

Northwestern BANKER

DES MOINES

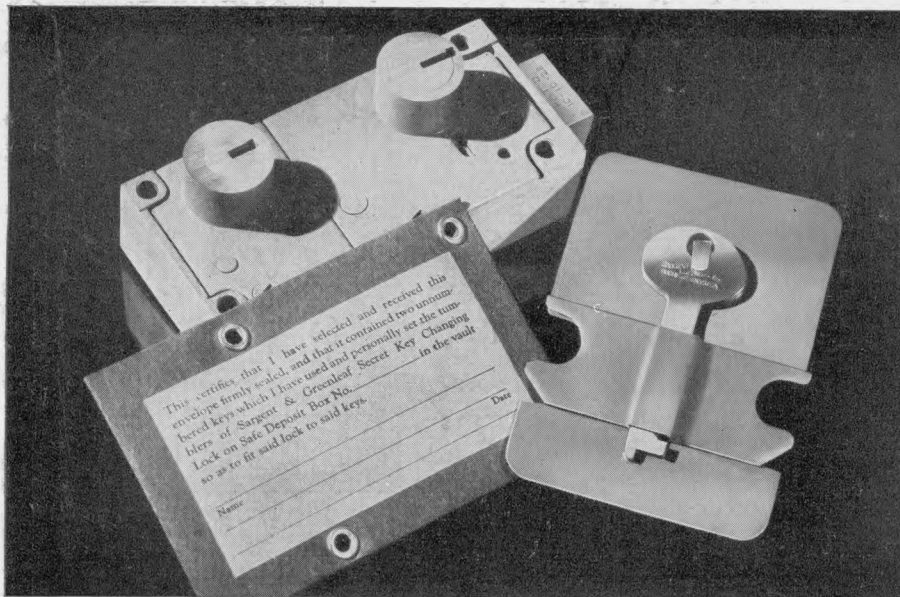
June, 1931

Wayland Magee on Federal
Reserve Board

(See Page 28)



WAYLAND W. MAGEE
Bennington, Nebraska
New Member, Federal Reserve Board



What other LOCK has these PLUS VALUES?

Do you know of a safe deposit lock whose key cannot be seen or touched by *anyone* until your customer has rented his box?

A lock whose maintenance cost is practically nothing?

A lock which protects not only your customer, but your bank, from every form of thievery and error?

A lock which has been declared pick-proof by Underwriters Laboratories?

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S & G, manufacturers of Time, Combination and Safe Deposit Locks have been pioneers in protection since 1865.

custodian *together* can enter the box. And the statement your renter signs, that he is first to touch or see his key, is court evidence against fraud!

This S&G Lock can be reset to an infinite number of key-and-lock changes. It is manufactured by the same pioneering organization which made the first time lock ever to be installed on a bank vault door. It is used by such banks as Bank of America, New York; Union Trust, Detroit; Northwestern National, Minneapolis. The coupon will bring you a sample of this lock, and a complete explanation of its *plus values* and how they can increase your safe deposit box business.

SARGENT & GREENLEAF INC.
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- Please send me a sample of the new patented S&G Sealed Key.
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Name

Position or Title

Name of Bank

Address

City and State

Check here if you wish a copy of A Quick Trip Through a Lock Factory.

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Northwestern Banker

Des Moines

The Oldest Financial Journal West of the Mississippi

Number 527

June, 1931

36th Year

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Glug!

Husband: Isn't it appalling? My wife insists on taking those wretched cats everywhere we travel.

Fellow Traveler: Does she make you put them out at night?

Husband: Invariably.

Fellow Traveler: Take her to Venice.

"Who was the first man?" asked the visiting minister.

"Adam," the children answered in chorus.

"Who was the first woman?"

"Eve," they all shouted.

"Who was the meekest man?"

"Moses."

"Who was the meekest woman?"

Everyone was silent. The children looked blankly at one another, but none could answer. Finally a little hand went up, and the preacher said, "Well, my boy, who was she?"

"There wasn't any."

Gangster's Wife—You're an hour late to dinner. Where were you?

Gangster—I'm sorry, dear, but I was arrested.

Gangster's Wife—Say, do you expect me to believe that?

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Like many others, this Mid-Western banker looks upon Central Trust Company of Illinois as the “Chicago office for his bank”. We suggest that you too discover, by practical trial, how much extra service is covered by that phrase.

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You Need This Valuable Information

The First 1931 Edition of the Iowa Bank Directory will soon be ready for mailing. In it you will find the latest information on Iowa Banks, consisting of personnel, capital, surplus, deposits, loans and discounts, bond investment, correspondent banks, etc.

Because of the rapid changes in the past year previous issues of the Iowa Bank Directory do not give a true picture of today's Iowa banking structure. *It is important, therefore, that you secure a copy of this latest edition, to insure the possession of up-to-date data.*

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Latest Figures on Important Items of All Banks' Statements

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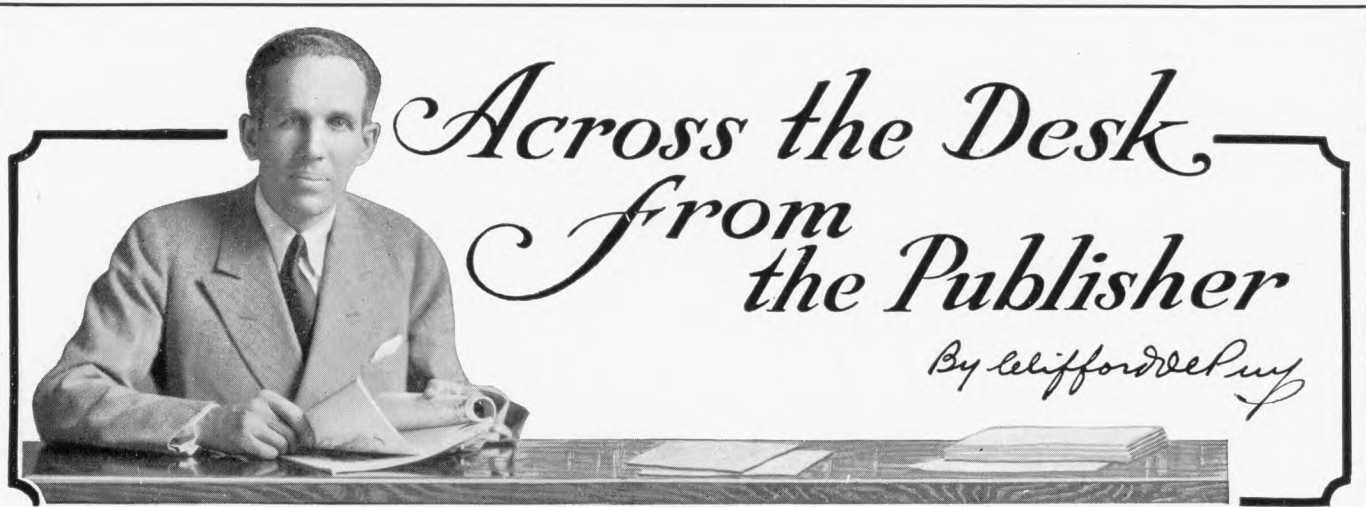
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Iowa Bank Directory

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Des Moines



Is Money Going Into Socks or Stocks?

Of course there must be a tremendous amount of money hoarded away in tin cans and old stockings when confidence is not as strong as it should be regarding financial institutions and investments. Yet from figures which have been compiled from reliable sources it is estimated that since September, 1930, at least \$17,549,000,000 have been used to purchase securities in the United States—this amount representing the purchase of newly issued securities and the cash used for paying loans pledged against stock and bond collateral.

Most of the buying has been of the pure investment kind because the public is not in any speculative mood at the moment.

With savings accounts having increased over \$1,000,000,000 during the past year and with the total savings of the American people in all other ways having increased tremendously, the country is making most substantial progress back towards the period of increased confidence and stabilized business.

Separating Security Companies from Banks

More than a year ago the Central Hanover Bank and Trust Company of New York, created considerable comment by the statement carried in all of their advertising that they had, "No securities for sale."

Woven into this question is the one of whether or not financial institutions should have financial corporations affiliated with them which are engaged in the security business and whether or not this is a desirable plan of procedure from the banking angle.

The Journal of Commerce of New York has made

a survey among most of the banks of New York City on the desirability of segregating security affiliates and while there was apparently no concerted effort on the part of the larger banks to divorce their security companies from stock ownership on the part of the banks' stockholders, there was quite a good deal of discussion of the advisability of doing so on the part of many of the smaller institutions.

Summarizing the arguments in favor of segregating security companies from the banks the report gave seven prime reasons which are as follows:

1. Because of the marked change in security market conditions.
2. Directors of banks having affiliated companies believe that continued affiliation is not desirable.
3. Some directors favor the sale of affiliated concerns to other interests.
4. The legal problem is a major one facing the sales of such companies.
 - (a) In forming security affiliates the identity of stockholding interests was so close that lawyers feel difficulties will be encountered in an attempt to separate them.
5. Increased competition and reduced volume of issue business in the security selling field make continued operation of security affiliates less desirable especially for smaller institutions.
6. The risks are too great in some instances for smaller institutions to justify the investment of the capital of the banks' stockholders in such an enterprise.
7. The original functions of affiliates was to originate and sell securities and in most instances this is still the main function.
 - (a) Some organizations, however, have been used in the capacity of investment or finance companies holding securities for in-

vestment or advancing special loans which the bank did not choose to make or found legal obstacles in making—and these operations have in many cases resulted in losses.

Here indeed is an interesting trend in modern banking which should be given real consideration by all of the banks having affiliated security companies or banks which are contemplating organizing them.

Many bankers believe that they should confine their efforts and the efforts of their organizations to the banking business alone and not try to become a department store of finance. They believe that well organized investment companies that specialize entirely in the origination and sale of securities can handle this business satisfactorily and with better grace than the banks.

Other bankers, however, believe that anything that has to do with finance should be given a department in the bank or through an affiliated company and have proceeded to develop business through their finance corporations and were doing it successfully until there was a change in general business conditions.

One thing is sure, that commercial banking and investment banking are two separate and distinct things and many believe that they should be kept separate.

Put Your Directors to Work

We have pointed out in these columns before that bank directors should assist in every possible way to develop business for the bank and assist the bank officers whenever necessary. If they are to do this intelligently the officers of the bank should keep them informed just how and where and when they can help the most in developing business for the bank.

The officer of a bank in discussing this subject recently, said: "Bankers should not hesitate to call upon their directors to help. That is what directors are for. If they do not respond readily, ask them why they are directors. I feel that any of the gentlemen on our board would be willing to go out and help if the bank officer will point the way. Dig up the prospects and let the directors know where they can help."

If the officers of every bank would do as this officer has suggested; find a prospect, see what problems the bank can solve for the prospect and then have the directors help in the solution of these problems, new accounts will be secured for the bank and the business of the community will be bettered and the total results both to the customers and to the bank should be most satisfactory.

Balance Needed Between Production and Consumption

The National Industrial Conference Board has made an analysis of causes underlying the present business depression throughout the world and finds that every country has been affected, and the major cause of the depression in 28 out of the 30 countries has been the fact that there is an overproduction or a lack of balance between production and consumption which is regarded by the board as the principal reason for the world-wide depression.

This lack of balance is evidenced in each of the 28 countries out of the 30.

In the United States the report shows that conditions are more favorable from the standpoint of our financial strength and our financial systems, and the absence of marked political difficulties which prominently affect many of the other countries of the world.

Paying Too Much on Deposits

In a recent survey made by the New York Federal Reserve Bank, they point out very definitely that banks which have been paying 4½ per cent interest on time deposits, or even those that have been paying 4 per cent on deposits have had difficulty in showing a satisfactory profit on the operations of their bank.

In an endeavor to overcome the high rates paid on deposits many of the banks have purchased bonds which had a high yield but poor security, and as a consequence these bonds have depreciated very much in value, and many of the banks are now in difficulty.

In commenting further on this bond situation the report says, "A large part of the banks of the district were but little affected by these developments because their bond portfolios consisted of bonds of high grade. But in many of the smaller banks where the practice of paying high interest rates on deposits had led to a selection of bonds with high coupons these declines in bond prices resulted in a depreciation of assets which in a number of cases proved embarrassing."

Banks in the middle west have been reducing their rates on time deposits from 4 to 3½, and in many cases to 3, which is in line with good banking and a sound investment policy.

This in turn has caused banks to buy bonds for their secondary reserve which were absolutely safe, and while their rate of return was less, their marketability was more certain and their chances of depreciation less.



"JES' FISHIN' "

Chester K. Van Nortwick was born in New England in 1880. At an early age he was taken to Colorado where he developed a talent for art. After several years of private instruction, he entered the Chicago Art Institute where he made rapid progress.

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WE START with the premises:

(1) That improvable bank management in its broad aspects was an important cause in the bank failure situation in 1930:

(2) That sound and fundamental corrections must come mainly, therefore, from within the business of banking itself, and only in limited measure through legislative measures arising from without; and

(3) That it is the duty and is within the powers of organized banking as represented by the American Bankers Association and the state bankers associations to bring about sound remedial action and conditions both by stimulating improvements in managerial technique wherever called for and also by exerting a greater degree of constructive leadership in guiding both state and national laws regarding banking toward higher standards for promoting good banking practices and giving greater protection to the public.

If it is granted that imperfect internal bank management policies have been responsible for a large part of the failures of recent years, it must also be granted that good managerial talent is responsible for the high average standards of intelligence and administration that have prevailed in the vast bulk of our banking institutions and kept them successful. It has been well said that it is not so much a matter worthy of comment that so many banks closed in 1930, but the wonder is that so many remained open—for never were men beset with greater hazards and perplexities and destructive economic forces than were our bankers into whose institutions were converged the financial troubles of all sorts of people and business concerns during these last 18 months. The fact that the banking structure as a whole was never seriously shaken and that so many banks as individual institutions remained sound and even fairly prosperous indicates beyond question that American banking is rich in those qualities of technical competence, economic intelligence and responsible integrity that we have defined as the essential components of good bank management. In banking itself, therefore, is to be found the great source of remedy for its ills.

But unless these resources of good banking are put into universal effect—unless bad management can be driven out of banking, and the good management that exists in ample measure in the vast majority of banks is made to prevail in all we may assuredly expect undesirable, prejudiced and subversive proposals to

Urges BETTER Bank MANAGEMENT

(From report of the Economic Policy Commission of the American Bankers Association)

be imposed upon the banking business from without.

Disturbing Laws Proposed

THE past year gives sufficient evidence of this. We mention but a few instances. Most disturbing has been the renewal of agitation in several states for the guarantee of bank deposits by law. It seems hardly necessary here to point out the disastrous failure this plan has proved to be wherever tried, nor dwell upon the fatal defects and fallacies of the whole basic idea. Suffice it to say that we consider such laws an attempt to impose on banking from without, by means that are utterly foreign to sound banking principles, conditions of security that must be created by sound management from within.

Then, too, there have been various proposals to formulate and enforce by law

"There is no greater preventive of bank failures than good bank management, whether general conditions are good or bad. We cannot change these economic or other special external conditions, which doubtless destroyed some particular banks in ways that were beyond the power of any type of management to prevent. But, after all, the vast majority of banks survived under the same identical economic conditions in which the great minority failed!"

certain banking practices that belong inherently to the science and art of banking itself. They do not belong essentially in the realm of banking legislation. They ought to be kept in the realm of banking skill, prudence and discretion. They can be kept there if bankers will measure up to their duties. We refer to such proposals as new laws prescribing secondary reserves, a "reserve guarantee" law and other efforts to tinker with and hamper the workings of the very essentials of banking judgment and administration.

Disapproval of such undesirable laws does not mean we oppose all efforts to bring about improvements in banking by means of legislation. We point out later certain measures that we believe should be adopted.

As an instrument for helping banking correct its own ills we believe that within the workings of the American Bankers Association are specific functions which if developed to their full potentialities, contain the best promise for bringing about the improved banking conditions we all

wish to see prevail. We cite these not in their character merely as efficient organization activities, for there are other activities in the association equally efficient, valuable and helpful to

banking in their particular lines of endeavor. We pick out two for particular mention simply because they represent specialized channels for bringing about within banking a diffusion of a wise, capable, conscientious managerial attitude to a degree that shall constitute a real economic contribution in this field.

Promoting Bank Management

WE REFER first to the Bank Management Commission. This commission has unlimited, first hand, technical banking material and experience available to it from throughout the nation's successful banks. It has had at its disposal the best of experts, both theoretical and practical in their qualifications, to formulate and compile this material in published textual form. These publications cover the essence of technical bank management, such as loan and investment policies, the very important detail of secondary reserves, analysis of accounts, application of service charges, and other administrative policies having to do with operating ratios, the discovery and elimination of unprofitable practices and many other topics. This work surely constitutes a broad channel through which the good management of successful banks should flow over into and strengthen all banks and thereby make less likely a repetition of the 1930 record.

Again this commission through its promotion of regional clearing houses and its holding of regional bank management conferences is fostering that personal professional contact among bank executives that aids in making tried methods, seasoned experience and successful practice common property for the benefit of all banking.

We mention this work briefly but with unlimited conviction that the idea it represents calls for the fullest possible development as an economic force in banking conditions.

The Power of Education

THERE is another specific function of the association equally important in this particular connection. We refer now to the American Institute of Banking section. This section now conducts 223 chapters, or local banking colleges, in as many cities throughout the country. The New York City chapter alone has almost 6,000 students, who are combining formal theo-

(Turn to page 28, please)

COOPERATION—Between the Bank and Its CUSTOMER

By J. N. PEYTON

Commissioner of Banks
State of Minnesota

(From address over Radio Station WCCO)



J. N. PEYTON

THE history of this state shows clearly the tremendous influence of independent, aggressive local effort in the development of a great commonwealth. Our western country was not built with any prearranged set plan of accomplishment. No influential man, no group of powerful individuals, no concentrated wealth has been responsible for the almost miraculous growth of agricultural and industrial advancement in our state. Perhaps the best illustration of the tremendous advantage of individual initiative can be no better illustrated than to contemplate the Canadian system of development as opposed to our own. I think we would all agree that Canada would be much further advanced if the border between our two countries were erased and the tremendous power which lies in the hands of a few individuals in Canada should be redistributed so that each local community in Canada worked out its own salvation for the mutual good of its citizens.

Our country, working along this line of individual effort, has far surpassed Canada in all its developments and at least one reason in my opinion for this advancement on our part, has been our policy of local individual effort as opposed to the concentration of power in a central point.

Those hardy sons of the soil who pioneered into Minnesota laid a foundation through individual effort and accomplishment, on which a second generation has erected a sound financial policy together with its corollary a successful and prosperous population. Possibly the chief contributing factor in this desirable result has been the civic and patriotic interest of our citizen in the immediate success of his individual locality. Each man and woman has worked, either consciously or unconsciously, for the welfare and advancement of his own village, town or city. Each locality has developed from this work on the part of its own individual citizens an identity and personality of its own and has made itself felt as a unit in the determination of just what would happen in its immediate vicinity.

Perhaps the outstanding figure in this laudable work of forwarding local interest has been the home town banker. To be sure the local banker no longer sports side whiskers and a Prince Albert coat. His clients have long ago learned that his former pompous front was mostly hot air. However, while stripping him of his false scenery, the local people have come pretty

much to recognize him for what he really is,—a hard working fellow citizen, keen to advance any interest that will help his home town, quick to build local confidence at every opportunity and honestly interested in the success and welfare of each individual townsman.

It is only by helping his clients to succeed that the local banker can be successful. If you will consider but a moment, you will recognize the fact that even from a selfish point of view alone, he is tremendously interested in the financial success of each man in his town, whether he

"The best safeguard you can have for the local bank is that the bank is making a real profit. Banks are exactly like all other lines of business, they must make money to live, and every sensible citizen interested in keeping a good bank in his community should heartily second the efforts of the bank to show reasonable earnings."

be a customer of his particular bank or not, for it is only through the success and growth of his clients and townsmen in wealth and position, that his bank can grow.

Any bank is a semipublic organization and nearly every local banker assumes a leading position in the community. Every bank and every banker is absolutely dependent on public support and public confidence for existence, and every banker in his heart well knows that his future is dependent entirely on the bids that he can make for local support and the public confidence of his community.

Now, I want to ask you, in my official capacity as commissioner of banks for

the state of Minnesota, are you giving your local banker the support and confidence he deserves? Are you losing no opportunity to speak well of your local bank and are you helping to build your home town institution?

Remember, it is to your selfish and personal interest to build your own village, town or city into a larger and more thriving community and the very heart blood of your community flows through the bank.

Consider just a moment what would happen in the old home town if it were not for the presence and activity of the local bank. Main street would be a pretty sick proposition on Saturday night, and the creamery would find it mighty inconvenient to pay with checks on a neighboring town when your local merchants wanted the sales that naturally follow these checks.

Here is a good place to state just what I believe constitutes a good bank. Size has nothing whatsoever to do with the matter, in spite of the fact that there is many a mistaken conception regarding it. For each good big bank, there are many good small banks in the state of Minnesota. The truth of the matter is that the final test of a good bank is the answer to two simple questions, and any-

one can make this personal investigation of his local bank himself without outside aid.

First: Is the local banker an able bank manager?

Second: Does the local bank have the confidence of the local people?

When these two questions are satisfactorily answered in your mind, then so far as you are concerned, your local bank is a safe bank.

The first question must be decided by your acquaintance with the banker and your investigation of his character. The very fact that the local banker has run his bank successfully for a long period of

(Turn to page 33, please)

AT ITS 43rd General Assembly held in 1929, the legislature of the state of Iowa passed the following law:

"Any corporation, partnership or person engaged in the business of renting out lock boxes as safes, for storage or safe keeping of securities and valuables, in a vault in a building under the control of the corporation, partnership or person, so engaged within this state, may in any lease or contract governing or regulating the use of any such box to or by any customer or customers, limit its liability, as such lessor or bailee in any of the following respects:

"Limit its liability for any loss by negligence to such maximum amount as may be stipulated, not less however than three hundred (300) times the annual rental of such box or safe.

"Stipulate they shall in no event be liable for loss of money, jewelry or such other articles as may be so excepted against in such lease or contract.

"Stipulate that evidence tending to prove that securities, money, valuables or other articles were left in any such box, or safe upon the last entry by such customer or his authorized agent, and that the same or any part thereof were found missing upon subsequent entry, shall not be sufficient to raise a presumption that the same were lost by any negligence or wrongdoing for which such lessor is responsible, or put upon the lessor the burden of proof that such alleged loss was not the fault of the lessor."

In Simple Language

NOW, let us see if we can put the provisions of this act in simple language. It says three things. First, a bank may limit its liability for loss by negligence from a safe deposit box to 300 times the box rental. Second, a bank may refuse liability for loss of money, jewelry or other specified articles. Third, a box renter in order to make a case for valuables lost from his box must prove something more than that he left them in the box at one call and that they were gone when he came back.

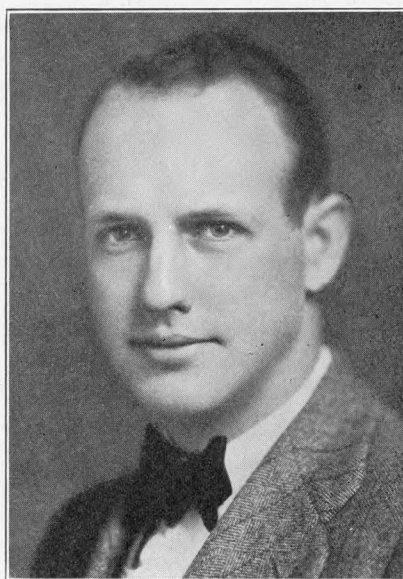
A safe deposit loss is usually a mystery to everyone. When the loss is discovered, it usually seems as if there is no way to turn. The bank didn't even know the valuables were in the box. The box renter was perfectly sure they were in the box, and he had every confidence that he would find them where he left them. In such a

How SAFE Are Iowa SAFE DEPOSIT BOXES?

Although the Iowa law relating to the bank's liability on safety deposit boxes was greatly clarified by the 43rd General Assembly, we should look forward to the time when we can advertise our safe deposit boxes on the basis, "You get your valuables back, or cash."

By ROBERT L. BLOCK

*American Trust Co., Davenport, Iowa
(From address before National Safe Deposit Association)*



ROBERT L. BLOCK

"We, in Iowa, are hopefully anticipating a time in the near future when we may advertise safe deposit boxes in our vaults on the basis of 'You get your valuables back or cash.' We hope to sell this service under contracts which will make a sound economical distinction between the warehousing function and the insurance function of safe deposit vaults and which will discriminate between the varying degrees of risk."

situation before this act was passed (and even now except where the rental contract is drawn to follow the statute) it would be up to the bank to prove that it had exercised every safeguard from the time the valuables were left in the box. But now, under the form of contract authorized by this statute, it is up to the box renter to introduce some definite evidence tending to prove the bank's negligence specifically, that is, tending to explain the actual facts of the disappearance of the valuables. In legal language, this statute authorizes a contract which "shifts the burden of proof" of the principal issue from the bank to the box renter.

Why should a bank be able to escape its liability for the loss of money, jewelry or other specified articles which disappear

from its vault? The answer is that this law expects the bank to refuse liability only for the loss of things which cannot be traced. This intention is based on the experience of the fidelity companies, that have had some success in tracing securities by their numbers and other valuables by their particular descriptive features, but have found it almost impossible to follow such things as money.

Why should a bank be authorized to limit its liability for losses due to its negligence to a fixed amount proportional to its safe deposit rentals? The answer is so obvious that it seems almost unnecessary to state. The bank is assuming a risk when it receives the valuables which the renter deposits in his box. Economically the bank is exercising the function of an insurance company; but, so long as the assumed risk is of an unknown amount, the bank is exercising that economic function in a very uneconomical way. An insurance company would insist that a "face amount" (which is another name for a limit) be stated in any policy which they would write on the contents of any safe deposit box; and an insurance company would insist that the rates paid to them be in proportion to the limit of risk which they assume. A bank is in exactly the same position. Its risk should be limited and it should be limited in proportion to what the renter pays. That is exactly what this statute authorizes and what

every bank which avails itself of the opportunities offered by this statute does.

Goes Only So Far

NOW, this statute as to limited liability only goes so far as to permit the

bank to limit its liability for negligence. In other words, the statute does not expressly authorize the bank to limit its liability for any loss resulting from the willful wrongdoing of the bank or its employees. Now, is it possible to limit the bank's liability for loss from any and all causes? The bank is actually owned by its stockholders. They take the risk of the misdeeds of their officers and employees and we know that that risk is insurable. It seems altogether possible then that the bank may, by its contract with the box renter, limit its entire liability, regardless of the nature of the losses which may occur. Why should a bank limit its liability against one source of loss and not limit its liability against other sources of loss? There seems to be no reason why

the limitation should not be applied against losses resulting from all causes. We, in Iowa, believe that this statute is not so written as to forbid contracts limiting liability for loss from other causes, and accordingly, we are considering the possibilities of vault operation under leases or contracts which limit liability absolutely, that is, without regard for the nature of the loss.

Let us suppose now that we have amended all the leases or contracts with our box renters so that our liability on each box is only 300 times the rental of the box. What is our new position? We know exactly the total amount of the risk which we have assumed by receiving the valuables deposited in our vaults. We can, if we wish, ask an insurance company to assume that entire liability. We can subtract the cost of the insurance company's protection, that is, the insurance premiums, from the total rentals received from our safe deposit customers, and have as a resulting figure that portion of the income received from the operation of our vault from which we must pay the cost of construction, depreciation, remodeling, light, heat, janitor service, stationery, salaries, and other expenses. Let me say this another way. Heretofore, our cost accounting has not included the complete cost of the risk we have borne because we have not known the amount of that risk nor what would constitute a fair charge for carrying it. Under limited liability, we can accurately determine the cost of risk as well as the cost of construction, maintenance and operation. If we do accurately determine the cost of operation, including the risk of liability, that does not mean that every bank is going to charge a rental sufficient to cover that risk, but a bank that carries a risk for its customers for which it does not receive a fair compensation can only blame itself if the unexpected happens. The goal we are hoping to reach in Iowa is an accurate determination of the value of the

service we render both in providing a protected place of storage and in insuring the property stored and also to have our safe deposit customers pay a fair and reasonable fee for the service they are receiving whether that fee be greater or less than they are paying now.

Value of Good Equipment

NEXT, let us suppose that we have limited our liability and that a representative calls on us from a manufacturer of vault equipment wishing to sell us a new electrical device for the protection of our vault. Will it be wise for us to purchase additional equipment? If our liability is limited, and if an insurance company has assumed the entire liability, we have an immediate answer to our question of whether or not to purchase this additional equipment. Good equipment means low insurance rates. Poor equipment means high insurance rates. An improvement in equipment means a lowering of insurance rates. As bankers we can calculate the life of the new equipment and reduce its cost to an annual basis. If the additional cost will be the same or less than the resulting reduction in insurance rates, it will be good business for us to purchase the additional equipment. We will be able to apply this same test to each new invention for vault protection if the insurance companies have had sufficient experience with the new invention to determine its worth.

Now, let us consider the case of a safe deposit renter who has a box that rents for \$3 in which he wishes to put \$10,000 worth of bonds. His contract, on the basis of liability limited to 300 times the rental, will only protect him against losses up to \$900. What could we do for him? There would seem to be no reason why his lease or contract could not be so drafted as to permit a separate agreement with this particular renter under which the bank would agree to be liable for any sum the renter might wish to set,

but the renter would agree to pay an additional consideration for the increased liability and that additional sum would be in true proportion to the increased liability. With the additional consideration which he would pay us, we would purchase additional insurance to cover the additional liability.

Consider another case: that of a renter of a \$3 box who has \$10,000 worth of valuables made up of jewels. Shall we refuse responsibility for these jewels? The renter's argument is that a safe deposit box is and always has been the proper place to keep just such things as jewels in safety, and there is considerable force to his argument. The answer to this question would seem to be entirely up to the insurance companies. If they are ready to protect homes against the loss of jewels, why can't they protect safe deposit vaults against the loss of jewels? Perhaps the risk is greater than on other property. Very well, if that is so, the box renter should be willing to pay a greater consideration for a greater risk.

Now, some of you are probably saying to yourselves that I am reducing the safe deposit vault to an insurance agency. To a certain extent this is true, but it is true only because the law makes us insurers and because the total cost of both storage and insurance in safe deposit vaults will be less than the cost of insurance alone if the valuables are kept elsewhere. And the fact remains that a safe deposit vault will continue to be the safest place to keep anything of value. The mere making of a change under which we insure against a remote possibility of loss will not make the possibility of loss any less remote.

Now another thing. We, in Iowa, are not so sure that we like the thought of placing the burden of explaining the disappearance of valuables on our box renters. We want this provision of the statute which provides for a shifting of (Turn to page 51, please)

At the Iowa Group Meetings

See opposite page

Top Row—Left to right: N. B. Shaffer, second vice president, Continental Illinois Bank & Trust Co., Chicago; Hiram G. Ross, representative, Continental Illinois Bank & Trust Co., Chicago; Frank H. Stewart, representative, G. E. Barrett & Co., Chicago; Verne L. Bartling, second vice president Foreman State National Bank, Chicago; Herbert L. Horton, vice president, Iowa-Des Moines National Bank & Trust Co., Des Moines; C. M. Wegman, cashier Dedham Savings Bank, Dedham, Iowa; Leo J. Wegman, cashier American Savings Bank, Carroll, Iowa.

Second row—Left to right: E. S. Van Gorder, Jr., assistant cashier, First National Bank, Audubon, Iowa; Richard R. Rollins, Bankers Trust Co. Bank, Des Moines; B. B. Vorse, vice president, Bankers Trust Co. Bank, Des Moines; G. C. Rinehart, Iowa representative, Northern Trust Company, Chicago; H. N. Boysen, vice president, Merchants National Bank, Cedar Rapids; Edna Nordeen, bookkeeper, First National Bank, Missouri Valley, Iowa; Ralph G. Hersey, assistant cashier, First National Bank, Chicago; C. O. Craig, vice president Valley National Bank, Des Moines; Edmund S. Phelps, service department, National Bank of the Republic, Chicago.

Third row—Left to right: Charles W. Enyart, vice president, Valley National Bank, Des Moines; James C. Enyart, secretary, Iowa Bond Corporation, Des Moines; Frank M. Covert, assistant cashier, Drovers National Bank Chicago; Marvin R. Selden, vice president, Cedar Rapids National Bank, Cedar Rapids; L. A. Andrew, Superintendent of Banking, Des Moines; Ivan O. Hasbrouck, cashier, Iowa State Bank, Jefferson.

Bottom row—Left to right: A. S. Bagnall, assistant cashier, The Stock Yards National Bank, Chicago; Frank B. Yetter, vice president, American Commercial & Savings Bank, Davenport; Walker D. Hanna, president, W. D. Hanna & Co., Burlington; Nat A. Buck, representative, W. D. Hanna & Co., Burlington; L. F. Kruse, president, Mineola State Bank, Mineola, Iowa; Oscar F. Deitchler, cashier, Mineola State Bank, Mineola, Iowa; Frank W. Warner, secretary, Iowa Bankers Association, Des Moines; C. C. Jacobsen, president, Iowa Bankers Association and vice president, Security National Bank, Sioux City.

Northwestern Banker June 1931

With the Camera Man at the Iowa Group Meetings

(See Opposite Page for Legend)



The Rev. Elijah Sawyer Becomes a BANKER

—and HOW!

By ROSCOE MACY

IF I COULD have foreseen what was ahead, my objections to the nomination of the Reverend Elijah Sawyer for the vice presidency of our bank would have been considerably more vociferous than I was able at the time to make them. Had I known, for example, that within two months we were to be held up by a gang of bandits, I'd have voted for some two-gun man like Sheriff Brock—certainly, at least, I'd have tried harder to block the election of a fellow who, when confronted by a Colt's automatic in the hand of a stick-up, would hope to solve the situation by reciting the Twenty-third Psalm.

But I didn't know what was coming, so the only objection I could offer was the fact that we already had one vice president, and didn't need another any more than a pullet needs a toothbrush. To me, a vice president has always been just another nuisance, anyhow. I'm never quite certain whether to use a hyphen or to make two words of him. One isn't so bad—I'm used to that; but the tide of progress had overtaken our bank, and we now have two of them. My jaw always drops in wonderment as I survey the financial statement folders sent out periodically by our city correspondents. How in blazes can any bank support a whole page of vice presidents? Where do they park them during the day? And how do they get them all inside in the morning without creating the impression there's a run on the bank?

Well, Elijah was elected, almost without a struggle. You see, he is one of the executors of his Aunt Jerusha's estate, and in that capacity has more money out at interest than the total of our loans and discounts. The Jerusha Sawyer Estate account is one of our stand-bys. Besides all that, Elijah has held a pastorate here for better than nine years, and is about as popular in our community as a preacher ever gets to be. His election was almost unanimous.

An Uneasy Feeling

THE whole thing made me pretty uneasy. I had a premonition that it meant trouble of one sort or another. And yet, in spite of my forewarning, the immediate outcome knocked me completely for a loop! The very next day, the old boy buttonholed me on the street, and cheerfully announced that he was arranging to spend three days a week with us down at the bank, in fulfillment of what he called his "vice presidential obligations!"

For a minute, I didn't know what to say. As cashier of the Jerusha Sawyer

Estate's depository bank, I couldn't afford to affront the executor. And yet, I was pretty sure he was just a sort of old fuddy-duddy, and had about as much business behind a bank counter as a grasshopper in a bee's nest. I didn't take to the idea of having him around telling us how to run our bank.

"B-b-but, Mr. Sawyer," I finally stammered, "this isn't expected of you, at all. As a matter of fact, we're really not in a position at this time to make any additions to our salary list. We hope you will attend our directors' meetings regularly, but aside from that—"

He had taken off his pince-nez and was smiling genially at me. "Now, pray, don't misunderstand me, Harry"—with a deprecating wave of the pince-nez—"I had not thought of receiving any honorarium for my services. Bless me, no. I merely wish to show my appreciation of the honor that has been bestowed on me, by not shirking any of the responsibility devolving upon me as the occupant of the office of the vice presidency."

In which the Reverend Sawyer Demonstrates that the old saying "Trust in the Lord — and do something" is quite applicable to the business of banking!

It might have been the children's sermon at church, the way he rolled it off, and I began to feel like a sinner at a revival. I only weigh about a hundred thirty-seven in the rough, while the reverend stands an inch over six feet; seeing that he was going to override all my objections by sheer weight and geniality, I concluded to pass the buck to the personnel committee. There, unfortunately, I met but little sympathy.

"Well, consarn it all, what's the harm in it?" exploded Jabez Starr, the outspoken chairman of the committee. "If he ain't looking fer no salary, why not let him have his way? We can't resk losing the Jerusha Sawyer Estate account, no-how."

So I had to make the best of the situation. Elijah appeared promptly at nine the following Monday morning, and I spent a half hour in showing him about the premises, and giving him a brief explanation of our processes. He asked no questions. He "well-well-ed" over our stacks of currency, and "do-tell-ed" with

admiration as I explained our "Silent Alarm" system of burglary protection, electrically operated so that the alarm sounded, not in the bank, but in the sheriff's office down the street. I could swear by all the prophets, major and minor, that I carefully pointed out all the push-buttons in the premises, so that he wouldn't be setting off the alarm, in his elephantine way, at odd times during the day. Then I installed him in a comfortable chair near the front window, where he could observe what went on in the bank, and "gradually pick up the threads of the business," as he airily put it.

Well, sir, when I looked back in a few minutes, and saw him sitting there in our best chair, smiling blandly over his glasses at everybody who entered the door, I couldn't help admitting to myself that he did add a certain element of monumental dignity to our establishment, and when he showed up again at nine sharp on Wednesday morning, I found myself almost glad to see him. It didn't take me long, though, to discover that my beneficent glow was somewhat premature.

A Real Shock

ABOUT the middle of the morning, I had occasion to see a merchant down the street. I got my hat and started out, but as I opened the front door, I received a shock which, I know for a fact, whacked no less than ten years off my dotage!

Just outside the door, sneaking carefully upon the bank, was a furtive-looking individual, armed with two monstrous pistols, which, to my excited imagination, assumed the proportions of veritable cannons! I threw up my hands, and collapsed feebly against the door-jamb; then, as my widely-scattered wits began to return, I recognized the hard-bitten countenance of Sheriff Brock, glaring at me over the pistols, and just behind him, two rather nervous deputies, each armed with a pair of guns as imposing as the sheriff's.

"Did they get away?" queried the sheriff, between his teeth.



"It is not my intention to shed blood needlessly, but bless me . . . I'd relish an excuse to place a bullet in this miscreant!"

"W-w-who? What the —?" Then, in a flash of inspiration, I realized the truth! I turned and looked into the banking room. There sat our reverend vice president, a benignant smile on his face, his hands folded placidly across his stomach—and his left foot resting casually upon one of the floor buttons that operate our "silent alarm" system!

The sheriff's eyes followed mine, and as he sensed the situation, a look of disgust overspread his face. He snorted once, disdainfully, then turned and stumped back toward his office, herding the deputies ahead of him. With his departure, there passed the strongest homicidal urge that has ever beset me; while Broek stood before me, waving those guns of his, I had to fight a definite impulse to grab one of them and use it to erase our surplus of vice presidents permanently from the picture.

With an effort, I regained control of myself. I didn't try to bawl Elijah out, thinking I knew a better way than that to impress him with the enormity of his deed. I simply walked over and grasped him, not too gently, by the ankle; I jerked his foot off the push-button, and deposited the member on the floor where it belonged. Then I went away from there, still without a word.

A few moments later, I stole a glance back at Elijah, and found him regarding me with a puzzled look. Could it be, I found myself thinking, that the old dunce didn't know yet what it was all about? If he still didn't realize that he had carelessly turned in a burglar alarm, then there was some justification in his bewilderment. He might well wonder why I was so concerned with the position of his

feet. Well, let him wonder, I decided, and turned back to my work.

Another day, the notion struck Sawyer that a vice president should have a desk, and he asked me if he might have an old relic we had half-hidden back in the directors' room.

"Sure; help yourself," I grunted. Let him look after having it moved, was my thought; I wasn't going to put myself out about it.

Elijah repaired forthwith to the back room, and to the immense astonishment of us all, he soon reappeared dragging the heavy oak desk, seemingly with but little difficulty. We could hardly believe our eyes—the thing must have weighed all of three hundred pounds.

"Good Godfrey! The man must be stout as an ox!" whispered the teller nearest my desk, to his neighbor.

"Yeah," replied the other, "Old Sawyer was champion intercollegiate heavyweight wrestler back in 1900, they tell me. And he's a bug on physical culture yet—dumbbells, and all that—My Gosh! Look at that, will you?" and he whistled in admiration as Elijah skilfully maneuvered his burden through the narrow gate leading to the officers' space out front.

"Now what's he up to?" continued the teller. Elijah, having placed the desk to his satisfaction, was unwrapping a parcel he had brought with him that morning. "Well, I'll be——"

Name and Everything!

SAW it, too, and snorted audibly—it was nothing more nor less than a brass name-plate, stamped in bright yellow letters: "Elijah Sawyer, Vice President!" Now, the chances are that won't seem to

you to be anything to get up in the middle of the night about, until I tell you that everybody for ten miles around knows every officer in our bank by his first name. Wasn't it natural, then, for us to feel that Elijah was spreading it on a bit thick? I suppose it wasn't really much of our business, so long as he paid for the sign out of his own pocket, but you can see how we felt—or, at least, I did; I'm not so sure the other fellows took it the way I did.

As time went on, the boys on the force grew accustomed to seeing old Sawyer at his desk; they almost seemed to like having him around, most of the time, though he was the occasion of many a suppressed impulse, whenever any of us felt the need of unburdening his soul after the departure of an obstreperous customer, or when a stubborn account failed to balance. Yes, I must admit that we came to look forward, in a way, to our Mondays, Wednesdays, and Fridays—although I've always insisted I had a presentiment, all the time that we were only enjoying the quiet before the ruction, and that sooner or later our ministerial vice president was bound to slip some destructive monkey wrench into our machinery.

One Wednesday, at the noon hour, there were only three of us in the bank: Elijah Sawyer, "Speck" Avery, our head teller, and myself. "Speck" and I were in the rear of the room, checking off an adding-machine list, and Elijah was seated at his desk facing the front window. He was therefore the only one of us to witness the arrival at the curb of a large green sedan. Its occupants leaped out, leaving the motor running, and sprinted for the bank door—you'd think, now, that any-

one who ever read a newspaper, having seen this much, would know what was happening, wouldn't you? Well, you don't know the Reverend Elijah. Of course, his curiosity was aroused, and he (Turn to page 52, please)

A. G. Becker Wins Advertising Award



MARKETS ON THE MARCH.

- They march along—out of one market into another. Children growing up, marrying, making new homes. Men and women passing into old age, leaving behind the varied needs of active life.
- The markets of business are never fixed. Today's market is today's possession only. Tomorrow's army of buyers is but now massing forward—largely unaware of the products and services industry offers them.
- In this endless procession there is the key to every manufacturer's sales problem and a challenge to his resourcefulness. His success in gaining and holding these changing markets is measured by his knowledge of them, and by his ability to supply what people want at the time they want it.
- The alertness of a company's management in meeting this problem is of prime importance to the investor. Plants and inventories lose their value quickly if markets disappear. Earnings diminish when management fails to maintain that constant flow of new customers which replaces those lost, in the natural order of things, each year.
- Since its inception, 37 years ago, A. G. Becker & Co. has been particularly concerned with the management factor. Long before detailed financial statements were available, this company was financing American industry in large measure on the basis of its appraisal of management. And today, our estimate of management is still the determining factor in our recommendation of securities.
- The nature of the comprehensive investment service built up on this basis is described in a booklet, copy of which will be sent you upon request. Ask for T108.

BONDS · STOCKS · COMMERCIAL PAPER · 54 PINE STREET, NEW YORK · 100 SOUTH LA SALLE STREET, CHICAGO

A. G. Becker & Co.

Above, reproduction of the prize-winning advertisement. The certificate of award reads as follows: "To Needham, Louis & Brorby, Inc. and Joseph J. Levin, with recognition to E. Willis Jones for a distinguished individual advertisement of A. G. Becker & Co., entitled, 'Markets on the March', deemed by the Jury of Award an advertisement distinguished in its effective use of topography".

THE advertisement of A. G. Becker & Co., reproduced above, was selected by the jury of the Harvard Advertising Awards as the individual advertisement of 1930, effective for its use of typography. This is one of the five awards of distinguished individual advertisements of the year, each of which carries a \$1,000 cash prize and certificate of award. The Harvard Advertising Awards were made possible by the generosity of the late Edward Bok, who desired to give recog-

niton to meritorious advertising work. The awards are made each year under the supervision of the Graduate School of Business of Harvard University upon the recommendation of a jury composed of leaders in the advertising world. Over 10,000 individual advertisements were examined and considered by the judges this year.

While the recognition accorded the prize-winning advertisements specifically covers one phase of advertising technique,

all phases have an influence in the decision. In other words, an advertisement must have all around merit in order to be eligible for consideration for an award.

The A. G. Becker & Co. advertisement was one of a series which has been appearing in national magazines of general circulation. The theme of this series is the importance of the management factor in the success of business enterprises and, therefore, in the continuing worth of securities, which are based on such enterprises. The reason A. G. Becker & Co. develops this point is that it has been particularly concerned with and interested in management ever since its establishment in 1893. From its inception, it has been a large factor in the commercial paper field and has, therefore, made continuous loans in large amounts to outstanding industrial concerns. In its early years, the complete financial reports of corporations which are now available were unheard of. As a result, the firm had to base its decisions very largely on its appraisal of the character and ability of the management of the concerns whose paper it purchased and offered to its clientele. This point of view has persisted and forms the basis for the investment service offered.

Individual advertisements in the series touched upon specific problems of management. The one presented above has to do with the nature of the market served by all business concerns. The composition of every market is constantly changing and it is necessary for a business to appreciate that fact and to conduct its operations accordingly. The essence of the message is contained in the illustration and headline, "Markets on the March."

It is of particular interest that this is the first investment house advertisement which has ever received a Harvard Advertising Award, and it is indicative of the growing interest in and the rise in importance of such advertising.

In the first annual contest and exhibit of Chicago newspaper advertising sponsored by the Advertising Council of the Chicago Association of Commerce, awards which were made recently gave A. G. Becker & Co., first in two out of the six classifications into which the exhibit was divided. The advertising won the award for the best local campaign, and for the best illustration.

NEWS AND VIEWS

OF THE BANKING WORLD

By Clifford De Puy

W. G. EDENS, popular and well known vice president of the Central Trust Company, of Illinois, wrote me a very nice letter congratulating us on our "Correspondent Bank Relationship" survey which appeared in the May issue of the NORTHWESTERN BANKER.

"I have read your Correspondent Survey with a good deal of interest," says Mr. Edens, "and beg to congratulate you on your never ending ability to dig into and get out valuable information for the mid-west bankers and their customers. I wonder sometimes how you manage to keep the contents of your magazine so up to snuff on everyday transactions."

Thanks, Colonel, very much.

PERHAPS YOU HAVE EATEN IN AN AUTOMAT RESTAURANT where you put a coin in the slot and get a piece of pie or a ham sandwich—now the banks in Berlin are working out a similar system in making it a pleasure for their customers to put their savings in the bank and not have to be annoyed by waiting in a long line at the savings tellers' windows.

The plan which the Berlin banks have installed works something like this: The patron puts a 10 pfennig piece in the slot. Out comes an envelope and a slug. After putting the bankbook and savings in the envelope he inserts the slug in another slot, which automatically opens a fire and burglar proof box, into which he slides the sealed envelope.

His deposits are entered by clerks at their convenience and the patron can call for his bank book and his 10 pfennig refund whenever he happens to pass by.

If you haven't already done so I suggest that you read the "Minority Report," in this issue of the NORTHWESTERN BANKER, written by K. J. JOHNSON,

president of the Osage Farmers National Bank, and while you are reading it just relax and have a good laugh.

Referring to overproduction the Sage of Osage says "As an incentive to the crime of overproduction we respectfully submit that prevention is better than a cure, and we ask that careful attention be given toward laws making application of the Perkins law to the bovine species and the principle of birth control to the swine family, and we uncompromisingly demand that a writ of injunction be issued against the cackling hen restraining her from contributing more than one egg a week to the poultry industry."

Certainly this is a matter that should be taken up by all of the state legislatures and Congress, and then after the laws of nature have been legislated against and the weather controlled by statutes everything should be lovely as far as underproduction is concerned.

I have read with a great deal of interest a statement which PRESIDENT HOOVER made after returning from seven years of personal service during and following the war. At that time he said "From it all I emerged an individualist—an unashamed individualist."

Perhaps we are coming back to individualism more than ever before in spite of our mergers and big consolidations.

I read an article which said "Recent events show the fallacy of the idea that big business is all powerful. Big business has been taken for a ride and is now walking back."

Frankly, I think that American individualism will again reassert itself in individual business and in the nation. America will come out of its present economic difficulties and continue to lead the nations of the world to a better and higher plane

of living than any five-year or ten-year plans that Russia or any nation can evolve where individual initiative is made subservient to the will of the government.

J. C. LAWRENCE, who is dean of Minnesota University, gave a very interesting talk before the Minnesota Bankers Convention this month on "Weeping, Wishing, or Working." Dean Lawrence discussed specific steps necessary to improve local conditions affecting production, distribution, and employment.

Last month I was asked to speak before a bankers' convention, and I chose as my subject "*The Brighter Side of Bank Closings.*"

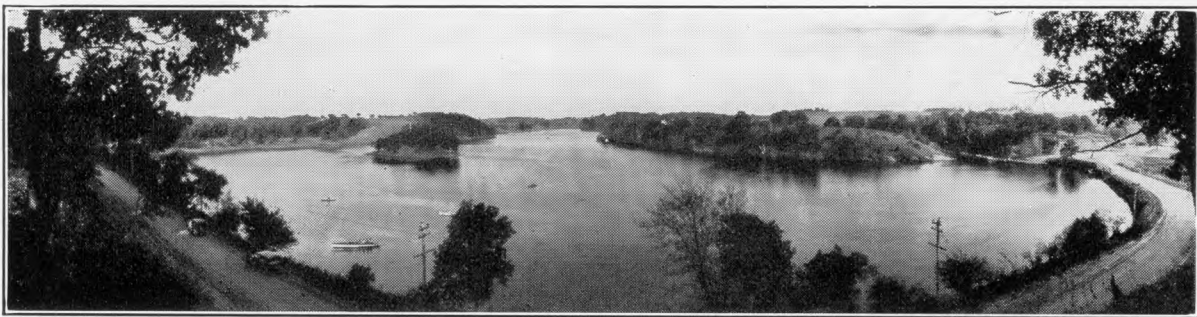
I discussed the matter of bank closings rather than bank failures because many of the banks which closed have later on reopened, and deposits have been paid back to customers ranging all the way from 50 per cent of the original amount on deposit to sometimes as high as 70 and 80 per cent, so that banks which close are not necessarily failures.

I also pointed out that the recent report of the economic policy commission of the American Bankers Association shows that during 1930, 1,345 banks were closed yet 23,285 banks with deposits of \$54,425,000 were not involved in the closings at all. In other words, nearly 95 per cent of the banks and over 98 per cent of the deposits were not a part of the 1930 closings in any way.

Frankly, I know of no other business in the United States that came through last year in as good a condition as the banking business and yet all of the facts that we hear published tell about how many bank failures there have been and very little emphasis is placed upon the large number that have kept open and improved their financial position.

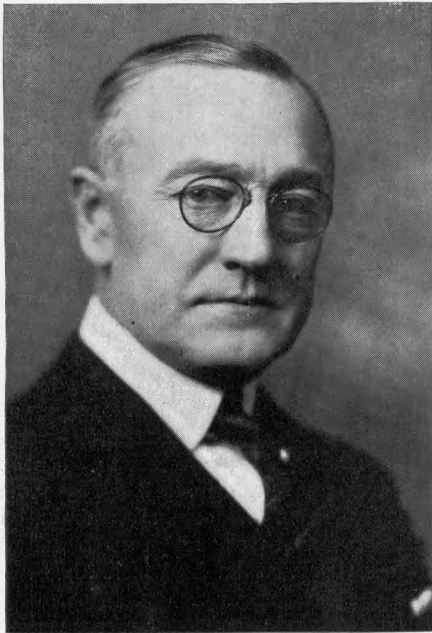
JAMES E. NEVILLE, in a recent issue of the *Covered Wagon*, has a very pertinent paragraph which says, "If it be true that necessity is the mother of invention, it may also be said that depression often is the mother of ambition."

(Turn to page 54, please)



Among Iowa's choice beauty spots is Pine Creek State Park, which, with the Iowa River joins the east city limits of Eldora. It has an area of 235 acres and was created at an expense of \$100,000 donated by Eldora citizens and from state park funds. Pine Lake, covering eighty acres, is well stocked with fish and it has excellent bathing beaches. A. W. Crossan, vice president and cashier of the First National Bank of Eldora, highly recommends this beautiful spot for vacation pleasures.

Will Attend June Conventions



ARTHUR REYNOLDS
Chairman of the Board, Continental
Illinois Bank and Trust Co.,
Chicago



J. C. THOMSON
Vice President and General Manager,
Northwest Bancorporation



J. R. LEAVELL
President, Continental Illinois Bank
and Trust Co., Chicago

Judging from the number of officials of banks and investment houses who plan to attend one or more of the June state conventions, these yearly gatherings will enjoy a good registration. In this issue of the *NORTHWESTERN BANKER* appear pictures of a number of these individuals who will represent their respective institutions at one or more of the various conventions scheduled for Iowa, Minnesota, North and South Dakota.

From the far east, representing the

Chatham Phenix National Bank and Trust Company, Paul L. Hardesty, assistant vice president, will be present at the Minnesota convention, accompanied by William Hoyt Gray, special representative, who will also attend the Iowa, North and South Dakota meetings. J. C. Crofoot, resident manager for the Minneapolis office of the Chatham Phenix Corporation will be at the Minnesota meeting, while G. M. Peterson, resident manager, the Des Moines office and C. I. McKone, resident

manager, the Dubuque office for the same corporation, will attend the Iowa meeting in Waterloo. Norton Thayer, special representative for the bank, will attend the Iowa convention.

J. C. Thomson, vice president and general manager, the Northwest Bancorporation, will attend the Iowa, Minnesota, North and South Dakota meetings. At Minneapolis, he will be accompanied by Paul E. Hoover, assistant secretary; at Fargo, by Ralph M. Watson, assistant sec-



JOHN J. ANTON
Vice president, First National Bank, Chicago



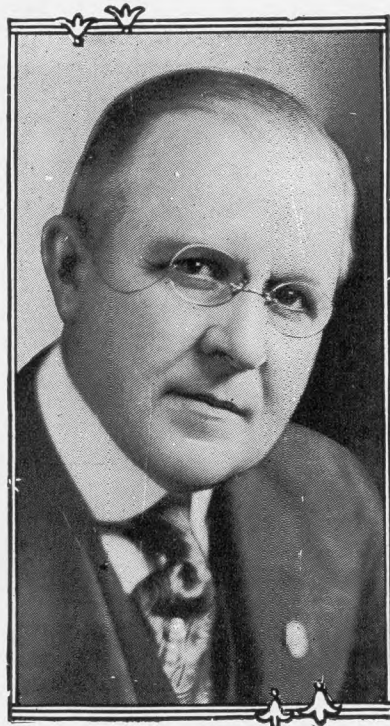
GEORGE A. MALCOLM
Vice President and Cashier, Drovers National Bank, Chicago



H. R. DREW
Vice President, The National Bank
of the Republic, Chicago

Northwestern Banker June 1931

Will Attend June Conventions



GRANT McPHERRIN
President, Central National Bank and
Trust Co., Des Moines
Treasurer, American Bankers Association

retary, and at the Waterloo and Huron meetings, by Willis D. Wyard, assistant secretary.

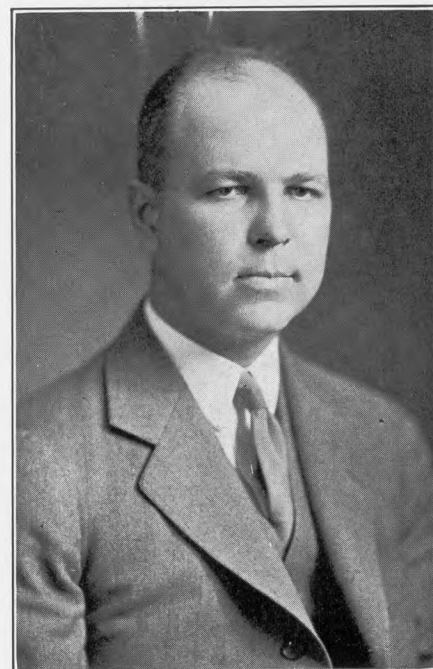
The First National Bank of Chicago will send a strong delegation to the various conventions, as follows: Minnesota, J. J. Anton, vice president, and J. H. Grier, assistant cashier; North Dakota, R. G.



W. H. MILLER
Vice President, The National Bank
of the Republic, Chicago

Hersey, assistant cashier; Iowa, J. F. Hagey, vice president, E. J. Jennett, assistant cashier, and Messrs. Hersey and Grier; South Dakota, R. V. Prochnow and Mr. Hersey. Mr. Prochnow will appear on the South Dakota program as a speaker.

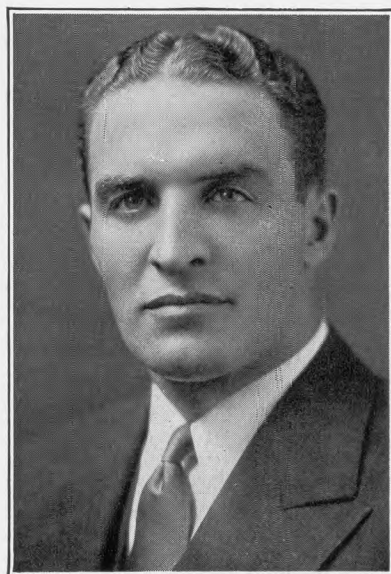
From the Stock Yards National, Chicago, George F. Emery, vice president, and Alden S. Bagnall, assistant cashier, will come to the Iowa convention.



L. R. MANLEY
President, The Security National Bank,
Sioux City, Iowa

Peter Van Brunt, assistant vice president, will represent the Central Hanover Bank and Trust Company of New York City, at the Minnesota and Iowa conventions.

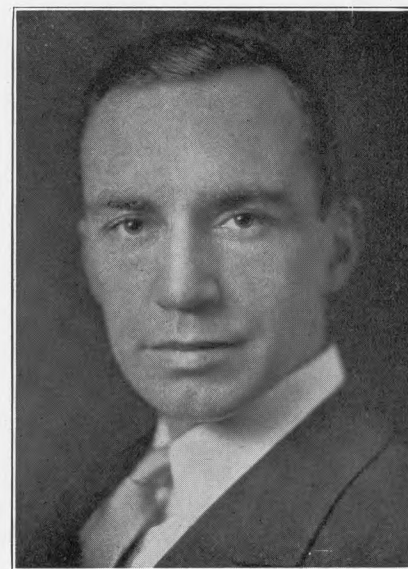
C. M. Nelson, vice president and cashier and G. C. Rinehart, Iowa representative, will do the honors for the Northern Trust Company of Chicago, at the Iowa convention.



WILLIAM HOYT GRAY
Special Representative,
Chatham Phenix National Bank & Trust
Company, New York

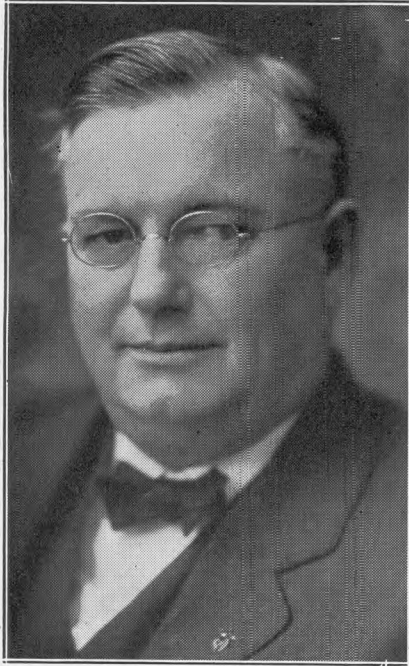


FRANK M. COVERT
Assistant Cashier, Drovers National Bank,
Chicago



PAUL L. HARDESTY
Assistant Vice President,
Chatham Phenix National Bank & Trust
Company, New York

Meet Them at the Conventions



CLYDE E. BRENTON
Chairman, Executive Committee,
Iowa-Des Moines National Bank and
Trust Company, Des Moines



C. W. ENYART
Executive Vice President, Valley National
Bank, Des Moines



CARL FREDERICKSEN
Vice President, The Live Stock National
Bank, Sioux City, Iowa

The Drovers National, of Chicago, will send Frank M. Covert, assistant cashier, to represent them at the Minnesota, South Dakota and Iowa conventions, and he will be accompanied at the Iowa meeting by George A. Malcom, vice president and cashier.

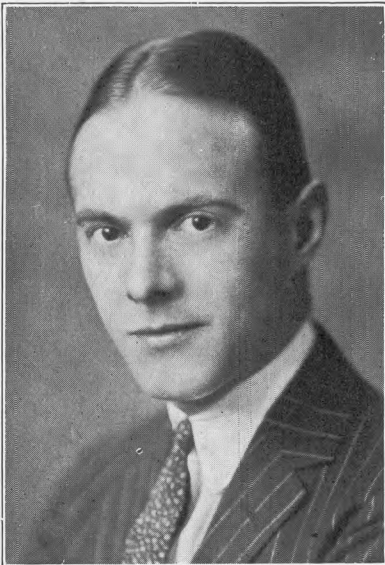
Porter Fox & Co., Chicago investment house, will be represented at the Iowa con-

vention by P. K. Wright, Iowa Falls, and Robert Finlayson, of Cedar Rapids.

The Continental Illinois Bank and Trust Company, Chicago, will have the following convention representation: Minnesota, R. Vogel, second vice president, and R. G. Danielson, cashier. North Dakota, W. B. Allen, assistant to vice president; South Dakota, Messrs. Vogel and Allen; Iowa,

Arthur Reynolds, chairman of the board; J. R. Leavell, president, John H. Hogan, vice president, N. B. Shaffer, second vice president, and H. G. Ross, representative.

H. R. Drew, vice president, will represent the National Bank of the Republic, Chicago, at the Minnesota meeting, while W. H. Miller, vice president, will be pres-



ALDEN S. BAGNALL
Assistant Cashier, Stock Yards
National Bank, Chicago

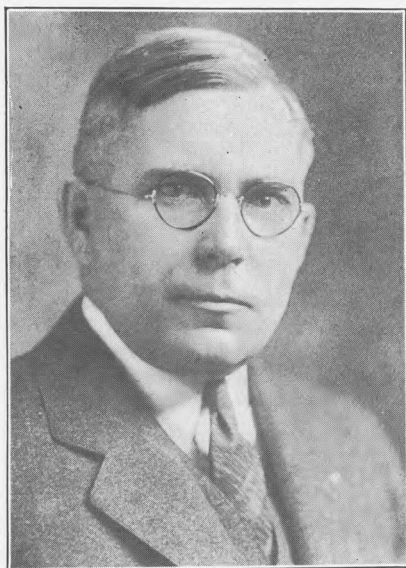


PAUL E. HOOVER
Assistant Secretary,
Northwest Bancorporation



G. C. RINEHART
Iowa Representative, Northern
Trust Company, Chicago

Meet Them at the Conventions



A. G. SAM
President, The Live Stock National Bank,
Sioux City, Iowa



LEO L. MAK
Vice President, W. D. Hanna & Co.



JOS. W. MEYER
Cashier, Consolidated National Bank,
Dubuque, Iowa
Treasurer, Iowa Bankers Association

ent at the Iowa and South Dakota conventions.

The Iowa convention will attract a great many officers from Iowa banks and investment houses. The Iowa-Des Moines National Bank and Trust Company will be represented by the following: chairman of the executive committee, Clyde E. Brenton; president, W. H. Brenton; vice presidents, Albert J. Roberson, A. J. Hughlin, Clarence Diehl and J. R. Capp; and Her-

bert Horton, E. W. Jones, and Everett M. Griffith.

W. A. Anderson, vice president, and H. G. Kramer, assistant cashier, will attend the Iowa meeting for the City National, of Clinton.

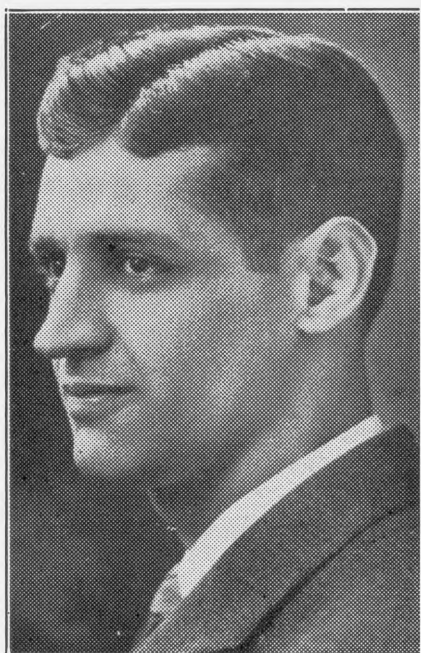
W. D. Hanna and Company, Burlington investment house, will be represented by Alfred R. Kramer and Leo L. Mak, vice presidents, and Leslie Schrubbe.

The Cedar Rapids National Bank will

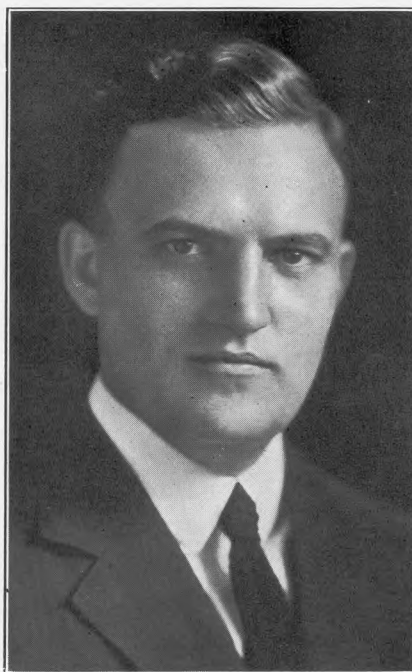
send Charles C. Kuning, vice president and cashier, Van Vechten Shaffer, vice president, Marvin R. Selden, vice president, George F. Miller, vice president, and Peter F. Bailey, assistant cashier.

Representing George M. Bechtel & Co., Davenport investment bankers, will be H. R. Bechtel, J. Ross Lee and C. H. Rathbun.

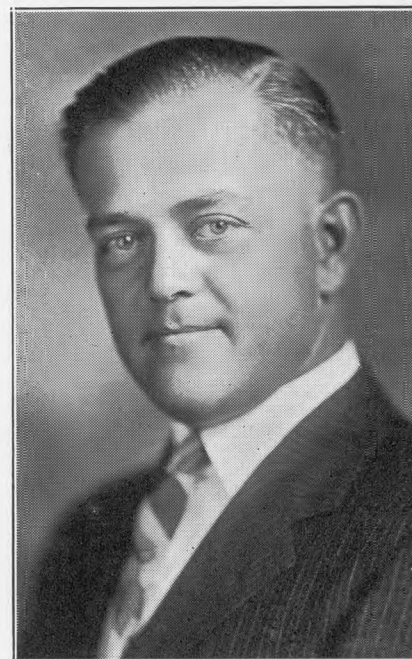
The following officials from the Mer-



W. C. JACKLEY
Secretary-Treasurer, Jackley-Wiedman
& Co., Des Moines

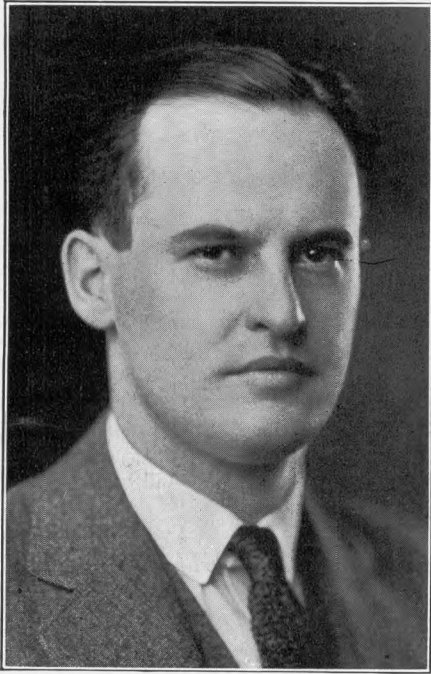


W. H. BRENTON
President, Iowa-Des Moines National
Bank and Trust Co., Des Moines

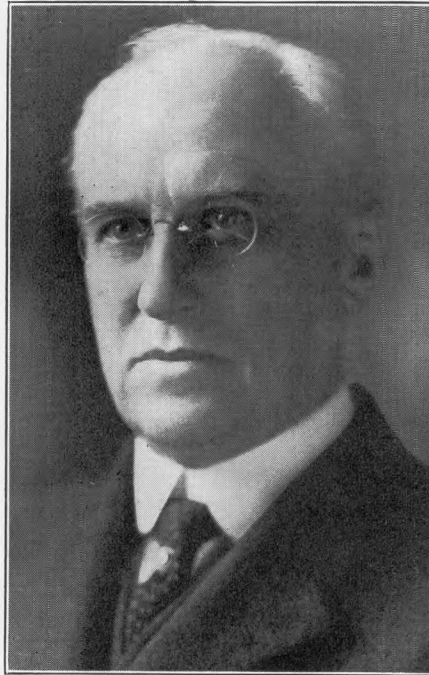


C. O. CRAIG
Vice President, Valley National Bank,
Des Moines

See Them at the Conventions



ALBERT J. ROBERTSON
Vice President, Iowa-Des Moines National Bank and Trust Company



J. K. DEMING
President, Consolidated National Bank, Dubuque, Iowa



JOHN H. HOGAN
Vice President, Continental Illinois Bank and Trust Co., Chicago

chants National Bank of Cedar Rapids, will be present at the Waterloo convention: President James E. Hamilton; vice presidents E. H. Furrow, H. N. Boyson and S. E. Coquette.

Attending the Iowa convention and rep-

resenting the Peoples Trust and Savings Bank of Clinton, will be W. W. Cook, president, and J. Q. Jeffries, vice president.

H. C. Priester, J. J. Quail, Ed. Kaufmann, Jr., C. D. Salter, and J. H. Ruhl, from Priester-Quail-Cundy, Inc., Daven-

port investment bankers, will attend the Iowa convention.

Representing the Consolidated National Bank of Dubuque, will be J. W. Deming, president, Jos. W. Meyer, cashier, and Albert Wharton, assistant cashier.

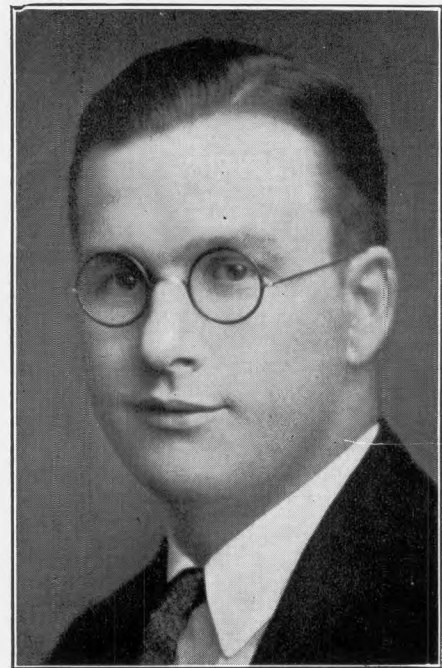
C. W. Enyart, executive vice president,



W. G. BAGLEY
President, First National Bank, Mason City, Iowa



J. J. QUAIL
Vice President, Priester, Quail & Cundy, Inc., Davenport



D. J. McMURRAY
Vice President, McMurray, Hill & Co., Des Moines

Positive Proof



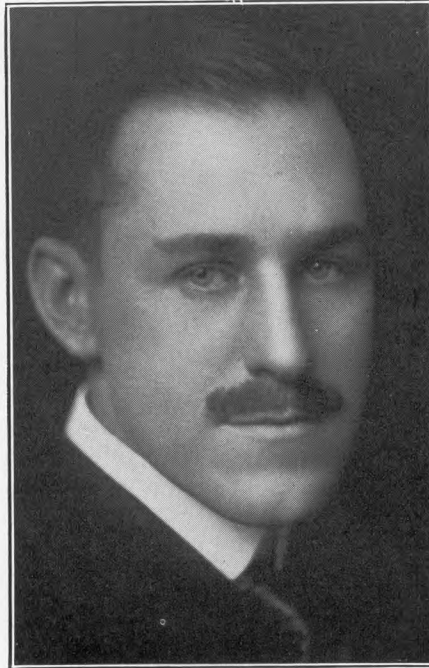
Every item that goes through the transit department of the American Commercial and Savings Bank is photographed and the films are kept in permanent files. Prints from these films—positive evidence in any court—will be promptly supplied to our correspondents when requested.

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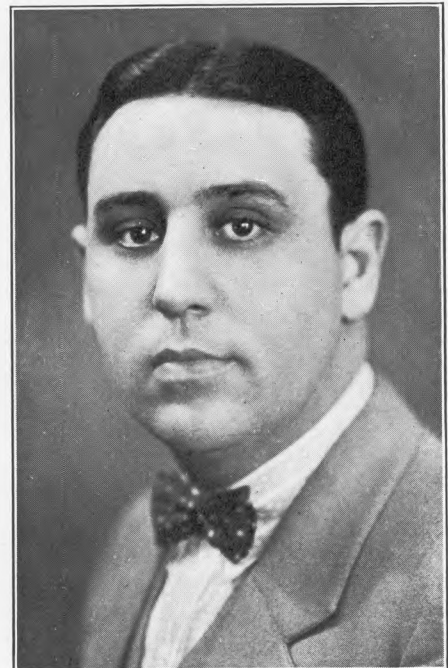
At the June Conventions



LYNN FULLER
Vice President, Central National Bank
and Trust Co., Des Moines



H. C. PRIESTER
President, Priester, Quail & Cundy, Inc.
Davenport



ALFRED R. KRAMER
Vice President, W. D. Hanna & Co.

and C. O. Craig, vice president, will represent the Valley National Bank, Des Moines.

W. G. C. Bagley, president of the First National Bank of Mason City, last year president of the Iowa Association, will attend the Waterloo meeting.

The Central National Bank and Trust Company, Des Moines, will be represented by Grant McPherrin, president, this year treasurer of the American Bankers Association,

and Lynn Fuller, vice president of the bank.

Carl L. Fredericksen, vice president, and L. W. Ross, will attend both the Iowa and South Dakota conventions, representing the Live Stock National Bank of Sioux City. A. G. Sam, president of the institution, will attend the Minnesota convention.

L. R. Manley, president, C. C. Jacobsen, vice president (president of the Iowa Bankers Association) and De'ko Bloem,

assistant cashier, will represent the Security National Bank of Sioux City at the Waterloo meeting.

B. F. Kauffman, president, Carl Mesmer, assistant vice president, and Richard R. Rollins, will represent the Bankers Trust Company of Des Moines, at the Iowa convention.

Representing McMurray, Hill & Co., Des Moines investment house, will be D. J.



JAMES E. HAMILTON
President, Merchants National Bank
Cedar Rapids, Iowa



H. N. BOYSON



S. E. COUILLETTE

Northwestern Banker June 1931



Broadened Facilities and Experience

In a small, almost frontier city, The First National Bank of Chicago was organized in 1863. Its growth has reflected the growth of the territory of which Chicago is the commercial and financial center.

From little more than a local bank the First National and its affiliate, the First Union Trust and Savings Bank, have developed nation-wide and international connections with facilities for the prompt and efficient handling of financial business in every part of the world.

The Banks and Bankers Division is a feature of the specialized organization which has characterized this bank for the past twenty-five years. An intimate contact with business developments, national and international, is maintained.

**The First National
Bank of Chicago**
Affiliated
**First Union Trust
and Savings Bank**

RESOURCES EXCEED \$650,000,000.00

McMurray, W. E. Matthews, and Charles Marcellus.

Winfield C. Jackley will represent the firm of Jackley-Wiedman & Co., Des Moines investment bankers, at the Waterloo convention.

Urges Better Bank Management

(Continued from page 11)

retical and practical banking studies with their daily working experience. Other cities have these schools with 1,000 to 2,000 students. In addition there are 50 study

groups in small communities with some 6,000 enrollments. The total membership, counting students, graduates and interested bankers lending financial support, is 73,000, of whom over 42,000 bank people are taking these courses—not only clerks, but junior officers and even senior officers in some of the more advanced work. We point out also in this connection that in its work of promoting better bank management the institute's national office is just bringing out a textbook on bank management that will be a real contribution to this field.

The work of the institute we look upon in the purposes of this report not merely as an efficient organization activity but in its deeper sense as a dynamic economic force, pouring into banking a broadening, deepening stream of better qualified bankers than could be developed merely by the daily workings of banking itself.

We do not believe, however, that the full potentialities of the American Institute of Banking are being realized. It would be of course a counsel of impossible perfection to say that every bank worker should be compelled to combine institute courses specifically with his work. It is a fact, however, that a good many banks now make it a part of the contract of employment that an employe shall undertake to render himself proficient and trustworthy in banking by taking institute work. In other banks successful progress in this educational aspect of banking is a prerequisite to promotion.

We believe that great as is the service which the American Institute of Banking is now rendering as an economic influence toward bringing about ever rising standards of bank administration, it should receive greater recognition among bank directors and senior bankers and that the weight of their authority should be placed behind it to bring about a very great enlargement of its influence.

We repeat that we believe there is no greater preventive of bank failures than good bank management, whether general conditions are good or bad. We cannot change those economic or other special external conditions, which doubtless destroyed some particular banks in ways that were beyond the power of any type of management to prevent. But after all the vast majority of banks survived under the same identical economic conditions in which the great minority failed. This is true in respect to the drought-stricken agricultural districts as well as in the less hard-hit areas. Does this not imply that in general the banks that survived were, by better management, able to fortify themselves and cope successfully with conditions that were common to virtually all banks? This clearly indicates that good bank management is a source of strength even against such economic adversity as the nation has passed through the past year and a half.

Wayland Magee on Federal Reserve Board

(See Cover Photo)

WAYLAND MAGEE, of Bennington, Nebraska, who had been a director of the Federal Reserve Bank of Kansas City, has been appointed by President Hoover as the farmer member of the federal reserve board.

THE appointment is important to the middle west, giving representation on the reserve board to the agricultural interests in the person of a man whose farming experience is extremely practical, and whose business and banking experience is broad.

MR. MAGEE is also a lawyer. He has taken his place on the board and will actively take part in its deliberations and decisions, although his appointment will not become final until confirmed by the Senate at its next session.

MR. MAGEE is the first representative of the tenth federal reserve district, on the federal reserve board. He takes the place made vacant by the death of Edward H. Cunningham, of Cresco, Iowa.

I HAVE no policies and no program for the relief of agriculture," Mr. Magee said in his first statement after his appointment. "But I shall be in a position where I can speak effectively on any issue which involves the welfare of the west."

MR. MAGEE was born in Chicago in 1881. He was educated in the Chicago public schools. He then attended the Northwestern and Harvard law schools and took special courses in botany at Bonn, Germany. He took agricultural training at the University of Nebraska and at the Iowa State College at Ames, attended the University of Chicago, and was admitted to the practice of law in Chicago in 1908.

MR. MAGEE came to Nebraska in 1910 as executor for the estate of his grandfather, a Nebraska pioneer, Colonel James H. Pratt. Since then the 1,200-acre Summer Hill farm, about 13 miles west of Omaha, has been his home.

HE HAS been a leader in agricultural affairs in Nebraska, and active in politics as a republican. He has co-operated with the college of agriculture in experimental work in grains and in livestock raising, and is a director of the Nebraska Dairy Development Society. He has been active in the Omaha Chamber of Commerce as a member of its agricultural committee. He has also been president of the Douglas county Farm Bureau and the Nebraska Crop Growers Association.

IN SEPTEMBER of 1927 Mr. Magee was appointed a director of the Omaha branch of the Federal Reserve Bank of Kansas City, and later to the Kansas City board. He has traveled extensively, leaving his college studies and law practice in 1908 for a wandering trip around the world that consumed two years, and in which he made his own way. He is married and has four children.



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AND
THE STOCK YARDS TRUST & SAVINGS BANK
of CHICAGO

WILL ATTEND CONVENTIONS

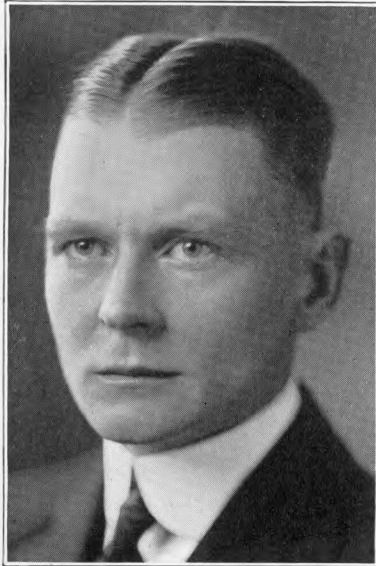
AMONG the many bank officials of the middle west who will attend the annual convention of the North Dakota Bankers Association at Fargo is Ralph M. Watson, assistant secretary of the Northwest Bancorporation. Willis D. Wyard, assistant secretary of the same

institution, will attend both the Iowa meeting at Waterloo and the South Dakota meeting at Huron. J. C. Thomson, vice president and general manager of the Bancorporation, will likewise attend all of the above conventions.

Representing the Central Hanover Bank and Trust Company of New York city,



WILLIS D. WYARD
Assistant Secretary
Northwest Bancorporation



RALPH M. WATSON
Assistant Secretary, Northwest
Bancorporation



PETER VAN BRUNT

at the Minnesota and Iowa conventions, will be Peter Van Brunt, assistant vice president.

Davenport Conference

A group of almost 100 bankers from eastern Iowa and western Illinois gathered in Davenport last month for the second annual Bank Investment and Management Conference under the auspices of the American Commercial & Savings Bank.

F. C. Waples, president of the Midland Mortgage Company, of Cedar Rapids, and one of the leading authorities in Iowa on farm mortgages, was the speaker at the noon luncheon at the Black Hawk Hotel.

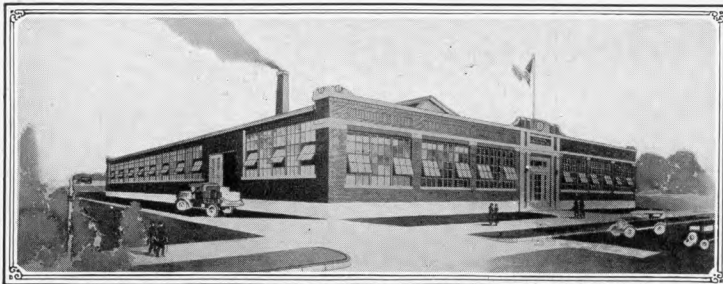
E. S. Wooley, special counselor for Edward R. Burt & Co., of Chicago, was the speaker at the dinner held at the Black Hawk Hotel. His subject was "Internal Control and Bank Management." The Wennerberg male chorus of Augustana College gave a concert at the dinner.

The conference opened at the community room of the American Bank, with H. R. Boles, manager of the bond department of that institution, in charge.

Ernest L. Johnson, manager of the Recordak Service, Inc., of Chicago, explained the photographic system of check record preservation now in use at the American Bank. W. H. Wallace, superintendent of the surety department of the Hartford Accident & Indemnity Company of Hartford, Conn., spoke on "Blanket Bond Coverage." J. A. Cornell of the same company led a discussion on bank burglary and hold-up insurance.

On the afternoon program Pat G. Morris, vice president and manager of the bond department of the Northern Trust Company, of Chicago, and Rudy A. Moritz of Davenport, advertising company head, were the speakers. Mr. Morris had for his subject, "Your Bond Account," while Mr. Moritz was to speak on "If I Were a Banker."

Ray Nyemaster, vice president of the American Commercial & Savings Bank, presided as toastmaster at the noon luncheon, while Ed. Kaufmann, president of the institution, presided at the dinner.



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Explains Iowa's Tax Law



FRANK B. YETTER

TAXATION of Intangibles and Bank Stock" was the subject of an excellent address delivered at the Group Three meeting of the Iowa Bankers Association last month at Hampton by Frank B. Yetter, vice president of the American Commercial and Savings Bank of Davenport. Mr. Yetter, who is chairman of the tax committee of the state association, made the following comment, in part, on the new bank taxation law which became effective January 1, 1930:

"The deflation period showed, as nothing else could show, that banking institutions should be given every legislative encouragement to build up large reserves. Again your tax committee and your legislative committee and other officers of the association, in the famous Association Bill, modernizing and recodifying the banking laws, and which bill became a law of the state, April 17, 1929, provided among other things that henceforth, the surplus and undivided profits of banks shall be taxed as moneys and credits, or, namely, at the rate of \$6.00 per thousand. That law became operative January 1, 1930. It was a step unique in bank taxation in this state, because, for the first time, the legislature of Iowa separated the items of surplus and undivided profits from the capital stock and authorized that surplus and undivided profits be taxed at a preferred rate.

"With this new law, as with many other new laws which may be subjected to the

most rigorous inspection as to their practical operation, the first year's application aroused in the minds of some taxing officials a question as to its clarity on certain conditions, when applied to banks having more 'other real estate' than capital stock. Two questions in the main were propounded:

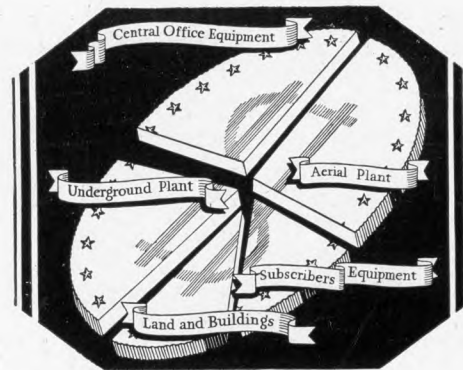
"(1) Of whether it was possible, in those cases where the sum of a bank's 'other real estate' exceeded the amount of a bank's capital stock, to deduct it from the bank's surplus and undivided profits as well. Some tax officials held that this

could not be done. The tax committee and officers of your state association held that it should be done, otherwise there could be double taxation of that portion of a bank's surplus and undivided profits from which a bank's 'other real estate' was not deducted.

"(2) Another question arose as to whether or not banks had the right to deduct bad loans or bad debts from their surplus and undivided profits, if the latter were to be taxed as moneys and credits, for the reason that every other taxpayer of a moneys and credit tax has authority to deduct debts.

"Under the old law, there was no doubt that banks had the clear authority, in order to avoid double taxation to the amount of

How telephone plant investment splits up



There are 4 billions of these dollars. Altogether they go to make up the Bell System plant investment — a sum more than twenty times what it was in 1900.

Vast quantities of equipment and many kinds of property are represented. Aerial plant (cable, poles, wires, etc.) heads the list with 28% of the total money invested. Central office equipment comes next with 26%. Underground plant (cable, conduit and the like) is 22%, sub-

scribers' equipment 12%, and land and building 12%.

This division of the investment is the result of careful planning to serve most effectively the nation's growing needs for telephone service. From one Bell or Bell connecting telephone for every 90 people in the United States in 1900, the number has increased to one telephone for every six people.

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Northwestern Banker June 1931

the real estate involved, to deduct their 'other real estate' from their combined capital stock, surplus and undivided profits. The legislature, two years ago, in an effort to help banking institutions get on a more solid footing, and knowing that more than 75 per cent of the income of banks as a class were given for taxation purposes, and that investigations had shown that banking institutions were paying a larger proportion of their income in taxes than any other line of business in the state—sought to give some relief to banks, by providing that after January 1, 1930, banks' surplus and undivided profits should be taxed as 'Moneys and Credits'. It will be recalled that the same legislature imposed upon banks the duty, however, of building up and maintaining their surplus accounts to not less than 50 per cent of their capital stock. It was brought out, when the legislature passed this act, two years ago, that the banks, particularly those located in the more rural parts of the state, were carrying large amounts of

'other real estate' that they had to take over from their borrowers, and that there was little or no market for such real estate, and that in many instances such 'other real estate' produced a condition of 'frozen assets,' or, at least, 'unliquidatable assets,' and was drastically curtailing the earning power of such banks.

Prevents Double Taxation

AS PREVIOUSLY said, some taxing officials became somewhat confused as to whether the banks still, under the new act, operative as of January 1, 1930, had the right to deduct their 'other real estate' from their combined capital stock, surplus and undivided profits, as under the old law. There are in the state today approximately 200 banks whose 'other real estate' will exceed their par 'capital stock.' If the banks are denied the right to deduct the 'other real estate' from their combined capital stock, surplus and undivided profits, as under the old law, then the new law, instead of giving relief to those banks,

as the legislature intended, actually results in increasing the taxes of those banks, and which are the ones in need of the most relief. In addition to increasing the taxes on such banks, the new law results in a double taxation to those same banks, to the extent of their surplus and undivided profits, invested in 'other real estate,' which is the very reason why those banks that need the relief most in actuality had their taxes increased by the new law becoming effective January 1, 1930.

"This will be very obvious to the most casual observer, because in those banks, which, because of the deflation period may be holding 'other real estate' that they had to take in from borrowers who were unable to pay their loans, where such 'other real estate' equals in amount not only the par capital stock, but also a portion or all of the surplus and undivided profits, then that bank not only has to pay a real estate tax on that portion of its surplus and undivided profits, represented in its 'other real estate,' but also in the opinion of some taxing officials, because of the new law becoming effective January 1, 1930, has to pay a 'moneys and credits' tax on that same surplus and undivided profits, that may be invested in 'other real estate,' under such an interpretation is actually subjected to a double taxation, one a 'property tax' and the other a 'moneys and credits' tax.

"That has been the reason for bank taxes of at least two hundred of our banking institutions having been actually increased by the new law becoming effective January 1, 1930, when it was intended by the legislature to really bring relief to them. The confusion in the interpretation of the new statute is brought about because of the more or less general ununiformity that the sections of the code relating to bank taxation show in their use of the words 'capital stock,' 'capital,' 'shares' and the term 'capital, surplus and undivided profits.'

"For example, Section 7001 would presume that the 'values of shares' would be made up from their 'capital stock, surplus and undivided profits.' However, in Section 7002, which provides for the deduction of 'real estate,' the term 'total value of the shares of stock,' and the term 'real value of such shares,' and the term 'shares of stock of corporations' are used without any specific definition as to what shall constitute therein the value of such 'shares.'

It has always been presumed that the value of such 'shares' was, however, the 'capital structure' of the bank, which was made up of the capital stock, surplus and undivided profits. And the Supreme Court of Iowa, in a case originating at Council Bluffs, several years ago, interpreted that the 'capital' of a bank actually would include its 'surplus and undivided profits.' Those items are earned by a bank, and thus go into its capital structure. The



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law even requires now that a bank must build up and maintain out of its earnings a surplus equal to 50 per cent of its capital. The law now also further requires that the incorporators of a new bank must provide a capital structure for the new institution that will give it a surplus when it opens its doors for business equal to 20 per cent of the par value of its capital stock.

"In the Forty-third General Assembly, in its provision to make surplus and undivided profits taxable as moneys and credits, it had to amend Section 7003 of the Code in a way that would omit surplus and undivided profits from that section, being a section that provides that the 'stock based upon the capital,' which represents the par capital stock is to be taxed in the same way as general property.

"Therefore, the new law, just enacted, merely endeavors to make it more clear and more specific how the act of the Forty-third General Assembly shall be applied. This is done by getting away from the meaning of such uncertain terms as 'shares,' 'capital,' 'value of shares of stock' and 'the real value of such shares,' and using, in a definite and specific way the consolidated term 'capital stock, surplus and undivided profits,' or the term 'capital stock,' or the term 'surplus and undivided profits,' as the case may fit and as the statute intends."

Cooperation—Between the Bank and Its Customer

(Continued from page 12)

time, at least throws the burden of proof onto the shoulders of the skeptic, and in view of the fact that the local banker is such an important cog in the machinery of your community, it is well for you to assume that he is an able banker until you have real reason to believe the contrary.

The second question is one to which you can help supply the answer. You, yourself, represent public confidence and if you never neglect an opportunity to help build this confidence in your local bank, you will be a party to the success of your local institution, because it is only by inspiring this local confidence that your bank can build and it is only through the growth of your local bank that your community can prosper. So, for selfish reasons alone, you should lend your local banker every support in the building of public confidence in his institution.

Remember that the many constructive and desirable deeds done by your local banker are usually confidential in nature and are seldom spoken of either by the banker himself or the object of his aid. On the other hand, the disgruntled borrower or that individual who has been refused a loan which would constitute an unfortunate investment for the bank, is usually mighty vociferous about the matter, giving in most instances a very biased

version of a perfectly proper bank transaction. The local banker naturally can say nothing about the matter to defend himself, and it is for this reason that I would impress upon you not to believe too readily stories of mistreatment on the part of your local banker.

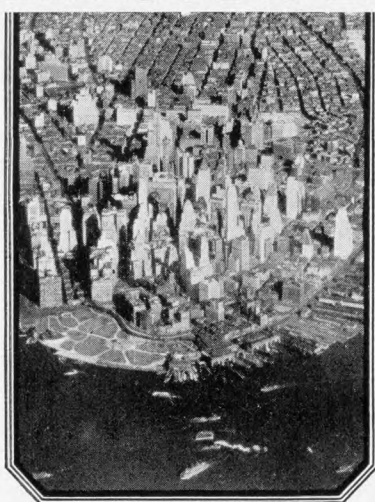
Many people have a tendency to lack faith in a local institution merely because it is local, and feel a finer building in a bigger town spells strength. The exterior or equipment of a bank means nothing. The strength of a banking institution is located upstairs under the hats of the men who manage it. The gray matter in a man's head works no better in a marble palace than in a remodeled store, and it is quite likely that your local banker, however humble his bank building, is just as

able as the banker sitting on a throne in a gilded cage in the city, and it is almost sure to be true that your local banker will understand your problems much better than the consecrated person in the larger town.

Bear in mind that the local banker actually incurs a large loss in many of the ordinary transactions carried on with you in his daily business intercourse. The small checking account is in many instances an actual loss to the bank in view of the fact that the banker is obliged to furnish all the overhead connected with the handling of such account while he is unable to ever loan any large proportion of the money so deposited because of the rapid movement of such funds in and out of the bank. The short time



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From New York, village of 1812 — to New York, world financial center of 1931 — that is the span of Chatham Phenix growth.

Rounding into its 119th year, with a notable directorate and managed by officers from all sections, it offers correspondent banks a New York connection of distinction.

Ever alert to keep in step with progress, Chatham Phenix recently opened a branch in the world's tallest structure, the new Empire State Building. Chatham Phenix invites you, on your next New York trip, to call at the main office or any of the fifteen branches.

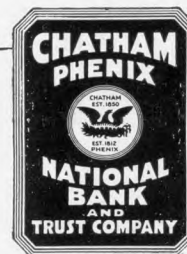
CHATHAM PHENIX

NATIONAL BANK AND TRUST COMPANY

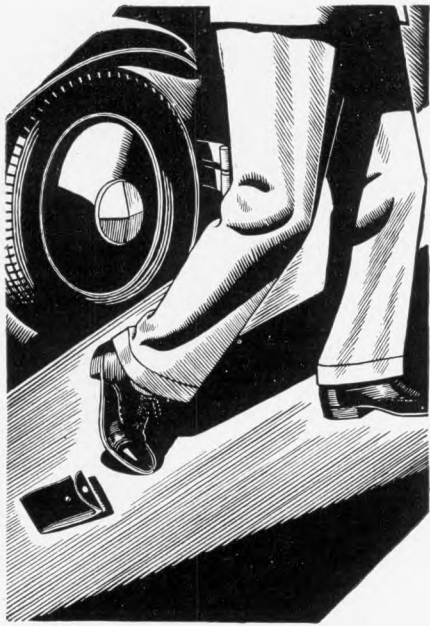
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Resources More than \$300,000,000

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Northwestern Banker June 1931



ONE WAY TO LOSE MONEY

Just time to catch his train . . . a porter grabs his bags . . . the taxi is paid off . . . a rush to the ticket window . . . no wallet.

It happens hundreds of times. People do lose money or mislay it or have it stolen. No need to worry, though, if the money is in A. B. A. Cheques—for it will be refunded.

A. B. A. Cheques are the modern way to insure yourself against the loss, theft or destruction of your money. Buy them at your own bank—spend them anywhere.



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Northwestern Banker June 1931

small loan is usually a loss to the bank. The overhead and work in connection with these items eat up all the profits that the banker can possibly hope to make from the small sum collected for this service.

When the local banker puts a reasonable service charge on small checking accounts and makes a reasonable fee on small loans, do not have a tendency to complain. In nearly all cases it is a perfectly legitimate charge and the only reason that it has not been imposed for many years past was because many banks were quite profitable during the recent period of inflation and did not need this profit and had grown accustomed to presenting this service to the public as a present. Now conditions have changed. Bank profits have grown smaller and it is necessary for the local banker to charge a reasonable price for his services.

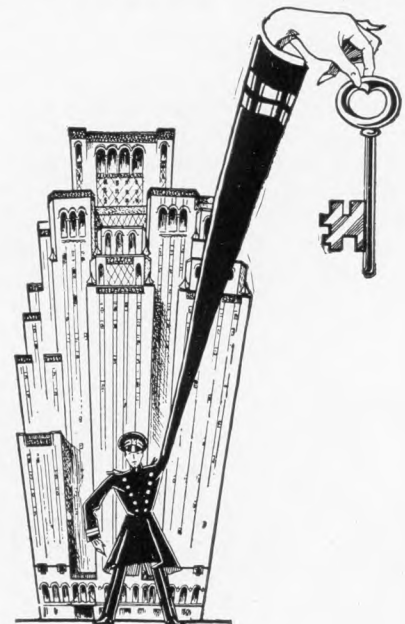
Realize that the local banker is the best friend your community has and rest assured that it is very essential that such a necessary institution be placed on a profitable basis. The best safeguard you can have for the local bank is that the bank is making a real profit. Banks are exactly like all other lines of business, they must make money to live, and every sensible citizen interested in keeping a good bank in his community, should heartily second the efforts of the bank to show reasonable earnings. That same citizen should work consistently to create a favorable public feeling when the local banker installs these reasonable charges for his services, which have been so long donated.

The banking laws of your state have been carefully built with due regard for the experience of other states and the results of world-wide bank legislation. Our laws aim to safeguard the local bank in every way. Strict examinations of each institution are held at entirely unexpected times twice a year. Banks are required to make periodical reports to the proper authorities, which are duly published in the local papers. Bank officials must be bonded. All forms of protective insurance must be provided. Every effort is made to keep the personnel of all banks at a high degree of efficiency. Expenses and salaries are watched carefully to assure the public that they are reasonable. Every possible safeguard is built up around our banks, both by law, and by examination, to promote safe, sane and constructive banking in Minnesota.

There are 710 state banks in Minnesota with total assets of \$291,000,000.

We want our local banks to increase these assets materially this year. It rests with you,—fellow townsmen! Are you going to build public confidence in your local bank to a place where it will contribute its proportionate share to this increase? Knowing the people of this state as I do, I am sure I can rely on you to supply the proper answer to this question.

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A pre-eminent Hotel of 1200 Rooms, each having Bath, Circulating Ice Water and many other innovations featuring a sincere spirit of hospitality.

ROOM AND BATH \$3 UP

Bankers Find This House Efficient and Dependable

Bankers in every county in Iowa are on our customer list and this clientele is constantly increasing. Why? Largely because our banker customers have discovered that we know our business well and that we can be depended upon to offer good securities on an attractive basis.

Many bankers who are considering us for the first time are favorably impressed by the fact that we are the oldest and largest investment house in Iowa. They rightly feel that such stability and growth must be based on good management and security offerings of consistently high quality. So our four decades of constructive service in Iowa becomes a mark of distinction.

When you are considering the advisability of increasing your bank's invested reserve, write our Davenport office for our latest offering list. Your inquiry will receive prompt attention and will not obligate you in any way.



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First Iowa Trust Bldg.
Burlington

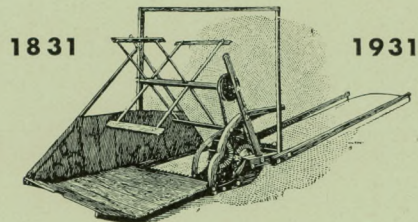
Equitable Building
Des Moines

Grand Opera House Bldg.
Dubuque

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Good Profit Is Being Made by many farmers —with POWER



This is the Reaper Centennial—1931. In 1831 Cyrus Hall McCormick built the first successful machine to reap grain—his was the invention from which International Harvester is descended.

A century ago the REAPER was the key to enormous development—it was the powerful influence that brought a remarkable future to agriculture.

Today, at the opening of another century, another great influence is at work building a greater future for the farmer. It is the TRACTOR. Tractors are on countless farms today, but the idea of power farming is still young. In the next few years many thousands of additional farmers will turn to tractor power as a means of increasing their profits—and the advantage will be in the hands of the men who operate McCormick-Deering Tractors and Equipment.

Twenty-five years of earnest and skillful work in power development has produced the McCormick-Deering 15-30, the McCormick-Deering 10-20, and the original all-purpose McCormick-Deering Farmall. These

tractors are helping the best farmers everywhere to cut down their costs and to farm with greater ease and profit.

A McCormick-Deering tractor is the most powerful aid the farmer can have at his hand to combat his present difficulties. It is a practical aid, one that is entirely in his own control, and the opportunities are unlimited. Tractor power enables him to introduce labor-saving efficiencies in connection with most of his crops and most of his operations. With tractor power he pares his expenses to the bone, giving himself a greater profit margin.

Power and good equipment are essential to any farm, now more than ever before. Equipment has been vital to the great growth of agriculture; equipment and power is vital now. The McCormick-Deering dealer and the lines he handles deserve every consideration and every support.

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This FARMALL Cuts Corn Costs to \$5.73 per Acre

In 1930, Arthur Anderson, Valley, Neb., a FARMALL Tractor owner, produced 130 acres of corn at an actual cost, exclusive of land charges, of \$5.73 per acre. The government average cost per acre on farms with similar yields is \$12.98. Mr. Anderson's yield totaled 3,900 bushels, the cost per bushel being a fraction more than 19 cents. His costs included: tractor expense; 15 days' labor plowing and harrowing, 4½ days' disking, 4 days' planting with a 4-row planter, 18 days' cultivating with a 2-row cultivator, and 9 days' harvesting; and seed, overhead, machinery other than the tractor, and hauling. This is one example among many we have on file, all furnished us by McCormick-Deering tractor owners. Copy of booklet containing them will be mailed on request.



The Row-Crop All-Purpose Tractor—the FARMALL

McCormick-Deering

Northwestern Banker June 1931

For A. B. A. Treasurer

P. D. Houston, chairman of the board of the American National Bank, the Nashville and American Trust Company and affiliated institutions of Nashville, Tennessee, is being widely mentioned by his many friends in the banking business for the post of treasurer of the American Bankers Association.

The treasurership is now filled by Grant McPherrin, president of the Central National Bank and Trust Company, Des Moines, serving his second term. Mr. McPherrin has endorsed Mr. Houston's candidacy.

Mr. Houston is eminently qualified for this position, for he has had a long and highly successful career in the banking business. He started in 1891 with the Peoples Bank of Lewisburg, Tennessee, and two years later he became assistant cashier of that institution.

In 1906, Mr. Houston went to Nashville to complete the organization of the First Savings and Trust Company, and he was connected with that institution as cashier and manager until it became affiliated with the Fourth and First National Bank when he became vice president of both the Fourth and First National Bank and the First Savings Bank and Trust Company.

In 1918, Mr. Houston went to the American National Bank as president, and in 1921, when the American Trust Company was organized, he also became president of that and the other affiliated organizations. In January, 1929, he was elevated to the position of chairman of the board of the American National Bank, the American Trust Company and affiliated companies, and early this year, when the Nashville Trust Company was merged with the American Trust Company under the name of the Nashville and American Trust Company, he remained as chairman of that institution as well as of the American National Bank and affiliated companies.

Mr. Houston has been honored with many positions of importance. He has served two terms on the executive council of the American Bankers Association—one to complete an unexpired term and one full term; is now a member of Special Committee 5219 of the American Bankers Association, and has been continuously on various other committees of the association for many years.

He was a member of the Advisory Council of the Federal Reserve Bank, 1926-1929, and was elected president of the Tennessee Bankers Association in 1914 and served until 1915, since which time he has been continuously on the executive committee of that association.

He is now serving as a member of the board of directors of the Nashville Chamber of Commerce. He is a member of the board of trustees and treasurer of Vanderbilt University.

A Banker's Idea

—and it changed the course
of American Trust Publicity

AN Iowa banker, D. R. Wessling, had been reading the publicity which large city banks and trust companies sent out to clients. It was dignified, but cold. Accurate, but uninspired.

Presently an idea came to him. Why can not trust publicity be **humanized**? Why can it not have a deep, sincere appeal to the human heart? He talked with some banker friends about it. Most of them were interested, but skeptical. It can not be done, they said, without loss of dignity.

Then Mr. Wessling did it! The Wessling Humanized Trust Program won an almost immediate reception from the Atlantic to the Pacific coast. Metropolitan banks and trust companies, with upwards of \$100,000,000.00 in resources . . . banks in small communities with resources of hardly a million . . . alike found the Wessling Way the key to unanticipated profits.

Last year, a depression year, was the Wessling organization's greatest since its founding nine years ago.

The Wessling idea has been used all over the land. American trust publicity is following the path blazed by this Iowa banker. But the Wessling Way has many unique copyrighted features which are its very own—to appreciate the power and dignity of its moving human appeal you must see the new 1931 Trust Program with your own eyes. Write today for our illustrated folder, "Humanizing Trust Publicity."



D. R. WESSLING
President

Wessling Services

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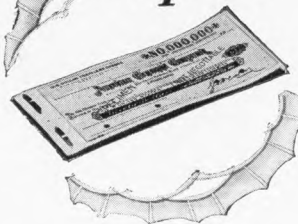
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Bonds and Investments

Security Buying of the Past 11 Months

By R. W. VALENTINE

Halsey, Stuart & Co.

(From address before Mid-West Regional Savings Conference)

ANY effort to present in a summary manner the trend of security buying by savings banks and savings departments of banks since July, 1930, must take into consideration at least four important factors which have either directly or indirectly affected that buying. They are: first, differences in conditions, both legal and economical, under which individual savings banks conduct their business; second, the growth of savings deposits during recent months; third, a series of unusual events whose influence has been particularly significant on the operations, both individually and collectively, of many of the banks; and fourth, the status of the securities market during the period.

Each of you, of course, will readily appreciate the fact that there is a wide variation in the conditions under which savings banks and the savings departments of banks operate. For instance, the mutual savings banks, which hold approximately one-third of our savings banks deposits, are subject to rather definite and specific legal restrictions in the purchase of securities, but these restrictions, though similar, vary in detail in the different states. Likewise, investment operations of the savings departments of our state and national banks are far from uniform, either because of differences in the laws governing their activities or differences in the industrial, commercial and other economic characteristics of the communities in which they do their business. In seeking, therefore, what might be considered or looked upon as a trend of security buying on the part of savings banks, one must bear in mind these differences and allow for them in any conclusions which might be drawn on the basis of available data.

Savings Increased

AS TO the growth of savings deposits, considerable publicity, of which most of you are probably familiar, has been given to the fact that savings deposits in this country have substantially increased during the past year. It has been estimated that this increase for the year 1930 was close to \$1,000,000,000 and the same rate of increase has at least been maintained so far this year. In this connection, however, it is interesting to note that this increase in savings deposits by no means has been uniform throughout the

country—a fact of which some of you are undoubtedly well aware. Increases in the deposits of mutual savings banks, a majority of which are located in the eastern states, amounted to \$592,607,440, and accounted for 60 per cent of the total increase in the savings deposits for the country as a whole. In contrast with this, the time deposits of all member banks of the Federal Reserve System increased only \$313,000,000 and this increase was confined to Chicago and the “other reserve city” banks, as there was a decline in the total time deposits of the member banks in New York City amounting to approximately \$40,000,000 and of the country member banks of approximately \$51,000,-

“Where the element of the lack of confidence is strong, many institutions found it necessary either to meet heavy currency demands arising from withdrawals by depositors or at least to be prepared to meet such contingencies. In other instances because of the decline of short term money rates in the open market to levels considerably below the rate of interest paid by most savings banks, deposits have materially increased!”

000. Considering only the time deposits of member banks evidenced by savings pass books, we find that there was a decline of \$165,000,000 in the New York City banks and about \$40,000,000 for the country banks, but this was offset by an increase of \$28,000,000 for the Chicago banks and \$184,000,000 for the “other reserve city” banks. While these figures do not show all the picture, they do indicate quite clearly the fact that the growth in savings deposits for the country has come largely from certain sections rather than from all the country as a whole.

The third factor which has materially affected investment activities of many savings banks during the past year is particularly significant. Certain forces, culminating in a series of more or less special situations during the fall months, increased the feeling of apprehension which had been hanging over the financial and business centers of the country and con-

fronted many of the banks with a set of conditions that demanded the utmost care and attention. The failure of business to improve in keeping with earlier anticipations of recovery, the reaction of the stock market from the levels reached in

the spring rise, further declines in commodity prices, reduced business profits, and an increase in commercial failures were all conducive to a feeling of discouragement and pessimism. Added to this were political disturbances abroad leading to apprehension as to the financial status of certain foreign countries. Then the severe drought brought disaster to numerous communities in a large section of the country. The state of fear and lack of confidence on the part of many people occasioned by these events were increased by the wave of bank failures that came to a climax in December, with the failure of the Bank of the United States in New York City.

Two Developments

AS A CONSEQUENCE of these events, two distinct developments are noted. Where the element of the lack of confidence is strong, many institutions found it necessary either to meet heavy currency demands arising from withdrawals by depositors or at least to be prepared to meet such contingencies. In other instances, because of the decline of short term money rates in the open

market to levels considerably below the rate of interest paid by most savings banks, deposits have materially increased. This has been particularly true in centers where funds, normally employed for commercial or industrial purposes, are for the time being not needed by the enterprise engaged in such activities. Under both sets of circumstances, the need for liquidity will readily be evident and this has been definitely reflected, as we shall see, in the security buying of many institutions.

As would be expected, the special situations mentioned above have had an influence upon the status of the security markets, and this in turn has had an important bearing upon the trend of security buying by savings banks in recent months. Political disturbances abroad and the feeling of apprehension regarding the earning power and stability of industrial banks are far from uniform, either

Northwestern Banker June 1931

companies and particular industries in a period of trade depression has caused a heavy demand to arise for securities of the highest quality. This is vividly reflected in the movement of bond prices. A study of these will show that during the past year the price trend of very high grade bonds, with the exception of a moderate decline in the late fall when the market had to withstand heavy bank liquidation, has been generally upward and the market position strong. In the case of other classes, however, a lesser demand and consequently a weaker market position has been evident over a wide range of issues. A somewhat equally significant factor in creating this strong demand for high grade and readily marketable bonds, however,

has been the level of money rates in the short term credit markets. Here the trend has been consistently downward during most of the past year and short term money rates today are at one of the lowest levels in the history of the country. Bond yields, on the other hand, have not reached conspicuously lower levels, so that the difference in the rate of return realizable on high grade bonds as compared with that obtainable in the short term credit markets has been sufficient to cause a shifting of funds with a consequently greater demand for high grade bonds in relation to other types than would be otherwise the case. And the wider spread between the two has helped to magnify the situation still further. This status of the securities market, therefore, has had an important psychological influence on the more recent security buying activities of numerous institutions.

Considering the differences in legal restrictions and the wide variation in conditions or circumstances under which savings banks and the savings departments of banks have had to do their security buying, you will appreciate, I am sure, the difficulty one encounters endeavoring to state in a somewhat concise manner the nature of the trend which that buying has taken during the past 10 or 12 months. There is no definite statistical data obtainable that you can turn to for concrete evidence upon which to base your conclusions as to the nature of this trend. It has been necessary, therefore, for me to rely to a large degree in this analysis upon the experiences of our own representatives who have been actively contacting the banks in their territories all over the country during this period. It is in this way that a large distributing organization like ours keeps in touch with the pulse of the market and interprets the demand for securities. It is this experience which I believe you will be most interested in having me give you and I will endeavor to do so as briefly as possible.

Six General Tendencies

WHILE the experiences of all of our representatives obviously have not been necessarily the same, we believe the following general tendencies are representative of the general trend of security buying on the part of savings banks and savings departments in the past year:

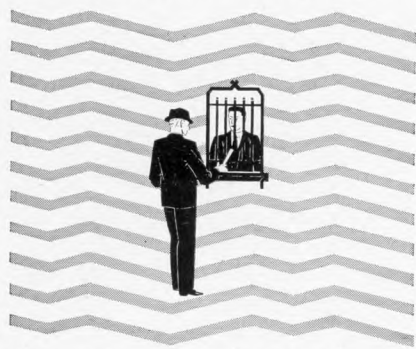
1. There has been a distinct preference for the very highest grade general mortgage obligations. Bonds which are legal for savings banks in New York and Massachusetts have been in strong demand throughout the country. Where legal restrictions are not a factor, this preference can largely be attributed to the prevailing uncertainty regarding the business situation and an apprehension over the dis-

turbed conditions which have characterized a substantial section of our security market.

2. There has also been a strong demand for short term securities among the banks. In most cases this demand has been for one and two year maturities, although bonds maturing from five to ten years hence have been in demand with some institutions. A ready market has likewise existed among certain savings banks for high coupon bonds selling at or near their call price. This demand for short term securities in some instances has arisen because of the inability on the part of the banks to obtain suitable mortgage investments at the time, or because of a feeling on the part of some of the buyers that certain long term bonds were selling upon too low a yield basis to be attractive. More generally, however, this demand has had its origin in the desire for liquidity and price stability. As it has already been pointed out, a substantial portion of the recent increases in savings deposits have come from sources which would indicate that they are largely temporary in character and that with any noticeable improvement in business conditions, they would probably be withdrawn for use in other channels. Short term securities are an excellent medium for furnishing the liquidity needed to meet the sudden withdrawal of funds and it is quite gratifying to find

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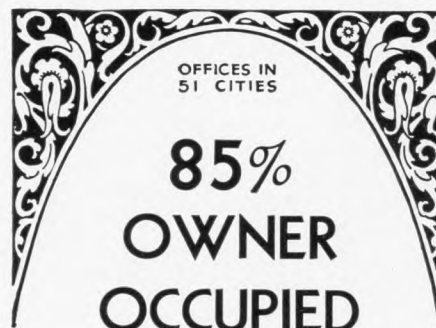


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Among the three cardinal principles of sound investment—yield, marketability, and security—by far the greatest of these is *security*. The definite assurance that the bank's bond reserve is protected, and will be available on the date promised, is worth more to you than temporarily inflated earnings, or the alluring hopes of possible appreciation.

Hundreds of banks are turning to Iowa County and Municipal Bonds today as never before, because they *know* that here their funds will be SAFE. They are backed by the strongest security in the world, taxes.

In addition, Iowa Municipal and County Bonds are marketable on shortest notice, and pay liberal interest. Our list includes a number of municipal securities providing substantial, tax-exempt yields.

If you wish greatest safety for your funds, write for our latest offering sheet, showing bonds now available, rates, yields and maturities.

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that a great number of the banks are recognizing this fact and are including this type of security in their portfolios to cover such potential demand.

3. Among the different classes of bonds purchased by savings banks, a preference for public utility bonds has been particularly evident. In fact, all during this period the demand for high grade public utility bonds, especially the mortgage obligations of well established operating companies, has been a feature of the market. Virtually every important utility bond issued this past year has been well received by the savings banks all over the country. There is good reason for this as the public utility operating companies in general have shown a remarkable stability in earning power, even in face of the most

severe business and industrial depression. This demand has been particularly strong among eastern savings banks in New York and New England states. Here we find that legal public utility bonds, along with municipal, probably constitute the favorite medium of investment today for the large number of banks. And this interest in public utility bonds is rapidly gaining in strength, not only in the east but throughout other sections of the country as well.

4. The change in attitude on the part of savings banks toward railroad bonds has been one of the most striking and interesting developments of recent months. For years this class of bonds has been one of the major mediums of investment for savings banks funds, but the drastic de-

cline in earnings experienced by practically all of our leading railroads in 1930, and the uncertainty regarding operations in 1931, has caused railroad bonds as a class to be subjected to much closer scrutiny and analysis. Unfavorable publicity regarding the problems facing the railroad industry, coupled with severe declines in the market value of many railroad securities, have likewise tended to change the regard which many savings banks have for years held for railroad bonds. This more critical attitude toward railroad bonds, however, has not, so far as we have been able to determine, brought about any substantial liquidation of existing holdings with the view toward shifting to other types of bonds, but it has had the effect of confining the demand quite largely to the strongest underlying issues. Some of the new railroad issues which came out the early part of this year found a ready market among savings banks, but to a certain degree at least, this demand existed because of the shortage of issues of other types which would meet the legal requirements necessary to make them eligible for purchase. It would seem, therefore, that there is a definite trend away from the heavy concentration in railroad bonds which has previously characterized investments of savings banks.

5. A strong demand for municipal bonds particularly the short maturities, for reasons which have already been indicated, has also been evident among many savings banks. This was especially true last summer, but as prices worked to lower yield bases, the demand has fallen off for the longer term bonds among those banks that are still endeavoring to maintain higher interest payments on their deposits. Where interest at the rate of 4 or 4½ per cent is being paid on deposits, municipal bonds on the 3.75 to 4.25 per cent basis are not particularly attractive from the income standpoint. A heavy demand has also existed for state bonds with institutions holding postal savings deposits.

6. For the most part the market for foreign bonds among savings banks and savings departments of banks is with the institutions that are not subject to legal restrictions in the purchase of securities and in years past many of these institutions have been substantial buyers of foreign bonds. During the past year, however, apprehension regarding political and economic disturbances abroad and their effect upon the financial status of particular countries has caused a severe recession in the market prices of many foreign securities. As a consequence the demand from savings banks for foreign bonds has been practically negligible this year.

Modern Davenport—How did you get to be an antique?

Antique Divan—Oh, I just wormed my way up.

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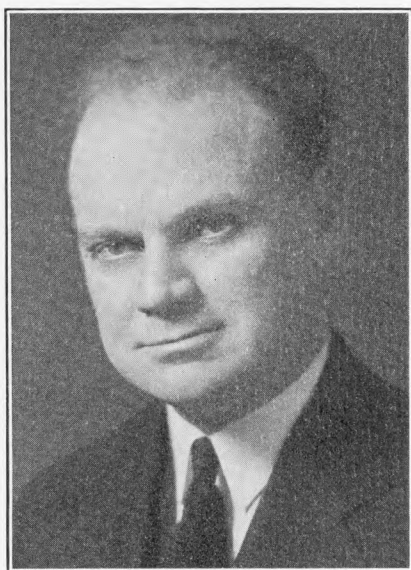
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Iowa Firm Announces New Trust

A NEW investment trust of the semifixed type, known as First Trust Shares and sponsored by the First Securities Corporation of Iowa, was announced last month. The First Securities Corporation, capitalized at \$100,000, was organized several months ago by Carl A. Dixon & Company, Des Moines investment house. First Securities Corporation has established its main offices in the new Des Moines Building and in addition to sponsoring First Trust Shares, it will carry on a general investment business.

First Trust Shares is Iowa's first investment trust of the semifixed type and is a three-year trust. The Central National Bank and Trust Company, Des Moines, is trustee. According to Mr. Dixon, it was created for the single purpose of catching the upswing of the securities market in the period of business recovery. Mr. Dixon says:



CARL A. DIXON

"In 34 years American business has experienced seven major cycles of depression and recovery. The average period of depression continued for two years and the recovery period three years. The current depression began industrially in June, 1929, but did not reach the stock market until October, when the big crash came. First Trust Shares was conceived nine months ago, but creation of the trust was delayed until the depression period had run the historical two years.

"Since the purpose of First Trust Shares is to catch the upswing of the market only, its life in the light of the seven cycles above referred to was fixed at three years. If history repeats itself, the mar-

statistical experts, we retain the largest statistical supervisory organization serving the investment banking field, an organization of more than 1,200 people.

"The portfolio was selected by this organization after weeks of research. They selected the common stocks of 30 corporations which have been drastically deflated, and the business of the corporations being such that they may be expected to respond quickly in the recovery of busi-

ness. As a safeguard against changing conditions, the same organization selected 30 additional stocks, which are specified in a reserve list of the trust indenture. Should any company in the portfolio show unfavorable developments in earnings or business, its stock can be eliminated and the proceeds invested in a stock specified in the reserve list.

"However, the funds of First Trust Shares cannot be invested in any other



Marketability

Marketability is one of the three desirable qualities of securities whether purchased for your secondary reserve or for individual investment. It is a characteristic which predominates in all of our listings.

W. D. Hanna and Company

INVESTMENT BANKERS

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Northwestern Banker June 1931

ket should have recovered the greater part, if not all, of its losses since October, 1929. Provision has been made, however, for four periods of extension of six months each as a safeguard against extraordinary conditions that might prevail on April 15, 1934, the liquidation date. Furthermore, the last bull market extended over a period of five years, and should the upswing continue for a longer period than three years, then First Trust Shares can be adjusted to take advantage of that situation. We believe that a short-term investment trust designed to catch only the upswing of the business recovery period is the logical and proper

trust. We believe we are catching the market near the bottom. We expect to develop a material profit for the shareholders and realize it in cash by forcing ourselves out of the market through termination of the trust.

"In order that the holders of First Trust Shares might have the benefit of scientific selection of the portfolio by securities except the 60 specified in the current portfolio and the reserve list. The newer investment trusts are in the majority of instances establishing the reserve list for the reasons above outlined.

"First Trust Shares is of the cumulative type. The purpose is to maintain

the maximum of profit with a minimum of risk, and to that end all stock dividends and stock split-ups will be retained in the portfolio, only fractional shares being sold.

"Earnings and other accumulations are distributed by the trustee semiannually on April 15th, and October 15th. The current dividends of the portfolio companies are equal to approximately 6 per cent on first trust shares.

"The stocks comprising First Trust Shares portfolio are now available at prices approximately one-third of the prices reached in 1929 and 1930. Possibilities for appreciation are unusual. The current market is approximately \$4.75 per trust share."

Preventing Depression

The prevention of business inflation through the control of credits will eliminate business depressions, Harland H. Allen, economist of the Foreman-State National Bank of Chicago told members of the Chicago Association of Credit Men at the Hotel La Salle recently.

"Every painful recovery period has had its own antecedent of credit 'orgy' and resultant inflation of prices and production," Mr. Allen said. "The one sure way to prevent business depression is to prevent business inflation; and the one effective way to prevent business inflation is to keep credits under control.

"The country usually recognizes a pronounced and rapid rise in the price of, say, real estate, or manufactured goods, or farm products, or securities; and the extent of the inflation is appraised roughly by contrasting these prices with the more stable values in uninflated fields. This time the contrast was less striking because inflation was taking place in all fields at the same time; there was relatively little warning to the credit man except in the case of securities.

"The 1928-29 inflation was going on all about us, unheralded to most men, because it was a 'relative' inflation instead of an absolute one. Prices did not rise, except in relation to costs. The point I am making is that costs of production had been falling for nearly a decade, but prices were being maintained by artificial means and with the help of constantly inflating security values."

"It is, of course, just as unhealthy and dangerous as inflation," insisted the Foreman-State economist, "for prices to hold when costs have declined as it is for prices to rise with costs steady."

Mr. Allen called attention to the rapid growth of consumer credit since the war and insisted that one factor intensifying the recent inflation and intensifying the present depression was the enormously expanded volume of installment buying and thus of installment contracts which had to be liquidated under conditions of greatly reduced income.

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Maturities—1933 to 1939 inclusive

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FREE FROM FEDERAL INCOME TAX

These Trust Certificates give a very favorable return on present market levels.

Price—Par to yield 5.50%

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THE PORTFOLIO



No. of Shares	Company
2	Air Reduction Company
1	American Tel. & Tel.
5	American Water Works
3	Baltimore and Ohio
10	Burroughs Adding Machine
5	Chesapeake and Ohio
5	Chicago & North Western
3	Continental Can.
5	Columbia Gas
10	Commercial Investment Trust
3	Drug Incorporated
5	First National Stores, Inc.
5	General American Tank Car
5	General Electric Company
5	General Motors Corporation
5	General Railway Signal
5	Loew's Incorporated
3	National Dairy Products
5	Pacific Gas and Electric
10	Radio-Keith-Orpheum
10	R. J. Reynolds Tobacco "B"
5	Safeway Stores, Inc.
5	Sears, Roebuck
3	Southern Pacific
15	Standard Brands
4	Union Carbide
4	United Biscuit Company
10	The United Corporation
8	United Gas Improvement
5	Warren Brothers

All of these stocks are listed on the New York Stock Exchange

First Trust Shares were created for the single purpose of enabling investors, through participating ownership in the common stocks of thirty of America's great corporations, to catch the upswing of the securities market in the period of business recovery with a maximum of profit and a minimum of risk.

In the last 34 years, American business has experienced seven cycles of depression and recovery. The average period of depression has been two years, the recovery period three years.

In the light of this history, the life of FIRST TRUST SHARES was fixed at THREE YEARS, subject to limited extension to meet extraordinary conditions that might prevail at the liquidating date.

The portfolio of First Trust Shares was selected and is supervised by the largest statistical organization serving the American investment field. The common stocks therein were chosen because of their unusual possibilities for material and early appreciation in the recovery period.

A Reserve List of 30 additional stocks is specified in the Trust Indenture. Should changing conditions place any Portfolio stock in an unfavorable position it may be sold and the proceeds invested in a Reserve List stock. No stock other than those named in the Reserve List may be substituted.

The unit of thirty common stocks in First Trust Shares Portfolio are now available at approximately one-third the 1929-1930 highs.

Detailed Circular upon Request

FIRST SECURITIES CORPORATION

OF IOWA

832-840 Des Moines Bldg.

INVESTMENT SECURITIES

DES MOINES

Safeguarding Foreign Investments

PLANS for safeguarding American investors in foreign securities were presented by Col. Allan M. Pope of the First National Old Colony Corporation and Ralph A. Stephenson of the Guaranty Company of New York at the annual May meeting of the board of governors of the Investment Bankers Association of America. Reports of the meeting, which was held at White Sulphur Springs, W. Va., include proposals by Colonel Pope, as chairman of the association's foreign securities committee, that the association de-

velop further means of obtaining and disseminating information on foreign countries in which Americans now have \$17,500,000,000 invested exclusive of war debts.

For more than a year, says the report presented at the association's board meeting, foreign governments and foreign bankers have been accumulating foreign bonds from American investors at advantageous prices because of the ignorance or fear of foreign conditions, in the minds of American investors. The report also

says that the American investing public has made little use of the Institute of International Finance which the association established five years ago at New York University to study and report periodically on the credit position of foreign governments that have bonds outstanding in the United States. It was suggested that the institute's work be broadened to meet the situation, which, with other proposed plans, was referred to the board of governors of the association for further study. The report of the association's foreign securities committee was as follows:

"Your committee feels that the Investment Bankers Association of America should at this time take such further steps as may be practicable to overcome the difficulties besetting the average American investor, who has had little opportunity personally to observe the credit standing of foreign countries, by making accessible to a greater degree such information as may be necessary to form an opinion on foreign credits.

"Since the World War it has fallen to the lot of this country to become a creditor nation. There are outstanding today in American investments outside the boundaries of the United States, exclusive of war debts, approximately \$17,500,000,000, of which approximately \$10,000,000,000 consists of bonds, debentures and other interest-bearing securities of foreign governments, municipalities and corporations, held by American investors. If it had not been for this closed exportation of capital abroad, it is difficult to see how many foreign countries could have overcome the financially chaotic state in which they were placed after the World War.

"The unusually advantageous position, from a credit standpoint, which fell to the lot of this country at the close of the war attracted gold to the United States in such quantities that it was not only nearly fatal to many countries that lost gold but was a decided hindrance to this country as a power in world trade. It was largely due to the extraordinary amount of capital seeking investment in this country which permitted the vast amount of foreign dollar bonds to be floated and which influenced purchasers to buy them, although lacking as they were in knowledge, due mostly to inexperience of the fundamental facts in many cases upon which the American investor is accustomed to base his judgment when investing.

Felt Greatest Effect

○ NCE the pressure of surplus funds seeking investment was released, the class of securities to feel the greatest effect was foreign dollar bonds, which were not

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WE OWN AND OFFER, SUBJECT TO PRIOR SALE:

\$34,000	4 $\frac{1}{4}$ %	Cass County, Iowa, Primary Roads	5-1-1942-45-36
39,000	4 $\frac{1}{4}$ %	Clay County, Iowa, Primary Roads	5-1-1938-45-36
25,000	4 $\frac{1}{4}$ %	Clinton, Iowa, Funding	11-1-1937-41
10,000	4%	Davenport, Iowa, Corporate	6-1-1945-46
22,000	4%	Johnson County, Iowa, County Roads	5-1-1945-46
18,000	5%	Mills County, Iowa, Funding	4-1-1942
14,000	5%	Monona, Iowa, Sewer	12-1-1941
28,000	4%	Pocahontas County, Iowa, Refunding	5-1-1938-40
15,000	5%	Saint Marys School Building	5-1-1940
23,000	4%	Tama County, County Roads	5-1-1944
11,000	4 $\frac{3}{4}$ %	Belmont Twp., Iroquois Co., Illinois	8-1-1937-42
45,000	5%	Chicago, Ill., N. W. Park District	3-1-1935
50,000	5%	Chicago, Ill., N. W. Park District	3-1-1936
15,000	6%	Divernon, Ill., Sangamon Co., S. D. No. 161	7-1-1937-44
42,000	5 $\frac{1}{2}$ %	Metropolis, Ill., Massac Co., S. D., No. 20	6-1-1937-50
4,500	6%	Olive Branch, Alexander Co., Ill., S. D. No. 17	11-1-1939-41
17,000	5 $\frac{1}{2}$ %	Amboy Twp., Lee Co., Ill., T. H., S. D., No. 166	7-1-1936-44
5,000	4 $\frac{3}{4}$ %	State of Arkansas Highway	7-1-1951
19,000	5%	Paducah, Texas, School House	5-1-1941-70
10,000	5%	National Steel Co., First Collateral	4-1-1956
10,000	4 $\frac{1}{2}$ %	Northern States Power Co., Refunding	4-1-1961

PRICE ON APPLICATION

Complete descriptive circulars on the above offerings will be gladly
furnished upon request



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Northwestern Banker June 1931

being absorbed as fast as they were being sold by holders more fearful of possible foreign conditions of which they were ignorant than of actual facts definitely known.

"Beginning with the year 1930, at a time when the confidence in foreign securities, as expressed by foreign bond values, was very low, a marked increase in purchases of foreign dollar bonds by foreign investors began. In many cases, however, these purchases had been steadily going on to the extent that in some cases practically entire issues of dollar bonds had already been absorbed by investors abroad.

"The difference between the type of purchasing by the European investor which began in 1930 and that which pre-

ceded it was characterized by the fact that in previous years the absorption of issues was largely due to purchases by investors and by foreign governments of the issues of their own countries. In 1930 began, to a greater extent, purchases by foreign-minded bankers and individuals in Europe of foreign dollar bonds of various countries other than their own in which they had confidence at prices which were extremely advantageous.

"Thousands of American investors have sacrificed their holdings of foreign securities to the advantage of the European investor largely because the European investor, through years of contact, has become more familiar than the average American investor with the racial characteristics of people throughout the world,

with the moral credit standing, and with the internal conditions.

"The conditions following the depression of 1921 are in many respects different from those that will confront us at the conclusion of the depression of 1930-1931, but there are at least two outstanding points of similarity. One is the lack of working capital in most foreign countries and the other is the extraordinary accumulation of gold in the United States.

"The two principal means of reversing the flow of gold to this country are to be found in the purchase of foreign goods and in foreign loans. After the depression of 1921, the rapidity of world recovery was in the largest measure due to the exportation of capital from this country through loans abroad. It is erroneous for the American investor to consider that the legitimate borrowing capacity of foreign countries in general has been reached. The logical working of the gold standard, on which the currency of most of the major countries of the world is based, should reverse the flow of gold to this country which has now reached the peak of gold holdings of all time. Such a reversal is necessary for the general recovery of business.

"Whereas it must be admitted that the rush of many bankers in this country in extraordinary competition to meet the demands of investors in foreign bonds, which reached a culmination in 1927 and 1928, resulted in some instances in unwise loans being made, which is the inevitable result when extreme demand forces the often inexperienced into a new field, it cannot be denied that, broadly speaking, the results were entirely justified, not only from the standpoint of the investor in this country but from the standpoint of the position of the United States as a creditor nation and a leader in world trade.

"It is an obvious result of financial difficulties besetting the world in general in the last year and a half, which have resulted in several cases in governmental changes and in a very small number of cases in actual temporary defaults, that confidence in general in foreign securities will be shaken to a certain degree. There is no question, however, but that as a whole the American people have in the main exaggerated the adverse conditions, undoubtedly due largely to lack of information and it is equally certain that if this exaggerated lack of confidence continues, the almost universal depression at the present time will be greatly retarded in its recovery.

"The Investment Bankers Association of America, in 1926, founded the Institute of International Finance, which in this country today is the only public medium attempting to publish, through regularly issued bulletins, facts, not opinions, pertaining to the credit of foreign countries which the careful investor can use to base

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his judgment of foreign investments. This institute has been successful in a surprising degree, in spite of the general lack of public interest. Since its inception, it has published 38 bulletins on the credit standing of 28 foreign countries, in addition to eight special studies, each bulletin averaging 25 pages of facts and figures. Its lack of sensationalism, its lack of news interest for press articles, and the general loss of interest by the American public in foreign bonds, have restricted its use and the knowledge of its possibilities to a comparative few, largely members of the Investment Bankers Association."

"Niggah, I's gonna mash you' nose all ova yo' face; I'se goin' to push dose teeth down you throat an' black both yo' eyes—et cetera."

"Black man, you don't mean et cetera, you mean vice versa."—Ex.

Offers Prizes

A round trip from Boston to Montreal and a boat trip up the Saguenay river is to be the first prize in the membership drive being conducted by the Financial Advertisers Association. The association is making a drive to secure new corporate and individual members before the opening of its annual convention, in Boston, on September 14th.

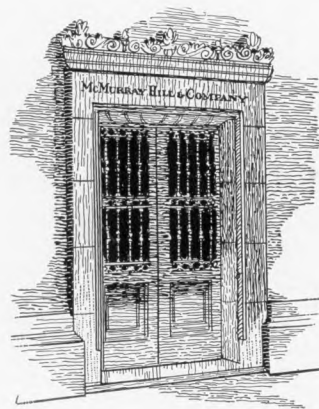
The contest is taking the unique form of a combination cross-country and endurance flight. All contestants start at San Francisco, and for each membership are allowed to advance a certain distance toward Boston. If any contestant arrives in Boston before the close of the contest he begins his endurance flight with each new membership keeping him aloft a specified number of hours. The winner will be determined at noon on September 14th.

Need Economic Statesmanship

Discounting the importance of the most recent stock market decline and of the new drop in federal reserve rediscount rates, the *Business Observer*, monthly review of the Foreman-State National Bank of Chicago, insists in its May issue that commodity price weakness is the matter of most concern in the business situation. The *Observer* contends that the unpredictable behavior of commodity prices is in large part due to the maldistribution of gold which has been effected by the reparations and war-debt payments. The publication adds:

"Disproportion is the most descriptive word for the present situation. There is serious distortion from 'normal' in at least three fundamental situations, (a) in the gold supply as between different countries, (b) in the wealth created by industry, as between different types of goods and serv-

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ices, (e) in the purchasing power resulting from production, as between wages and salaries on one hand, interest and dividends on the other."

Were a comparable situation to develop in a business organization, steps for immediate correction would be taken, the *Business Observer* notes. There would be no such attitude as "letting the situation work itself out" assumed. Such an attitude might have resulted in eventual correction of circumstances in pre-war times when consumption naturally tended to outrun production. The *Business Observer* continues:

"There are, fortunately, several ways out of this distorted situation. But not all of them are painless. In part the disproportion between consumption income

and investment income is being corrected by defaulting bond issues and by the reduction of dividend rates. It is being accentuated, however, in some few quarters, where dividends are being maintained, or actually increased, the while pay rolls are cut down. This is the type of situation which calls for business policy of new breadth and vision—for economic statesmanship."

A Correction

In the April issue of the *NORTHWESTERN BANKER* on pages 26 and 30 appeared stories and comment based on an address made before the Eastern Regional Savings Conference by Wilmot R. Evans, president of the Boston Five Cent Savings Bank, in which he was quoted as saying

that the average correctness of business forecasts of statistical departments of various banks and financial authorities during a 10 year period from 1918 to 1928 varied "from 36 per cent to 54 per cent and that they were wrong more than half the time."

Attention has been called to the fact that Mr. Evans did not use these figures or make such a statement in his address. He had prepared this statement for newspaper release but upon being advised that the figures were misleading, he omitted them from his address. The figures and statement, however, were released by various newspapers and magazines, including the *NORTHWESTERN BANKER*, in the absence of any instructions to the contrary. says by way of explanation: "At the conference, I merely said the ratings and study of bonds made by different services was of real value in determining the purchase of bonds."

In justice both to Mr. Evans and to the various statistical departments and services, the *NORTHWESTERN BANKER* is happy to make this correction.

Sees Brighter Bond Outlook

Proof that there is plenty of money in the country and that the feeling is now being reflected in increased sales of high grade bonds, is contained in recent communications from Lansford & Company to the *NORTHWESTERN BANKER*.

"We have noticed a most favorable resumption of business," says Paul T. Lansford, president. "Customers are buying in larger quantities than for several years, but are more discriminating in what they purchase. My belief is that the balance of the year will continue to show a gradual recovery, and I have made plans for some good fishing on my annual summer vacation which will be spent in Minnesota and along the Canadian border."

Lansford & Company were organized in 1929 and specialize in Illinois local improvement bonds. They have handled approximately 20 substantial issues since starting in business, these bonds being principally on Niles Center, Wilmette and Waukegan, Illinois.

"Registration Fee"

The expense of the meetings are being prorated among all of the members of the County Bankers Associations rather than being confined to the bankers in the entertaining city as formerly. The group meetings of the association have all adopted what has been growing to be the customary thing with all conventions of making a "registration fee" or "plate charge" for those attending the group meeting.

Judge—Were you sober at the time this accident occurred?

Reckless—As sober as a judge, your Honor.

Judge—Six months.

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How Safe Are Iowa Safe Deposit Boxes?

(Continued from page 14)

the burden of proof because it is a protection to us against gross frauds, against the man who swears he left his Liberty Bonds in his box and that they were gone when he came back, when as a matter of fact he never had a Liberty Bond in all his life. If we can arrange for complete insurance, we are hoping that we can restore the burden of proof to its status before the passing of this statute; then in an actual case where valuables had actually disappeared through criminal activity, we would be in position to call on the insurance company to settle for the loss in the same manner which they now settle with a householder whose things have been stolen from his home in the night time. This we believe to be as it should be. It has become one of the functions of the insurance company to run down such crimes as this and they are better equipped for the task than the average bank or the average safe deposit box renter.

But now we have been proceeding under the assumption that insurance could be purchased through a single bond or policy under which the insurance companies would assume the entire risk for losses from safe deposit boxes; and, of course, that is quite an assumption. Protection against the various risks—fire, destruction, larceny, and embezzlement—now is offered under fidelity bonds and insurance policies which cover one of these risks or a combination of two or three of them, but not all of them. To assume that the insurance companies will write single bonds or policies covering all risks is to assume something which we cannot now know as a certainty. The situation calls to mind the development of workmen's compensation insurance. When the workmen's compensation statutes were enacted the important thing they did was to limit the employer's liability for injury to the workmen. As soon as that liability was limited, it became a measurable risk and consequently an insurable risk. The workmen's compensation field was very large, and the insurance companies were very glad to go into it. Similarly, if the risk of loss on the safe deposit boxes in the United States becomes limited and consequently measurable, doesn't it seem logical that it becomes also insurable? The variations and complications of insuring a safe deposit vault are certainly not as difficult to deal with as the variations in workmen's compensation.

We are taking steps now in the hope of inducing the surety companies to offer us just this kind of protection. These steps are few. We are asking the underwriters of the surety companies to consider these problems with us and to help

To the banker desiring short term securities, we heartily recommend the One Year Six Per Cent Gold Notes of the Arkansas Valley Natural Gas Company. Backed by ample resources and conservative management, they offer a wonderful opportunity to the exacting investor.

We shall be pleased to mail you complete information. . . .



DUTRO & COMPANY

E. RAYMOND DUTRO, President

American Bank Building

DAVENPORT, IOWA

us decide just what things we should include in our box leases, what provisions of this statute we need not avail ourselves of and what can be done toward complete insurance protection. We recognize two prerequisites. First, we must enlist most if not all of the banks in Iowa in this work, and second, we must strive toward a uniform lease or contract. Both these things point toward the same end. We must offer a certain volume to the surety companies before they can offer us protection at a rate which the box renter can afford to pay. We expect to succeed in all these things.

And so, we in Iowa are hopefully anticipating a time in the near future when we may advertise safe deposit boxes in our vaults on the basis of "You get your valuables back or cash." We hope to sell this service under contracts which will make a sound economical distinction between the warehousing function and the insurance function of safe deposit vaults and which will discriminate between the varying degrees of risk. We also expect the final result to include a system of cost accounting, which will cover the cost of our liability, which will give us internal control of our vault operations, and which will show us a fair profit.

There is too much love in fiction—and too much fiction in love.

The Rev. Elijah Sawyer Becomes a Banker—and How!

(Continued from page 18)

arose to see what they were about, but he was actually surprised when each of the ruffians, as he entered, drew an automatic from his pocket.

"Good gracious, gentlemen!" he exclaimed, "You positively must not bring firearms in here!"

"Aw, close yer trap, Percy!" snarled the smaller of the bandits, who was in the lead, "an' stick 'em up!"

"I—I beg your pardon?" faltered Elijah, plainly disconcerted.

"I say, stick 'em up, an' be quick about it! C'mon, now reach fer the sky!"

"Reach for *what*?" asked Elijah, in a puzzled tone.

The reply was a regular flood of profanity, concluded with: "Shake a leg, now, cull, an' stick up yer hands!"

"Speak" and I were already standing beside our chairs, with our hands stretched as high as we could reach. As Elijah parleyed with the bandits, I could feel a cold perspiration breaking out on my forehead. Now, though, my heart seemed almost to turn over inside me as I observed Elijah's response to the command to "shake a leg." For that's exactly what he did! Yes, sir; first he shook his right leg, and I had a sinking spell as I saw

the bandit's pistol-hand twitch; then, noticing the murderous gleam in the ruffian's eye, Elijah quickly switched and shook his *left* leg. Finally, thank heaven, he stuck up his hands, and the tension seemed to ease a bit.

The tall bandit, all this time, was coming around behind the counter. "Aw right, Curly," he now said, "I've got 'em covered. Come over here, you!"—this to our vice president—"an all of yuh lay down here on the floor. Take 'em, Curly, and I'll see what's back here in the vault."

Curly now had us covered again. "Lay down there, like he said," he commanded roughly. "Here, Percy! Where t' hell you goin'?"

"If you'll excuse me just a moment, sir," said Elijah, ingratiatingly, "I'd like to get a broom and sweep a small space here, if I must really lie down on the floor. But I must say, sir, that this seems a most absurd procedure—most absurd."

Curly's mouth hung open in astonishment, and he actually began to tremble visibly. The other bandit came to the door of the vault. "Aw, come on, Curly; don't let the ole gander git yer goat. You, there!"—his gun menaced Elijah—"I'm warnin' yuh to do as yer told, or one of us 'll crack a gat over yer bean!"

Elijah looked bewildered, but took his place on the floor without further question, and the tall one returned to the

Bond Prices of Eleven Years Ago

New York Central Railroad.....	4½s	2013	at 69½	to yield 6.50%
Commonwealth Edison Company.....	5s	1943	at 77	to yield 7.05%
General Electric Co.....	3½s	1942	at 60	to yield 7.10%
American Telephone & Telegraph.....	5s	1946	at 73	to yield 7.35%

The above quotations are those of 1920, reflecting general conditions at that time. Not many years later these same bonds were selling near or above 100.

The bond market of 1931 offers an opportunity to capitalize on past events. In the general market today are many sound bonds undervalued at quotations of 60 to 70 which will some day generously reward confidence which may be placed in them. The wise investor not only appreciates that these opportunities exist, but he is changing his position to benefit by the future.

We are receiving inquiries from many investors asking that we adjust and endeavor to improve the character of their holdings. It is only after a thorough study of each security that recommendations are made. Our complete facilities are at your disposal and we invite you to let us share your investment problems.

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Investment Securities

American Bank Building,

DAVENPORT, IOWA

vault, leaving Curly on guard over us. "Now, don't a one of yuh move, or I'll drill yuh in a minute," admonished Curly. "An' keep yer faces against the floor."

The Parson Acts

WE WERE all lying near the day safe, and I could see, out of the corner of my eye, everything that happened. I saw Curly note the open door of the safe; naturally, he stepped over to investigate its contents. I could see Elijah's open hand, stretched out near the safe-door, and I saw Curly's heavy boot descend squarely on Elijah's unprotected knuckles. His face, half-turned toward me, suddenly contorted with pain; there was a heave of those mighty shoulder muscles, lifting Curly clear of the floor, and the bandit's head struck the corner of the steel safe door, with a sickening thud. The gun dropped from his nerveless hand, and, quick as a cat, Elijah pounced upon it.

I wasn't so slow, myself. I may have hesitated just a second, possibly, to make sure Curly was "out;" then I sprang over and slammed the fire door of the vault, trapping Curly's partner. "Speck," meanwhile, was pressing floor-buttons all over the room, to summon the sheriff.

With a heavy sigh of relief, I turned, but my relief vanished in an instant at sight of Elijah Sawyer, holding Curly's automatic by the barrel, and pointing the butt at the prostrate bandit!

"Don't move!" he shouted, "I shall fire, if necessary."

"Godzake, reverend," I yelled, "Drop that gun!"

Elijah regarded me with a pained expression on his face. "Why, Harry," he said gently. "It is not my intention to shed blood needlessly, but bless me!"—his teeth clamped together savagely—"I'd *relish* an excuse to place a bullet in this miscreant"—and he nursed his crushed knuckles solicitously.

"Hands up!!" came a harsh command from the front of the room. Elijah faced about, with Curly's pistol still held in reverse, as Sheriff Brock's rasping voice continued: "Well, I'll be— What the —? What's this—another one of your little jokes, parson?" Then, his eye caught the prostrate form of Curly; his jaw dropped, and he looked from Curly to the parson, and back again. He emitted a low whistle of amazement. "Well, dog-gone my buttons!" he murmured, in husky respect.

"Ah, sheriff, that isn't all," said Sawyer, and I froze in horror as he marched over to the vault door and threw it open! "Now, young man," he called, "just step this way, please." I shrank down, and tried to look as much like a posting machine or a desk as I could, steeling myself against the fusillade of bullets I knew would open any minute. But the experience of being locked in a bank vault is

one calculated to take the kink out of a hard-boiled egg; Curly's partner had had enough. He marched out, meekly enough, and surrendered himself to the mercy of the law.

"There's just one thing I can't make out yet," I told Elijah later in the day. "Why, when you saw the bandits coming toward the bank, why didn't you step on the alarm button?"

"Alarm button?" exclaimed Elijah. "What alarm—?" Then a look of comprehension overspread his face. "Oh, you mean that silent alarm? Why, do you know, Harry—ah, it does seem absurd, now I think it over, but—well, really Harry—up to this minute I've had the idea that those buttons operated a FIRE alarm!"

Becomes Vice President

Ernest D. Brooks was elected second vice president of the Continental Illinois Bank and Trust Company at a meeting of the board of directors, held last month. Mr. Brooks relinquishes a second vice presidency of the Continental Illinois Company to assume this bank office. He has been connected with the investment organizations of the Continental Illinois and predecessor institutions for the past 14 years and his new duties will be chiefly in connection with the bank's investment account.

Doing is the great thing. For if, resolutely, people do what is right, in time they come to like doing it.—Ruskin.

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News and Views

(Continued from page 19)

In any period such as we are passing through each individual makes a more careful analysis of himself and his business, and like the owner of an orchard prunes out the deadwood in order that the main branches of the tree may grow stronger and bear greater fruit.

ALDEN S. BAGNALL, assistant cashier of the Stock Yards National Bank, has sent me a very attractive four-page folder which they have produced for his institution to use in soliciting business in Chicago.

This gives the interesting information that the Stock Yards National Bank was the first bank established outside of the loop, the date being 1868, during the administration of President Johnson, and that there have been 14 presidents who have guided the nation's affairs since that time.

The Stock Yards National Bank now has combined resources of \$29,000,000 and is managed by an efficient staff of officers who include Charles N. Stanton, president; Thomas W. Boyer, vice president; George F. Emery, vice president; Harry I. Tiffany, vice president; D. Roy Kendall, cashier; Harry E. Herrick, assistant cashier; John J. Staiger, assistant cashier; and Alden S. Bagnall, assistant cashier.

WILLIAM H. MAAS, vice president of the DePuy Banking Publications, in Chicago, addressed the county bankers association in Waupaca, Wisconsin, last month and spoke on "Pastures of Gold."

Among other things which Mr. Maas said was this: "It is a part of everybody's job connected with the institution to help sell the bank to the best of his ability. Even in connection with the safe deposit box—don't sell tin boxes—sell happiness—sell freedom from worry, peace of mind; that something which enables a person to close his eyes at night when he hits the pillow and just naturally drop off to sleep without a care in the world."

H. R. BOLES, manager of the Bond Department of the American and Commercial Savings Bank of Davenport, told me of their very successful bank investment and management conference which they conducted for their own institution last month.

As far as I know this is the only individual conference of its kind conducted by any bank in the country and over 80 banks were represented and received many valuable ideas from the meetings.

The object of the conference was to direct the attention of the correspondent banks and other banks in their territory to the newest methods of banking and a discussion of current problems in which all of them were interested.

This is what I call constructive cooperation in the banking business.

Financing Foreign Trade

George W. Doonan, manager of the foreign department of Central Trust Company of Illinois, Chicago, was a speaker recently at the annual conference of the Central Mississippi Valley Foreign Trade group, held in St. Louis. Mr. Doonan's subject was "Financing Foreign Trade."

"The foreign trade picture," he said, "as you all know, is anything but a bright one at this time with practically the entire world struggling with business depression, and many nations with political disturbances. However, it was only a decade ago that we passed through a somewhat similar, if not worse, experience, and after that experience we saw our foreign trade reach the highest levels ever attained. While the clouds are dark at present they will gradually clear away, and during this period we shall have opportunity to better fortify ourselves and lay the proper ground-work for the future.

"It is interesting to note that even in this widespread depression, our exports of finished manufactured products are making a reasonably satisfactory showing. In 1930 the value of our finished manufactured exports amounted to \$1,900,000,000, constituting more than half of the exports of the country—a new record in our foreign trade history. The share of this group in total exports has been steadily increasing for many years. Although the value of exports of finished manufactures for 1930 was 25 per cent below the 1929 record, it was only 10 per cent below the average for the five years 1925-1929."

Cy Barr Dead

Cyrus Barr, vice president of the Continental-Illinois Bank and Trust Company, Chicago, died suddenly last month. Although not in the best of health for the past year or two, his death came as a distinct shock to his many friends throughout the middle west, and particularly to his Iowa banker friends, since he was born and raised in this state.

Mr. Barr was born and raised at Adel, Iowa, and had several years banking experience in Greene, Guthrie and Dallas counties. His personality so attracted Arthur Reynolds, then president of the Des Moines National Bank, that Mr. Reynolds prevailed on him to become assistant cashier of the Des Moines National in 1905. He later became cashier then vice president. In 1918 he went to Chicago, again under the tutelage of Mr. Reynolds, becoming vice president of the Continental National Bank.

Mr. Barr leaves a host of intimate friends. His outstanding personality and remarkable memory for names and faces, made him a familiar figure at state conventions throughout the middle west.

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FIRE INSURANCE—and Its Relation to Banking

By H. SCARBOROUGH, JR.

FIRE insurance comes into the minds of most people when the term "insurance" is mentioned. It seems to be second nature to insure one's property against fire, and perhaps there is a reason for this. It is one of the oldest forms of insurance protection, and the individual will protect himself against a fire hazard and a chance so-to-speak, on numerous other hazards.

The fire insurance business in the United States is linked closely with the banking interests of the country, not only from an investment point of view but from the actual profit derived from the insurance business by the banking fraternity. It is a logical step for the banker to insure the property upon which he is making mortgage loans, and, controlling the fire insurance as he does, puts him into the insurance agency business—and to many banks this is a very profitable department.

A little history of fire insurance will be helpful in understanding its growth. It took a \$53,000,000 fire way back in 1666, in London, where most of our early insurance history started, to bring fire insurance actively into being, and an Act of Parliament followed the fire stating that "building with brick was not only more comely and durable, but also more safe against future perils of fire," and provided "that all the outside of all buildings in and about the city should be made of brick or stone." This was the precursor of a modern ordinance providing originally for fire resisting, and in later years, for so-called fireproof buildings.

Early Companies

IN 1684 a mutual association in England issued fire insurance on houses to its members, organized and known as "The Friendly Society." Thus mutual insurance sprang into being.

Fire insurance in the United States experienced a growth quite the same as in England. Individual underwriters first entered the field, soon to retire in favor of stock and mutual companies. "The Philadelphia Contribution Society," sponsored by Benjamin Franklin, established and patterned after the English company, the "Hand-in-Hand," then came into being.

The Baltimore Equitable was started in 1794, as was the Insurance Company of the State of Pennsylvania. The Insurance Company of North America began writing fire insurance in 1793 and soon after extended its fire underwriting throughout the country. The Hartford Fire, the Albany, and the Aetna Fire Insurance Companies all started prior to 1825. Both the Hartford and the Aetna were particularly

responsible for the organization of the American agency system. The National Board of Fire Underwriters was formed in 1866 by the stock companies then doing business, this institution being responsible in the drafting of the standard fire policy of the state of New York, which was adopted in 1887, and they also have been active in fire prevention and protection work throughout the country.

The fire insurance contract is one of the oldest contracts in the insurance field, and the companies are loathe to change this contract after so many court decisions have blazed the path for its interpretation. Many new forms and riders have been

developed to meet the ever changing conditions, and this is one of the interesting phases in the study of fire insurance.

The importance of the form of contract cannot be impressed too strongly upon the mind of the banker. An insurance company is not liable for loss or damage unless otherwise provided by additional riders:

1. In the event there is any other insurance.
2. While the hazard is increased by any means within the control or knowledge of the assured.
3. While mechanics are employed in altering the building beyond the period of 15 days.
4. While certain inflammable and explosive products are kept on the premises.
5. If the property insured is a manufacturing establishment and is operated at night.



Fire insurance is not the sole coverage that is needed by most industrial concerns. The above shows the result of an explosion killing one person, injuring fifty others, and causing a half million dollars of property damage when the plant of the Puget Sound and Alaska Powder Company was wrecked by two explosions near Seattle. Photo, Wide World Studios

Northwestern Banker June 1931

WHY WE PICKED N^WNL

R. H. Carter and V. L. Thompson, life insurance men of high standing and years of experience, were recently appointed as N^WNL managers for Arkansas. They wrote and placed in the Arkansas Gazette an advertisement announcing their appointment, from which the following is taken:

“We picked the Northwestern National Life for the following specific reasons:

1. **Age, size, strength and reputation** in all of which respects the Northwestern National ranks among the first ten per cent of American Legal Reserve Companies.
2. **Sound and conservative investment program.** Forty-four per cent of total assets in high grade bonds and cash, bonds showing present market value substantially higher than purchase price. No part of legal reserves invested in stocks of any character.
3. **Offers both participating and non-participating** insurance at exceedingly favorable rates to policyholders.
4. **Highly developed agency training program,** especially valuable to new men in the life insurance business.”

**NORTHWESTERN NATIONAL
LIFE INSURANCE COMPANY**
O. J. ARNOLD, PRESIDENT
STRONG ~ Minneapolis, Minn. ~ LIBERAL

6. While the described building is unoccupied beyond a period of 10 days.

7. Caused by explosion or lightning unless fire ensues, and then to the extent of the damage by fire only.

All of these conditions may be amplified and most of them must be changed for the banker or customer so that adequate protection is secured.

The mortgage clause recently adopted by the Chicago board is quoted in part and is of vital importance to take care of the mortgage insurance:

“Loss or damage, if any, under this policy, shall be payable to _____ mortgagee (or trustee) or successors in trust, as interest may appear, and this insurance as to the interest of the mortgagee (or trustee) only therein, shall not be invalidated by any act or neglect of the mortgagor or the owner of the within described property, nor by any foreclosure or other proceedings or notice of sale relating to the property, nor by any change in the title or ownership of the property, nor by the occupation of the premises for purposes more hazardous than are permitted by this policy; provided that in case the mortgagor or owner shall neglect to pay any premium due under this policy, the mortgagee (or trustee) shall, on demand, pay the same.”

The banker should be interested in the “Loss Payable” clause on fire insurance policies where he may be interested from a loan point of view. I have in mind a particular case that was brought into our office for review by one of our banker clients. They had made loans, together with some 14 other banks located in as many cities, to a sugar corporation for goods in warehouse, and, being good bankers, desired the fire insurance policies scrutinized which the corporation carried protecting the property, the sugar and warehouses, which were the principal assets of the corporation. The “Loss Payable” clause in these particular policies was ambiguous, and if a loss actually had occurred, it would have been necessary that a technical release be obtained from any bank ceasing to have a further interest in the policy, bearing in mind that there were some 14 banks making loans to the corporations as enumerated in the “Loss Payable” clause. The policy being in the amount of \$6,000,000, you can visualize the amount of interest accumulated daily awaiting the mails to get signed releases from the banks having no further interest, before the insurance companies’ checks could be cashed.

The proper wording of the “Loss Payable” clause should have been, “Loss or damage, if any, under this policy should be adjusted with the assured and payable to the following banks.” This type of

clause, of course, would supersede the restrictions in the printed conditions of the policy which states that “the policy will

Every So Often Something Outstanding Appears

For instance:—

Non-Cancellable Dividend Accident Policy Pays for *Every* Accident.

\$100 to \$150 per month for train, street car or steamboat accidents.

\$60 to \$90 per month for auto accidents.

\$40 to \$60 per month for all other accidents.

\$500 to \$5,000 for accidental death, or loss of limbs.

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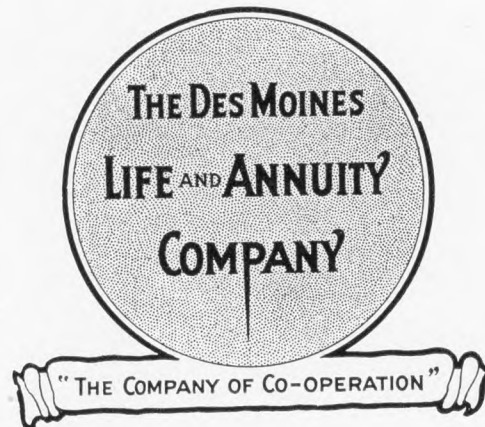
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J. J. SHAMBAUGH, President

DES MOINES, IOWA

become void if any interest of the insured be other than unconditional and sole." This is a technical point, but one which every banker should be alert in reviewing when making a loan in which insurable property is the basis of this loan.

A Costly Lesson

IT IS a cardinal principle with banks in making mortgage loans that adequate fire insurance be carried to protect the interest of the first mortgage, but it took the St. Louis hurricane a few years ago to bring the banker to a realization that there was an additional hazard of tornado on all outstanding mortgages. This is not

costly protection and it takes one additional risk off the books of the banker or issuer of the first mortgage.

Another point in which the banker should have a definite interest is the concern to whom they are loaning money who have ventured into the field of self-insurance, and it is only legitimate and right that the banker should demand that those concerns set up adequate insurance reserves in their statement to take care of any catastrophe losses which may impair the financial status of the concern and endanger the loan made by the bank. We would even venture to say that there is but one concern in ten who are self-

insurers who set aside adequate reserves in their financial statements.

The banker, of course, is interested in applying the proper fire insurance protection for his own institution, and it is not a difficult task to see that his bank premises are adequately protected. Strange to say, no fire insurance policy protects the banker against fire loss of money or securities. This is accomplished only through the Bankers Blanket Bond wherein is used the term "destruction," which naturally covers the fire hazard on money or securities. "Use" and "Occupancy" insurance is little thought of as applicable to banking institutions; however, ask yourself the question—If you had a fire in your present banking quarters which necessitated closing the building for 30 days, could you estimate the loss or damage to your banking business? "Use" and "Occupancy" insurance is designed to protect the profits that might have been made had the premises not been closed as a result of fire. The rate for this type of insurance is not excessive and will appeal to the conservative banker-mind.

Nebraska Licenses

Insurance Commissioner Kizer reports the issuance of licenses, during the year ending May 1, to 768 insurance companies to do business in Nebraska. These are divided as follows: Interinsurance exchanges 29; assessment accident and health associations, 16; mutual casualty, 22; stock casualty, 135 or grand total of casualty companies, 157; fraternal, 45; mutual legal reserve life companies, 389; assessment life, 2; stock legal reserve life, 77; grand total life, 163; stock fire, 217; mutual fire, tornado and hail, 36; farm and village mutual assessment tornado and fire, 67; assessment hail and plate glass, 8; hail companies only, 73; grand total of companies supplying property coverage, 403.

A Record Month

During the month of April the Iowa agency force of the Equitable Life of New York, under State Agent M. C. Nelson, wrote a total volume of \$5,731,600 and 1,642 applications, a new production record for the agency and one of the most outstanding campaigns ever staged by it. Eighty-four per cent of the applications were written under binder. The April campaign was in honor of President Thomas I. Parkinson of the Equitable, whose field force throughout the United States joined in honoring him.

Of the Iowa agents, all agents scored two or more applications for the month, 60 per cent turned in five or more completed applications, and 62 per cent had \$10,000 or more in volume. It was the largest month by a million and a half that the Iowa agency ever experienced.

Helping Build Economic Stability

BANKERS and Insurance Men today, more than ever, are co-operating in the effort to stabilize economic conditions. Through their combined efforts saving is being put on a sound basis, definitely free from the caprices of speculation. Central Life is glad to have a part in creating economic stability, and is pleased with the co-operation it has received from its many banker friends.

Central Life Has Assets of More Than \$35,000,000.00 and Insurance in Force of Nearly \$200,000,000.00.

Central Life Assurance Society

MUTUAL

T. C. DENNY, President

DES MOINES

IOWA



THE JUNE HOROSCOPE

The pearl is the June birth stone.

November is the fortunate month for June people, and blue is the lucky color.

Famous persons born in June were Rembrandt, Jefferson Davis, Rousseau, Nathan Hale, Rubens, Harriet Beecher Stowe and C. T. Yerkes, the millionaire.

To men born in June will come great wealth, provided they follow congenial employment.

But June people are inclined to wanderlust and restlessness, and are vacillating.

If you are a life insurance salesman and like the work, but are not under contract, you should immediately join the Royal Union, settle down and cultivate a restful spirit. You can make big money with us.



●

ROYAL UNION LIFE

INSURANCE COMPANY

DES MOINES, IOWA

A. C. TUCKER, President

Northwestern Banker June 1931

Increase in Surety Bonds

Many industrial and mercantile companies are showing an increasing interest in surety protection against the defalcations of members of their working staffs, according to the Fidelity & Casualty Co. of New York.

Whether this is due to the fear of losses that might still develop because of sub-normal business conditions, or to a greater realization of the opportunities of trusted employes to help themselves to company funds, has not been definitely ascertained.

"There was a time," said an officer of the Fidelity & Casualty Co., "when fidelity bonds were carried mainly by banks and

other financial enterprises, and only to a limited extent by commercial organizations, but in late years there has been a noticeable increase in the number of mercantile and industrial corporations taking fidelity protection against defalcations by employes. Recently the gain in such policies taken by 'nonbanking' concerns has been particularly marked, not only in the New York City district but in most other parts of the country as well. As a result, this class of coverage is showing rapid growth.

"Of course fidelity bonds have long been carried as a matter of routine by many of the larger business corporations but now

the relatively smaller companies are joining the ranks of policyholders.

"It seems possible that in the course of time bankers who now inquire carefully into the financial status of borrowing firms or corporations and check up on their fire insurance coverage as well as other safety factors to be considered by the lender, will also insist upon fidelity bond protection so that the speculations of confidential clerks, executives, or others, will not impair a customer's financial strength."

New Bank at Maxwell

The Farmers State Bank of Maxwell, Iowa, was organized recently with a capital of \$25,000 and a surplus of \$10,000.

Hardy Witmer has been named as president of the bank, with C. R. Poston as vice president, O. W. Parker as cashier and Ennis Woods as assistant cashier.

Bank Management Booklet

The bank management commission, American Bankers Association, has just issued Booklet No. 6, in its series on commercial bank management, dealing with the duties and qualifications of executive bank officers. Qualifications of an officer managing the internal operations of a medium sized bank, are discussed under analysis of operations, organization, policies, standards and control; of a loan officer, under experience in the community, specialization, and dispersion of risks; of an officer making unsecured commercial loans, under investigation of borrower, attention to profits, training and experience, and familiarity with bank departments; and of an officer making agricultural loans under personal contact with farmer, knowledge of major agricultural projects, knowledge of cattle business and farm accounting. Knowledge of building trends, familiarity with farmer's problems and personality are discussed as qualifications for an officer operating a bank mortgage department, and understanding of types of securities for an officer handling an investment account. Qualifications of trust department officers are described as knowledge of law, comprehension of accounting, understanding of investments and experience in business. Qualifications of a bank comptroller-auditor are discussed under organization, accounting knowledge, comparison and statistics, charts, law, taxes, insurance, psychology-salesmanship, and judgment.

Copies are obtainable from the Bank Management Commission, American Bankers Association, 22 East 40th Street, New York City.

Afraid of the Pop

Arthur—I would marry Gertrude but for one thing.

George—Afraid to pop the question?

Arthur—No, afraid to question the Pop.

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Bankers' Wants



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Position wanted—Young man wishes opportunity to learn banking business. Address No. 3170, care Northwestern Banker.—6.

Wanted—Salesman. Former banker who wants to sell high grade bonds and listed stocks on attractive basis, on all or part time for old established house, well known in Iowa. Possibly could arrange territory to suit your present residence. Address W. D. Hanna & Company, Burlington, Iowa.—6.

For Sale—Fisher, marble, three window, L shape Bank Fixture, marble wainscoating for walls. Two screw vault doors. Address No. 3168, care Northwestern Banker.—6 T. F.

Wanted—Position in good bank as teller or assistant cashier. Five years experience as Bookkeeper and Assistant Cashier in country bank. Excellent training in all details connected with banking. Age 26, married. Can furnish best of references. Address No. 3169, care Northwestern Banker.—6 T. F.

Wanted—Position in country bank. Ten years' experience as stenographer, clerical clerk and teller. Thirty-eight years of age. Address No. 3165, care Northwestern Banker.—5-T.F.

Wanted—By young man, 25, position in bank in progressive rural or other community. Four years experience covering positions in large Chicago bank, and Assistant Cashier in country bank. Address M. B. McLaughlin, 220 Peoples Bank Bldg., Galesburg, Illinois.

Position Wanted—Assistant Cashier. Eighteen years bank experience, from bookkeeper to cashier. Best of references. Address No. 3162, care Northwestern Banker.—4.

Wanted—Position, preferably as assistant cashier, in country bank. Single. 24 years of age. Excellent training and understanding in the fundamentals and details connected with banking. Address No. 3163, care Northwestern Banker.—4-TF.

Position Wanted—Cashier or Assistant Cashier in progressive country bank. Eight years experience. Age 35. Married. Protestant. Can furnish best of references. Address No. 3160, care Northwestern Banker. 3-T.F.

For Sale—Safety deposit boxes, posting machine, and set of marble fixtures. Address No. 3167, care Northwestern Banker.—5 T. F.

Increase Surplus

At the regular monthly meeting of the directors of the Commercial State Bank of Independence, Iowa, a resolution was unanimously adopted rearranging the capital structure of the bank. Under this rearrangement the stockholders will add \$50,000 to their investment in the bank, and these funds will replace an equal amount of the bank's present capital stock, making such capital now \$50,000 and the bank's surplus \$110,000.

This action is for the purpose of affording the bank an ample surplus. The action of the directors in the adoption of this program was unanimous, and they feel that the capital structure as now set up places this bank in an unusually strong position, and it reflects their confidence in the institution and in the prosperity of the community.

The directors are: M. O. Fouts, president; Dr. A. G. Shellito, vice president; L. C. McGill, cashier; Dr. F. F. Agnew, Mrs. Mabel Gillett Buell, John L. Cherny, Roy A. Cook, C. A. McEwen, A. T. O'Brien, L. C. Soener.

Chairman of Group Nine

B. J. Parsons, cashier of the Commercial State Bank at Afton, Iowa, was chosen as chairman of Group Nine of the Iowa Bankers Association by the representatives from the nine counties in the district in their annual meeting in Chariton. Mr. Parsons has been serving as acting chairman during the past few months and the action of the bankers of the district gives him the position in his own right.

Elmer Gookin, cashier of the National Bank & Trust Company of Chariton, was reelected secretary of the group.

During the business session a number of resolutions were adopted, including a record vote of commendation for the splendid manner in which the local bankers entertained the visitors in their fifteenth annual meeting.

Chicago F. A. Elects

The Chicago Financial Advertisers began their sixth year with the election of Ernest T. Cunningham of Halsey, Stuart & Company, as president. Joseph J. Levin of A. G. Becker & Company, Samuel Witt of the Continental Illinois Bank &

Trust Company, and Charles M. Redmon of the Boulevard Bridge Bank were elected vice presidents; Dorothy Trevino of the Personal Loan and Savings Bank was chosen treasurer; Preston E. Reed was reelected secretary.



For The Farmer And The Banker

FRED G. EILERS had a 20 acre field that was earning him only \$100.00 per year because it was too wet for anything but poor pasture. He tiled it at a total cost of \$475.00.

The next year that field produced 70 bushels of corn to the acre which sold at 70 cents for a total of \$980.00. Thus the first year's crop repaid the total cost of tiling and left in his bank account five times as many dollars as the field had ever earned him before in one year.

Since then Mr. Eilers' income from that field has varied some what with the crop planted and the market prices, but always it has been several times as much as before the field was tiled.

Tile drainage will increase the income of your customers who have wet fields or spots on their farms. Thus it will increase the funds handled through your bank, and so the profits you earn.

Thorough tile drainage will go far in solving the farm problem of your trade territory.

MASON CITY BRICK and TILE COMPANY

Denison Building
MASON CITY, IOWA



South Dakota Bank News

Officers South Dakota Bankers
Association

President.....	A. B. Cahalan Miller
Vice President.....	J. W. Bryant Mitchell
Secretary.....	George A. Starring Huron
Treasurer.....	Don W. DeVey Westport



A. B. CAHALAN
President

GEORGE H. STARRING
Secretary

Group Holds Meeting

Harmon Kopperud of Lake Preston, was named president of Group Five of the South Dakota Bankers Association at the annual meeting held at Huron, to succeed Russell Bard of Miller. Theo. H. Meyer of De Smet, was named chairman for Kingsbury county.

Mr. Kopperud is vice president of the Community State Bank of Lake Preston.

Association to Meet in Huron

Plans are practically complete for the fortieth annual convention of the South Dakota Bankers Association in Huron, June 24th, 25th and 26th. The three-day meeting will attract nearly 350 bankers, George A. Starring, secretary, has estimated.

The Huron Country Club will entertain delegates at a golf tournament the first day, with competition expected among 75 banker-golfers. The executive council will meet in the evening. The convention proper will get under way the morning of the second day, Thursday.

Five South Dakota cities and three outside states will contribute speakers, who will include:

B. F. Patton, president Huron Chamber of Commerce; J. W. Bryant, Mitchell, vice president State Bankers Association; A. B. Cahalan, Miller, association president; Don W. DeVey, Westport, treasurer; I. A. Churchill, Huron, counsel for the association; L. G. Troth, Pierre, state secretary of agriculture; Harold E. Wood, Chicago, vice president Foreman-State Corporation; Governor Warren Green; James E. Clark, New York, editor American Bankers Association Journal; Theodore Christianson, Minneapolis; former governor of Minnesota; E. A. Ruden, Pierre, state superintendent of banks; Bruce Barnes, Pierre, state sheriff; Herbert V. Prochnow, Chicago, representative of First National Bank; and William E. Perrenoud, Sioux Falls, representative American Institute of Banking.

Special entertainment features are being planned for the wives of the bankers, with the social climax being a dancing party at the Huron Country Club, Thursday evening.

The program is so arranged that the convention will be concluded at noon the final day instead of late afternoon, to permit delegates to drive home after the last session if they desire.

Banks Are Consolidated

The Hillsvie State Bank of Hillsvie, South Dakota, has been consolidated with the Farmers State Bank of Hosmer, the state banking department has announced. All assets and liabilities of the Hillsvie bank have been taken over by the Hosmer institution.

Group Four

Watertown was selected for the 1932 meeting place of Group Four of the South Dakota Bankers Association at the annual meeting in Milbank.

George K. Burt, Watertown, was elected president; J. A. Anderson, Pierpont, vice president, and Bert Morgan, Watertown, secretary-treasurer.

Aberdeen Consolidation

The Aberdeen, South Dakota, National Bank and Trust Company and the First State Savings Bank were merged last month under the name of the former, giving Aberdeen a national bank with resources of more than \$4,000,000.

Terms were agreed upon by the boards of directors of the two institutions at a recent meeting. It was announced that the personnel of both banks will be retained.

Urges Tax Reduction

Bankers of central South Dakota were urged to take an active part in the fight for a downward revision of taxes in an address in Huron, South Dakota, by A. Kopperud, pioneer Kingsbury county banker who is now vice president of the Federal Land Bank at Omaha.

One of the principal speakers at the Group Five meeting of the South Dakota Bankers Association, Mr. Kopperud said that the best way to reduce taxes is to elect officials who will be watchful of public expenditures.

The annual business meeting of the

group resulted in the election of Harmon Kopperud of Lake Preston, brother of the Federal Land Bank official, to the presidency of Group Five. Vice president last year, Mr. Kopperud succeeds Russell Bard of Miller.

L. A. Anderson of Hitchcock was named vice president and George M. Townsend of Huron was reelected secretary-treasurer. In addition to serving as vice president of the group, Mr. Anderson will continue to act as county chairman for Beadle county.

Other county chairmen who were re-named include: C. W. Gardner, Ree Heights, Hand; L. J. Branch, Pierre, Hughes; R. J. Drew, Highmore, Hyde; M. J. Twist, Doland, Spink; Arthur Owen, Onida, Sully; Theo. H. Meyer, De Smet, Kingsbury.

Bankers Endorse Kibbee

Representatives of 31 South Dakota banks met in Huron, last month, for the purpose of endorsing the candidacy of H. R. Kibbee, president of the Commercial Trust & Savings Bank of Mitchell, for director in Class A of the Federal Reserve Bank of Minneapolis, to fill the vacancy caused by the death of J. C. Bassett of Aberdeen.

Mr. Kibbee has had wide experience as a banker, having begun his career with the First National Bank in Mitchell in 1883. He organized the Commercial Trust & Savings Bank, January 1, 1897, was its first cashier, and its president since 1909.

Mr. Kibbee has been active in all civic affairs, and was city treasurer for 38 years. He was formerly a member of the South Dakota Banking commission. He is a lifelong student of financial affairs and has long been recognized in South Dakota and the northwest as an exponent of progressive and safe banking.

Increases Capital Stock

The Security State Bank of Ethan, South Dakota, has increased its capital stock from \$20,000 to \$25,000 which makes the second increase in capital stock within the last four years. In December of 1928, the stockholders voted to increase the capital stock from \$13,500 to \$20,000 and have just received their certificate from the superintendent of banks at Pierre authorizing the second increase leaving \$8,000 in the undivided profit account or \$33,000 capital and profits.

Issues Reward Poster

The South Dakota Bankers Association has issued a two-color reward poster offering "\$1,000 Reward for Bank Robbers, Dead or Alive." The posters have been issued to each member of the association with the request that they be displayed in a conspicuous place in the bank lobby.

It is believed that this will have a tendency to discourage would-be bandits. For it is a fact that robbers are prone to avoid those places which offer a large reward for their dead bodies.

Standard Mortgage Laws

PLANS to expedite home ownership through standardization of state mortgage laws are presented by Donald E. Bridgman of Minneapolis, in the current legislative bulletin of the Mortgage Bankers Association of America. The article is based upon an address which he made recently before a meeting of Chicago mortgage bankers and lawyers describing the provisions of the Uniform Mortgage Act framed by the National Association of Commissioners on Uniform State Laws for which he acted as draftsman.

"An idea of the diversity of mortgage laws may be obtained from the following facts," he states "28 states regard a mortgage as a lien at all times; four states regard it as a lien until default, and then an estate; 16 states regard it as an estate. Twenty-five states give the mortgagee right to possession only on foreclosure; six states do so subject to change by agreement between the parties; six states give the mortgagee right to possession on default; and nine states give the mortgagee right to possession on execution of the mortgage subject to stipulation.

"In eight states the trust deed with power of sale is the form in general use, and in one state, Illinois, the trust deed without power of sale. In the remaining states the mortgage is in general use, with the power of sale in ten of them. In 28 states foreclosure is by suit in court, and in 12 of these this method is required by statute. In 18 states foreclosure is usually by power of sale, and seven of these have a period of redemption. Seventeen states have no period of redemption on foreclosure, and the remainder have such a period varying from six months to two years. The details relating to foreclosure proceedings and redemption vary, not being the same in any two states."

Under such conditions the flow of funds from one state to another for financing of home and farm ownership is retarded somewhat more than would be the case if mortgage bankers and investors could operate under uniform and simple laws. To illustrate the diversity of procedure, Mr. Bridgman cites one instance where \$3,000 in costs and attorney's fees were incurred in one state to foreclose on a \$27,000 mortgage whereas in an adjoining state which has a model up-to-date law, costs and fees of only \$239.80 were reported in foreclosing a mortgage of \$17,000.

"Earlier uniform acts in the field of commercial law have been most successful," he explains. "The Uniform Negotiable Instrument Acts have been adopted

in all of the 48 states, while the Uniform Warehouse Receipts Act, Bills of Lading Act, Sales Act, Stock Transfer Act, Partnership Act and Limited Partnership Act have all been passed in a large number of states. The need for uniformity of state laws has greatly increased with improvements in transportation, closer relations between states and the enlarged volume of interstate dealings."

Endorsed by Many

THE Uniform Mortgage Act has been endorsed by the American Bar Association, National Association of Real Estate Boards, American Title Association and numerous mortgage law professors

and attorneys representing the large lending institutions. The *Journal of Political Economy* of the University of Chicago maintains that the Act is fair to both borrower and lender, and declares that it "affords better economy of time and money. It relieves the courts, shortens records and promotes uniformity. These features should impress all parties concerned."

Among the economies that can be effected are: general use of 150 word short form mortgages in place of present forms of several thousand words, and consequent saving to taxpayers in reducing expensive fireproof space required for preserving public records.



Speed-Efficiency

Grain, hay and live stock drafts on Sioux City, sent through this old, reliable bank, are handled in a speedy, efficient manner. For 35 years we have satisfied our correspondent banks—and each day are making new friends.

Use our specialized services for all your Sioux City transactions.

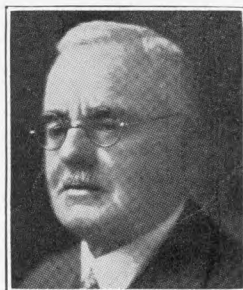


LIVE STOCK NATIONAL BANK SIOUX CITY, IOWA

Affiliated in
NORTHWEST BANCORPORATION GROUP

Combined Resources
Over \$495,000,000

Northwestern Banker June 1931



J. G. LOWE
President

Nebraska Bank News

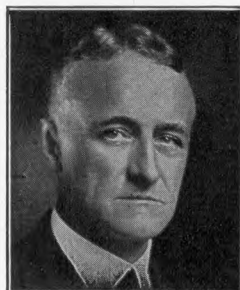
Officers Nebraska Bankers Association

President.....J. G. Lowe
Kearney

Chairman, Executive Council....
.....E. N. Van Horne
Lincoln

TreasurerDenman Kountze

Secretary.....Wm. B. Hughes
Omaha



WM. B. HUGHES
Secretary

Elected Cashier

At a recent meeting of the board of directors, Fred H. Wackel was elected cashier of the First National Bank of West Point. The election of Mr. Wackel fills the vacancy caused by the death of Wm. Gentrup.

Mr. Wackel has had several years' banking experience at the former Nebraska State Bank in West Point.

Heads Association

W. F. Wenke, Pender, was named president of the Northeast Nebraska Bankers Association at the annual convention held in Norfolk, succeeding Rollie W. Ley of Wayne, who served as head of the organization the past year. S. D. Thornton, Jr., Neligh, is new vice president; Fred Muller, Norfolk, secretary; and George H. Haase, Emerson, treasurer.

Heads Creighton Bank

At the annual meeting of the board of directors of the Creighton National Bank, George Wright was elected president to succeed J. F. Green, who died recently. Mr. Wright has been actively identified with the institution as vice president. M. F. Harrington of O'Neill, was chosen vice president in Mr. Wright's place. Mrs. Rene Rodgers was made assistant cashier.

Buys Creston Bank

The Citizens State Bank of Creston, Nebraska, which has been under the control of C. C. Sheldon and R. M. Campbell of Columbus, has been sold to Fred Rabler of Leigh, who took possession last month. Mr. Rabler and his son, Fred, Jr., will conduct the bank hereafter though Ralph Barrett, who has been in the bank for several years, will remain with it.

O. W. Hanh who has been with the bank since its consolidation with the Farmers State Bank about seven years ago, and Charles Hook will remain with the bank for about 30 days.

Gresham Banks Merge

Two banks, the First National Bank of Gresham, Nebraska, and the Gresham State Bank have merged and will operate

under the name of the Gresham State. David Young is president; Arthur Walford, cashier, and Robert Heinke chairman of the board of directors.

Heads Omaha Chapter

Milton Barlow of the United States National of Omaha, was reelected president of the Omaha chapter of the American Institute of Banking at a meeting of the board of governors.

Other officers elected by the institute are: Vice president, Jess Billings, Occidental Building and Loan Association; secretary, Ernest Tanner, First National Bank; treasurer, Wallace Johnston, Stock Yards National Bank.

Mr. Barlow has been transferred from the savings department of his bank to teller in the commercial department.

Pays 70% Dividend

The State Bank of Madison, Nebraska, which was closed last December and put in the hands of a receiver, has paid depositors a dividend of 70 per cent of the money due them. This was the first dividend to be paid.

Prospects appear to be good that the bank will ultimately pay depositors 100 cents on the dollar.

Assistant Cashier

At the regular monthly meeting of the board of directors of the Farmers and Merchants Bank, of Omaha, Mr. Isaac G. Watson was elected assistant cashier.

Mr. Watson has been in the employ of the bank for the past 10 years.

Celebrates 55th Wedding Anniversary

Last month, Mr. and Mrs. Fred H. Davis of Omaha celebrated their fifty-fifth wedding anniversary. Mr. Davis is president of the First National Bank of Omaha, and dean of Omaha bankers.

The anniversary was marked by no departure from his business routine, which keeps him at his desk daily from 10:30 a. m. until 5 p. m.

Mr. Davis said:

"My advice to a young man would be

to get hold of a good job, work hard and keep it. Make few changes. Remember the old adage about the rolling stone. Hard work and close application to business are the only means toward success that I know anything about. The rearing of children is the only way toward happiness in a family."

Mr. and Mrs. Davis were married in Trinity cathedral, Omaha, May 11, 1876. Mr. Davis will be 78 years old, June 10th.

Returns from Trip

Gwyer Yates, president of the United States National Bank of Omaha, after a three weeks' business trip through the south and east, ending in May, returned to Omaha to say:

"Little change is to be noted in the business situation. One hopeful sign, however, is that factories are receiving a few more orders."

Mr. Yates attended a meeting of the executive council of the American Bankers Association at Augusta, Ga., as a member of its bankruptcy commission; a conference of reserve city bankers at Richmond, Va., and then went to New York.

Drop Savings Plan

The Omaha Board of Education in May ordered the school savings plan dropped. The more than 40,000 children depositors, after several years of the thrift savings, had accumulated more than \$360,000 in the First National Bank.

In ending the system, the school board gave as a reason the burden of work the plan placed upon teachers, which seemed too much in view of the larger classes that each teacher will have next year.

According to Walter L. Piepont, president of the board, the banking plan had also, in some cases, proved embarrassing to the pupils from homes where even the minimum deposits had been hard to get.

Before the plan was abandoned, a rule had been made that 25 cents would be the minimum deposit accepted, and pupils had been given envelopes in which to keep smaller coins until 25 cents were raised. Several hundred accounts at the First National Bank, however, contained only from 1 to 5 cents.

FORD HOVEY, president of the Stock Yards National Bank of Omaha, and L. K. Moore, assistant to the president of the Stock Yards National, were elected vice presidents of the Northwest Live Stock Loan Company, organized at Minneapolis with an authorized capital of \$1,000,000. Edward W. Decker, president of the Northwest Bancorporation, said the new company would finance live stock operations. The president is Alex Highland, a vice president of the Northwest Bancorporation.

NEW MEMBERS of the board of governors of the Omaha Chapter of the

American Institute of Banking, elected for two-year terms, are Wallace Johnson, Stock Yards National Bank; Ernest Tanner, First National Bank; Richard Gash, Live Stock National; Milton Barlow, United States National, and Ray Nelson, the Federal Reserve Bank.

THE SIXTH ANNUAL Nebraska land valuation and management course sponsored by the Mortgage Bankers Association of Nebraska and the department of agronomy and conservation and soil survey division of the college of agriculture, Nebraska University, was held during May. The course included a field trip from Norfolk to study different soil types of nearby farms, and a banquet when Dr. George E. Condra and Dean W. W. Burr of the state university talked. Talks during the field trips were by Henry Hall of E. H. Lougee, Inc., and Charles Mead of the Omaha National Company, and others.

CHARLES T. KOUNTZE, chairman of the board and vice president, and Denman Kountze, vice president of the First National Bank of Omaha, attended a meeting recently in New York of the Kountze Brothers banking house.

THE FARMERS AND MERCHANTS BANK opened its doors for business in West Point, Neb., April 25th. It was formed by taking over 50 per cent of the deposits of the former Nebraska State Bank, and began business with assets of \$193,401.72. G. I. Collins is president; Gerhard Stalp, vice president; W. T. Knieval, cashier; Dorothea Reppert, assistant cashier. Directors are G. J. Collins, Gerhard Stalp, Earl Reppert, Joseph A. Jerman, W. T. Knieval.

MILTON BARLOW, of a banking family long known in Omaha in connection with the United States National Bank, is the new president of the Omaha Chapter of the American Institute of Banking.

The vice president is Jess Billings, Occidental Building & Loan Association; secretary, Ernest Tanner, First National Bank; treasurer, Wallace Johnson, Stock Yards National Bank. Mr. Barlow has been transferred from the savings department to teller in the commercial department of the United States National Bank.

W. DALE CLARK, president of the Omaha National Bank, according to usual custom of the Omaha Chamber of Commerce, was to be advanced to the presidency June 9th. Mr. Clark has served during the past year as chairman of the executive committee of the chamber. Mr. Clark succeeds E. H. Hoel as president of the chamber.

MRS. P. J. LANGDON, 60 years old, president of the Bank of Gretna, Neb., is

dead. She had succeeded to the presidency after the death of her husband. She had lived in Gretna nearly all her life, and had been active in civic affairs. Three sons and five daughters survive.

THE RECENT SESSION of the Nebraska Legislature was marked by the passage of few laws relating to banks or banking procedure. House bills that were passed and became laws were:

H. R. No. 39, by Davis of Weeping Water: Provides for payment by state and county treasurers of a service charge of not more than one per cent to banks in which are deposited public funds.

H. R. No. 130, by Blackman of Tilden: Requires state banks as well as national

banks to give bond for safekeeping of public funds deposited by city or village treasurers.

H. R. No. 141, by Nuenberger of Wakefield: Provides for deposit of money of school district or town treasurer in banks designated by the governing board. Treasurer not liable on bond for deposits thus made.

Senate bills that became laws were:

S. F. No. 108, by Wellensiek of Grand Island: Provides for restoration of capital stock of state banks by assessing stockholders; provides for sale of stock of individuals if assessment is not complied with.

S. F. No. 137, by Wellensiek: Provides that capital invested in state banks shall

MIDLAND BANK

LIMITED

A Complete Banking Service

The Midland Bank offers exceptional facilities for the transaction of banking business of every description. It has offices in the Atlantic Liners "Aquitania" "Berengaria" "Mauretania" and with affiliated banks operates over 2550 branches in Great Britain and Northern Ireland.

The offices in Poultry and at 196 Piccadilly are specially equipped for the use of American visitors.

Head Office: POULTRY, LONDON, E.C.2

Overseas Branch: 122 OLD BROAD STREET, LONDON, E.C.2

TOTAL RESOURCES EXCEED \$2,000,000,000



Live Stock National Bank

OMAHA

Invites you to visit them
when in Omaha

"THE BANK OF PROMPT SERVICE"

be determined on amount invested rather than on assessed valuation of such banks.

S. F. No. 143, by Bowring of Merriman: Provides for giving by banks of surety bonds or approved securities for safety for public deposits.

THE NEXT state convention of the Nebraska Bankers Association will be held in Lincoln October 22nd and 23rd, the dates asked for by the Lincoln bankers.

GROUP THREE of the Nebraska Bankers Association, at its meeting at Norfolk, elected the following officers:

President, W. F. Wenke, cashier, Pender State Bank; vice president, S. D. Thornton, Jr., president, Security State Bank of Neligh; secretary, Fred W. Muller, cashier, Security State Bank, Norfolk; treasurer, George H. Chase, cashier, Farmers State Bank, Emerson.

Senator Bulow of South Dakota was a speaker at the group's banquet.

Argument Against Personal Surety

Herbert C. Kohlwes of the Pacific department of the Hartford Accident and Indemnity Company has been writing a series of educational articles on fidelity and surety bonds in recent issues of the *Hartford Agent*. In a recent article Mr. Kohlwes points out that by watching the probate register at his local courthouse the alert casualty agent will discover that in many cases private parties (often perhaps friends of the agent) are sureties under the bonds on file and that many an agency commission is lost through the filing of these personal bonds.

"Here indeed," says Mr. Kohlwes, "is a virgin field of judicial bond business free from competition. This condition gives you the opportunity to encourage

the use of the corporate surety bonds and to make known the dangers of personal suretyship to the habitual personal sureties and the reputable attorneys in your community.

"The dangers of personal suretyship were known to the ancients. The Temple of Delphi bore an inscription, 'Suretyship is the precursor of ruin.' The Bible contains many passages referring to the hazards of personal suretyship, the most famous being, 'If thou be surety for thy neighbor, thou art ensnared by the words of thy mouth.' These truths apply with added force today.

"The late Judge Gary, who was one of the outstanding figures of modern times, in his will gave his family a legacy of good advice. He said—'I earnestly request my wife and children and descendants that they steadfastly decline to sign any bonds or obligations of any kind as surety for any other person or persons.' Judge Gary had undoubtedly seen many instances of ruin brought about by personal suretyship.

"Some may ask, 'Since personal suretyship is so dangerous why does the practice exist?' The personal surety's ignorance of the hazards he assumes is one of the 'reasons.' Personal sureties don't realize that the obligations they take on place the welfare of their family and themselves in jeopardy. On carefully selected risks, written by surety companies, losses are many and large.

"If surety companies which make a practice of bonding sustain such heavy losses how can the personal sureties afford to lay themselves open to these risks? Indeed, the small premium paid for a corporate surety bond is insignificant in comparison with the perilous nature of the undertaking. Another 'reason,' rather 'excuse,' for the prevalence of personal suretyship is the sense of false economy that prompts the applicant to ask his friends to sign his bond just to save the bond premium. If the applicant for a bond would stop to realize how small the premium for a corporate surety bond really is, the dangers he is exposing his friends to and the consequent obligation he is placing himself under, he would not ask anyone to sign his bond.

"Surety companies make a business of guaranteeing the honesty of employes and the faithful performance of duties and honesty of fiduciaries and officials. Educate the public to the dangers of personal suretyship and the advantages of corporate surety bonds. This educational campaign will be a benefit to you besides being a valuable service to the members of your community."

It is neither wise nor honest to detract from beauty as a quality. There cannot be a refined soul insensible to its influence. . . . Beauty is of itself a power.

—Lew Wallace.



The past two years have proved the value of conservative management. The Northern Trust Company, strong with the strength of conservative banking, invites your correspondent account.

THE NORTHERN TRUST COMPANY

Northwest Corner LaSalle and Monroe Streets

CHICAGO

More than Forty Years in the Service of Chicago

Prosperity Ahead

In a recent address John McHugh, chairman of the executive committee of the Chase National Bank of New York City said:

"Some of us have been bankers for 40 years or more. We went through the difficult period of the middle nineties, some as bankers in the distressed agricultural regions, some in the large financial centers. We lived through the distress of the last half of 1893 and the whole of 1894. We witnessed the brilliant but short-lived recovery of 1895 and the renewed distress of 1896. We witnessed the marvelous recovery which began in 1897 and which continued with scarcely an interruption, so far as business was concerned, to the panic of 1907, though there were distressing episodes in the stock market in 1901 and 1903. We witnessed the strong recovery of 1909, the moderate reaction and relatively quiet business of 1910-13, and we have, of course, gone through the crisis of the outbreak of the war, the war time and the post-war boom, the crisis and depression of 1920 and 1921 and the period of boom and reaction of recent years.

"Forty years' experience of this kind gives one a certain steadiness of vision, a certain ability to look beyond the immediate situation. When markets are booming and hope and enthusiasm run high and prices mount with great rapidity, we do not trust them. We know that enthusiasms will overdo themselves in boom times. We grow cautious and we exert our influence towards moderating the enthusiasm about us. When reaction and extreme depression come, again we do not believe in them. We know that they are overdone. We know that men are needlessly depressed, and that exaggerated fears and absurd rumors make no proper basis for a judgment of the future.

"The United States of America will not stay long on a level of business as low as that of the winter of 1930-31, nor will the outside world. Part of our troubles are the unavoidable consequences of valid causes. Part of our troubles will not immediately disappear. But a large part of our trouble is the consequence of a paralyzing fear, unreasonable and partly unreasoning, and when this fear gives way to reasoned calculation of facts, business will speedily become very substantially better.

"I am not disposed to think that we can dissipate fear merely by talking cheerfully or that we can dissipate unreason merely by talking reasonably, though both of these things help. Rather, my experience would teach me that there is a certain rhythm in these matters, that there is a law in human psychology of action and reaction. Fear and enthusiasm are largely emotional rather than intellectual. We get rid of them by going through them. After a while they wear themselves out. The change comes, not with the change in the

facts, but merely with the rebound in our spirits. Business is bad. It will get better. In time it will be very good again. And then in all probability we shall build false hopes upon it. We shall probably overcapitalize it. We shall probably erect unsound credits on the basis of beliefs and hopes. And then, if we do as heretofore, it will get bad again. I believe that we are about through the worst of the present depression, and that better times are ahead of us."

County Bankers Elect

H. N. Rye was elected president of the Winnebago County Bankers Association

at a meeting held at Buffalo Center, Iowa, last month. The meeting was held at the Buffalo Hotel, where a seven o'clock dinner was served, with the Buffalo Center bankers acting as hosts. Other officers elected for the ensuing year were A. M. Erdahl, Rake, vice president, and C. L. Peterson, Buffalo Center, secretary-treasurer. Mr. Peterson is a former Forest City man, being a son of Mrs. H. T. Peterson, of this city.

Wife: "John, the house is on fire!"

John (sleepily): "Well, go shut off the furnace. There's no use wasting coal."

—Cornell Widow.



Cast iron kettles can be manufactured and sold in volume—massproduction. But even in this modern age, bank items are individual and should receive individual attention.

Drovers Service is built on personal service to Correspondent Banks.

DROVERS
NATIONAL BANK
TRUST & SAVINGS BANK
 Union Stock Yards • Chicago, Ill.

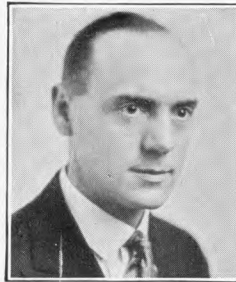


C. B. BROMBACH
President

Minnesota Bank News

Officers Minnesota Bankers Association

President.....C. B. Brombach
Minneapolis
Vice President.....J. R. Chappell
Winona
Treasurer.....W. L. Brooks
Bemidji
Secretary.....George Susens
Minneapolis



GEORGE SUSENS
Secretary

Cashier at Waterville

H. L. Sargent has accepted a position as cashier of the Security State Bank of Waterville, Minnesota, succeeding W. L. Warburton. Mr. Sargent was formerly cashier of the Walnut Grove State Bank at Walnut Grove.

Prepare Convention Program

The program is almost completed for the forty-second annual convention of the Minnesota Bankers Association, which will be held in the Nicollet Hotel in Minneapolis, June 9th, 10th and 11th.

An imposing array of speakers has been secured which will include Governor Floyd B. Olson, Virgil Jordan, economist of the McGraw-Hill Publishing Company and editor of *The Business Week*; J. C. Lawrence, former assistant to the president of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company; Congressman W. I. Nolan; C. Ben Brombach, president of the Minnesota Bankers Association, and many others.

Ample entertainment will be provided

for the Minnesota bankers and their wives during the three days of meetings. Golf tournaments, a smoker, theatre and other interesting events will provide ample opportunity for relaxation.

The attendance this year is expected to equal or exceed any previous record.

Reduce Interest Rates

Interest rates on savings accounts and certificates of deposit at all St. Paul banks will be reduced to 3 per cent a year effective July 1, according to an announcement made by representatives of more than 35 banking institutions.

The decision to reduce interest rates on savings does not affect depositors in the First National, Empire National, St. Anthony Park State and Produce State Banks and the First Trust Company, which institutions have been paying 3 per cent on savings.

"The reduction in interest rates paid depositors is a reflection of the low rates obtained by banks at this time on their invested funds," the announcement reads.

"This reduction follows similar cuts in other sections of the country, due to a generally reduced rate situation. Bankers deem the reduction necessary in the interest of sound operation. In Minneapolis, the reduction in interest rates on savings and certificates of deposit to 3 per cent has been effective since April 1, 1931."

J. N. Peyton, state commissioner of banks for Minnesota, recently announced that many banks throughout the state have been reducing interest rates on savings.

The change to lower interest rates has been nationwide. The Chase National Bank of New York, the world's largest, announced reduction in interest on savings from 3 to 2 per cent.

Bank to Be Reopened

Plans for the reorganization of the First and Farmers State Bank of Ghent, Minnesota, are going forward promptly. Ninety per cent of the depositors have signed under the 30 per cent reduction arrangement, it is said. The reorganized bank will have capital of \$50,000 and a surplus fund of \$25,000.

Bankers Elect

Frank W. Luedtke, president of the Farmers National Bank of Hutchinson, Minnesota, was chosen president of the McLeod County Bankers Association.

Bank Group President

V. L. Johnson of Red Wing, Minnesota, was elected president of the Third District Group, Minnesota Bankers Association, at the annual meeting held in Glencoe.

Among speakers were J. N. Peyton, state banking commissioner; C. B. Brombach, president of the Minnesota Bankers Association; Henry E. Atwood and George Susens of Minneapolis, Mr. Johnson, Edwin J. Huber of Shakopee and J. B. Mairtz of New Prague.

Other officers named were Frank D. Herder of Savage, vice president; C. W. Weis of Le Sueur, secretary-treasurer, and A. B. Larson of Faribault, and Edward C. Johnson of Nicollet, members of the executive committee.

A luncheon was served at noon by women of the Congregational Church. Henry Thoeny of Glencoe, past district president, was in charge of the program. Approximately 110 bankers of the district attended.

Banker Is Dead

Knute C. Hanson, 63, president of the First National Bank of Battle Lake, Minnesota, died at Fergus Falls last month. He was unmarried.

Bank Changes Status

The First National Bank of Rosemount, Minnesota, has voluntarily been converted into the First State Bank, J. N. Peyton, state commissioner of banks, announced

**AS your correspondent bank in
Minneapolis we offer you a complete
banking and trust service.**

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

Affiliated in Northwest Bancorporation Group

A GREAT BANKING INSTITUTION

recently. The bank has capital of \$25,000 and surplus of \$12,500. F. A. Ruhr and Ralph M. Toombs, both of Rosemount, are president and cashier, respectively.

Bankers Organize, Pick Officers

Superior and Douglas county bankers recently attended an organization meeting of the Douglas County Bankers Association in Duluth, Minnesota. E. L. Cass, vice president of the National Bank of Commerce, was elected president; George Cosgrove of the Solon Springs State Bank, vice president, and Robert V. Tierney, cashier of the Community Savings Bank, secretary-treasurer. The association will become affiliated with the State Bankers Association, it was reported.

Reelect Officers

Officers and members of the executive committee of the First Bank Stock Corporation were reelected and four new members were added to the board at the annual directors meeting in Saint Paul. The new directors, whose election increases the membership of the board to 73, are Carl R. Gray, Jr., of Saint Paul, vice president of the Omaha railroad; L. M. Lilly of Saint Paul, president of the First Bancredit Corporation; Daniel F. Bull of Minneapolis, president of the Cream of Wheat Corporation, and John D. McMillan of Minneapolis, president of the Osborne-McMillan Elevator Company.

Officers were elected as follows:

C. T. Jaffray, chairman of the board; George H. Prince, president; Lyman E. Wakefield, vice president; Richard C. Lilly, vice president; P. J. Leeman, vice president and general manager; Lyle W. Scholes, vice president; A. McC. Washburn, vice president and general counsel; E. C. Kibbee, vice president; A. E. Wilson, secretary and comptroller; M. M. Hayden, treasurer; B. W. Phillips, assistant vice president; M. A. Cooley, assistant secretary and assistant treasurer.

The executive committee of the board is composed of 14 members as follows: C. T. Jaffray, Minneapolis; George H. Prince, Saint Paul; Lyman E. Wakefield, Minneapolis; Richard C. Lilly, Saint Paul; P. J. Leeman, Minneapolis; James E. Woodward, Butte, Mont.; Sam Stephenson, Great Falls, Mont.; T. A. Marlow, Helena, Mont.; C. B. Little, Bismarck, N. D.; R. W. Webb, Minneapolis; J. A. Oace, Saint Paul; Julian B. Baird, Saint Paul; A. McC. Washburn, Minneapolis; N. Paul Delander, Saint Paul.

New Bank at Luverne

Under charter from the comptroller of the currency, a new national bank was opened last month in Luverne, Minn. The new institution is named "The Luverne National Bank" and is capitalized at \$50,000 with an initial surplus of \$10,000

"IN TIMES OF PEACE" . . .

These are dull days with respect to the routine of everyday banking transactions arising from deposit - and - check operations. Relieved from the pressure of emergency, there can be no better time than the present to review and revise your collection arrangements.

An account with this bank assures you of the best that can be secured by way of service and efficient attention to your needs. Our continuously operating transit and collection departments and direct connections with all sections of the country result in maximum interest-bearing balances within the shortest time.



. . . THE . . .

PHILADELPHIA NATIONAL BANK

ORGANIZED 1803

PHILADELPHIA, PA.

Capital, Surplus and Profits, \$46,000,000

and undivided profits of \$5,000. The executive staff will be composed of Chris Fitzer, retired farmer, president; J. L. Goembel, farmer, vice president; A. A. Anderson, cashier and managing officer, and Carl Omodt, assistant cashier. Directors are Messrs. Fitzer, Goembel, Anderson, G. W. Ahrendt, manager of the Rock Island Cooperative Oil Co., and Lyle W. Scholes of Minneapolis, vice president of the First Bank Stock Corporation.

The new bank will occupy the building that formerly housed the First and Farmers National Bank, which closed several weeks ago. This property, including the fixtures, has been purchased from the receiver of the former bank.

Luverne is the county seat of Rock county, in the southwest corner of the state

and is served by the Rock Island and Omaha railroads. There is one other bank in the city.

Organize Loan Company

Announcing organization of Northwest Livestock Loan Company, to be affiliated with Northwest Bancorporation, President E. W. Decker of the latter company said he believes it will prove to be one of the most important moves for years in the live stock industry of the northwest and middlewest. The new company has authorized capital of \$1,000,000.

Alex. Highland, vice president, Northwest Bancorporation, Minneapolis, will be president of the Northwest Livestock Loan Company. John E. Wagner, treasurer,

Cudahy Packing Company; H. G. Black, assistant treasurer, Armour and Company; A. G. Sam, president, Live Stock National Bank, Sioux City, Iowa; F. A. Birch, president, Stock Yards National Bank, South St. Paul; J. C. Thomson, vice president, Northwest Bancorporation, Minneapolis; Ford E. Hovey, president, Stock Yards National Bank, Omaha; L. K. Moore, assistant to the president, Stock Yards National Bank, Omaha; and A. T. Hibbard, vice president, Union Bank and Trust Company, Helena, Montana, will be directors.

Northwest Bancorporation has 135 affiliated institutions in eight states. It finances the live stock industry principally through its affiliated banks at Omaha, Sioux City, South St. Paul, and other points, and through the Cattle Feeders Loan Company, Omaha, and the Montana Livestock Loan Company, Helena.

President Highland said, "The Northwest Livestock Loan Company will not only finance the live stock business but will be prepared at such times as conditions warrant to enter into plans for increased production of live stock, improvement of grades, and encouragement of farmers who may desire to put more animals on their farms."

Cast Heavy Vote

Approximately 1,000 votes were cast at the annual election of Minneapolis chapter, American Institute of Banking held last month. The following officers were elected: President, Lawrence O. Olson, Midland National Bank & Trust Company; first vice president, R. C. Rutherford, First National Bank; second vice president, Oliver S. Powell, Federal Reserve Bank; treasurer, A. M. Urnes, Northwestern National Bank; board of governors, Earl A. Carlson, First National Bank; Richard K. Clark, Farmers & Mechanics Savings Bank, and Mary K. Cunningham, Lincoln office, Northwestern National Bank.

Delegates elected to represent Minneapolis chapter at the annual convention to be held in Pittsburgh, June 8th to 12th, include:

Farmers & Mechanics Savings Bank, Clarence M. Ostrum and John D. Sime, Jr.; Federal Reserve Bank, Walter S. Ferran, Leo T. Moliter, and William O'Brien; First National Bank, Mildred V. Olson, Fay D. Shirey, Lawrence A. Doherty, Arthur C. Johnson, Ernest G. Peterson and Herman Saterlund; First Bank Stock Corporation, Edith deWahl; First Minneapolis Trust Company, Ruth Bergum and Lee A. Short; Midland National Bank & Trust Company, Earl E. Andrews, Vandella Johnson, Paul R. Newhouse and John Rusinko; Minnesota Loan & Trust Company, Laverna Begin, Clyde Davis, Jesse J. Dregger, and Monroe J. Mikkelsen; Northwest Bancorporation, Otto A.



There is a Spirit of Cooperation—

that sets some institutions apart from others. Our correspondents tell us that the "Republic" is that sort of bank; that its outstanding characteristic is its determination to really help its customers.

We hope this is true. We make every effort to make it so.

The National Bank of the REPUBLIC OF CHICAGO

Banking—All Departments

AFFILIATED

CHICAGO TRUST
COMPANY

Complete Trust Service
Real Estate Loans

THE NATIONAL
REPUBLIC
COMPANY

Investment Securities and
Corporate Financing

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Buelow and Lila M. Coakley; Northwestern National Bank, Gwendoline Barnard, Leonilla Joseph, Erna Zimmerman, Lubin Boehme, J. B. Mulcahey, W. Jason, Carroll H. Rose; First National group, Julia Cummings, St. Anthony Falls office, and E. W. Peterson, Hennepin State Bank; Northwestern National group, Gordon Kruse, Fifth Northwestern National Bank, and R. E. Myhre, Fourth Northwestern National Bank.

Joins Bancorporation

The First National Bank, Marshall, Minnesota, one of the oldest banks in southwestern Minnesota, which has been continuously operating for 40 years, became affiliated with Northwest Bancorporation last month. Marshall has a population of 3,600 people and is the county seat of Lyon county.

Organized in 1891 by C. N. Langland, who was its first president, and M. W. Harden, who was its first cashier, the First National Bank, Marshall, began business that year.

Wm. Gieseke became a stockholder in 1894 and his son, W. F. Gieseke, deceased, who operated the Marshall Milling Company, became largely interested in the bank later. The First National Bank, Marshall, is capitalized at \$50,000, and has deposits of \$630,000.

Officers are H. W. Addison, president, H. H. Gieseke, vice president; J. M. Shrader, cashier, and K. E. Sheffield, and I. M. Evans, assistant cashiers. Directors are Messrs. Addison, Gieseke, Shrader, Dr. B. C. Ford and E. V. Molle.

Addition of the First National Bank, Marshall, brings the number of Minnesota institutions in the Northwest Bancorporation to 53, the total number of banks in the eight states where Northwest Bancorporation affiliates are located to 124 and the total of all affiliates, including securities and live stock loan companies to 136.

Heads Omaha Chapter

John Kelsen, auditor of the State Savings Bank, Council Bluffs, has been elected president of the Omaha chapter of the National Conference of Bank Auditors and Controllers. Kelsen will be remembered as having been connected with the National Bank Examiners in Iowa during 1925 and 1926.

Pioneer Banker Dies

William McFarlane, dean of Monona county bankers, died at his home in Blencoe, Iowa, last month, following a short illness of pneumonia. If he had lived until June he would have been 79 years old.

McFarlane was born in Lanarkshire, Scotland, near Glasgow, June 6, 1852. He was educated in Scotland. In 1878 he left

employment with a large mercantile firm in Adelaide, Australia.

In 1882 he came to Blencoe and entered into a partnership with his brother James, in the mercantile business. In August, 1888, he disposed of this business and started the Blencoe bank. The institution always has been operated as a private bank.

He and Miss Jennie Glenn were married May 2, 1889. His widow survives.

McFarlane was active for over a half century in Iowa republican politics. He was one of the delegates at Philadelphia that nominated William McKinley for the presidency of the United States. Scotland for Australia, where he found

Two Banks Merge

The Hillsview State Bank of Hillsview, South Dakota, has been consolidated with the Farmers State Bank of Hosmer, the state banking department has announced. All assets and liabilities of the Hillsview bank have been taken over by the Hosmer institution.

Pamela—Isn't Roger a naughty dog, mummy? He ate my dolly's slipper.

Mother—Yes, darling, he ought to be punished!

Pamela—I did punis' him. I went stwaight to the kennel an' dwank his milk.—The Queenslander.

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Renowned . . . For Successful Conventions

If you are responsible for a large or small Convention for your Industry or Business, consider these advantages. Overlooking Lake Michigan, with parklands, beaches and bridle path close at hand, Convention days here are pleasant and free from distractions which interfere with Convention sessions. When personal affairs are in order you are within a few minutes of Loop business . . . theatres and stores. The Drake Convention staff, *available without extra charge*, is trained in Convention detail, obtaining publicity, reduced railroad fares, entertainment, etc. *Write us for further information.*

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DRAKE
HOTEL, CHICAGO
Under Blackstone Management

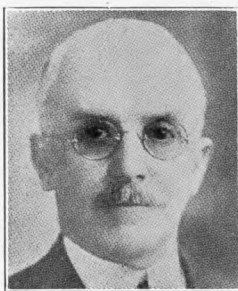
North Dakota Bank News

Officers North Dakota Bankers Association

President.....J. E. Davis
Bismarck

Vice President.....Paul T. Kretschmar
Venturia

Secretary.....W. C. Macfadden
Fargo



W. C. MACFADDEN
Secretary

Group Elects Officers

D. R. Green of Grand Forks was elected president of the Northeast District, North Dakota State Bankers Association, at the concluding session of the annual conference in Langdon.

Other officers named were K. O. Paulson of Neche, vice president; W. J. Johnston of Fordville, secretary-treasurer, re-elected, and D. M. Upham of Grafton, retiring president, member of the state nominating committee.

Several speakers explained float and service charges and B. E. Groom, agricultural chairman of the Greater North Dakota Association, addressed the bankers on the value of live stock feeding.

North Dakota News

CARL DAVIDSON has been elected cashier of the Farmers State Bank, Battleview, succeeding K. B. Torgerson, who passed away recently.

ALBERT E. LUBKE, formerly collector for the Security State Bank of Halliday, has been elected assistant cashier of that institution, succeeding W. J. Stegmeier, who resigned recently.

LOUIS C. WICK has resigned as cashier of the Northwestern Bank of Langdon, and H. R. Randahl has been elected to fill the vacancy.

AN AMENDMENT has been filed in the secretary of state's office increasing the number of directors of the Farmers State Bank, Heil, from three to five.

THE FARMERS STATE BANK of Lisbon has amended its Articles of Association changing the number of its directors to five.

THE SECRETARY OF STATE has issued a certificate renewing the term of corporate existence of the First State Bank, Turtle Lake, for a period of 25 years.

THE FIRST INTERNATIONAL BANK, Minot, has filed an amendment to

its Articles of Association with the secretary of state, increasing the number of its directors from three to seven.

THE BANK OF SARGENT COUNTY, Forman, has filed with the secretary of state an amendment to its Articles of Association changing the number of its directors to five.

MR. E. G. STEPHENS, formerly vice president of the Farmers State Bank of Brampton, is now president, succeeding H. A. Layman, who has resigned as president and director. Mr. Charles Tusow succeeds Mr. Stephens as vice president, and Mr. P. H. Bosse has been elected to fill the vacancy on the board of directors.

Changes in Theft Manuals

Many innovations are noted among the burglary and theft manual changes effective recently according to James A. Beha, general manager and counsel of the National Bureau of Casualty and Surety Underwriters. The blanket safe deposit box robbery rates have been substantially reduced for banks located in Territory No. 2, since this form of insurance may now be written country-wide at the Territory No. 1 rates and in view of the reduced rates the policy now excludes coverage on property owned by the bank or held by the bank in any capacity.

The increasing number of bank robberies being committed throughout the country has caused the banks located in small centers to send their surplus securities to correspondent banks located in larger cities for safe keeping. In order to meet this situation the burglary underwriters have developed a blanket burglary and robbery policy covering securities deposited for safe keeping with correspondent banks, provided the bank is located in a city with at least 100,000 population. This combination form of insurance is obtainable at a rate of sixty cents (60c) per thousand dollars (\$1,000.00) covering on the premises of correspondent or depository banks in cities with a population of at least 100,000 and at a rate of forty cents (40c) per thousand dollars

(\$1,000.00) of insurance covering on the premises of the main federal reserve banks, located in Atlanta, Boston, Chicago, Cleveland, Dallas, Kansas City, Minneapolis, New York, Philadelphia, Richmond, St. Louis and San Francisco.

There have recently been several instances where large industrial concerns were held up on their customary pay day after many of the employes had already received their salaries, and not only were the pay roll funds taken but also several of the employes who were still standing around the paymaster's office were forced to turn over to the bandits the money which they had just received. The standard endorsement which has now been prepared will extend the paymaster's robbery policy without additional premiums to cover money and checks distributed to the assured's employes, provided that the robbery occurs inside the assured's premises on the same day that these employes are paid off, and that at the same time there is a robbery or attempted robbery of the paymaster.

The standard burglary and robbery policies contain at the present time an exclusion to the effect, "that the company shall not be liable for more than the amount advanced or loaned, plus interest accrued at legal rates, on property held as a pledge or as collateral for an advance or loan." In view of the fact that several states have now passed laws making pawnbrokers and other loaning agencies responsible up to the full value of the articles pledged, it is now permissible to revise this clause by endorsement to provide full coverage.

The discount for approved tear gas systems protecting banking premises against daylight robbery has now been increased from ten per cent (10%) to twenty-five per cent (25%), effective November 5, 1930. The burglary underwriters are hopeful that this modern scientific weapon will successfully frustrate bank robberies, and measurably reduce the heavy losses which insurance companies have been sustaining on this line. The push-button and automatic gong alarms have not proven successful and the discount for these for bank robbery insurance is now being eliminated.

A feature which should prove popular with gasoline service stations and similarly operated risks who sell and dispense merchandise and service outside of the actual premises, is that an interior robbery policy covering this type of risk may now be endorsed to extend the coverage to the entire plot of ground in which the office or store is located for an additional premium of fifty per cent (50%).

Under mercantile safe burglary insurance rules it is provided that insurance on mercantile risks having a No. 8 vault, or better, may be issued at bank burglary rates and rules. Because of the general good experience this provision has been changed to include No. 6 vaults and better.

Iowa Banking News

New Bank at Cherokee

Articles of incorporation of the new Central Trust and Savings Bank of Cherokee, Iowa, have been executed. This is one of the final steps toward the institution of the new bank, which is capitalized at \$50,000 and which will start with a surplus of \$25,000.

The directors of the new corporation are as follows: H. E. Bennett, Wallace Caswell, R. A. Caswell, James F. Weart, Carl J. Goeb and A. W. Jones. Officers chosen are: President, A. W. Jones; vice president, H. E. Bennett; acting cashier, H. N. McMaster.

The new institution will succeed to the business of the First National Bank, though the date of the transfer has not yet been fixed, awaiting final instructions from the federal banking department in Washington.

The institution will start with ample capital, surplus and resources and will be one of the soundest banking institutions in the state, according to men high in banking circles.

Election at Denison

The annual meeting of the Crawford County Trust and Loan Bank of Denison, Iowa, was held recently in the rooms of the Chamber of Commerce. There were over 800 of the 1,000 shares represented. The president, C. W. Carr, presided. The report of the bank showed the business prospering. The officers for the coming year will be: C. W. Carr, president; H. F. Qualheim, vice president; M. L. Runge, cashier, and V. W. Carr, assistant cashier.

Kelson Heads Auditors

John Kelson of the State Savings Bank of Council Bluffs, Iowa, was elected president of the Omaha and Council Bluffs chapter of bank auditors at their meeting last month. He was first vice president.

Others elected were: Richard L. Brown of the United States National Bank, Omaha, first vice president; J. N. G. Macalister of the Omaha National Bank, second vice president; Russell Van Vliet of the First National Bank, Omaha, secretary, and Paul Hansen of the Live Stock National Bank, Omaha, treasurer.

New Bank at Walcott

Articles of incorporation of the newly organized Walcott Trust & Savings Bank of Walcott, Iowa, formed through the recent consolidation of the Walcott Savings Bank and the Farmers Savings Bank, were filed recently in the office of A. E. Lindquist, Scott county recorder. The

articles are obtained for a 50-year period, the capital stock being \$50,000.

The new bank has deposits of \$1,250,000 and a surplus of \$20,000. J. H. Strohbeen is president of the institution and P. A. Dietz is first vice president. A. M. Sindt is cashier. Assistant cashiers are Walter E. Paustian and R. Bennewitz.

The articles provide that the annual meeting of the stockholders will be held the second Tuesday in January, 1932. Members of the board of directors include Harry A. Brockmann, P. A. Dietz, William Goering, Gustav C. Hamann, A. L. Ilian, H. L. Paustian, A. M. Sindt, H. P. Soenke, J. H. Stouffer, J. H. Strohbeen and E. Werner, all of Walcott.

New Bank for Milford

Sufficient stock has already been subscribed for a new state bank at Milford, Iowa, and action to secure a charter has been taken.

The application for a charter was made to the state department by Paul Groszkruger, of Spencer; A. Bartelson and Henry Derner, of Milford, and H. E. Narey, of Spirit Lake.

The new bank is to have a capitalization of \$25,000 with a surplus of \$5,000 according to the application.

The Security National is now in the hands of Receiver Irwin, who has had charge of several banks out of Emmetsburg.

Summer days are days of opportunity



For the banker who advertises his institution by means of attractive

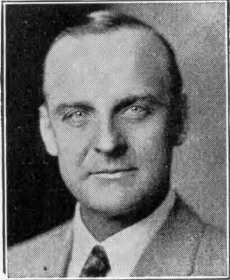
ART FANS

Fans may be distributed in the bank, in the churches, in the theatres, at dances, at fairs, or placed in the home.

Wherever they are distributed they make friends of customers and customers of friends.

An assortment of beautiful subjects to choose from. A post card will bring you samples and prices—without obligation.

THE GERLACH-BARKLOW CO.
JOLIET, ILL.



IOWA SECTION


**Officers Iowa Bankers
Association**

President.....C. C. Jacobsen
Sioux City

Vice Pres.....Walter T. Robinson
Hampton

Treasurer.....Jos. W. Meyer
Dubuque

Secretary.....Frank Warner
Des Moines



C. C. JACOBSEN
President

FRANK WARNER
Secretary

Excellent Program for Waterloo Convention

BANKERS who plan to attend the Waterloo convention, June 22d-24th, have a rare treat in store for them, judging from the excellent program that has been arranged by officers of the State Association. This year's program has two distinct features, first, the large number of outstanding speakers, and secondly, the fact that the various programs are built around specific banking and financial problems which will be discussed from every possible angle by competent speakers who have prepared for them in advance.

As a noteworthy example, is the program scheduled for Tuesday afternoon, June 23d, which will take up two subjects (1) Service charges in any or all of their phases, and (2) Payment of interest on time deposit at a rate not to exceed 3 per cent. A group of 11 speakers, including prominent bankers from towns and cities of various sizes, have each agreed to discuss one of these two subjects and to further promote this session, the Iowa Bankers Association is offering a silver cup to the speaker who presents the best discussion thereon.

The session of Wednesday morning, June 24th, on "The General Farm Situation" is likewise a convention feature, and the association is inviting in farmers, county agents, farm paper editors and all who are interested in this important subject. John C. Galloway, of Iowa State College; Fred H. Clutton, secretary of the Chicago Board of Trade; Charles McCumsey, manager, Federal Intermediate Credit Bank, Omaha; Hon. James C. Stone, chairman of the Federal Farm Board, and Hon. Alexander Legge, president of the International Harvester Company, will deliver addresses on this program.

Registration starts promptly at 9:00 A. M., Monday, June 22, 1931, Russell-

Northwestern Banker June 1931

Lamson Hotel, Waterloo. Each convention session is centered around some particular subject. Probably in the 45 years of your state conventions has no convention program contained more tangible food for thought on the practical banking subjects and problems than this year's program which may be outlined in brief as follows:

1. 12:15 P. M.—Monday, June 22, 1931:

11th Annual State Convention of County Association Officers:

- (a) "Dutch Treat" luncheon.
- (b) One hour's entertainment followed by strictly business session; open to all.

(c) Topics and Speakers:

- (1) "Charges for Due Notices"—If such charge is practical for note payment what should the amount be for each notice sent?

Tama County—E. R. Cronk, vice president Tama County Bankers Association, cashier First National Bank, Montour.

- (2) "Buying Eastern Bonds"—Should Iowa bankers continue to buy eastern bonds of which we know so little, and let the eastern insurance companies buy Iowa good farm mortgages?

Page County—J. H. Peterman, vice president, Page County State Bank, Clarinda.

- (3) **Guest Speaker** — "Handling Chain Store Accounts From the Viewpoint of a Chain Store Executive," L. P. Hammond, treasurer, Great Atlantic and Pacific Tea Company, Mid-Western Division, Chicago.

- (4) "Checking on Savings Accounts"—Is it sound to permit checking on savings accounts? If savings accounts are to mean exactly what the name implies should not bankers adopt the rule that in case of so many withdrawals, say five

(5) all interest earned for that interest-paying period shall be forfeited by the savings depositor.

Pocahontas County—Frank J. Lorge, president, Pocahontas County Bankers Association, cashier, Pocahontas State Bank, Pocahontas.

- (5) "Payability of Farmers' Notes"—How can a farmer pay notes that were considered well secured six months ago at today's farm commodity prices?

Ida County—A. Sykes, president, First Trust & Savings Bank, Ida Grove.

- (6) "Bank's Printed Statement"—How to set up a bank's printed statement of condition for the best true impression, understanding and readability by the public.

Greene County—D. M. Crumley, president, Greene County Bankers Association, cashier, Rippey Savings Bank, Rippey.

- (7) **Guest Speaker** — "Internal Control and Management of a Bank," E. S. Woolley, special counsellor for banks, Edward R. Burt & Company, Chicago.

- (8) "Caring for Collateral"—What is the safest and most practical method? Should it be attached to the notes or kept in a separate collateral file, and what is best book record system for it?

Jackson County—L. W. Romer, president, Jackson County Bankers Association, cashier, American Savings Bank, Maquoketa.

- (9) "The so-called 'Interims'" — What are they? Their potential danger? Should banks refuse to accept them?

Boone County—R. T. Duckworth, Cashier, City Trust & Savings Bank, Boone.

- (10) "Co-operative Bond Buying"—Is it possible, practical, safe, and economical for banks to buy their own bonds through a "bank-owned co-operative bond company?"

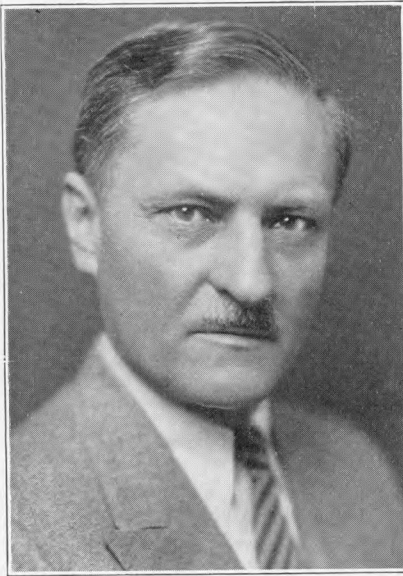
Plymouth County—C. M. Bolser, former president, Plymouth County Bankers Association, president, American Trust & Savings Bank, Le Mars.

- (11) "Protection Against Dishonest Bond Transactions"—Forming a workable co-operative means of protection against unscrupulous bond houses and bond salesmen.

Floyd County—Russell B. Olds, cashier, Citizens National Bank, Charles City.

- (12) **Guest Speaker** — "Federated Banking—A Way Out for the Small Banks," Dr. Frank Parker, Ph. D., professor of finance, Wharton School of Finance and Commerce, Philadelphia.

- (13) "How Safe Should We Make a Bank?"—Are we becoming unnecessarily cautious?
Fottawattamie County—John Kelsen, auditor, State Savings Bank, Council Bluffs.



HON. JAMES C. STONE
Chairman, Federal Farm Board,
Washington, D. C.

- (14) **"Branch and Group Banking"**
—How far will it eventually spread?
Fayette County—H. R. Young, cashier, American National Bank, Arlington.
- (15) **"Lowering Minimum Bank Capitalization Requirements"**
—Would it be advisable to permit small town banks to operate under a minimum capitalization of \$10,000 if independent banking is to be continued in the small towns?
Worth County—G. H. Bringolf, president, Farmers State Bank, Grafton.
- (16) **"Central Safe Keeping Vault"**
—Could the banks of Iowa own their own safe keeping vaults in some central point and save money?
Black Hawk County — J. O. Kober, treasurer, Black Hawk County Bankers Association, cashier, Farmers Savings Bank, La Porte City.
- (17) **"Banks' Mutual Insurance Company"**—Should Iowa banks have a mutual insurance company in which to issue their own fidelity bonds?
Marshall County—C. W. Bachman, vice president, Iowa Savings Bank, Marshalltown.
- (18) **"Our Bank Competitor—Past and Present"**—Has the deflation period drawn bankers closer together? If so, how? Will and should such fraternity be permanent? Are strong banks built by friendly and helpful competition rather than by the opposite?
Johnson County—G. H. Walker, president, Johnson County Bankers Association, cashier, Johnson County Savings Bank, Iowa City.
- (19) **"Bank Balances with Correspondents"**—In the face of the prevailing rate of interest on bank balances kept with city correspondents is there any substitute means for in-

vesting any surplus cash balances banks may have on hand?

Iowa County—R. R. Schroder, secretary, Iowa County Bankers Association, cashier, Iowa County Savings Bank, Maingo.

- (20) **"Bank Protection"**—
- (a) **How Can We Get More Co-operation Between Counties When a Bank Robbery or Bank Burglary Alarm Has Been Sent Out?** R. W. Nebergall, state chief, Iowa Vigilantes, state agent, State Bureau of Criminal Investigation, Des Moines.
- (b) **How to Preserve Evidences for Identification After a Bank Robbery?**—H. T. Wagner, president, Iowa State Sheriffs' Association, sheriff of Black Hawk County, Waterloo.

2. 9:00 A. M., Tuesday, June 23, 1931:

Addresses of Welcome by J. O. Trumbauer, vice president, Pioneer National Bank, Waterloo, and by M. J. Morgan, mayor of Waterloo.

- (1) **Address**, Hon. Dan Turner, governor of Iowa.

"What About Our Bond Accounts and Secondary Reserves? What Are We to Do About Them?"

- (2) **"Investment of a Bank's Funds,"** Newton P. Frye, vice president, Central Illinois Company, Chicago.
- (3) **"Bank's Bond Investment Account,"** S. W. White, president, the National Republic Company, Chicago.
- (4) **"How the Stock Exchange Serves Iowa,"** Robert J. Fischer, chairman, Chicago Association of Stock Exchange Firms, Chicago.
- (5) **"Our Investment Depreciation—What Shall We Do About It?"** Richard M. Plaster, investment counsellor for banks, Moody's Investors Service, Chicago and New York.

3. 1:30 P. M., Tuesday, June 23, 1931:

How important to banks in these days of lean earnings are "service charges" and "lower interest rates on time deposits?"

This half day's convention session is to be devoted entirely toward directing the attention of the Iowa bankers in a state-wide way to two subjects importantly affecting the income of banks:

- (1) Service charges in any or all of their phases, and
- (2) Payment of interest on time deposits at a rate not to exceed 3 per cent.

The speakers have been selected by the group and county association officers of the respective 11 groups of the I. B. A. Each speaker will be limited to 15 minutes. They may talk for or against either of the following topics:

- (1) **"Service Charges"**—It can be discussed in any or all of the following forms including among any others: Those charges on a minimum checking balance; activity charges or "per item" charge; charges for opening accounts; float



ALEXANDER LEGGE
President, International Harvester Company

charges; charges for insufficient fund checks; charges for credit reports; charges for making out papers; charges on minimum loans; for endorsement stamps; for imprinting names on checks; for clerking sales, etc.

- (2) **"Lowering Interest Rates on Time Deposits"**—It should be discussed from the angle namely: That in the face of the present day investment outlets can any bank safely afford to pay interest on time deposits in excess of 3 per cent.

The best talk will be decided by a committee of three seated in the audience. The thought, logic and argument as embodied in the speaker's discussion shall be given preponderance of weight by the judges in making the award. The I. B. A. will give a silver cup to that speaker adjudged as presenting the best all around *logical, analytical, thoughtful* and *sound* discussion on either of the two topics above given which he may discuss.

GROUP REPRESENTATIVES

- Group 1**—"Service Charges"—C. A. Walhof, vice president State Bank of Rock Valley, Rock Valley. (Pop. 1200.)
- Group 2**—"Payment of Interest on Time Deposits at a Rate Not to Exceed 3 Per Cent"—E. B. Lemen, cashier, Rockwell City National Bank, Rockwell City. (Pop. 2100.)
- Group 3**—"Payment of Interest on Time Deposits at a Rate Not to Exceed 3 Per Cent"—S. R. Torgeson, cashier, Farmers Trust & Savings Bank, Joice. (Pop. 350.)
- Group 4**—"Service Charges"—Hal Swenson, vice president and cashier, First National Bank Elkader. (Pop. 1400.)
- Group 5**—"Payment of Interest on Time Deposits at a Rate Not to Exceed 3 Per Cent"—H. E. Quatheim, executive vice president, Crawford County Trust & Savings Bank, Denison. (Pop. 500.)
- Group 6**—"Payment of Interest on Time Deposits at a Rate Not to Exceed 3 Per Cent"—(Turn to page 91, please)

Northwestern Banker June 1931

Waterloo Bankers Prepare for Iowa Convention

E. W. Miller Heads Convention Committee



FRED H. WRAY
President, Waterloo Clearing House Association

WHEN Iowa bankers assemble this month at Waterloo for the annual convention of the Iowa Bankers Association they will find Waterloo bankers have arranged every detail to make their Waterloo visit both profitable and pleasant. As president of the Waterloo Clearing House Association, which has general charge of the convention, Fred H. Wray, popular vice president and cashier of the Pioneer National Bank, has appointed E. W. Miller, genial president of the Commercial National Bank, as general chairman of convention arrangements.

Other committee chairmen and members of their committees are as follows:

EXECUTIVE COMMITTEE

Ira Rodamar, chairman, president, Pioneer National Bank; H. G. Northey, president, Waterloo Savings Bank; A. M. Place, vice president, Commercial National Bank; E. H. Wyant, secretary, Commercial National Company; C. R. Davis, president, Leavitt & Johnson Company; J. O. Trumbauer, president, Farmers Loan & Trust Company.

ENTERTAINMENT COMMITTEE

H. W. Wentz, chairman, cashier, Commercial National Bank; J. J. Miller, cashier, Waterloo Savings Bank; S. C. Kimm, assistant cashier, Commercial National Bank; I. W. Blough, assistant cashier, Pioneer National Bank; A. G. Greeley, Commercial National Company; C. R. Davis, president, Leavitt & Johnson Company.

BADGE COMMITTEE

Bert McCulloch, chairman, secretary, Farmers Loan & Trust Company; F. R. LaBarre, assistant cashier, Waterloo Sav-

ings Bank; E. M. Greene, assistant cashier, Pioneer National Bank.

GOLF COMMITTEE

S. C. Kimm, chairman, assistant cashier, Commercial National Bank; W. E. Johnson, Leavitt & Johnson Company; A. G. Greeley, Commercial National Company; I. W. Blough, assistant cashier, Pioneer National Bank.

AUTOMOBILE COMMITTEE

C. M. Hollis, chairman, secretary, Leavitt & Johnson Company; V. Spalding Miller, assistant cashier, Waterloo Savings Bank; R. Smith, Commercial National Company; George D. Harris, Commercial National Bank.

REGISTRATION COMMITTEE

R. E. Miller, chairman, assistant cashier, Pioneer National Bank; F. R. LaBarre, assistant cashier, Waterloo Savings Bank; C. S. McKinstry, assistant cashier, Commercial National Bank.

HOTEL AND HOUSING COMMITTEE

R. W. Waite, chairman, vice president, Waterloo Savings Bank; C. S. McKinstry, assistant cashier, Commercial National Bank; Robert Stewart, assistant cashier, Pioneer National Bank; C. M. Hollis, secretary, Leavitt & Johnson Company.

MUSIC COMMITTEE

W. A. Lane, chairman, vice president, Commercial National Bank; G. H. Crooks, Farmers Loan & Trust Company; R. L. Penne, assistant cashier, Commercial National Bank; H. R. O'Connor, Commercial National Company.

WOMEN'S COMMITTEE

Mrs. C. R. Davis, chairman.
Mrs. Ira Rodamar.....vice chairman
Mrs. E. W. Miller.....vice chairman
Mrs. R. W. Waite.....vice chairman
Mrs. E. H. Wyant.....vice chairman
Mrs. H. W. Wentz Mrs. G. D. Harris
Mrs. Fred H. Wray Miss Anna M. Decker
Mrs. A. C. Greeley Miss Maude Harmon
Mrs. C. M. Hollis Miss M. Nauman
Mrs. W. A. Lane Miss Louise Coleman
Mrs. J. O. Trumbauer Miss Myrtle Watt
Mrs. W. E. Johnson Miss L. M. Prather
Mrs. Bert McCulloch Miss Ruth Dietz

HOSTESSES

Mrs. C. E. Pickett Mrs. Ira W. Blough
Mrs. A. M. Place Mrs. J. J. Miller
Mrs. F. E. Stewart Mrs. V. S. Miller
Mrs. C. A. Clark Mrs. C. S. McKinstry
Mrs. James Graham Mrs. Robert Stewart
Mrs. J. A. Young Mrs. R. L. Penne
Mrs. D. J. Walker Mrs. H. R. O'Connor
Mrs. Carleton Sias Mrs. F. R. LaBarre
Mrs. G. H. Crooks Mrs. E. M. Greene
Mrs. Raymond Smith Mrs. H. A. Maine.

In Seventy-Fifth Year

The oldest bank in Waterloo and one of the oldest in the state of Iowa is the Pioneer National Bank, which is this year celebrating its seventy-fifth anniversary. The bank was organized in 1856.

Its founder was John H. Leavitt, a native of Massachusetts, a New Englander of high character, who organized the bank



E. W. MILLER
General Chairman of Convention Arrangements

as a private bank. For many years it was known as the Leavitt and Johnson National Bank, and the name was changed a few years ago to the Pioneer National Bank. This institution has played an important part in the development and growth of Waterloo and adjacent territory.

Mr. Leavitt retired as president of the bank and was succeeded by J. E. Sedgwick, who served in that capacity until his death in 1918. Mr. Sedgwick founded the Waterloo city railway.

Ira Rodamar, president of the Pioneer National Bank, has been connected with the institution for 38 years and served as cashier for a period of 26 years. J. O. Traumbauer, vice president of the bank, is head of the Farmers Loan and Trust company. Fred H. Wray, vice president and cashier of the Pioneer National, is a native of Waterloo and has been its cashier for the past ten years.

The Pioneer National, according to a recent statement, has total assets exceeding four million dollars. Deposits are \$3,639,828. The institution is capitalized at \$200,000.

Other officers include: C. A. Clark, vice president; J. A. Young, vice president; D. J. Walker, vice president; Ralph E. Miller, assistant cashier; I. W. Blough, assistant cashier; A. M. Decker, assistant cashier; M. E. Harmon, assistant cashier; Robert Stewart, assistant cashier; E. M. Greene, assistant cashier.

WHEN Iowa bankers meet, the discussion often turns to the service rendered them by their city correspondents.

If you contemplate a change, or do not now have an account in Des Moines, it will be to your interest to open negotiations with the Bankers Trust Co. Bank. We are recognized as a progressive Iowa institution, knowing the needs and requirements of Iowa bankers and willing to cooperate with them to the utmost.

BANKERS TRUST CO. BANK

Cor. 6th and Locust Sts., Des Moines
Capital \$1,000,000.00 Surplus \$200,000.00



WATERLOO BANKING HOMES



Above, left, former home of the First National Bank, whose business was taken over recently by the Commercial National Bank. The latter institution will remodel the First National quarters and move into them in the near future.

Above, right, Pioneer National Bank. Below, left, the Commercial National Bank. Below, right, the Waterloo Savings Bank.



Seventy-five Years of Progress

In 1931, the Pioneer National celebrates its Diamond Anniversary, the seventy-fifth year of steady, consistent growth. Born of the Spirit of '56, each year it has aided and fostered the growth and development of its community.

After seventy-five years, we still look forward with fearless confidence—the same confidence and courage which made possible the growth in those early days when circumstances demanded that we move steadily forward or perish.

This year, we renew our pledge of service—an actual co-operation, that is genuinely neighborly and friendly.



PIONEER NATIONAL BANK

*Established by John H. Leavitt in 1856
Waterloo, Iowa*

OFFICERS

IRA RODAMAR, *President*
J. O. TRUMBAUER, *Vice President*
C. A. CLARK, *Vice President*
J. A. YOUNG, *Vice President*
D. J. WALKER, *Vice President*
FRED H. WRAY, *V. Pres. and Cashier*

RALPH E. MILLER, *Ass't Cashier*
I. W. BLOUGH, *Ass't Cashier*
A. M. DECKER, *Ass't Cashier*
M. E. HARMON, *Ass't Cashier*
ROBERT STEWART, *Ass't Cashier*
E. M. GREENE, *Ass't Cashier*

EDMUND W. MILLER, President

JAMES M. GRAHAM
Vice President

H. A. MAINE
Vice President

A. M. PLACE
Vice President

W. A. LANE
Vice President



H. W. WENTE
Cashier

S. C. KIMM
Assistant Cashier

R. L. PENNE
Assistant Cashier

C. S. McKINSTRY
Assistant Cashier

WELCOME to WATERLOO

The Commercial National Bank extends a hearty welcome to the bankers of Iowa when they attend the State Convention here on June 22, 23 and 24. You are sure to benefit by the three-days' session and to enjoy the entertainment to be provided

We invite you, too, to make the Commercial National your headquarters while in the city.

THE COMMERCIAL NATIONAL BANK

WATERLOO, IOWA

Waterloo Savings Bank

Joining in extending a warm welcome to Iowa bankers who will attend the annual convention of the Iowa Bankers Association this month at Waterloo, is the Waterloo Savings Bank, one of Waterloo's leading financial institutions, with resources of \$1,684,693, according to a recent statement.

The Waterloo Savings Bank was organized by Emmons Johnson in 1902. It has grown steadily until now its deposits are almost one and one-half millions of dollars. The bank is capitalized at \$100,000.

Officers include: Chairman of the board, J. E. Johnson; president, H. G. Northey; vice president, R. W. Waite; vice president, Carleton Sias; cashier, J. J. Miller; assistant cashier, Francis R. LaBarre; assistant cashier, V. Spalding Miller.

Commercial National, Waterloo

When the Iowa Bankers Association meets this month for its 1931 convention in Waterloo, its members will find officers of the Commercial National Bank of Waterloo much in evidence in welcoming Iowa bankers to that city, the first time the convention has been held there since 1916. E. W. Miller, president of the Commercial National, is general chairman of the convention committee.

The Commercial National Bank has resources of approximately \$7,803,000. Its deposits are more than seven million dollars. Capital stock of this institution is \$400,000. The Commercial recently took over the business of the First National Bank of that city.

Officers of the Commercial National include: President, E. W. Miller; vice presidents, James M. Graham; H. A. Maine, A. M. Place and W. A. Lane; cashier, H. W. Wente, assistant cashiers, S. C. Kim, R. L. Penne and C. S. McKinstry.

Named to Board

E. H. Mulock, member of the insurance firm of Wilcox, Hopkins & Mulock, and former mayor of Des Moines, Iowa, was elected to the board of directors of the Iowa-Des Moines National Bank and Trust Company last month.

Mr. Mulock succeeds F. H. Luthe, veteran wholesale hardware distributor, who retired from active management of the Luthe Hardware Company some time ago, and asked to be relieved of the duties of the directorship of the bank to have more time for leisure and travel.

To Open Huxley Branch

The Valley Savings Bank, a branch of the Valley National Bank of Des Moines, Iowa, will open in Huxley soon to provide the people of the community with a depository and exchange. The town has been without banking facilities for some time.

Group Meeting Gossip Galore

After spending two weeks attending Iowa group meetings with a batting average of 10 nights on the sleepers, chaperoned by WARNER and his "WANDERING WEARY WILLIES," I returned home filled with economic thoughts on the readjustment period, four or five new ideas for speeches on how to enjoy unemployment, and a lot of good parlor car stories I couldn't tell my wife.

Anyway it was something to the credit of bankers and their associates if they could enjoy this period of republican prosperity and laugh once in awhile—which everyone did.

SERIOUSLY SPEAKING—and I suppose I shouldn't speak seriously of group meetings—I found a letter on my desk when I returned from the officer of one of the well known Chicago banks, which I think typifies the real friendships which have been made at group meetings by those who have attended them during the past number of years.

For personal reasons I have omitted the name of the writer of this very fine letter, which reads as follows:

"Dear Cliff: It was a very real pleasure to have been with you for the past two weeks, and I want you to know, Cliff, that I have enjoyed and appreciated your friendship through the years that we have attended the state conventions and group meetings together. This sort of letter sounds rather flat on paper but nevertheless it is from the heart and I wish you to know it."

I appreciated that letter and after all isn't it the real friendships in life that count, and if we can't make those as we travel along the pathway of business then we are missing the real joy in living, as I look at it.

Someone told the story on WILLIS G. C. BAGLEY, president of the First National Bank of Mason City, about the time when he took out some additional life insurance and after having passed the physical examination the doctor said "What kind of policy do you want, Mr. Bagley—a straight life?" "No," said Mr. Bagley, "I like to step out once in awhile."

In stepping out probably he referred to golf, pingpong or attending group meetings. Who knows? Or perhaps someone does, I don't.

A SLAP ON THE WRIST was given group and branch banking by the resolutions committee of Group Four which met at Cresco, the committee being composed of CHAIRMAN J. J. MATTHEWS, vice president of Union Bank & Trust Company, Strawberry Point; R. A. MOORE,

By **CLIFFORD DE PUY**
Publisher

of the New First National Bank at New Hampton.

The resolution reads as follows:

"Be it resolved that the member banks of Group Four of the Iowa Bankers Association herewith give recorded expression to the effect of their opposition to all tendencies toward group or branch banking

cashier of the Peoples Savings Bank of Elma; and ROY HERRMANN, cashier systems. We feel it is un-American and not conducive to the best interest of our people and contrary to our traditions."

B. D. HELSCHER, chairman of Group Ten, and vice president of the Keokuk County State Bank at Sigourney, made a fine presiding officer at the meeting at Centerville. In fact his work as chairman of the group has been so satisfactory that

WATERLOO SAVINGS BANK

WATERLOO, IOWA

Your State Convention

The officers and directors of the Waterloo Savings Bank sincerely hope that you and your fellow officers will attend the Annual Convention of your State Association here in Waterloo, June 22, 23 and 24.

It will give us great pleasure to be of any possible service to you personally during your visit here.

Make your plans now to be with us.

OFFICERS

J. E. JOHNSON, *Chairman of the Board*
H. G. NORTHEY, *President*
R. W. WAITE, *Vice President*
CARLETON SIAS, *Vice President*
J. J. MILLER, *Cashier*
FRANCIS R. LABARRE, *Assistant Cashier*
V. SPALDING MILLER, *Assistant Cashier*

DIRECTORS

NATHAN NORTHEY
A. E. GLENNY
J. E. JOHNSON
CARLETON SIAS

R. W. WAITE
HARRY G. NORTHEY
J. J. MILLER
W. B. SMALL
WALTER E. JOHNSON

C. T. WILSON
L. W. WITRY
WILL E. OGLE
C. R. DAVIS

he was unanimously endorsed for treasurer of the Iowa Bankers Association for the coming year.

Among the many interesting stories which Mr. Helseher told in introducing the various speakers on the program was the one about the man who said "How long have you been a banker?" The banker replied "I worked in a bank for 38 years, but have only been a banker for the last two years."

MAX von SCHRADER, cashier of the Ottumwa Savings Bank, gave the response to the address of welcome at the Centerville group meeting and paid a nice compliment to the citizens of Centerville

by telling the story of the preacher who asked the members of his congregation who wanted to go to heaven to stand up, and they all stood up but one man. Then he asked how many wanted to go to hell and none of them stood up, so he asked the man who did not stand up in answer to either question, what he wanted to do. He said he didn't want to go to heaven or go to hell, but he wanted to stay in Centerville.

At the Missouri Valley meeting W. H. DRESSLER, cashier of the Stock Yards National Bank of Omaha, (a Northwest Bancorporation member) spoke on "Group Banking and The Business Trend."

In opening his remarks Mr. Dressler told of the large number of bank failures in the United States in the last 10 years, painted the picture of the gray haired men and the silver haired women, with their brows furrowed, and backs bent, standing in the long line before the closed banks of America, their lifetime savings being entirely lost.

He painted the picture of the unit banking system as having completely broken down, and told of the greater advantages to be derived from the group system, and then said "Well managed banks have survived, and poorly managed banks have failed."

Mr. Dressler was followed by L. A. ANDREW, superintendent of banking for the state of Iowa, and Mr. Andrew threw his regular speech on the "sturdy pioneers," and "demand deposits are payable on demand," out the window and came to the defense of unit banking, and answered in detail Mr. Dressler's arguments.

Mr. Andrew said in part "I have not lost faith in the unit bank. It is not a failure. Prosperity in the United States has been built on unit banking. Good management is the basis of the success of our banking system.

"Group banking does not stimulate the individual desire for ownership which exists in unit banking. The stock market drop slowed up the group banking idea.

"Fifty years from now there will be good unit banks in existence, and time will show that the mere grouping of banks and capital together does not necessarily mean the greatest safety. I want unit banking preserved—I know its great record of success and sacrifice to maintain its place in the community."

I don't suppose that many bankers know that C. O. CRAIG, vice president of the Valley National Bank of Des Moines, has a very fine voice, and is a most talented singer.

When he came from Galena, Missouri, to Des Moines in 1925, a petition was signed by 250 people asking WHO to put Claude on the air. He did sing over WHO and my suggestion is that the next time music is desired—the real high grade type of music, not the "Round her neck she wore a yellow ribbon" kind—at bankers' conventions that Claude Caruso Craig be put on the program.

Believe it or not, LYNN FULLER, vice president and cashier of the Central National Bank & Trust Company of Des Moines, is one of the best terpsichorian artists among the many dancing experts who brought joy and happiness to the bankers' wives and daughters at the various meetings.

Just to show you how popular he is, he was one of four members of the group train gladiators who stayed at the Cresco

For Hungry Fishermen

Who Are Bankers by Vocation

A Treat
On a
Vacation
Trip



Pure Pork
Sausage
Vacuum
Cooked
in the Tin

The most delicious sausage you have ever tasted. Never out of season because the Vacuum Sealing Process prevents spoilage. Take a case (twelve cans) on your vacation trip. If your dealer cannot supply you with Rath's BLACK HAWK Vacuum-Cooked Pure Pork Sausage, send the coupon for a sample can.

A further suggestion—show this advertisement to your wife. Rath's Vacuum-Cooked Pork Sausage will be a welcome relief from the common run of summer menus.

N.W.B. 7—Please send me a sample can of Rath's BLACK HAWK Vacuum-Cooked Pure Pork Sausage.

Name

Street and No.....

City and State.....

Dealer's Name

meeting long after the 10:43 P. M. train had left and took a bus over to Calmar and caught the train at 1:45 A. M. all because the charming young ladies had him dated up for dances far into the night.

If you would like to hear a lot of good fish stories just ask NORMAN WILL ROGERS SHAFFER, second vice president of the Continental Illinois Bank and Trust Company, who took the fish pole right away from a regular fisherman at Maquoketa, down by the dam site, and caught (I should say hooked—they wouldn't bite) a damn sight more fish than the fisherman had been getting.

And all this happened on a rainy afternoon when the orators were orating at the pavilion at Lakehurst.

In mentioning the many accomplishments of the Iowa bankers associations, FRANK WARNER, in one of his pertinent paragraphs, said that during the past 20 months bank bandits arrested in the state have been given more than 2,000 years—and I am here to say that that is a lot of time to be passing on to the other fellow any way you figure.

One night when the bridge sharks were doing their stuff in the observation car, E. H. ANDERSON, in charge of the Bank Relations Department of the Chicago Federal Reserve Bank, passed among the assembled aggregation and distributed tasty chocolate-covered yeast cakes giving a recitation upon the fact that he had no stock in the company, but took a great deal of stock in the fine benefits to be derived from absorbing and assimilating the contents of the chocolate bar on or before retiring for the night.

It was then that we all discovered where Andy got his beautiful color and fine complexion.

There is probably no subject that is harder to talk on than "Taxation of Intangibles and Bank Stock," but FRANK B. YETTER, vice president of the American Commercial and Savings Bank, of Davenport, and chairman of the tax committee of the Iowa Bankers Association, gave a very lucid and illuminating paper on this subject before the group meeting at Hampton.

Speaking of speeches — and why shouldn't we—W. H. BRENTON, president of the Iowa-Des Moines National Bank gave one of the outstanding speeches of the two weeks when he spoke on applying modern salesmanship to the banking business today.

His poem on "The Little Red Hen" was a dandy, and presents the true psychology of the present day business situation most effectively.

In a nutshell, or should I say eggshell, it

was simply this; that there are plenty of worms to be had, but you had to dig harder to get them.

Why don't you write to Harold and ask him for a copy of the poem and paste it over your desk? It may help you and your customers.

You can believe it or not, but according to L. A. ANDREW, superintendent of banking, "demand deposits are payable upon demand," and if they had been payable upon demand when they were demanded during the last 10 years by the customers of Iowa who demanded them there would not have any bank closings according to the popular, jovial and rotund

superintendent—and after giving the matter careful consideration I am positive that he is right.

But if you think that ROBERT INGERSOLL could chew up a dictionary and let the words flow like the bubbling waters of Niagara you should have heard PRESIDENT C. C. JACOBSEN establish a new oratorical record which will be hard for the succeeding presidents of the association to follow.

"Jake" put pep, enthusiasm and worthwhile ideas into every speech he made, and I am not kidding him or you when I say that he made every audience cheer him with delight when he had finished—now



A strong, new bank
founded and built to
serve the needs of
a great territory of
which Sioux City is
the center.

FIRST NATIONAL BANK IN SIOUX CITY

A. S. Hanford, Sr.
President

Frederick R. Jones
Vice President

Fritz Fritzon
Cashier

don't misinterpret that. They cheered him not because he had finished, but because of what he had said.

I presume that FRANK WARNER, secretary of the Iowa Bankers Association, knows more about bank legislation which is passed and which isn't passed at the various sessions of the state legislature every two years than any other man in the association.

He knows the men to see, the committees to give information to, and knows the high-ways and the by-ways to follow in pursuing legitimate legislation in behalf of Iowa banks and their customers as no other man has ever known it in my opinion.

At the basis of all banking legislation

has been the fundamental principle of what is fair and right for the banks and the public, and upon that basis legislation has been fought and fostered by the association's legislative committee with Frank furnishing the ammunition.

New Bank at Blencoe

Announcement was made, May 26th, of the organization of the Blencoe State Bank, at Blencoe, Iowa, with capitalization of \$25,000 and \$12,500 surplus which will take over the deposits and assets of the Blencoe Bank, a private institution which was operated for 43 years by William McFarlane, until his death on May 14th.

Officers of the new institution are B. H.

Danforth, president, James McIntyre, vice president and B. E. McElwain, cashier. E. A. Shea and Fred Lindley are directors in addition to the three officers. Stockholders also include Calvin Wilson and T. H. McShane.

Mr. Danforth who is president of the new bank was cashier of the McFarlane institution for over 25 years. Mr. McElwain the new cashier was assistant cashier of the old bank.

As soon as the statutory publication provisions are complied with the new bank will be open in the same building as used by the McFarlane bank.

The McFarlane bank had deposits of nearly \$500,000. At his death over half the deposits were in cash and bonds.

New Interest Rates

Beginning July 1st, the banks of Storm Lake, Iowa, will reduce the interest rates on deposits in accordance with the movement of like nature which is gaining foothold in Iowa.

After that date, interest on savings accounts and time certificates will be computed at 3 per cent.

The banks putting the new order into effect are the Security Trust & Savings Bank, the Commercial Trust & Savings Bank and the Citizens First National Bank.

Reduce Interest Rates

All Charles City, Iowa, banks are following the example of financial institutions throughout the country, according to the Charles City Clearing House Association, and are reducing the interest rates on savings and certificates of deposit. The declining yield of high grade securities is responsible, says the association.

Announcement of the change is to the effect that beginning May 1, certificates of deposit running for 12 months will bear interest at the rate of 3½ per cent or if left only six months, 3 per cent. On July 1, the rate of interest on savings will go to 3½ per cent.

Bankers point out that this readjustment downward is less drastic than that which existing conditions have compelled elsewhere, the rate going only from 4 per cent to 3½ per cent instead of to 3 per cent.

Members of the Charles City Clearing House Association are all the banks of Charles City, namely: The Citizens National Bank, Commercial National Bank, Commercial Trust & Savings Bank and the First Security Bank & Trust Company.

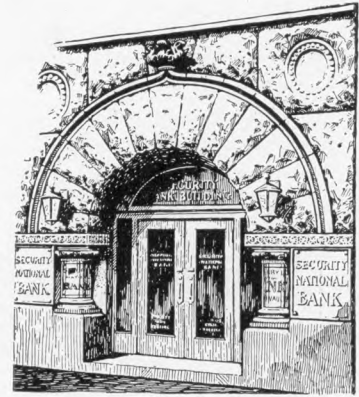
Install Overdraft Charge

The banks of Boone, Iowa, have installed service charges on all overdraft checks. Where the overdraft check is cashed, there is a charge against the account of 50 cents, and 25 cents when

The
Omaha
National
Bank

ALWAYS
AT YOUR SERVICE

Iowa's Progressive Bankers . .



The Doorway to Satisfactory Service

will gather in Waterloo, on June 22, 23 and 24, in the 45th annual convention of the Iowa Bankers Association. They will find there many valuable ideas for the advancement of their business as well as a more thorough understanding of the problems of their neighbors.

Progressive bankers, too, will find the correspondent service of the SECURITY NATIONAL of untold benefit in the intelligent handling of their Sioux City business. Not only does it comprise all of the necessary mechanics of satisfactory service, but each transaction receives the personal attention of an experienced member of our organization.

We cordially invite your inquiries.

SECURITY NATIONAL BANK of Sioux City

OFFICERS

Leonard R. Manley President	Delko Bloem Ass't Cashier
C. C. Jacobsen Vice President	Albert C. Eckert Ass't Cashier
R. Earl Brown Cashier	Daniel B. Severson Ass't Cashier
Elmer O. Smeby Ass't Cashier	

the check is returned to the depositor because of insufficient funds.

The service charge was installed by all members of the Boone Clearing House Association.

Open Bank Offices

The Pleasantville State Bank of Pleasantville, Iowa, has opened branch offices in the neighboring towns of Swan and

Beech which heretofore have had no banking facilities. The offices were opened under the new law recently passed by the state legislature.

Buys Bank Building

The First National Bank of Lehigh, Iowa, has purchased the building formerly occupied by the Farmers State Bank which closed its doors in 1927. The building is

in the process of being completely redecorated and a new heating plant is being installed.

Erecting New Building

The Tama State Bank, Tama, Iowa, is erecting a new bank building which will soon be ready for occupancy. The new building is next door to their present home and on the site of the old First National Bank building.

The vault will have a six-ton door and the tellers' cages will be of the new low type. The exterior of the bank is made of brick and bedford stone.

The bank was organized in 1927 and has made a substantial growth, now having total assets of more than \$640,000. F. A. Jones, president of the bank was formerly with the Iowa State Banking Department in receivership work.

Iowa Banker Dies

Death took another pioneer banker of Iowa, May 14th, when William McFarlane of Blencoe, passed away.

Mr. McFarlane operated one of the few remaining private banks in Iowa. He started in the banking business in 1888.

Mr. McFarlane's institution at Blencoe had deposits of nearly \$500,000. At his death over half of this amount was in cash and bonds.

Funeral services were held on Sunday, May 17, at Blencoe, and burial in Grace-land Cemetery there.

Manager of Credit Department

Announcement, that J. P. Hainer, former member of the reorganization committee's staff of the First National Bank of Sioux City, Iowa, has been appointed manager of the credit department of the First National Bank in Sioux City, has been made.

L. M. Ashley is auditor of the bank and C. F. Nyholm is chief clerk. Mary I. Junk, formerly with the Sioux National Bank, has been placed in charge of new business for the bank. Fritz Fritzon is cashier and F. R. Jones is executive vice president.

Banks Consolidate

Consolidation of two banks at Monroe, Iowa, became effective last month under a state charter. The banks merging their interests are the Monroe National and State Savings, and the new name will be the Monroe State Bank. It has a capital of \$25,000 and surplus of \$5,000. The new bank will occupy the former National Bank Building. C. R. Livingston, president of the National Bank, will head the new bank, and William Livingston, of the State, and Frank Chipps, of the National, will be vice presidents. Ulrich Clevenger, formerly cashier of the National Bank, is cashier.


**HOTEL
HARRISON**

**CHICAGO'S NEWEST
DOWNTOWN HOTEL**

RUNNING ICE WATER
IN EVERY ROOM
\$2.50 AND \$3.00
WITH BATH
NO HIGHER

**RADIO
IN EVERY
ROOM**

**NO
PARKING
WORRIES**
DIRECT ENTRANCE
FROM HOTEL TO
HARRISON PARKING
GARAGE



HARRISON STREET JUST OFF
MICHIGAN BOULEVARD

CHICAGO

1876

1931

With the Consolidated National
there are no delays in the handling
of your items. Promptness, here,
is habitual.

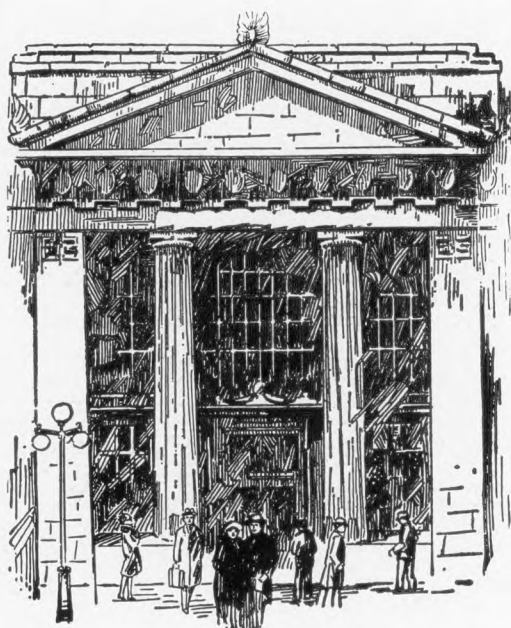
Consolidated National Bank

DUBUQUE, IOWA

J. K. Deming, President

Geo. W. Myers, Vice President

Jos. W. Meyer, Cashier



“The Old Reliable”

Oftentimes old-fashioned, homely expressions like these come nearest to the ideals an institution lives up to.

“The Old Reliable” has been our motto for over a third of a century.

Correspondent accounts welcomed

GRANT McPHERRIN
President

LELAND WINDSOR
Vice President

LYNN FULLER
Vice President and Cashier

CENTRAL NATIONAL BANK
AND TRUST COMPANY
— OF DES MOINES —

The Measured Service Charge

Cedar Rapids committee report shows banks of that city gratified with preliminary outcome of the charge.

(From Committee Report)

IN 1919 A REGULAR meeting of the Cedar Rapids Clearing House Association was thrown almost into an uproar because of the timid suggestion by one member that a service charge of 50c be made effective on all checking accounts in event the balance during any month fell below \$50.00. After order was restored and opportunity given all members to express themselves, it was decided to go ahead on the installation of this service charge, and supplies were ordered and the date set for the charge to become ef-

fective. Just a few days before the time set, however, one member bank asked to

have a special meeting called for a further discussion, and the outcome of it was that the charge was not placed into effect because of the final opinion that the public would not take kindly to it. Five years passed, and not until 1924 was the subject again brought up, and this time favorably considered and placed in effect. At various times after, a revision of the charge was talked of, but nothing ever done. All were aware that the flat charge basis was not a fair and proper charge either for the bank or the customer. Checking accounts increased in numbers, and checks in volume, yet, the total amount of service charges collected remained about the same. At the annual meeting of the association held in January, 1930, a committee was designated to study service charge matters, and submit a report to the association for action.

The committee composed of representatives of five of the eight banks in Cedar Rapids went into a huddle, and decided that the first thing to do was to find out just what it was costing the banks of Cedar Rapids to handle the various items for depositors. Accountants were employed and analysis work was begun in May, 1930, and the reports were finished July 15, 1930. These reports only served to further emphasize the necessity of a revision of our service charge schedule. Many meetings were held, and various schedules considered, and members of the committee made several trips of investigation. Finally, a schedule was adopted, which is shown on this page.

Then came the question—just how are we going to put this over to our customers? We realized that it would be an impossible task to talk to each customer and fully explain the new schedule, and just about as impossible to explain it by means of correspondence. More meetings took place, more investigations were made, and finally after several consultations with the president of an advertising agency specializing in educational bank publicity, a campaign was decided upon.

MEASURED SERVICE RATES These Went Into Effect March, 1931

An Average Daily Balance Between	With a Base Payment of	Pays for This No. of Checks	Extra Checks
\$ 0.01 - \$100	\$1.00	10	4c
101.00 - 200	.50	10	4c
201.00 - 300	None	10	4c
301.00 - 400	None	15	4c
401.00 - 500	None	20	4c

Balances Over \$500 Based on Individual Analysis

Bankers who demand the best in correspondent service know they will secure:

- ACCURACY
- SPEED
- PERSONAL ATTENTION
- SATISFACTION

AT THE

FIRST IOWA STATE TRUST & SAVINGS BANK

BURLINGTON, IOWA

Capital \$600,000

Resources Over \$9,000,000

PEOPLES TRUST & SAVINGS BANK

At your service—
in Eastern Iowa
and
Western Illinois

PEOPLES TRUST & SAVINGS BANK

CLINTON, IOWA

REMEMBER IT THIS WAY—"PEOPLES TRUST"

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WM. M. WILSON, Vice Pres. J. L. BOHNSON, Cashier C. S. HARRIS, Assistant Cashier
F. W. SPALDING, Asst. Cashier EMIL JOHANNSEN, Asst. Cashier

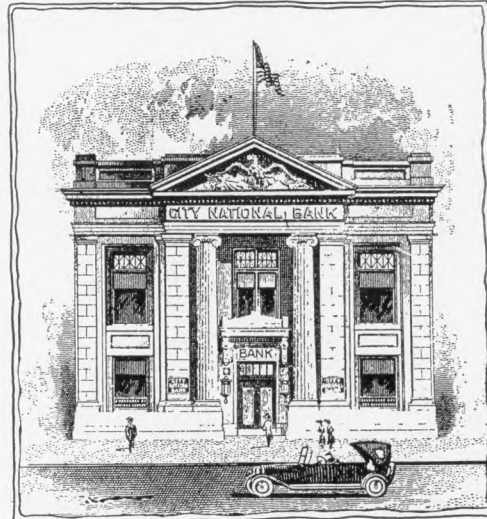
The educational campaign was really divided into two parts—one for the depositors, and one for the officers, employes and directors of all the banks. For the depositors a series of five folders was used, coupled up with newspaper advertisements. These folders told nothing whatever about the *cost* of rendering checking account service, but emphasized rather the *value* of checking account service. The educational campaign for employes, directors and officers started off with a dinner dance, at which 250 persons were present. The action of the association in placing into effect the new service charge schedule was fully explained by the president of the advertising agency, who made a very wonderful address.

First Folder Mailed

THE day following the dinner dance the first folder entitled—"Explaining the New Basis of Checking Account Service" was mailed to all customers of the commercial departments of all the member banks. Almost immediately the town fairly buzzed with talk, and the action of the association made the topic of discussion of bridge clubs, luncheon clubs, lodge meetings and whatnot. Much more was said outside the banks than inside, for all members of the bank organizations were set and ready to explain the new schedule very fully to customers. The committee held meetings once or twice a week for a period of several weeks, just to exchange experiences and keep each other fully informed of all developments. It was found that surprisingly few real complaints were made after these full explanations were given to customers, and before March 1st, which was the date set for the schedule to become effective, most of the difficulties had been ironed out, and order once more restored. It was decided that the first charges would be made on April 10th, for March activity, and for a few days after the debits went through it was expected that a great many explanations would have to be made. However, it was most pleasing to all the banks to find that customers so readily accepted the new basis without serious objections and, no doubt, because of the thorough preliminary work that had been done. It was most gratifying to all banks to know that for the first time in many years the operations of commercial departments had been carried on for one month on a profitable basis. The total amount of service charges collected in each member bank more than doubled.

The question naturally arises—how many accounts were closed out because of the new measured service charge schedule? There are no exact figures available, but at committee meetings still being held this was discussed, and a general report may be made to the effect that while quite a large number of small checking accounts were closed out, transferred

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MILO J. GABRIEL
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 Vice President
O. P. PETTY
 Vice President and
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OFFICERS
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 Assistant Cashier

Clinton County's Largest Bank

SIXTY-ONE years of continuous, conservative and safe banking service, forms a substantial background for the proper handling of your correspondent account.

We invite your business with confidence that our relations will prove most satisfactory to you.

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THE CITY NATIONAL BANK

CLINTON, IOWA

Assets Over \$8,500,000.00

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CONSTRUCTIVE COOPERATION

When you do business with the Valley National you can depend upon a correspondent service which is founded on 58 years of constructive cooperation with Iowa banks.

Founded 1872

VALLEY NATIONAL BANK DES MOINES

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C. T. COLE, JR., <i>Vice President</i>	C. M. CORNWELL, <i>Assistant Cashier</i>
C. O. CRAIG, <i>Vice President</i>	



to savings or consolidated with other checking accounts, nothing of consequence was lost, and the average balance of all closed accounts ran less than \$50. At the time this report is written figures for the month of April are available. The amount of service charges for April activity will run approximately the same as for the month of March, and it is reported that closings of checking accounts are now running just about normal. An important feature is that checking accounts being opened are of a much better quality, if that term may be used. Larger balances are being maintained, and these accounts which are opened are on a profitable basis to start off with, for the customers of the banks know exactly what the requirements are.

No More Help Required

ALL accounts maintaining balances of \$500 or more are being analyzed, to determine whether or not they are being carried on a profitable basis. But very little difficulty has been experienced in handling these larger accounts, and, as a matter of fact, they are far less troublesome than the smaller ones. Business men have as a rule been very fair in accepting account analysis, for after all it is nothing more or less than good merchandising. Attached hereto are copies of the charge slips for both the smaller accounts and the larger accounts subject to analysis. These blanks are self-explanatory. It has been found that no additional help has been required in any of the banks to handle the work under the new system.

Admittedly the charges made for handling the various items in the analysis of an account show a small profit, and why not? It is not thought best to give the customer an impression that his account is being handled at actual cost. A merchant seldom if ever advertises the sale of canned goods from his shelves at cost, and no one expects him to do so. For too long a time banks have been giving their service away, and making no attempt whatever to educate the public to the value of it.

While it is the feeling of the committee that its work has been well and thoroughly done, there will, no doubt, be new problems come up from time to time, and to these careful thought and study will be given. However, up to this date the operation has been so successful, and the patient is convalescing so nicely that it appears that the crisis has been passed, and that from now on the full benefits of the operation will be very noticeable. It is suggested that any bank or group of banks contemplating action similar to that taken by the Cedar Rapids Clearing House Association—

First—Set out to ascertain actual costs of operations,

Second—Adopt a fair basis for the han-

dling of the various items, and this basis will not be very different from that adopted by this association.

Third—See that every employe of every bank, from the chairman of the board down to the elevator boy, is made thoroughly familiar with the new schedule and knows just why it is being put into effect.

Four—Carry on a well planned educational campaign, and not try to jam the schedule down the throats of customers without first explaining it fully to them.

Fifth—Co-operate 100 per cent—Not even one-half of 1 per cent less.

In conclusion, the committee emphasizes the advantages of giving ample time for a thorough consideration of the whole problem. There should be no hasty decisions, and only after every officer, every employe and every director of every bank is thoroughly sold should an attempt be made to place the measured service schedule into operation. It should not be difficult to convince these officers and directors if costs are known.

Johnston Heads Chapter

F. W. Johnston was elected president of the Muscatine chapter of the American Institute of Banking at a meeting held at the Muscatine State Bank last month.

Other officers named were: E. C. Rosenmund, vice president; M. M. Greene, treasurer, and Lenora Eitman, secretary. G. R. Conkling and F. C. Spaethe were named on the executive committee for three-year terms.

Mr. Rosenmund was named delegate from the chapter to the national convention at Pittsburgh, June 8th to 12th, with Leland Horst and Floyd Jones as alternates.

Clark Heads Group Seven

G. H. Clark, cashier of the Commerce Savings Bank of Marion, Iowa, was unanimously elected chairman of Group Seven of the Iowa Bankers Association at the annual meeting of that group held in Iowa City. More than 300 bankers were in attendance.

Mr. Clark had previously held the office of secretary for the group, and in being elected chairman succeeded L. C. McGill of Independence. George H. Walker of Iowa City, was unanimously elected secretary to succeed Mr. Clark.

The Group Seven district includes nine counties in the east-central part of the state the counties being Bremer, Black Hawk, Grundy, Buchanan, Tama, Benton, Linn, Iowa and Johnson.

Principal speakers at the meeting were L. A. Andrew, state superintendent of banking, who stated that Iowa banks are in excellent condition and banking in Iowa was never on such a high plane as at the



Where bankers live—Above, the attractive residence of Horace E. Danielson, cashier of the State Bank of Mayer, Minnesota. Mayer is a prosperous little village in Carver county called the Golden Buckle of the Dairy Belt.

present time, and George R. Davies and Karl E. Leib, university commerce instructors.

Heads Dows Bank

Ira T. Deam has purchased the interests of Dr. J. C. Powers, Dr. Long and the C. F. Osborne estate in the Farmers State Bank of Dows, Iowa. The purchase of the stock now gives Mr. Deam and his son, Will, controlling interest in the bank.

At a special meeting of the board Thursday, Ira T. Deam was elected president of the bank; and William Donaldson, who is a heavy stockholder in the bank, was elected as director.

Independent Bankers to Meet

The Independent Bankers Association will hold the annual meeting on June 3rd, in the Ryan Hotel, St. Paul, Minnesota. A very interesting program has been prepared by the committee in charge and those fortunate enough to attend the meeting will find their day well spent.

The program provided is as follows:

PROGRAM

Morning

10:30 A. M.

Address of Welcome—Hon. G. J. Bundle, Mayor of St. Paul.

Response—John Rausch, Cashier Lastrup State Bank, Lastrup, Minn.

Adjournment for Luncheon.

Appointment of Committees.

Afternoon

2:00 P. M.

Address—Harry Lee, Long Prairie, Minn., President of the Independent Bankers Association.

Address—"Banking," Hon. John N. Peyton, Commissioner of Banks, State of Minnesota.

Address—"This Changing World," Hon. J. Adam Bede, Member House of Representatives.

Address—Hon. Peter Norbeck, United States Senator from South Dakota. Chairman of the Senate Committee on Banking and Currency.

Excellent Program for Waterloo Convention

(Continued from page 75)

Deposits at a Rate Not to Exceed 3 Per Cent"—E. J. Engeldinger, cashier, Union National Bank, Ames. (Pop. 10,600.)

Group 7—"Service Charges"—L. J. Derflinger, vice president and cashier, Cedar Rapids Savings Bank & Trust Co., Cedar Rapids. (Pop. 50,000.)

Group 8—"Service Charges"—T. E. Bell, cashier, First National Bank, Dewitt. (Pop. 2,000.)

Group 9—"Payment of Interest on Time Deposits at a Rate Not to Exceed 3 Per Cent"—D. V. Ferris, cashier, First National Bank, Diagonal. (Pop. 600.)

Group 10—"Service Charges"—F. L. Sawyers, vice president, Centerville National Bank, Centerville. (Pop. 8,000.)

Group 11—"Payment of Interest on Time Deposits at a Rate Not to Exceed 3 Per Cent"—Frank Ricksher, president, Iowa State Savings Bank, Fairfield. (Pop. 7,000.)

4. 9:00 A. M., Wednesday, June 24, 1931: "The General Farm Situation." What about the low prices on farm land and farm products? What is to be their future? From the type of speakers below, it will be seen that this is an outstanding convention session. A general invitation is extended to any who desire to attend:

(1) "The Business Outlook and Iowa Agriculture," John C. Galloway, farm management demonstrator, Iowa State College, Ames.

(2) "The Banker and the Board of Trade," Fred H. Clutton, secretary, Chicago Board of Trade, Chicago.

(3) "Federal Intermediate Credit Banks as Permanent Banking Institutions," Charles McCumsey, manager, Federal Intermediate Credit Bank, Omaha.

(4) Address—Hon. James C. Stone, chairman, Federal Farm Board, Washington, D. C.

"The Activities of the Farm Board and How the Bankers of the Country Can Be of Assistance."

(5) "Better Farm Financing"—Hon. Alex. Legge, former chairman, Federal Farm Board, Washington, D. C., president, International Harvester Company, Chicago.

Service for Grandview

Banking service will be available to Grandview, Iowa, residents in June through establishment of an office by the Columbus Junction State Bank. The Grandview bank closed last year. Warren Martin, at present with the Hershey State Bank in Muscatine, will be manager of the Grandview office.

Bank Office at Derby

The Citizens State Bank of Humeston, Iowa, has established an office at Derby as permitted by the new law passed by the recent legislature. Clell Fulton, of Derby, was employed as local manager. The room of the old First National Bank of Derby, was secured for the business.

Northwestern Banker June 1931

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THE NORTHWESTERN BANKER AND THE TERRITORY IT COVERS

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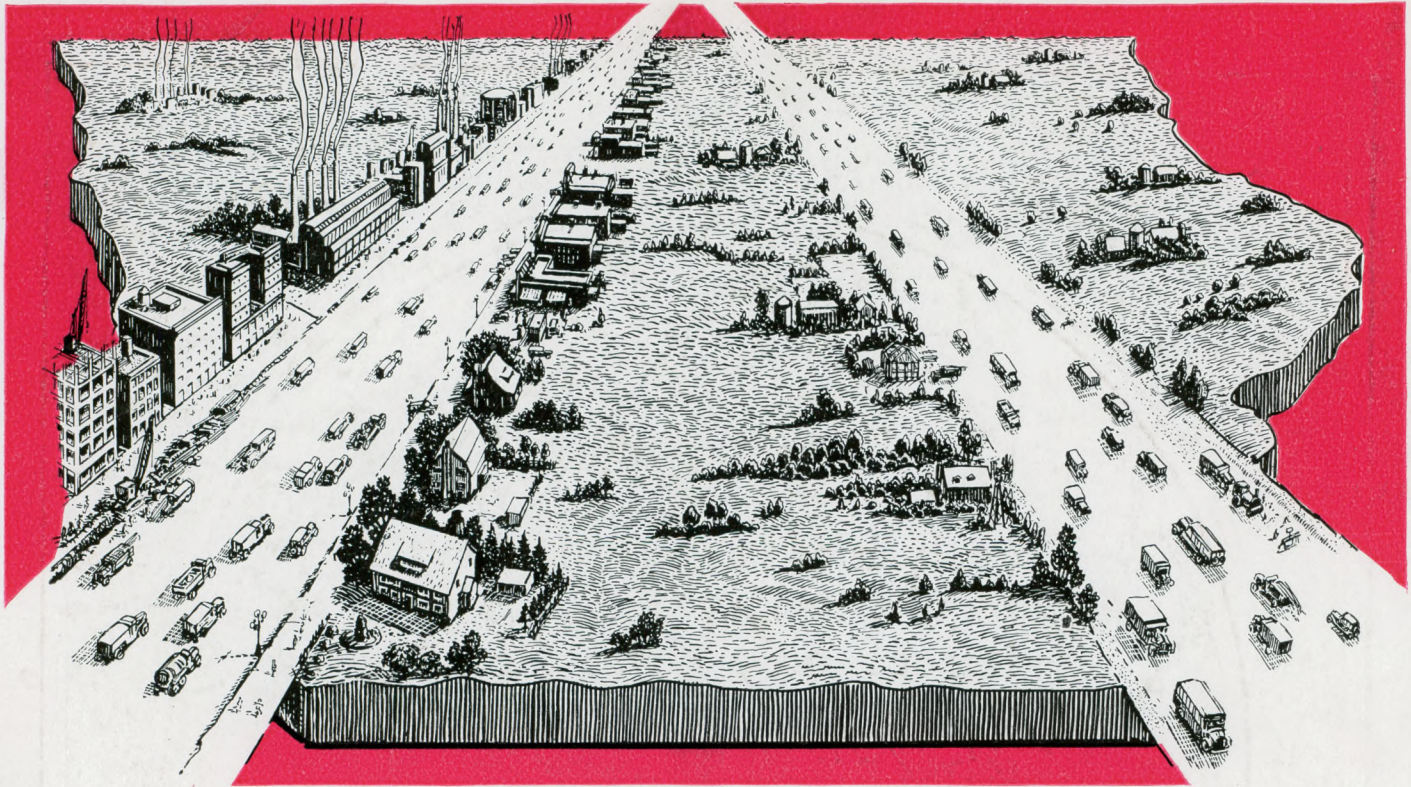
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The
Cedar Rapids National Bank
Cedar Rapids, Iowa



When IOWA Builds—

DURING last year, an "off" year for construction elsewhere, Iowa's building program showed a 30 per cent increase over 1929.

When Iowa builds, it expresses not only its present prosperity, but faith in the future. That was evidenced again in the fact that Iowa paved more miles of road in 1930 than did any other State.

Forward-looking enterprise requires forward-looking banking support. In

its services to the people of the State, this Bank has kept its thoughts constantly upon future developments, seeking to provide adequate facilities well in advance. New opportunities have found it ready with new resources. Heavier demands have found it strengthened and broadened by association with able affiliates.

Those who select this Bank as their correspondent share in the confidence inspired by this spirit of leadership.

● *With its numerous contacts, complete facilities and rich background of experience, this Bank is well equipped to give your correspondent matters prompt and careful attention.*

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