makes me think of a quick lunch restaurant at noon time."

"Why so?"

"Well, one simply grabs something that looks good and pays for it later on."

A Musical Family

"Heard the latest, Bill? My sister sang at the opera the other night. Music has always run in our family."

"Why, Tom, that's nothing. Everything in our house is musical. The dog has a brass band around his neck, the teakettle often sings, and even the sewing machine is a 'Singer'!"

Apt but Awful

"I learned to play the piano in no time."

"Yes, I heard you playing it that way yesterday."—*Cornell Widow*.

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Northwestern Banker April 1930



W. G. C. BAGLEY
President

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Centerville

Treasurer.....C. T. Simmons
Burlington

Secretary.....Frank Warner
Des Moines



FRANK WARNER
Secretary

Iowa Bankers Hold Trust Conference

Two Hundred Attend Meeting in Des Moines

W. G. C. BAGLEY of Mason City, president of the Iowa Bankers Association, has scored another success in his administration of the affairs of that Association. The first "committee on trust powers and trust business" that the Iowa Bankers Association ever had was appointed last summer by Mr. Bagley. That committee has been carrying on some important work throughout its fiscal year and last month at Des Moines presented a most successful trust conference. The attendance of this trust conference at Des Moines was more than twice as large as anticipated. Approximately 200 were registered. Out of 99 counties in the state 55 were represented, showing a wide geographical distribution of interest throughout the state in the development of trust business. The delegates were asked two questions when they registered: (1) if they had a trust department and (2) if they didn't have a trust department if they were contemplating organizing one. While the records showed that many banks have already qualified under the Iowa Trust Company Act, the records also showed that many more were interested and that such a conference as the one held would stimulate their interest in qualifying under the Iowa Trust Company Act.

President Bagley opened the meeting which was held under the joint auspices of the association and the Des Moines clearing house. Grant McPherrin, vice president of the clearing house, made the address of welcome, to which Harry Jennings of Marshalltown responded. J. M. Hutchinson of Cedar Rapids, chairman of the trust department committee of the association, presided.

Both morning and afternoon sessions were devoted to business. W. O.

Reed, deputy state superintendent of banking, outlined steps necessary to be taken by a state bank in creating a trust department; and C. C. Jacobsen of Sioux City, told how national banks qualify to do a trust business. J. F. Hart of Des Moines, discussed conduct of trust departments; F. A. Johnson of Davenport, talked on life insurance trusts; and C. R. Gossett of Mapleton, demonstrated accounting for forms for keeping trust records.

Expense, personnel, qualifications of trust officers, relation of trust departments to attorneys, and individual trust problems were discussed by H. R. Young of Arlington, Clyde Doolittle, L. B. Bartholomew and I. L. Wright of Des Moines, C. F. Harris of Gladbrook, E. R. Jackson of Council Bluffs, and John Rider Wallis of Dubuque.

The following resolutions were passed:

1. Trust business carries with it large responsibility and the passing years see an ever increase in its scope. In keeping with that development we therefore urge and recommend that our banking institutions not only qualify to serve the people in this larger fiduciary capacity, but also to prepare themselves in every possible way in order to handle such business in the safest, most competent, and most economical manner for the beneficiaries concerned.

2. We commend President W. G. C. Bagley and the other officers of the Iowa Bankers Association for their initiative in sponsoring and developing interest in trust business. We also congratulate the committee on trust powers and trust business of the Iowa Bankers Association upon the large success of this First Annual Mid-winter Trust Conference.

3. We recommend the continuance of the holding of semi-annual trust confer-

ences, one at the annual convention of the Association, and the other a mid-winter meeting.

4. On behalf of the members of the Iowa Bankers Association, we express our appreciation of the hospitality of the Des Moines Clearing House Association, the efforts of the speakers on the program and others present who made discussions possible, and for the courtesies extended by the press.

"The registration records showed that many banks already have qualified under the trust company act," Secretary Warner said, "and that many more are interested. Approximately 37 per cent of the 1,400 Iowa banks are authorized to do trust company business. Of the 1,008 state incorporated banks, 432 have qualified, and of the 251 national banks, eighty-nine have qualified under the Iowa act."

The registration list for the conference was as follows:

Akron, H. Shoulberg, vice president, First National Bank. Algona, F. D. Williams, president, Iowa State Bank. Allerton, H. J. Richards, cashier, Security State Bank. Alta, A. C. Hauck, cashier, First Trust & Savings Bank. Ames, Clay W. Stafford, cashier, Ames National Bank, Ames Trust & Savings Bank; F. H. Schleiter, cashier, Story County Trust & Savings Bank. Ankeny, O. R. Canfield, cashier, Bank of Ankeny; Elmer Myhre, cashier, Farmers Savings Bank. Anthon, Homer M. Boyd, cashier, First Trust & Savings Bank. Arlington, H. R. Young, cashier, American National Bank. Atlantic, O. A. Otto, vice president, Whitney Loan & Trust Company. Baxter, Charles Burdick, president, State Savings Bank. Belmond, R. E. Courson, cashier, State Bank of Belmond. Boone, John H. Goepfinger, vice president, City Trust & Savings Bank; J. H. Herman, vice president, First National Bank; Otto Herman, president, Security State Bank; Carl R. Roberts, cashier, Farmers State Bank. Britt, V. D. Koons, cashier, First State Bank. Cedar Falls, V. W. Johnson, vice president-cashier, Citizens Security Trust & Savings Bank. Cedar Rapids, J. M. Hutchinson, trust officer, assistant cashier, Cedar Rapids Savings Bank & Trust Co.; J. W. Lesinger, vice president, Iowa State Savings Bank; Marvin R. Selden, president, Cedar Rapids National Bank; R. F. Torstenson, vice president, Peoples Savings Bank. Central City, H. H. Studley, cashier, Wapsie Valley State Bank. Chariton, E. L. Gookin, cashier, Chariton & Lucas County National Bank; Fred S. Risser, president, State Savings Bank. Charles City, W. B. Johnson, vice president, First Security Bank & Trust Company. Clear Lake, H. N. Halvorson, president, First National Bank; F. P. Walker, cashier, First National Bank. Columbus Junction, F. C. Spaethe, assistant cashier, Louisa County National Bank. Council Bluffs, E. R. Jackson, trust officer, Council Bluffs Savings Bank. Dallas Center, W. Palmer Wilson, vice president, Bank of Dallas Center. Davenport, Robert L. Block, American Trust Company; Joseph J. Brus, vice president, Union Savings Bank & Trust Company; F. A. Johnson, secretary, American Trust Company; Ray Nyemaster, vice president, American Commercial & Savings Bank; Paul A. Tornquist, trust officer,

First National Bank of Davenport. Denison, William Adams, president, First National Bank.

Des Moines, L. B. Bartholomew, vice president and trust officer, Bankers Trust Company; Harry Beach, court reporter; W. H. Brenton, vice president, Iowa-Des Moines National Bank & Trust Company; Mary L. Bridwell, Iowa-Des Moines National Bank & Trust Company; J. R. Capps, vice president, Iowa-Des Moines National Bank & Trust Company; C. O. Craig, vice president, Iowa-Des Moines National Bank & Trust Company; R. W. Crawford, president, Valley National Bank; C. C. DePuy, publisher, Northwestern Banker; C. A. Diehl, vice president, Iowa-Des Moines National Bank & Trust Company; Clyde H. Doolittle, general counsel, Iowa-Des Moines National Bank & Trust Co.; Lynn Fuller, vice president, Central National Bank & Trust Company; Warren Garst, assistant cashier, Central National Bank & Trust Company; E. M. Griffith, Iowa-Des Moines National Bank & Trust Company; James F. Hart, trust officer, Iowa-Des Moines National Bank & Trust Co.; A. J. Robertson, vice president, Iowa-Des Moines National Bank & Trust Co.; H. L. Horton, vice president, Iowa-Des Moines National Bank & Trust Co.; W. F. Howell, assistant trust officer, Iowa-Des Moines National Bank & Trust Co.; A. J. Huglin, vice president, Iowa-Des Moines National Bank & Trust Co.; Will A. Luge, cashier, Capital City State Bank; Grant McPherrin, president, Central National Bank & Trust Company; R. W. Moorhead, editor, Northwestern Banker; Geo. L. Nissly, assistant trust officer, Central National Bank & Trust Company; S. C. Pidgeon, Bankers Trust Company; Victor H. Pulis, assistant trust officer, Iowa-Des Moines National Bank & Trust Co.; W. O. Reed, deputy superintendent of banks, State Banking Department; Neal Robinson, Iowa-Des Moines National Bank & Trust Co.; Frank Warner, secretary, Iowa Bankers Association; I. L. Wright, trust officer, Central National Bank & Trust Company; John Rider Wallis, vice president-cashier, Federal Bank & Trust Company; George D. Wybrant, treasurer, Federal Bank & Trust Company.

Elberon, E. P. Skrable, cashier, Farmers State Bank. Eldora, P. S. Davis, chairman, Hardin County National Bank; C. A. Dorres, Hardin County National Bank; D. M. Moser, president, Hardin County National Bank; E. S. Newcomer, Hardin County National Bank. Elkader, H. L. Swenson, vice president and cashier, First National Bank. Emmetsburg, Charles J. Spies, cashier, Iowa Trust & Savings Bank. Fonda, L. E. Eckerson, assistant cashier, First National Bank. Gladbrook, W. M. Foster, State Bank; C. F. Harris, cashier, State Bank; D. B. Kliebenstein, legal counsel, First National Bank; A. C. Loepp, assistant cashier, First National Bank. Goodell, Owen S. Conwell, vice president, State Savings Bank. Grand Junction, O. G. Clause, legal department, Citizens Bank; T. N. Watts, president, Citizens Bank. Greenfield, J. W. Young, cashier, Greenfield Savings Bank. Grinnell, J. E. Bach, cashier, Grinnell State Bank. Grundy Center, W. R. Finlayson, president, First Trust & Savings Bank; George B. Robinson, cashier, First Trust & Savings Bank. Hampton, Walter T. Robinson, cashier, Citizens National Bank. Hartley, W. W. Atherholt, president, Security Savings Bank. Holstein, C. C. Wohlenberg, vice president, Holstein Savings Bank. Hornick, E. S.

Fitzgerald, cashier, State Savings Bank. Humeston, J. A. Courtright, cashier, Citizens State Bank. Indianola, M. F. Henderson, cashier, Peoples Trust & Savings Bank; Stoddard M. Robinson, cashier, First National Bank. Iowa City, W. H. Stewart, vice president, Johnson County Savings Bank. Jefferson, Ivan O. Hasbrouk, cashier, Iowa State Bank; V. W. Miller, cashier, Jefferson State Bank. Kanawha, F. L. Bush, president, First National Bank. Kellogg, Ray O. Bailey, cashier, Kellogg Savings Bank. Keokuk, James Huiskamp, Jr., attorney, State Central Savings Bank; L. J. Montgomery, vice president and trust officer, Keokuk National Bank; M. E. Tate, vice president-cashier, Security State Bank. Klemme, F. A. Arnold, president, First National Bank. Knoxville, S. L. Walker, vice presi-

dent, Knoxville National Bank & Trust Company.

Laurel, Merle C. Patton, cashier, Peoples Savings Bank. Le Mars, N. J. Bosler, vice president, American Trust & Savings Bank; J. E. Cooper, assistant cashier, American Trust & Savings Bank. Lockridge, B. E. Glotfelty, cashier, Lockridge State Bank. Lynnville, R. C. Maey, cashier, First State Bank. Lytton, G. L. Scoles, cashier, Lytton Savings Bank; D. R. Wessling, president, Lytton Savings Bank. Madrid, C. Fred Carlson, president, Madrid State Bank. Manson, F. B. Davis, vice president, Farmers Savings Bank. Mapleton, C. R. Gossett, cashier, First State Bank. Marion, Mrs. G. H. Clark, Commercial Savings Bank; G. H. Clark, cashier, Commercial Savings Bank. Marshalltown, Roy R. Bradbury, vice president, Fidelity

CONSIDER the advantages of having your Des Moines business handled by a bank whose interests, like yours, are centered in Iowa's progress.

BANKERS TRUST CO. BANK

Cor. 6th and Locust Sts., Des Moines
Capital \$1,000,000.00 Surplus \$200,000.00



Savings Bank; Harry W. Jennings, cashier, Iowa Savings Bank. Mason City, W. G. C. Bagley, president, First National Bank, president, I. B. A.; C. O. Wilkinson, president, Northwest Savings Bank. Monroe, Ulric Clevenger, cashier, Monroe National Bank. Montour, E. R. Cronk, cashier, First National Bank. Muscatine, W. F. Siemers, assistant cashier, Muscatine State Bank; E. E. Bloom, cashier, First Trust & Savings Bank. Nevada, George L. Armstrong, Farmers Trust & Savings Bank; Joseph A. Mills, president, Farmers Trust & Savings Bank; Howard F. Sones, cashier, Nevada National Bank. Newton, L. A. Russell, cashier, First National Bank. Orange City, C. L. Barks, president, Orange City National Bank. Oskaloosa, C. Ed Beman, vice president, Mahaska County State Bank; W. R. Springer, teller,

Mahaska County State Bank. Paullina, Albert H. Meyer, vice president, First National Bank. Perry, N. P. Black, cashier, Perry State Bank; R. S. Kinsey, assistant cashier, First National Bank. Pocahontas, F. J. Lorge, cashier, Pocahontas State Bank. Prairie City, Hugh G. Little, cashier, First National Bank. Redfield, W. D. Scott, president, Redfield Savings Bank. Reinbeck, J. W. Hepperle, cashier, First Savings Bank; E. F. Kolt, First Savings Bank. Remsen, F. C. Sterns, cashier, Farmers Savings Bank; E. A. Spiecker, cashier, First Trust & Savings Bank. Rippey, A. E. Jensen, cashier, Rippey Savings Bank. Rock Rapids, A. G. Miller, vice president, Lyon County National Bank. Ruthven, D. L. Modisett, cashier, Farmers Savings Bank.

Sac City, A. W. Jones, president, Sac

City State Bank. Sigourney, C. E. Baylor, president, First National & Union Savings Bank; H. R. White, cashier, First National & Union Savings Bank. Sioux City, C. L. Fredricksen, vice president, Live Stock National Bank; Earl A. Hoffman, vice president and trust officer, Tay National Bank; C. C. Jacobsen, vice president and trust officer, Security National Bank; Thomas P. Treynor, vice president, Woodbury County Savings Bank. Spencer, Paul Groszkruger, vice president, Clay County National Bank; John Sieh, vice president, Farmers Trust & Savings Bank. Stanhope, J. E. Hansen, cashier, Stanhope State Bank. State Center, F. B. Gilbert, president, Central State Bank. Storm Lake, R. E. Sheffield, vice president, Citizens First National Bank; Albert Tymeson, vice president, Commercial Trust & Savings Bank. Tama, F. A. Jones, president, Tama State Bank. Van Meter, Clarence Dunn, cashier, Van Meter State Bank. Varina, J. G. Krebs, cashier, Iowa Trust & Savings Bank. Victor, Henry Von Aswege, cashier, Victor State Bank. Wapello, R. D. McCullough, cashier, Commercial Bank. Waterloo, Glenn F. Barr, manager trust department, Commercial National Bank; R. F. Davis, examiner in charge, Waterloo Bank & Trust Co.; J. J. Miller, cashier, Waterloo Savings Bank. Webster City, E. G. Fardal, vice president, First National Bank. Woodbine, J. T. Hunt, cashier, Woodbine Savings Bank; C. S. King, assistant cashier, First National Bank. Woodward, J. K. Lemon, cashier, Farmers Bank. Omaha, Neb., R. H. Kroeger, assistant cashier, Live Stock National Bank. Chicago, Frank H. Stewart, Hambleton Company; Frank M. Covert, assistant cashier, Drovers National Bank; T. F. Ford, Brokaw & Company; A. S. Bagnall, assistant cashier, Stock Yards National Bank.

Consistency

The Pioneer National Bank is consistent in the superior service it renders its correspondents. Minute attention to detail and an exacting knowledge of banking methods and principles make it the logical bank for your representation in this territory.

Assets over \$5,000,000

IRA RODAMAR
President

C. E. PICKETT, Vice President J. O. TRUMBAUER, Vice President
FRED H. WRAY, Vice President and Cashier



PIONEER
NATIONAL BANK

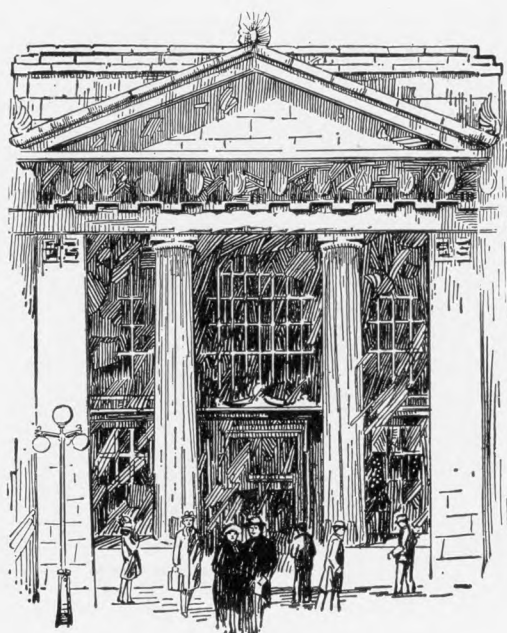
Established by John H. Leavitt in 1856
Waterloo, Iowa

Bank Meeting

The annual stockholders meeting of the State Savings Bank of Rake, Iowa, was held on Monday, March 10th. The cashier made a report of the condition of the bank for the past year which was very satisfactory, and the directors felt justified in paying a 10 per cent cash dividend and leaving \$5,300 in the undivided profit account. The same board of directors was re-elected. The present board members are J. E. Russ, Alfred Christopherson, S. C. Jensvold, E. O. Halvorson, O. J. Quam, O. O. Quam, A. J. Havner, Johnnie Jarshow and Johnnie Rake. The same officers were re-elected: Alfred Christopherson, president; S. C. Jensvold, vice president; Johnnie Rake, cashier, and O. H. Toft, assistant cashier.

Pays Dividend

An 8 per cent cash dividend was declared at the annual meeting of the stockholders of the Sperry Savings Bank at Sperry, Iowa. The yearly report showed a very successful year with a nice increase in deposits and earnings. The bank, which was organized nineteen years ago, has never missed paying a dividend and has accumulated a surplus of over \$22,000 which is nearly double



For a Greater Iowa

From the early days of Iowa's leadership as the largest producer of agricultural products down to the present hour, this bank has concentrated on giving the business of Iowa correspondent banks a maximum of prompt and personal service.

The broader banking services demanded for 1930 can be more easily extended to your customers when full advantage is taken of the various departments of this bank.

GRANT McPHERRIN
President

LELAND WINDSOR
Vice President

LYNN C. FULLER
Vice President and Cashier

D. BOYD BRANN
Assistant Vice President

CENTRAL NATIONAL BANK AND TRUST COMPANY

— OF DES MOINES —

UNDER U. S. GOVERNMENT SUPERVISION

FORMERLY THE CENTRAL STATE BANK

the amount of the capital. The deposits now exceed \$220,000 while the total assets are over a quarter million dollars.

The officers elected are: President, A. F. Andersen; vice president, John Schulte; cashier, F. H. Riepe; assistant cashier, Delbert Riffel.

Cashier Resigns

After twenty-one years as assistant cashier in the First National Bank at Le Mars, Iowa, C. J. Ahmann has tendered his resignation. He is succeeded by S. R. Nothem, who has been a teller in the bank for a number of years, and Mr. Nothem is succeeded by Clarence Bunkers.

Guthrie Center Banks Merge

Consolidation of the First National Bank of Guthrie Center, Iowa, with the Peoples State Bank, Guthrie Center, under the name of the last named institution, was announced recently.

John E. Foster, member of the state board of assessment and review, was president of the First National Bank. In the consolidation he retires from official duties.

Name Mattern for Vacancy

George W. Mattern, banker at Donnellson, Iowa, has been appointed a member of the board of Lee county super-

visors. He succeeds A. T. Cruikshank, who was killed last week, and will serve until his successor, elected in November, takes office in January. Clerk Hull, Recorder Chambers and Auditor Kiel made the appointment.

Tama Gets Meeting

C. F. Harris, cashier of the Gladbrook State Bank, was elected president of the Tama County Bankers association at a meeting of the group at Toledo, Iowa. E. R. Cronk, cashier of the Montour First National Bank, was named vice president, and J. C. Marsau, cashier of the Dysart National Bank, was chosen secretary-treasurer.

At the invitation of J. H. Neil, representing the Tama State Bank, the association voted to have its next meeting at Tama. This will be done within the next ninety days.

Frank Warner, secretary of the Iowa Bankers Association, gave a talk on "Banking and Taxation."

In place of Harry E. Taylor of the Traer *Star-Clipper*, C. M. Richards of the Toledo *Chronicle*, spoke a few words for the newspaper men. Mr. Taylor was unable to attend.

Z. R. Mills, county agent, spoke on the relation of agriculture to banking.

Holds 1930 Election

The Commercial State Bank of Mediapolis, Iowa, held their annual meeting recently, electing the following directors and officers:

Directors—J. E. Auld, J. P. Baird, Floyd Breder, T. W. Beckman, Roy Creelman, E. F. Holsteen, W. W. Myers, Ed Moehle, Arthur McDonald, Edward Riepe, T. R. Richardson.

President, Arthur McDonald; vice president, E. F. Holsteen; vice president, T. R. Richardson; cashier, E. T. Sutton; assistant cashier, A. A. Jackson.

Re-Elect Bank Staff

D. V. Jackson was re-elected president of the First Trust & Savings Bank of Muscatine, Iowa, at the annual meeting of stockholders held at the bank.

Other officers, also re-elected, follow: S. G. Stein, W. F. Bishop, vice presidents; E. E. Bloom, cashier; R. J. Diercks, assistant cashier.

Directors were also re-elected as follows: D. V. Jackson, S. G. Stein, W. F. Bishop, J. R. Reuling, A. J. Wood, Dr. T. F. Beveridge, E. J. Zeidler, J. C. Bishop, R. S. Jackson.

Iverson Heads Bankers

At a recent meeting of the O'Brien County Bankers Association, at which the First National Bank of Paullina, Iowa, acted as host, officers were chosen as follows: W. P. Iverson of Sheldon, president; A. J. Frey of Sheldon, vice

Better Farms Make Better Towns

TOWNS are built from the surplus farm products of the trade territory served by them. To build up a town you must build up, or increase the size of, its trade territory. Since towns compete as do stores, the safest way is to build up the present trade area—that means increase

its farm income. Tile Drainage increases the income of the farm from the same acres and the same labor. By doing that for all the farms of your trade territory it has done the same thing for the territory itself. That means a larger volume of business done by your town and your bank.

Recommend to your farm customers that they tile all their clay soils, and so help your town.

Mason City Brick and Tile Co.

312 Denison Bldg. Mason City, Iowa

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 April 1930

MEMBER
FEDERAL RESERVE



ORGANIZED
1877

All of the officers and directors of the
Cedar Rapids National Bank
are men of demonstrated business
ability. Their combined or "collec-
tive" ability works for *your* benefit
when you have chosen this institu-
tion as your correspondent bank
in the Cedar Rapids Territory.



OFFICERS

Glenn M. Averill, Pres.
E. M. Scott, Vice Pres.
C. C. Kuning, V. P.
and Cashier
Van Vechten Shaffer,
Vice Pres.
Geo. F. Miller, V. P.
and Trust Officer
Marvin R. Selden,
Vice Pres.
Assistant Cashiers
Peter Bailey
Bertha M. Wolf
Geo. W. Swab
Maud W. Carpenter
R. D. Brown
O. A. Kearney

The
Cedar Rapids National Bank
Cedar Rapids, Iowa

Sixty Years of Service

ORGANIZED FEB. 1, 1870

OUR STATEMENT REFLECTS OUR
STANDING IN THIS COMMUNITY

Statement of Condition
of

THE CITY NATIONAL BANK
of Clinton, Iowa

February 1, 1930

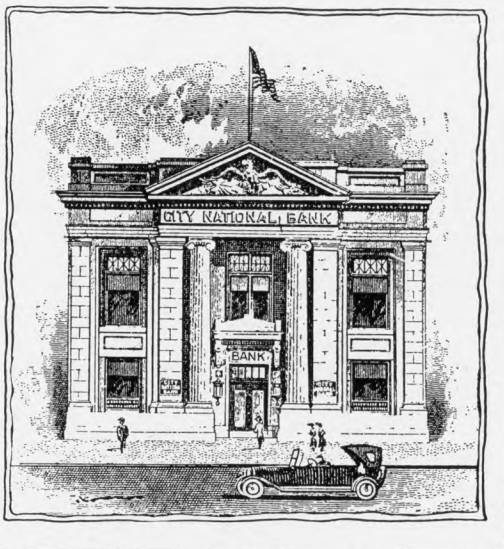
RESOURCES

Time and Demand Loans.....	\$6,063,066.32
U. S. Bonds.....	459,385.48
Stock in Federal Reserve Bank..	19,500.00
Banking House and Real Estate..	81,961.33
Cash and Due from Banks and United States	961,862.73
	\$7,585,775.86

LIABILITIES

Capital	\$ 300,000.00
Surplus	350,000.00
Undivided Profits	171,958.11
Reserved for Interest and Taxes..	90,000.00
Circulation	300,000.00
Deposits	6,373,817.75
	\$7,585,775.86

Clinton
County's
Largest
Bank



The City National Bank

CLINTON IOWA

Northwestern Banker April 1930

DIRECTORS AND OFFICERS

G. L. CURTIS
President
President Curtis Companies,
Inc.

MILO J. GABRIEL
Vice President
President Gabriel Lumber
& Fuel Co.

O. P. PETTY
Vice President and Cashier

G. W. DULANY, JR.
President Eclipse Lumber
Co.
Chairman Climax Engineer-
ing Co.

H. W. SEAMAN
J. O. SHAFF
State Senator
Farmer and Live Stock
Dealer

B. M. JACOBSEN
President Clinton Thrift
Co.

J. PETERSON
E. J. CURTIS
Vice President Curtis Bros.
& Co.

C. A. ARMSTRONG
President 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
President J. D. Van Allen
& Son, Inc.

J. H. NISSEN
Assistant Cashier

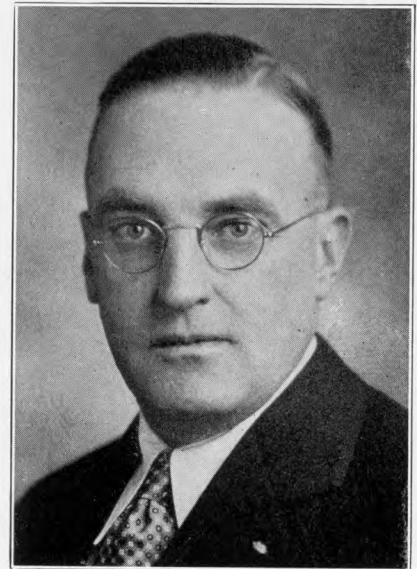
H. G. KRAMER
Assistant Cashier

H. M. OLNEY
Assistant Cashier

president; Ralph Hinman of Pringhar, treasurer, and R. A. Schneider of Sheldon, secretary.

To Supervise Gilman Banks

H. H. Lang has resigned as assistant to President John Mitchell of the First National Bank of Sioux City, Iowa, to become supervisor for the string of six banks owned and operated by S. Gilman, former Sioux City mayor. It will be Mr. Lang's duty to supervise the banks,



H. H. LANG

from the Sioux City office, and to examine and check them. He is an experienced banker, having served both with the Toy chain of banks and with the Sioux City Clearing House.

Leaves for Chicago

Harry M. Harris, of Des Moines, who for ten years has represented the Continental Illinois Company and predecessor companies in Iowa and adjoining states as manager of the Des Moines office, has been promoted to a position with the home organization in Chicago.

The Continental Illinois Company is expanding rapidly and has already gained an enviable position among investment houses. Harry's new duties will keep him inside the bank where he will be dealing with Chicago people seeking investments who will be referred to him by officers of the bank and company. He begins his new duties April 1st and since his desk will be on the first floor he says they are letting him in on the ground floor but that they are doing so on April Fools' Day.

Mrs. Harris and her mother and the youngest son, Jack Huntington, will remain in Des Moines until their home on Shriver Avenue is sold. Mayo, the eldest son, will graduate from the Liberal Arts College at Yale in June. The sec-

ond son, Lathrop, is also a student at Yale.

Mr. and Mrs. Harris gave a dinner bridge at the Grant Club, March 29th, to



HARRY M. HARRIS

one hundred guests as a courtesy to those who have been their hosts recently. Harry says his feelings are mixed between the satisfaction of the promotion and regret at leaving his Iowa friends.


How Bankers View Group and Chain Banking

(Continued from page 16)

(b) Main disadvantage will be the danger of lack of understanding between managers and the community they serve. 2. In case of emergencies the country is likely to be sacrificed to the advantage of the city. 3. The likelihood that the city trained executives will not countenance loans on the only (practically speaking) type of security the farmers have to offer, chattel and real estate mortgages. (It is my contention that few city trained men, however important their post, could successfully run a country bank though the country bankers have been quite successful in city banks.) 4. That they will take no interest in building up the communities. In building up and helping the beginner get his start. (This sometimes costs money but if care is used in selection it eventually profits greatly.)

4. Group banking will eventually practically eliminate the unit bank though I believe we will have branch banking and this will bring even quicker action.

5. Branch banking. Banks will become quite limited in number. Practically the Canadian system.



**FIRST
NATIONAL
BANK**

IN THE UNITED STATES

**WELL QUALIFIED
TO SERVE YOU**

The First National Bank of Davenport offers you every facility for a complete correspondent service.

It is the only National Bank in Scott and Rock Island Counties.

Its wide range of banking activity keeps it in closest touch with existing conditions in this territory.

Its Directors and Officers are men of wide experience and proved sound business judgment.

It is equipped in departments and personnel to serve you in every banking capacity.

Any business referred to this Bank will be promptly and efficiently handled for you.

May we suggest that you write us today?

First National Bank

At Second street and Main
Davenport, Iowa

Founded with vision *Built by Service*

1876

1930

From the moment of establishing correspondent relations between your bank and the *Consolidated National*, our officers are keenly alert to discover new means of rendering to you the utmost in a personalized service.



Consolidated National Bank

UNITED STATES DEPOSITORY

DUBUQUE, IOWA

J. K. Deming, President
Geo. W. Myers, Vice President Jos. W. Meyer, Cashier

A North Dakota Banker:

Chain and branch banking will weaken the Federal Reserve System. The system is the best form of money control ever devised by any nation. No district is dependent on any other. Any member bank is absolutely independent and does not have to depend on a city correspondent who may not, under some conditions, be able to extend the required credit at the right time. A city bank officer may get an idea that a certain bank should not have credit due to a misunderstanding or a mistake in judgment. A bank that is a member of the Federal Reserve System always knows just where he stands. Any country banker knows that credit extended at the right time may mean a profit instead of no profit.

Edwin Brickson:

This change in our system of banking comes at a very opportune time, for those who are doing it. First, the people themselves seem to be furnishing a large amount of the capital for operating the plan, and second, of course they come now after the small bank has developed the country and small town from the beginning and they start in where the old one leaves off; third, after such a record of failures as we have had among small banks, they are able to put this over. The people or law makers would never have allowed such a control of capital in other times. This and all other influences seem to be against the small town—and the small town banker—and the small town business man, including the property owner. Question seems very pertinent to me—killing the goose that laid the golden egg—perhaps after they have eliminated the small town and the small town banks, they will then discover this.

A Nebraska Banker:

We are opposed to both chain and group banking on a large scale, but feel that smaller chains concentrated in communities in adjacent trade territories would be beneficial. There are a lot of small communities which aren't served at all and in some where there is a bank it's rather hard to finance all legitimate credit needs of the farmer owing to lack of resources. No man in this day and age cares to put in the capital necessary to operate a bank in a small town and if some of the larger units within a trade territory had about five offices in smaller towns within its trade limits of easy contact, these smaller places could be served better. The largest trouble at present is the duplicated lines of credit unit banks in these small competitive territories have. With one head and several offices, the home bank would have the whole territory and would know. It is our opinion that a chain such as we suggest would be a good thing.

An Iowa Banker:

During the past two years, up until the time of the stock market collapse, mergers and organization of huge corporations was in vogue, principally due to the ease with which it was possible to sell issues of corporation stock.

Management will determine the ultimate success of these corporations or holding companies, the same as it determines the success of individual banks. This writer is a little skeptical of group banking; while some groups may prove successful, we doubt whether in the long run, a group has any better prospect than the individual bank.

Oscar A. Olson, president, First National Bank, Braham, Minn.:

Replying to your recent inquiry regarding our attitude toward group and chain banking, wish to reply as follows:

As to question No. 1. Unfavorable.

No. 2. We are a unit bank, one hundred per cent locally owned.

No. 3. A. We cannot see any real principal advantage in group or chain banking for the reason that no chain bank system will take over a sick bank. Any bank taken over by the chain bank system is a good safe bank before taken over and therefore, we do not believe that they are bettering the public in any shape or form.

B. Writer personally feels that the disadvantage of group or chain banking is that all personal touch is taken away from the local unit and we may say home owned bank and eventually the chain system efficiency experts will dictate all routine and older fellows will be replaced by younger men that are more aggressive and that have been trained along chain banking methods and system that they will gradually put into force by experience under revolutionary growth.

The biggest advantage is that the chain system will only take over sound going money-making banks and then other good banks that probably would be just as good as the bank taken over by the chain will suffer in that town or towns tributary by reason of the advertising the chain systems are doing and by reason of that many sick banks and unit banks have gone under and it then takes the goodwill and feeling away from sound banks in belonging to the chain system by reason of the chain system acquiring a bank in the vicinity or community of other going, sound unit banks as the public at this time and for several years have been questionable towards banks regardless of how good. But the chain system for the immediate time may take away this question of doubt just by reason of the bank being affiliated with a chain. This, however, entirely overlooked the fact that the personal touch of a home owned bank will disappear from its locality by reason of it being owned in a large reserve city.

Further, another fact that probably

Competence

Each officer and director of the *Commercial National Bank* is not only a competent business man, but has accumulated an experience which proves most valuable in the conduct of the affairs of this institution.

That is one reason why the *Commercial National* is your logical choice for a correspondent bank in the Waterloo territory.

We invite you to become one of us



E. W. MILLER
President

JAMES M. GRAHAM
Vice President

H. W. WENTE
Cashier

S. C. KIMM
Assistant Cashier

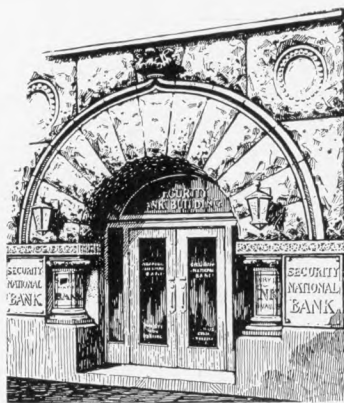
R. L. PENNE
Assistant Cashier

CHAS S. MCKINSTRY
Assistant Cashier

THE COMMERCIAL NATIONAL BANK

WATERLOO, IOWA

IF WE did not sincerely believe that we can give you expert correspondent service, we would not urge you as strongly as we do to avail yourselves of our services and facilities.



OFFICERS

Leonard R. Manley.....President
 C. C. Jacobsen.....Vice President
 R. Earl Brown.....Cashier
 Delko Bloem.....Ass't Cashier
 Albert C. Eckert.....Ass't Cashier
 Daniel B. Severson.....Ass't Cashier
 Elmer O. Smeby.....Ass't Cashier

SECURITY NATIONAL BANK of Sioux City

most unit bankers are not considering when going into the chain system and which is a gain to the officers and moneyed men controlling the chain system is, namely the head officers owning the chain system will organize their own securities company and every chain member will purchase or will take their secondary reserve from the investment firm owned by the chain bank officers and this securities company is held outside of the Holding Company holding the banks and therefore an advantage to the officers, stockholders on the inside and which is an advantage that does not benefit the investing public buying stock in the Holding Company as unquestionably security company that will have absolute control of furnishing a large number of banks in a chain system, will have an investment firm capable of earning a fine dividends, which investment company has an organization or corporation outside of the holding company owning the stock of the chain system banks.

4. We do not believe that group and chain banking will completely supplant unit banking. We believe that we are just entering on an era whereby public opinion will eventually work against chain banking just as it has commenced to work against chain owned stores and catalog houses operating chain stores.

He Knows Women

Rastus: "I tells you, Sambo, I done found out de difference between men and de women at las'."

Sambo: "What—what is it?"

Rastus: "Wall, a man'll gib two dollars for a one dollar thing dat he wants, an' a woman'll gib one dollar for a two dollar thing she don't want!"

Two golfers playing an important match were annoyed by a slow couple in front of them.

At one hole there was a particularly long wait. One of the offending couple dawdled on the fairway while his companion searched in the rough.

At length the waiting couple could contain their impatience no longer.

"Why don't you help your friend find his ball?" one shouted indignantly.

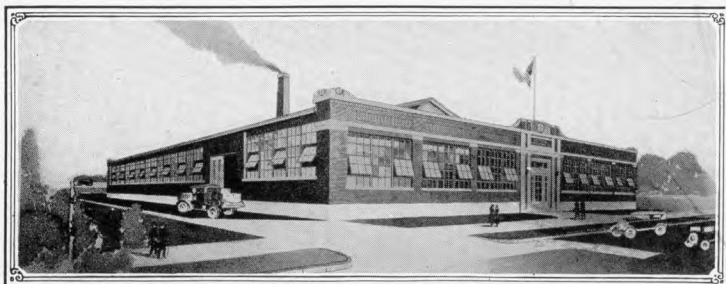
The idle golfer turned with a cheerful smile.

"Oh, he's got his ball," he replied blandly. "He's looking for his club!"—*Tit-Bits.*

Parley Vous

Mrs. Newriche just arrived from a tour of Europe, and her long-suffering acquaintances had no opportunity to forget the fact.

"And Paris!" she gushed. "Paris is just wonderful. The people are so well-educated—not at all like they are in this crude country, my dear; Why, even the street cleaners can talk French!"



Iowa Lithographing Company

515 TWENTY EIGHTH STREET
 Des Moines



Founded by

GEORGE H. RAGSDALE

EDWIN G. RAGSDALE
 SECRETARY

F. A. Association News and Notes

Ways and means by which banks, trust companies, and investment houses can develop new business by advertising and selling methods so designed that present conditions existing in the financial markets throughout the country may be successfully coped with, will be intensively studied by the research committee of the Financial Advertisers Association during the coming year. This was decided on at the midyear meeting of the committee which was held at the Vanderbilt Hotel in New York on February 17th and 18th. As a part of the campaign a thorough analysis of the financial situation will be made and the committee will also compile facts and figures which the advertising departments of the F. A. A. members can use in their trade development campaigns.

Members of the extension committee present at the New York meeting included I. I. Sperling, of the Cleveland Trust Company, Cleveland, chairman; Virgil D. Allen, First Bank & Trust Co., Utica, N. Y.; Miles Alverson, G. L. Ohrstrom & Co., New York; C. Delano Ames, Maryland Trust Co., Baltimore; J. C. Anderson, Union Trust Company, Cleveland; Frank G. Burrows, Irving Trust Co., New York; Marjorie S. Davis, Plainfield Trust Company, Plainfield, N. J.; John Donovan, Central Hanover Bank & Trust Co., New York; J. F. Gardiner, H. M. Bylesby & Co., Chicago; Don W. Laing, First Wisconsin Trust Co., Milwaukee; E. P. Lamphier, Commercial Trust Co., New Britain, Conn.; S. A. Linnekin, First National Bank, Jersey City; Daniel Lipsky, Manufacturers Trust Co., New York; and Robert Sparks, Bowery Saving Bank, New York.

At the same time the F. A. A. trust development committee met and discussed plans for the development of bank and trust business by advertising. A. E. Bryson, president of the Association, was in New York at the time of the meetings and plans for the convention at Louisville, September 17th-20th, were also discussed. H. F. Pelham, Citizens & Southern National Bank, Atlanta, was general chairman of the trust development meeting. Others who attended the sessions were W. Herrick Brown, Old Colony Trust Company, Boston; R. S. Racey, Equitable Trust Co., New York; Harvey Weeks, Central Hanover Bank & Trust Co., New York; Carl D. Montgomery, City Bank Farmers Trust Co., New York; Samuel Witting, Continental Illinois Bank & Trust Co., Chicago; John A. Reynolds, Union Trust Co., Detroit; Alfred Snyder, Detroit and Security Trust Co., Detroit; Leman H. Cambrey, First National Bank & Trust Co., Flint,

Michigan; William A. Stark, Fifth-Third Union Trust Company, Cincinnati; Charlton Alexander, Mississippi Valley Merchants State Trust Co., St. Louis; W. C. Miller, Foreman-State Trust & Savings Bank, Chicago; H. E. Parks, Denver National Bank, Denver; A. Key Foster, Birmingham Trust & Savings Co., Birmingham, Alabama; W. H. Neal, Wachovia Bank & Trust Co., Winston-Salem, N. C.; and Flavie C. Adams, Fidelity & Columbia Trust Company, Louisville.

The board of directors held its mid-year meeting at the Brown Hotel in Louisville on March 7th and 8th. At this meeting plans for the convention in September were discussed thoroughly. It was determined to divide the departmental sessions into three divisions, one covering the large cities and the large banking and investment institutions, the second concerned with the medium sized cities and the third with the small cities. It was felt that such a division of the departmentals would give all of those



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who attend the convention some matter of real interest to them. The general sessions will cover subjects of interest to all who are in attendance.

It was the feeling of the board of directors that such a division would give added interest, for in the past many of the sessions pertaining to the activities, for example, of a large bank in a metropolitan city would not be of interest to the advertising manager of the small bank in a primarily agricultural territory.

Mr. H. A. Lyon, advertising manager of the Bankers Trust Company, New York, is general chairman of the convention committee and A. Douglas Oliver is the program chairman. Clinton F. Berry, vice president of the Union Trust Company, Detroit, is chairman of the departmental sessions for large cities; Virgil Allden, advertising manager, First Bank & Trust Co., Utica, N. Y., is chairman of the departmental sessions of medium sized cities, and Wayne Hummer, president of the La Salle National Bank, La Salle, Ill., is chairman for the smaller cities.

The meetings in Louisville were presided over by A. E. Bryson, vice president of Halsey, Stuart & Co., who is president of the Association, and the following were in attendance at the meeting: President, A. E. Bryson, Halsey, Stuart & Company, Chicago; First Vice President F. R. Kerman, Bank of Italy, San Francisco; Second Vice President Charles H. McMahon, First National Bank, Detroit; Treasurer E. A. Hintz, Peoples Trust & Savings Bank, Chicago; W. E. Brockman, Northwest Bancorporation, Minneapolis; Frank G. Burrows, Irving Trust Co., New York; Julian M. Case, Bank of Michigan, Detroit; Frank Fuchs, First National Bank, St. Louis; H. Ennis Jones, Franklin Trust Co., Philadelphia; Jacob Kushner, United States Trust Co., Paterson, N. J.; A. Douglas Oliver, Provident Trust Company of Philadelphia; H. F. Pelham, Citizens & Southern National Bank, Atlanta; Ethel B. Scully, Morris F. Fox & Co., Milwaukee; I. I. Sperling, Cleveland Trust Co., Cleveland; Fred M. Staker, Commerce Trust Co., Kansas City; Walter Tresckow, Central Hanover Bank & Trust Co., New York; C. H. Wetterau, American National Bank, Nashville; Guy W. Cooke, First National Bank, Chicago; Carl A. Gode, Continental Illinois Bank & Trust Co., Chicago; Alva G. Maxwell, Citizens & Southern National Bank, Atlanta.

F. R. Kerman, vice president of the Bank of Italy, San Francisco, who is in charge of the membership drive of the Association, announced that the membership at the present time is 824, a 5 per cent increase over the membership at this time last year. Mr. Kerman points

to this as real evidence of the growth of the organization for the banking mergers during the past year have tended to cut down the eligible members considerably. Mr. Kerman, who is first vice president of the Association, will continue the drive throughout the year.

Plans for 1930 were outlined at the meeting of the investment research committee of the Financial Advertisers Association at the Standard Club in Chicago, February 27th. Joseph J. Levin, advertising manager of A. G. Becker & Co., presided. Foremost among problems to be undertaken is concerned with the distribution side of investment business. During the meeting it was announced that careful consideration would be made of the market for investment securities—touching on such subjects as accumulated or static wealth, income wealth, capital made available by maturities, and redemption, and foreign markets.

Study is to be made of merchandising possibilities in this field with the idea of determining a plan which will be made available to the organization. Other members of the committee include R. G. Fields, George Dock, John J. Foley, Horace Towner, Arthur S. Goodall, Charles W. Earle, Brian Ducey, W. H. Hodge, Frank LeRoy Blanchard, Leland E. Stowell, Eugene Bashore, T. L. Bailey, Charles Vining, Paul Jenkins, R. R. Jeffris, Roland Palmedo, Ethel B. Scully, Don W. Davis, and Edmond Boushelle.

Ouch!

Widower (to 10-year-old daughter): "Jeanie, do you know that Georgian, our housekeeper, is going to be married?"

Jeanie: "Oh, I'm so glad we're getting rid of that old pelican. Won't it be jolly? But who is going to marry her?"

Father: "Well, I am."

Boss: "Willie, take this note up to Jack Roth at the Paramount Theatre. Go right through the lobby of the theatre where you will pass a lot of pictures of the chorus girls."

Willie: "Yes, sir."

Boss: "Well, pass them!"

Went to Dead Letter Office

Cork: "Yes, sah, I'm a great singah."

Coke: "Wheah you all learn to sing?"

Cork: "I graduated from correspondence school."

Coke: "Boy, you suah lost lots of your mail."

With the Domestic

Wife (looking at husband's noticeable beard): "Why didn't you shave?"

Hubby: "I did."

Wife: "When?"

Hubby: "Just after you said you were nearly ready."

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Northwestern Banker April 1930

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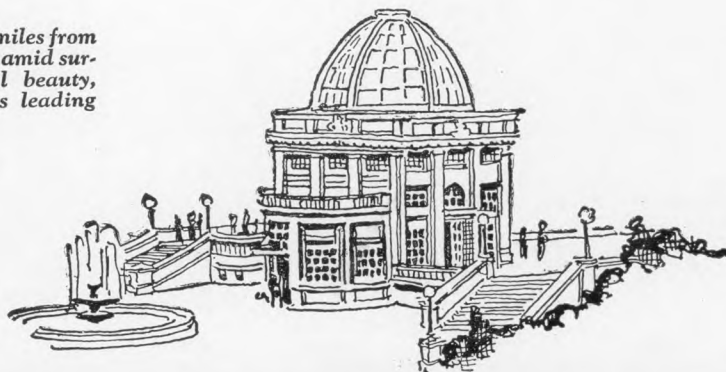


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