

NORTHWESTERN BANKER DES MOINES

JUNE, 1933

"Stop Paying Interest on Postal Savings"

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1863



1933

RELATIONSHIPS between bank and depositor, founded on mutual understanding, have justified in a large degree the code that has characterized transactions in The First National Bank of Chicago since its opening on July first, 1863: "To be respected for soundness in judgment, to adhere to sound banking practice, to meet customers on common ground."

Upon this basis business is invited from Banks and Bankers.

The First National Bank *of* Chicago

FREDERICK H. RAWSON
Chairman

MELVIN A. TRAYLOR
President

Northwestern Banker

Des Moines

The Oldest Financial Journal West of the Mississippi

Number 551

JUNE, 1933

38th Year

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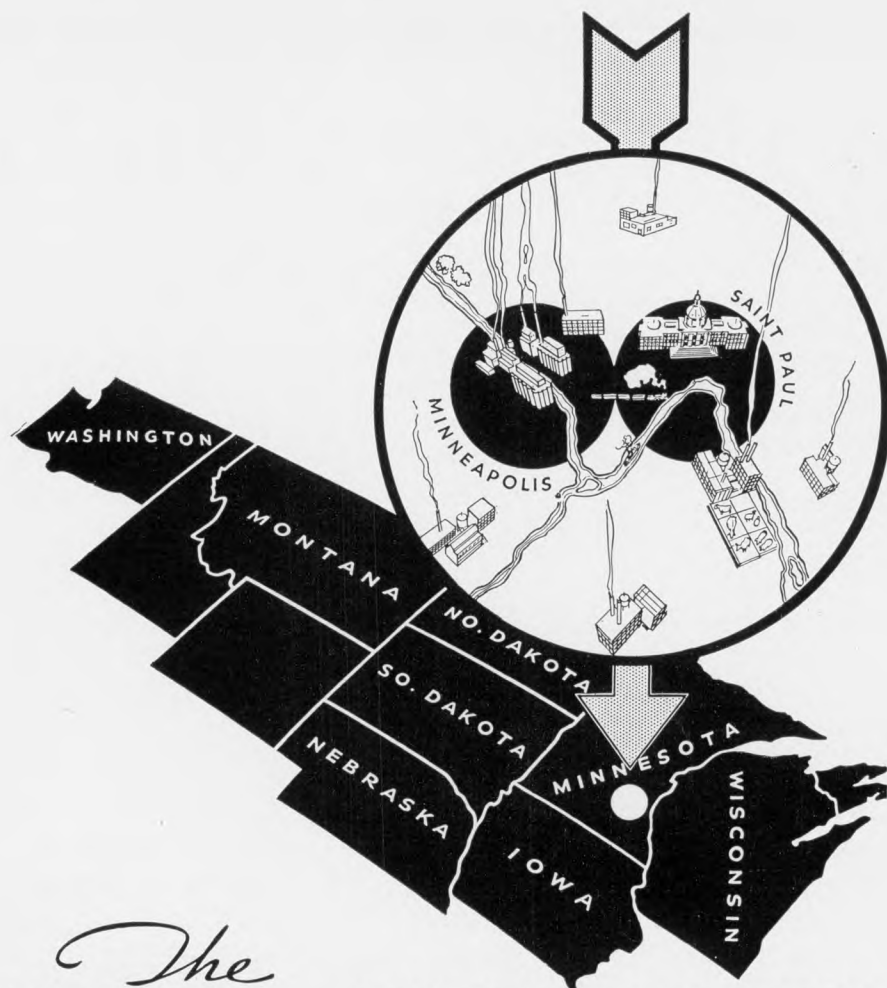
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BREAD AND BUTTER—the staff of life! Here in the territory served by the Northwest Bancorporation you find the largest production of *both* products. And in the very heart of this "bread basket," Minneapolis and Saint Paul serve as the bread and butter capital of America.

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In Saint Paul—The Empire National Bank and Trust Company, and the Mounds Park State Bank.

In So. St. Paul—The Stock Yards National Bank.

The Northwest Bancorporation is a group of 126 banks and trust companies serving eight Northwest States in four Federal Reserve Districts. These banks have been operating without restriction since the termination of the banking holidays.

NORTHWEST BANCORPORATION

MINNEAPOLIS



MINNESOTA

*This is one of a series of advertisements appearing in national publications,
featuring the territory served by the Northwest Bancorporation*

A Cedar Rapids Bank



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Building on a Sound Basis

SATISFACTORY service is the basis of all permanent business relationships. It has been the privilege of this old, progressive institution to act as the Cedar Rapids correspondent of a large number of banks over a long period of years.

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PLAN TO ATTEND YOUR STATE CONVENTION
IN SIOUX CITY, JUNE 19 AND 20

MERCHANTS NATIONAL BANK

OFFICERS

President, James E. Hamilton; Vice Presidents, H. N. Boyson, S. E. Coquillette, Van Vechten Shaffer, Roy C. Folsom, Marvin R. Selden; Vice President and Cashier, Mark J. Myers; Vice President and Trust Officer, George F. Miller; Assistant Cashiers, Fred W. Smith, R. W. Manatt, L. W. Broulik, Peter Bailey, R. D. Brown, and O. A. Kearney.

Cedar Rapids

Iowa



Stop Interest on Postal Savings

Both state and national banks are suffering severely from competition with postal savings, and this competition should be at least partially eliminated by the proper legislation at Washington, which will stop the further payment of interest by the government on postal savings deposits.

If this interest item were eliminated it would remove the government from direct competition with the banks of the nation.

Most every bank that has qualified for the maximum amount as a depository for postal savings funds and therefore money belonging to individual communities in each state is being sent to the Federal Reserve banks in their respective districts.

This means that money which would otherwise be used to promote the commercial and business activities of their respective towns and cities is being sent to Reserve Banks.

According to April, 1933, Federal Reserve Bulletin, the United States Postal Savings from 1928 to 1933, at the end of March, were as follows:

Postal Savings in the United States as of March each year:

1928	\$ 152,000,000
1929	155,000,000
1930	169,500,000
1931	302,000,000
1932	705,300,000
1933	1,111,600,000

It will be seen from these figures that postal savings deposits increased 700% from March, 1928, to March, 1933, a period of only five years.

The increase from March, 1932, to March, 1933, or in one year's time, was over 63%.

The government is now paying approximately 2% per annum on these deposits which are in fact

demand deposits rather than savings deposits, because the depositor can withdraw them at any time, and receive interest on amounts as low as \$1.00, the interest being collectable when the deposit is withdrawn.

Such banking practice would not be condoned by any other banking system operated independently from the government.

Certainly the time is here for every banker to fight for the elimination of interest now being paid on postal savings deposits.

Retention of State Banking System Imperative

The elimination of politics from our banking system, both state and national, and the retention of the state banking systems of the country, was pointed out in a very forceful address made recently by Governor Landon, of Kansas.

In the course of his remarks Governor Landon said:

"Everywhere there is talk of remodeling the banking system. Some powerful influences favor the destruction of the country bank. This is a move in the wrong direction.

"The simple fact of the matter is that the greatest weakness of the American banking system is that it has been dominated by unwise political influence. Yet, with all the hullabaloo that has been raised from coast to coast about bank reform, not one word has been said about eliminating political control from bank supervision.

"It was not the little country bank owned and operated, generally speaking, by the most capable men in the community, that has caused the trouble in American banking. In so far as the little banks have been a cause of weakness, that trouble arose

with those of the little banks that have been chartered in relatively recent years by political authorities who betrayed the public trust imposed on them and refused to say 'no' when circumstances did not warrant the granting of a charter to the new bank.

"It is because of these events and the lack of wisdom of national political authorities who are tending to destroy the federal reserve system that it is imperative state bank systems be retained and strengthened in the various states.

"It is just another case where our dual form of government may be our salvation.

"But there is nothing in the past or present management of our federal reserve system to warrant the abolishing of state banking systems. It is too much like jumping from the frying pan into the fire without solving the real problem involved."

As Governor Landon well points out, the dual form of banking system may be our salvation, as has proven in the past many times each system has been a check on the other, and therefore been helpful to both.

Let us use every influence to see that our state banking systems are maintained. Let us oppose every effort for the unification of all of the banking resources of the United States under one national control which would represent a power more potent and more far-reaching for evil than any yet dreamed of in this country.

The Insurance of Bank Deposits

The guaranty of bank deposits, which is taking the form of the insurance of deposits, is legislation similar in effect to that which has been so disastrously enacted in numerous states throughout the country in the last twenty years.

The guaranty of bank deposits has been a failure in every state where it has been tried.

With these varying examples of failures by individual states it seems rather odd that our present Congress would think that the idea can be applied nationwide and be made successful.

Francis H. Sisson, president of the American Bankers Association, in a recent address commented on this subject as follows:

"If we could feel that the guaranty of deposits theory would really add to sound banking, we would gladly endorse it. However, we are in favor of reform methods for banking that really strengthen banking and therefore are just as heartily opposed to supposed reform measures that really weaken it. The guaranty of deposits plans no where gave the public real protection in their

deposits, but to the contrary very seriously increased the hazards of being a depositor in a bank under the influences of the guaranty schemes. From no point of view, therefore, whether of the banker, the depositor, or the general public do we believe there is any benefit in insurance on guaranty plans.

"The fundamental needs of banking reform are so obvious that they should not be obscured with palliatives of this character. Fewer banks, more adequately capitalized, better supervised and better managed, standardization of laws and methods, greater and more intelligent cooperation between government and banking, better understanding by the public of its joint responsibility in maintaining banking solvency and efficiency—these are the primary needs of banking reform which should be given first consideration and be the foundation of our banking system of the future. For such a system no guaranty of deposits would be necessary and the depositors' interests would be fully protected. No considerations of political expediency can warrant Congress in avoiding these essential steps in reform by shifting the burden of an inadequate system upon the sound banks and taxing the stockholders and depositors of good banks to cover the errors and losses of the unsound."

That our banks should be better managed, and better supervised as Mr. Sisson has pointed out is highly desirable and worth while, but any plan of deposit insurance, or guaranteeing a bank's deposits which places a tax upon the efforts of the successful banker to pay for the losses of the unsuccessful or inefficient banker is neither sound nor logical, and in the long run will not prove satisfactory, as many examples of state guaranty of deposits will adequately prove.

Are Bank Presidents All Crooks?

When John W. Pole, former comptroller of the currency, testified before the Senate Committee that "Defalcations are very common in the comptroller's office, and are simply routine matters," and then when he further testified, "That defalcations by bank presidents are common," I think that he made a general statement which was both harmful and unfair to the hundreds of intelligent, honest bank presidents who have guided their institutions through our recent years of economic turmoil.

The former comptroller certainly left the inference that the majority of bank presidents are crooks, and this is a damaging inference to make unless it is supported by facts.



"MY OLD KENTUCKY HOME"

From the original pastel by W. H. Thompson. The picture illustrates the artist's conception of the home which was the theme of Stephen Collins Foster's famous song, well known to everyone.

Copyright, by the Gerlach-Barklow Co., Joliet, Illinois.

UNITED STATES POSTAL SAVINGS

End of Month	1928	1929	1930	1931	1932	1933
March	\$152,000,000	\$155,000,000	\$169,500,000	\$302,000,000	\$705,300,000	\$1,111,600,000

"STOP PAYING INTEREST ON POSTAL SAVINGS"

Iowa Bankers Association makes vigorous protest against payment of 2% interest upon what as an actual fact are really "demand" deposits

THE following letter, signed by members of the Council of Administration of the Iowa Bankers Association, has been sent personally to each member of Iowa's Congressional delegation:

"It is understood that United States Senator Tom Connally of Texas and at least one or two others will offer an amendment to the so-called 'Glass Bill' to eliminate the payment of interest on postal savings. It is sincerely hoped that you may see your way clear to support any such an amendment and thus remove the government from active competition with the local rural banks of this state and other states of the union. Every bank in Iowa that has qualified as a depository for postal savings funds has reached the maximum qualification for which it either can qualify or desires to qualify and for a number of months funds that belong in the rural sections of this state are sent out of the state of Iowa to the Federal Reserve Bank of Chicago. It is stated that Iowa is being drained of funds that belong to Iowa and which should be staying in Iowa at the rate of from \$1,000,000 to \$1,500,000 per month. All of the Iowa postal savings depositories now having postal savings funds to the extent of their qualifications, leaves the Iowa postal authorities with no other choice but to transfer the excess to the Federal Reserve Bank of Chicago, where it is said that today approximately \$20,000,000 to \$25,000,000 of Iowa funds now repose. Can Iowa continue to progress under the present economic conditions if she is to be drained of the funds that ought to be left in Iowa and ought to be at work in Iowa? This is said in no criticism of the government.

It is said in criticism of the postal savings system.

"The following statistics indicate how the Federal government is unconsciously and undoubtedly unintentionally federalizing another banking system and bringing it into direct competition with at least two other Federal banking systems, that is, the national banking system and the Federal Reserve System, not to speak of the competition with the 48 state banking systems. The above statistics are the latest available and taken from the April, 1933, *Federal Reserve Bulletin*, issued by the Federal Reserve Board at Washington, D. C.

"From these statistics, it will be noted that the amount of postal savings for March, 1933, has increased by more than 700 per cent over March of 1928, a period of only five years. It is further interesting to note that the increase over March of 1932, just one year, is over 63 per cent. A well known Texas financial writer calls attention to the fact that 'postal savings deposits in the nation have increased approximately 24 per cent in the last 90 days and approximately 300 per cent in the last 21 months;' and that 'in many towns in the United States the post office is the biggest bank.' The interest debt that the Federal government is paying on the present vast sum of postal savings as above specified can be easily estimated. It is a well known fact also that while these postal funds are called 'postal savings,' to all practical intents and purposes the government is paying 2 per cent interest upon what as a matter of practice proves to be actually 'demand' deposits because they are withdrawable at any time by the depositor. The interest paid and amounting to approximately 2

per cent per annum further ridiculizes itself when one stops to think that the interest is payable on all deposits even as low as \$1.00, \$2.00 and on up and is collectible when the deposit is withdrawn. If any commercial banking institution were to follow such a practice of paying interest on 'demand' deposits subject to withdrawal either by receipt or check, it would be condemned from one end of this country to the other as conducting an unsound banking practice.

"Anything that you can see your way clear to do to eliminate the payment of interest on postal savings will largely correct the iniquitous situation that daily grows more unfair and is sapping the financial vitality of every more rural city, town and community of your state."

Signed—Council of Administration,
Iowa Bankers Association.

With regard to giving further publicity to the above, Frank Warner, secretary of the Iowa Bankers Association, writes as follows:

"A copy of this letter is likewise being addressed to each bankers association in the United States. It is believed that by all of the state bankers associations joining in protesting Federal legislation, such as 'postal savings,' 'check tax,' etc., each state association dealing with its own Congressional delegation upon a concerted and understood plan, a most formidable opposition against or support for, as the case may be, any Federal legislation can be created by those respective state associations. Let us continue to do more of this joint work, and may it be also respectfully suggested that like heavy artillery be again turned upon the 'check tax' demanding its repeal."

Northwestern Banker June 1933

Program of the Minnesota Bankers Convention

George Susens, Secretary of the Minnesota Bankers Association, announces
the highlights of annual gathering at the Nicollet Hotel in
Minneapolis on June 13 and 14

THE annual handicap golf tournament will be held June 13th at beautiful Minikahda, scene of many historic matches. Overlooking Lake Calhoun from the western shore, it is only fifteen minutes from the loop district. All the facilities of the club are at your disposal, including lockers and showers. If it is entirely convenient for you to do so, it might be well for you to dress at the hotel to avoid congestion and delay.

We call your especial attention to the fact that all entrants must start from the first tee by 1:00 p. m. If you can arrange conveniently to start before noon, please do so. You may arrange your own foursome or the committee will arrange a game.

Lunch and dinner may be procured at Minikahda if you desire, but at your own expense. Refreshments will be provided at the club house by the committee at the end of your round and these will be gratis. Prizes—a number of them—will be awarded to good, bad, and indifferent golfers, so all golfers will have an equal opportunity regardless of their skill.

If you expect to play, please return your registration card promptly. Remember also to register at convention headquarters and secure your badge before going to the golf club.

Entertainment for Women

On Tuesday, June 13th, commencing at 12:00 o'clock, a buffet luncheon will be served to the women at the Minikahda Club. During the luncheon the women will be entertained by a style show. Following the luncheon and style show cards will be played with table prizes so that the women at each table may elect the game to be played. There will also be door prizes awarded. Admission to the luncheon will be by ticket only and these can be secured at the time of registration. In addition to the regular registration headquarters at the Nicollet Hotel, a separate registration desk will be maintained at the Minikahda Club as a convenience to those who are unable to register at the hotel.

Exhibition tennis matches will be played on the club court during the afternoon for those who are interested.

Northwestern Banker June 1933

The Smoker Session

This begins promptly at 8:00 p. m. at the Nicollet Hotel, main ballroom. Here fun will be mixed with business.

New Banking Laws—O. W. Lundsten, chairman, legislative committee.

Revised Charge Schedule Presented—F. A. Buscher, Committee on County Organization and Bank Charges.

Revised Charge Schedule Presented, How Installed and Applied—R. W. Putnam.

Revised Charge Schedule Presented, as Applied to Rural Bank—J. A. Allen, president, First National Bank, Milaca.

Free-for-all discussion.

Singing, refreshments, etc.

June 14th, 10:00 A. M.

President's Address—M. F. Ernst.

The Hold-up Problem—C. D. Brown, manager, Protective Department.

Bandit Resisting Enclosure—R. M. Stoll, cashier, Farmers & Merchants State Bank, Pierz.

Tear Gas—N. C. Lien, cashier, Goodhue County National Bank, Red Wing.

Delayed Time Lock—V. A. Batzner, vice president, National Citizens Bank, Mankato.

The Crime Bureau—M. C. Passolt, superintendent, State Crime Bureau.

Convicting the Yegg—Ed. J. Goff, county attorney, Hennepin county, Minneapolis.

June 14th, 2:00 P. M.

Recent Changes in the Federal Farm Loan Act—F. H. Klawon, president, Federal Land Bank, St. Paul.

Government Real Estate Loan Relief—J. P. Riordan, agent for Loan Commissioner, St. Paul.

Glass-Steagall Bill Explained—R. H. Comaford, attorney, Minnesota Bankers Association.

General discussion.

June 14th, 4:00 P. M.

Meeting of reorganized banks only. The many new and unexpected problems of these banks taking the "Cure" will be discussed. All reorganized banks should

have a representative present. *All others excluded.*

June 14th, 6:30 P. M.

Banquet and dance.

This year a banquet will be served for bank officers and their wives and those non-members paying the registration fee. Get your tickets when registering.

Following the banquet Dr. C. H. Mayo will speak. His subject is "The Responsibility of Success." There will be dancing in the main ballroom from 8:00 to 10:00 o'clock and from 10:30 to 12:30 o'clock. There will be entertainment in the intermission from 10:00 o'clock to 10:30.

A. B. A. Convention

The fifty-ninth annual convention of the American Bankers Association will be held at the Stevens Hotel, Chicago, September 4th to 7th inclusive, it is announced by F. N. Shepherd, executive manager of the association.

"The entire proceedings, consisting of committee meetings, division meetings and general sessions will be held at the Hotel Stevens which, with its three thousand rooms, is adequate to house all delegates," Mr. Shepherd said. "In accordance with the specific request of the American Bankers Association the Chicago Clearinghouse Association will provide no entertainment features in connection with the convention. Arrangements will be made for golf privileges at some of Chicago's excellent clubs for those who wish to play golf, and a tournament will be held on Friday, September 8th after the close of the convention in order that the American Bankers Association trophies may be played for by members.

"In the Century of Progress Exposition, the citizens of Chicago have already provided an entertainment which is an opportunity of a lifetime. There has been nothing in this country comparable to it since the World's Fair in Chicago forty years ago."

The association has previously met in Chicago five times, in September, 1885; October, 1893, which was the time of previous World's Fair there; September, 1909; September, 1918, and September, 1924.

At the Iowa Group Meetings



Top Row, Left to Right—Alden S. Bagnall, Live Stock National Bank, Chicago; L. Kenneth Dillings, Northern Trust Company, Chicago; C. S. Rye, Manly State Bank; Marvin R. Selden, Merchants National Bank, Cedar Rapids; Frank Covert, Drovers National Bank, Chicago; Carl Fredricksen, Live Stock National Bank, Sioux City; Raymond Smith, Polk-Peterson Corporation, Waterloo; O. L. Whitlatch, State Bank of Allison; R. I. Bordner, Hudson State Bank; Don Murdock, Polk-Peterson Corporation, Des Moines.

Middle Row, Left to Right—Hal Stewart, Johnson County Bank, Iowa City; George H. Paulson, Onslow Savings Bank; G. M. Peterson, Polk-Peterson Corporation, Des Moines; R. R. Rollins, Bankers Trust Company, Des Moines; Ray Lauder, A. G. Becker, Chicago; Lynn G. Fuller, Central National Bank & Trust Company, Des Moines; J. W. Cravens, Sanborn Savings Bank; C. Chalmers, Primghar Savings Bank; Jerry Nordberg, A. C. Allyn & Company, Chicago; F. D. Williams, First Capital State Bank, Iowa City.

Bottom Row, Left to Right—F. E. Boyd, First National Bank, Colfax; Paul Baichley, GMAC, Des Moines; O. L. Karsten, Newton National Bank; W. W. Heinecke, Continental National Bank, Chicago; W. R. Thomas, Norwalk State Bank; L. M. Lanning, Cumming Savings Bank; N. C. Holst, Onslow Savings Bank; Howard Wilson, Onslow Savings Bank; E. F. Rohwedder, Citizens State Bank, Wyoming.

The Group Meeting at Council Bluffs

ANOTHER year, another day and another group meeting. Which means that groups 5 and 9 met at Council Bluffs, May 26th for their annual meeting. And by the way: "Vas you dar, Scharlie?" If you wasn't there you missed a good time.

GROUPS 5 and 9 are composed of twenty counties, the most distant being that of Lucas. So the distance prize, I believe, goes to Homer Jeffries of Russell. Russell is clear over on the east side of Lucas county. Mr. Jeffries had to start before five o'clock, so you can see he had a long drive.

WHEN I arrived in Council Bluffs at about 9:30 the first bankers I saw who are in the bankers "Who's Who" were Mr. Van Horn of Dunlap, secretary of group 5, J. F. McDermott of the First National Bank, Omaha, and B. F. Kauffman of the Bankers Trust Company, Des Moines.

ONE of the speakers remarked that he was well pleased with the fact that there was no registration charge. He said he approved of it: "We don't want it said that eastern bankers are the only ones that don't pay income taxes."

MR. BATES, our new superintendent of banking, spoke before the meeting for the first time. In addition to a knowledge of practical banking, he is a keen lawyer. And most bankers will admit that a knowledge of law is a great help in banking. So Mr. Bates, for groups 5 and 9: "We're for you."

ONE tragic part of the meeting was that most of the speakers had to change their speeches. Mr. Figge, president of the I. B. A., was to talk on "Run-Proof Banks," but that morning the bank deposit guaranty law passed, so with guaranteed deposits banks are automatically run-proof. Then our chief, L. A. Andrew, the Grand Old Man of Unit Banking, had to change his speech when he read the morning paper. He remarked: "Every day of this group tour I've had to change my speech as things are happening so rapidly."

MOST of us ate diner at the Terrace Tea Room of the Chieftain. We had a splendid lunch and some fine entertainment. We wish to congratulate Council Bluffs on their hospitality as expressed by J. A. True, and shown by the manage-

By C. W. FISHBAUGH
Shenandoah

ment of the Hotel Chieftain. As Mr. True expressed it: "We people of Council Bluffs would like to borrow something from you bankers." (Of course, the bankers edged down in their chairs at that.) "But if we borrow we'll give good security." (That sounded better.) "We wish to borrow a day of your time and will give you bonds of sincerity and good will." (The bankers felt better.)

D. P. HOGAN of the Federal Land Bank explained the working of the land bank and its plan for the future. Mr. Hogan mentioned that he had been attending bank meetings for over 36 years. And folks, that's a long time in banking, when you think of the changes made during that period.

F. L. PURRINGTON, manager of the discount department of the Federal Reserve Bank of Chicago, was another speaker. Of course, our ever-active secretary, Frank Warner, was present and gave a fine talk. W. J. Lewis of Harlan conducted the annual question box.

A NEW group in banking was mentioned: "The shock troopers." The shock troopers being the boys that troop down in the morning and stand all day in front of the bank, and the bankers would die of shock if any of them ever deposited a dime.

L. A. ANDREW, retiring superintendent of banking, gave his farewell talk to the group. Mr. Andrew has done more for unit banking than any one man in the country. Time and again he has defended the country banker at the A. B. A. meetings. Bankers of Iowa are proud of Mr. Andrew and every banker at the meeting wishes him good luck.

NOW for the best joke told at the meeting (as told by Mac McDermott). There was a great queen in Europe and she had everything one could wish for. The most powerful king in the world was her husband, all the wealth she could use, happily married and two splendid young princes. But she was not happy! She had hired a beautiful chamber maid and she noted that whenever the maid took a day off, either Prince Alex or Prince Charles was also gone. Finally she decided to find out, so she said to

Marie, "Marie, I know you like the princes and that they go with you, but I'm broad-minded, that's perfectly all right. But will you tell me which one you like the best?" The maid was quite taken back and said: "My Queen, it astounds me to find you so broadminded and frank, so I'll be frank with you. I like both the boys, Prince Alex and Charles; they are both charming. But for a good old party give me the King."

Golf Tournament

On Saturday, May 20th, gold enthusiasts of Sioux City were treated with an exhibition of golf rarely rivaled in circles where this complicated sport of the cow pasture is indulged in.

It was the occasion of the Live Stock National Bank tournament held on the Sunset Links, in which all the brawny men folks of the institution participated, from the president, A. G. Sam, up to the latest and most dignified messenger employed in the bank.

The performance brought out stance, form, contortions, broken clubs, par, and Burroughs adding machine scores. A. G., the boss, who had not played a game of golf in three years, gave us an exhibition of driving which was worth coming many miles to see. With brute strength he drove a ball 20 feet, and his club head 75 yards. With the elimination of that club out of his bag of tools, he proceeded to show a real brand of golf.

There were no casualties but plenty of conversation, and the "hoof and mouth" game was transferred to the home of A. G., where the hungry crew of twenty campaigners were served with refreshments consisting of fried chicken and all the trimmings. They were enthusiastic and unanimous in declaring Mrs. Sam as a hostess, 100 per cent.

Distribution of the prizes then took place, interspersed with some of the finest brand of quartet harmony that has ever been turned loose out of the Sioux City stock yards. Outstanding artists made their surprise debut—none other than Carroll Phillips and Henry Linduski.

Tired, but happy, the gang declared the boss's party 100 per cent successful and A. G. has made the threat that he wants revenge, so we have something to look forward to before the season is over, providing he can get a club strong enough to withstand his mighty swings.

As golf players this staff are wonderful bank clerks and dress a fine game, and as bankers we have decided that we are real conversational golfers.

"Grandma Was Peeved"

Is the title of one of a series of advertisements which Dan V. Stephens, president of the Stephens National Bank of Fremont, Nebraska, has been using from time to time in the newspapers of his city. The advertisement quoted here, written by Mr. Stephens, is illustrative of the simple, straightforward facts presented in a readable and understandable manner

BILLY went over to call on his grandma last week and incidentally to take her a little present for her birthday. He had hardly gotten into the house before she very clearly indicated that she was thoroughly peeved.

The bank had closed in the little town into which she had moved after her husband died and tied up \$800.00 of her money, which she had on deposit there. She wanted to pay her taxes and she couldn't get the funds with which to pay them and therefore she was very much put out.

Her grandson, very sympathetic, said: "How much did you have in the bank grandma?"

"Eight hundred dollars," she said, "and believe me, I can't afford to lose all that money."

"I thought they had paid a dividend?"

"Oh, yes, I believe they have paid back some of it."

Billy became very curious at this point because he felt there had been a considerable portion of the depositors paid off, so he made further inquiry. "Why grandma I thought they had paid you two or three dividends."

"Well now, Billy, I don't know but they did pay me two or three dividends, but it couldn't have amounted to very much. Well, let's see, maybe I can find the amount they have paid me in my bank book." So she went to her desk and found the book and searched out the record.

"Yes," she said, "I received \$200.00 on May 1, 1930, and then in 1931 I got \$200.00 more, and in 1932 I got \$200.00 more and that's all I have ever got from them."

"And how much does that make, grandma?"

She squinted at the figures and she said, "That makes \$600.00."

"So you got back \$600.00 of the \$800.00 you had on deposit."

"Yes," she said, "and if I had this other \$200.00 I could pay my taxes right now."

"That would make 75 per cent of your deposit, wouldn't it, grandma?"

"I reckon it would," she said.

"And so you lost only 25 per cent of your deposit?"

"Yes," she said.

"What did you do with the remainder of

the money you had from your farm sale, grandma?"

She said: "I invested it in this house here and bought a few extra pieces of furniture."

"How much do you think the house cost, grandma?"

"Well, I would say it cost me about \$7,500.00 and the extra furniture I bought about \$500.00 more."

"So you really have \$8,000 invested in this house and furniture, haven't you, grandma?"

"Yes, Billy, I think that would just about cover it."



DAN V. STEPHENS

"How much do you think this house is worth now, grandma?"

"Well, I think I could probably get \$3,000 for it."

"So you really lost \$5,000 in value on this property?"

"Well," she said, "I reckon that's about the way you would figure it."

"So you have really lost about 62½ per cent on your investment in this house?"

"I reckon Billy," she said, "it would just figure out about that much."

"And you only lost 25 per cent in your deposit in the bank."

"Well now," she said, "I had never just thought of it that way."

But Billy being a banker kept helping grandma figure it out so she would understand it.

"So," he said, "your deposit in a failed bank was worth 75 cents on the dollar to you whereas your investment in city property in this town is worth only 37½ per cent to you or only half as much. It looks like even your failed bank investment was a great deal better of the two, doesn't it, grandma?"

"Well, my land," she said, "I believe it is. Why sure it is. Plain as day."

"You got back \$600.00 out of the \$800.00 you had in the bank and you tell me you couldn't get but \$3,000 out of the \$8,000 you put in this house."

She said, "Well, I might be able to get \$4,000."

"Well, if you got \$4,000 you would still lose half of your investment."

"Yes," she said, "I reckon that would be true."

"As a matter of fact, grandma, people don't generally know it, but property, stocks, bonds and investments of all kinds have so shrunk in value that even the people, who thought they were very unfortunate indeed to have money on deposit in a failed bank, have fared better and gotten back more of their deposits than have those people who invested their money in real estate, bonds, mortgages, etc.

This was a very interesting observation and it puzzled grandma quite a bit but it relieved her of her peeve.

It has become so fashionable to rave and rant at banks and bankers that people haven't had time to sort out their own misfortunes and classify them so that they can plainly see where their greatest losses have been. They certainly have not been in their banks.

President Roosevelt at the beginning of the holiday closed every bank in the United States and in approximate figures these banks contained 44 billion dollars on deposit. When the holiday was over and the sound banks were allowed to open there was something like 41 billions rep-

resented in those banks, leaving approximately 3 billions in banks that are yet to be opened or liquidated. If only 50 per cent of the 3 billions is finally returned to the depositors the total loss on the 44 billions of deposits would aggregate only 3.4 per cent.

The tremendous losses sustained in this country are not through banks. They have been and are the safest institutions

we have. The greatest losses have been through failures of industry and agriculture and a corresponding shrinkage in investments.

Banking institutions are still the backbone of the country. They are the only safe depositories in the world for money. Don't let any one delude you about that. Without banks the country would return to barter and barbarism.

are the greatest and the values of property are the lowest."

TO THOSE WHO WANT to be assured of the strong financial position of fire insurance companies, R. T. Smith, vice president of Alfred M. Best and Co., who rates insurance companies impartially, just as Dun and Bradstreet rate other business firms, says:

"The fire insurance companies as a group, have present and potential liabilities of \$600,000,000, and in addition to reserves of that amount, there is an additional safety factor of one billion dollars! Policyholders are very amply protected; the companies could sustain conflagration losses as great as those of the San Francisco disaster and still be thoroughly sound and safe!"

In this connection, we note the recent announcement that a great fleet of fire companies, the North British and Mercantile Group, because "fire insurance companies' statements are being closely scrutinized by bankers and policyholders," have issued in convenient form complete portfolios of the respective investments and their ratings by Moody's, for each of the companies of the fleet. These companies, the Commonwealth, Mercantile, Homeland, Pennsylvania and North British, have most of their investments in bonds, and not one of the fleet has borrowed any money!

NOW that we have the GLASS BILL passed by the Senate and the Steagall Bill through the House, the battle will rage in the conference committee between these two legislative bodies over various features of the two bills which are not in accord.

Bankers themselves are unanimous in opposing the guaranty of deposit idea which in all of the previous forms which it has been tried has proven disastrous.

Another difference between the two bills is that the Senate or Glass Bill permits national banks to engage in statewide branch banking in those states which now permit branch banking for state banks, but the Steagall Bill or House Bill contains no such provision and obviously these differences will have to be ironed out before the bill finally goes to President Roosevelt for his signature.

The Senate adopted an amendment by Senator Vandenberg, Michigan, providing immediate 100 per cent insurance of all deposits up to \$2,500, both in Federal Reserve member and non-member banks.

Under the bill as reported, deposits in Federal Reserve member banks would be guaranteed 100 per cent on the first \$10,000, 75 per cent on the next \$50,000, and 50 per cent of the amount above \$50,000, effective July, 1934. The Vandenberg amendment does not affect these rates.

(Turn to page 28, please)

NEWS AND VIEWS OF THE BANKING WORLD By Clifford De Puy

W. G. C. BAGLEY, president of the First National Bank of Mason City, welcomed the bankers to his city when the two group meetings met there last month.

In addition to the other honors which Mr. Bagley has, he is president of the Chamber of Commerce this year and also president of the school board, of which he has been a member for the past 17 years.

These fine honors are only additional proof of the high regard in which the citizens of his own community have held him for many, many years.

WALKER D. HANNA, president of the W. D. Hanna Company of Burlington and other strategic points in Iowa, has rented a cottage at Clear Lake where he and Mrs. Hanna will spend the summer.

FRANK M. COVERT, assistant cashier of the Drover National Bank of Chicago, motored down from Iowa City with HENRY H. HAYNES, editor of the NORTHWESTERN BANKER, and Mrs. Haynes. Coming through Amana, Mr. Covert purchased some of the famous bread manufactured by these former communists who have now turned capitalists and among others whom Mr. Covert remembered with the staff of life was MRS. CLIFFORD DE PUY, he, of course, knowing full well that a publisher's wife is happy to get a loaf of bread at any time and especially so since we have gone off the Gold Standard and our "dough ain't what it used to be."

AT THE GRIDIRON BANQUET in Washington this year, the chairman of the meeting opened his remarks by saying:

"And now under our new president, let us close the banks and go forward unpaid."

"What's that?," came a surprised chorus.

"Pardon me. And now under our new president, let us close the ranks and go forward unafraid. I got my inaugurations mixed."

FRED J. FIGGE, president of the Iowa Bankers Association, in a recent address before the group meetings, expressed the opinion that:

"Savings accounts have been the cause of many bank runs and bank closings and should be changed to time deposits. Savings accounts in rural districts can be eliminated entirely. There are very few cases, if any on record, where the commercial accounts have been the cause of any run. The withdrawals of these accounts have invariably followed and been brought about by runs on the savings accounts.

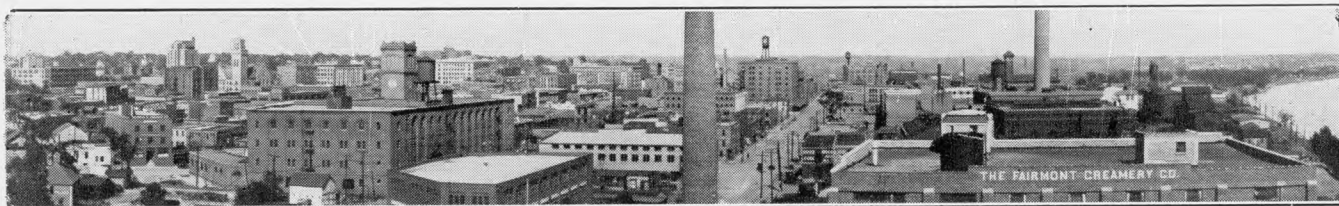
"We have had many cases of this during the past year. I know of several banks that have adopted the method of paying one-half of 1 per cent less interest on their savings accounts than on their yearly interest."

MRS.—when you see that monogram on the belt buckle of a tall, handsome vice president of one of Iowa's most substantial banks, don't think that he is trying to be facetious or is advertising himself for a place on the board of directors of the Y. W. C. A., because they happen to be the initials of Marvin R. Selden, vice president of the Merchants National Bank of Cedar Rapids.

Incidentally, the "Mrs." in his family completed her delayed college education and this year received her degree from Coe College in Cedar Rapids.

N. G. KRASCHEL, lieutenant governor of Iowa, in addressing the Group Meetings at Storm Lake said:

"Today is the best time in 50 years to establish banks because the opportunities



DOWNTOWN IN SIOUX CITY

CONVENTION

IOWA BANKERS ASSOCIATION

AS THIS June issue of THE NORTHWESTERN BANKER goes to press, preparations are well under way for the Forty-seventh Annual Convention of the Iowa Bankers Association. Frank Warner, Association secretary, is communicating with speakers of nation-wide reputation in an effort to insure their appearance on the program. Leave it to Frank to get the best there is.

Under the generalship of A. G. Sam, president of the Sioux City Clearing House Association, and his staff officer, Carl Fredricksen, vice president of the Live Stock National Bank, you may be sure the bankers in the second largest city in Iowa are making plans to give their guests a royal good time.

Instead of a three-day convention as originally announced, it has been decided to drop the half day session customarily held on the third day, and limit the meeting to the dates of June 19 and 20. Registration will start at 9 a. m. Monday, June 19, with the convention proper opening with a luncheon at noon. Sessions will

Sioux City
June 19 and 20
Hotel Warrior

then be held all day, June 20, with adjournment on the evening of that day.

Convention committees as appointed by A. G. Sam are as follows:

Men's Committees

Executive Committee—A. G. Sam (ex-officio member), president, Sioux City Clearing House; C. L. Fredricksen, chairman, vice president Live Stock National Bank; R. R. Brubacher, vice president, Toy National Bank; F. R. Jones, vice president, First National Bank.

Hotel Committee—A. B. Darling, chairman, vice president, Toy National Bank; W. G. Nelson, assistant cashier, Live Stock National Bank; J. W. Van Dyke, vice president, Toy National Bank; W. L. Ayres, cashier, Morningside State Bank.

Golf Committee—Fritz Fritzon, chairman, cashier, First National Bank; H. H. Epperson, president, Morningside Savings Bank; C. D. Nissen, assistant cashier, Morningside State Bank.

Music Committee—J. P. Hainer, chairman, manager credit department, First National Bank; C. C. Childs, vice president, Farmers Loan & Trust Company; E. S. Robinow, assistant cashier, Toy National Bank.

Entertainment Committee—E. E. Erickson, chairman, cashier, Toy National Bank; A. J. Bertelsen, cashier, Morningside Savings Bank; W. C. Schenk, assistant cashier, Live Stock National Bank; E. Spieker, Sioux City.

Registration Committee—M. A. Wilson, chairman, cashier, Live Stock National Bank; L. M. Ashley, auditor, First National Bank; C. A. Johnson, assistant cashier, Toy National Bank.

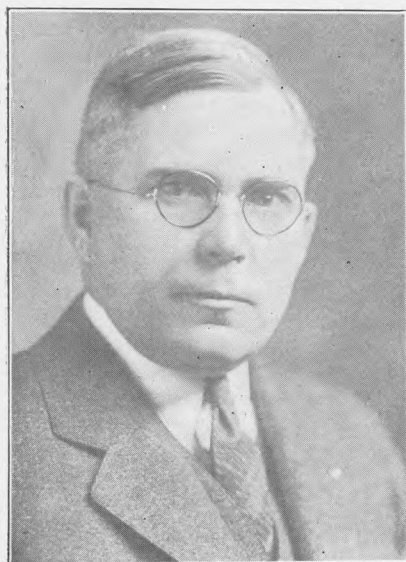
Automobile Committee—E. A. Hoffman, chairman, vice president, Toy National

Bank; J. W. Van Dyke, vice president, Toy National Bank; John Scott, president, Morningside State Bank; L. W. Ross, Sioux City.

Ladies' Committees—Mrs. A. G. Sam, Sioux City, is general chairman of the Ladies' Committees.

To Liquidate

The liquidation of the Chase Harris Forbes Companies will be carried out under the direction of John R. Macomber and Harry M. Addinsell, now respectively chairman of the board and president; these executives, with a group of the present officers, will continue in their present positions and will thus assume the responsibility of winding up the affairs if what was the security-distributing affiliate of the Chase. They will temporarily retain a staff for their purpose, but this will not be large.



A. G. SAM



C. L. FREDRICKSEN

Northwestern Banker June 1933

There Is No Cure-All For Bank Hold-Up Protection

By H. A. NOBLE

Vice Pres. and Gen. Sales Mgr., Diebold Safe & Lock Co.

WHEN 88 per cent of all bank robberies are daylight holdups . . . when bank holdup insurance premiums have increased as much as 1900 per cent, and averaged 621 per cent increase since 1927 . . . and when bank holdup dollar losses were 17 per cent more in 1932 than in 1931—it is apparent that sound, logical thinking is required to stem the tide.

Bank holdup attacks rarely last over 15 minutes, the average for all holdup attacks is less than three minutes. Any means of holdup defense considered must take these facts into consideration; plus the social obligation of capturing the criminals without needlessly endangering human life.

The seriousness of bank holdup insurance underwriters' losses, is well known. Rates have already risen to prohibitive heights and still the underwriters are losing money. Just about everything under the sun has been advanced and tried as holdup protection, but the problem still remains unsolved.

The people who are paying for their holdup losses—the insurance companies—are now insisting that each bank take steps to protect themselves in order to continue carrying insurance.

With the problem of bank holdup insurance assuming an entirely new aspect because of the underwriters' insistence that banks do something within the premises to protect themselves, bankers will find it very much worth while to review the whole holdup problem and make sure that any action they take toward protecting themselves is taken with a full understanding of the complete problem—not just a part of it.

Real Protection Means Prevention

Since banditry continues to take heavy toll of human lives it is obvious that "PREVENTION" has a two-fold objective; (1) To prevent the loss of money or wealth, (2) to eliminate the loss of life. Anything that deters the bandit is good, but it should be examined in the light of this two-fold objective before it is accepted as real protection. And the real meaning of protection is the prevention of loss.

Outside Relief Is Handicapped

Bank banditry has grown to the size of a national industry in spite of all manner of outside relief,—police, vigi-

THE BASIC PRINCIPLES OF HOLDUP PROTECTION ARE:

1. To reduce to the minimum the amount of money openly exposed anywhere in the bank.

2. To surround surplus sums with adequate physical protection guarded by silent signal, remote or delayed control locking mechanism, and

3. To provide a harmless means of driving the bandit from the bank without danger of depositors and employees being hindered by gun battle.

lante, alarms, insurance. In no sense should this fact condemn outside relief. Outside relief organizations have been called upon to combat a menace where all the odds were in the bandits' favor. No amount of improvement can offset this advantage in the bandits' favor until protection that discourages holdup is installed within each bank.

Remove the Cause of Holdups

No one will dispute the assertion that if banks operate without money they would not be held up, so, since the money in banks is the cause of bank holdups, little relief can be expected until money is handled in such a way that it is no longer within the bandit's reach.

Prominent bank protection engineers have directed their development work toward the heart of the problem—toward removing the cause. Money, openly exposed in tellers' windows and in the vault, is a magnetic temptation for the criminal mind . . . it is "easy money" for the bandit. Only by removing the temptation

can you remove the cause of daylight holdup.

It is the purpose of the following paragraphs to briefly call attention to some of the fundamental factors that must be considered in providing a bank with complete holdup protection.

No "ONE" Cure-All

An extensive analysis of bank holdups over a long period of years made by a firm of Bank Protection Engineers, reveals the amazing fact that banks have been held up in eight distinct ways. The conditions under which each one of these holdups can take place are different. There is no one magical panacea that will cure every way a bank can be held up.

Protection installed against one way your bank can be held up that does not protect the other ways is like plugging one "leak" and leaving others unstopped—it is incomplete. Nothing but complete protection will achieve the real purpose, namely, the installation of protection that will keep the bandits off your premises.

Criminals always take the easiest way. When one avenue of attack is blocked for them it is perfectly natural that they will search for another avenue which will permit the success of their attack.

Appreciating the seriousness of the condition that compels banks to take immediate action for the protection of their premises against holdup attack, we call attention to these well-defined ways in which banks have been held up and the protection principles that should be carefully analyzed for resisting each type of attack.

Back of Cage Holdup. How easy it is for the bandit to gain access to the work space behind the cages of any bank! This is especially true of branch, suburban and rural banks where duties cannot be specialized . . . when employees are often taken from their accustomed posts . . . when a reduced force is frequently left on duty.

To resist the back of cage holdups, a bullet-proof control room can be installed as a master teller's cage, as a post for a guard, as a room for the telephone operator. The control room operator can be located to have full view of the area to be protected, and in case of holdup within the bullet-proof control room made of steel and bullet-proof glass, the operator is entirely safe from the threat

of the bandit's gun and can signal outside help or operate any holdup defenses provided within the bank, such as releasing tear gas, closing tellers' safety lockers and otherwise resisting the bandit.

Early Morning Holdup. When the bandits force entrance with you into the building and wait for the vault to be opened in order to raid the reserve chest.

There are several ways of resisting this type of attack—one is the electric silent signal combination lock installed in the front entrance door, or, the same lock combined with automatic rewind delayed control combination lock installed on all reserve chests. With the use of the combined silent signal and delayed control locks, when the chests are opened at the bandits' command, without disobeying a single one of their instructions, entrance is delayed for from five to thirty minutes and the secret signal is at the same time flashed to a central station. The delay period allows officers from the central station ample time to reach the premises and arrange for the capture of the bandits.

Daytime Vault (Reserve Chest) Holdup. Here is the big money loss to your bank and to your insurance underwriters. Your vault is always open in the day time, your reserve chests are easy to reach. It is the bandits' ideal goal.

There are several ways to resist this type of attack—one is the bandit trap which is installed in the partition between your safe deposit and reserve vault and stands between your reserve chest and the bandit. Only one person at a time can enter the reserve vault. Back of the bullet-proof bandit trap you are safe and in control of all defenses. The bandit trap can be controlled by the delayed control combination lock, or by the silent signal combination lock, or the combination of the two enabling you to delay the bandits at the same time you signal the central station of the officers.

Employees Locked in Vault

It has been common experience during holdup attacks that the employees are herded and locked into the vault in order to delay pursuit of the bandit.

The safety vault lock offers a ready and positive means of preventing danger when employees are locked in the vault. This lock deadlocks the vault door just before it is closed far enough for the bolts to be thrown. The bandits cannot re-open . . . you can come out at will. Ample ventilation is provided and you are fully protected from further threat of the bandit's gun.

Safe Deposit Vault Holdup

Safe deposit vaults contain possible loot for the bandits. Open during regular banking hours it is exposed to holdup attacks just as much as reserve chests or Teller's window.

There are two distinct ways known of providing protection against safe deposit vault holdup attack. One is the auxiliary locking bolt which increases the individual resistance of safe deposit boxes to attack four times. The other is a tear gas system installed in the safe deposit vault lobby to harmlessly render the bandits helpless and an easy subject for (Turn to page 33, please)

A. I. B. Convention Program

MAYOR EDWARD J. KELLY of Chicago, and Fred I. Kent, exchange controller of the Federal Reserve Bank of New York, in charge of the national control of foreign exchange, will address the general sessions of the convention of the American Institute of Banking section of the American Bankers Association, which will be held at the Palmer House, Chicago, June 12th to 16th. The departmental conferences of the meeting, which deal with technical studies and methods in all phases of practical banking operations, will relate their discussions to the specialized conditions now confronting banking, according to the detailed program issued by Mr. Hill.

The program is as follows:

First Business Session—Tuesday a. m., June 13th, Mayor Edward J. Kelly of Chicago, greetings to convention. Response, vice president of the institute, Albert S. Puelicher, vice president, Marshall & Ilsley Bank, Milwaukee. Annual report of president of the Institute, Frank N. Hall, controller Federal Reserve Bank of St. Louis, Missouri. Report of National Educational Director Dr. Harold Stonier. Report of National Secretary Richard W. Hill. Address, "The Supreme Art of Salesmanship," by Rev. Harold Locke Reader, Ph.B., D.D., Webster Groves Baptist Church, Webster Groves, Missouri.

Public Speaking Contest—Tuesday evening, June 13th. The seventh annual con-

Special conferences will deal with all phases of practical banking, and with specialized conditions now confronting the business

test for the A. P. Giannini Endowment Fund Prizes. Nine contestants, representing nine districts of the country, each to give a six-minute address on the subject "Strengthening Public Confidence in Banks." Also a three-minute extemporaneous talk on a subject to be assigned by the chairman of the national contest. Four prizes to be awarded as follows: First prize, \$500; second prize, \$300; third prize, \$200; fourth prize, \$100. The winning oration to be given radio broadcast Wednesday, June 14th.

Departmental Conferences—Tuesday afternoon, June 13th and Thursday afternoon, June 15th. Institute Conferences, Wednesday morning, June 14th, Thursday morning, June 15th.

Final Business Session—Friday, June 16th. Speaker, Fred I. Kent, director, Bankers Trust Company and exchange controller of the Federal Reserve Bank of New York; also the first national president of the American Institute of Banking. Election of officers. Presentation of

the Debate Cup to winner of the National Debate by the chairman of the National Debate Committee.

The leaders of the Departmental Conferences which will be held June 13th and 15th are announced as follows:

Audits and Accounting, R. H. Brunkhorst, comptroller, Harris Trust and Savings Bank, Chicago.

Bank Administration, G. Harold Welch, trust officer, The New Haven Bank, N. B. A., New Haven, Connecticut, and Robert W. Putnam, First Bank Stock Corporation, Minneapolis.

Business Development and Advertising, Walter B. French, vice president, The Trust Company of New Jersey, Jersey City, N. J.

Credits, F. Lee Major, vice president, The Boatmen's National Bank, St. Louis.

Deposit Functions, John H. Yonts, auditor, Mercantile Home Bank & Trust Company, Kansas City.

Investments and Investment Banking, J. Harvie Wilkinson, Jr., manager, Investment Department, State-Planters Bank and Trust Company, Richmond, Virginia.

Savings Banking, John W. Kress, assistant secretary and assistant trust officer, Howard Savings Institution, Newark, New Jersey.

Trust Functions, Maurice E. Reeve, vice president and trust officer, City National Bank of Philadelphia, Philadelphia.

Northwestern Banker June 1933

E. R. Heaton, recently elected president of the South Dakota Bankers Association, in his acceptance address outlines nine definite recommendations for the progress of banking in South Dakota

1933---

THE TURNING POINT IN BANKING HISTORY

IT IS customary for executives upon taking office to outline what they think should be the plan of procedure during their incumbency. Naturally during the past year I have watched the splendid work of the association quite carefully and, of course, I am intensely interested not only in seeing that this program is continued, but that certain changes in the natural course of events should be instituted as a matter of progress.

Insurance and Protection

First, I would recommend that the committees on insurance and protection be combined into one committee. This would bring about economy in the matter of holding meetings, as the problems of the two committees are so interlocked it would make efficiency in the organization if the work were handled by the same committee members.

The association should continue its work on insurance and especially its endeavors to obtain a blanket policy covering the important needs of our entire membership. Failure to accomplish this result in the past has been due largely to the shortsightedness of many of our members who did not trust the findings of our committees. We hope that if a suitable insurance contract can be made that the membership will not hesitate to cooperate. Occasionally the suggestion is made that the association establish a mutual insurance company for the special purpose of writing fidelity bonds. I believe the record of such attempts in the past would indicate that any further experimentation on our part would be a great mistake.

The time has arrived when it is almost obligatory for our members immediately to install some equipment which will cut down from 50 to 75 per cent the losses from bank banditry. It is my belief that if the members do not listen to the warnings and suggestions in this respect that they may find themselves in a position where they cannot obtain insurance at any price. In fact, some insurance companies now are making it a requirement that certain protective devices be installed.

Second, I would recommend full cooperation with the government in the ad-

ministration of the new law to increase farm prices, for, as you might say, we are all farmers and depend upon agriculture for a livelihood.

Loaning Policy on Farm Animals

Third, I would recommend that our agricultural committee prepare a loaning policy upon farm animals and submit same to our members. Price naturally is the governing value for livestock, but a schedule of prices which is approved by the Federal Reserve Bank and the Regional Agricultural Credit Corporation is a basis for determining a uniform schedule.

Fourth, I would recommend that an effort be made to get better sires on our farms, as packing plant managers advise us that there is a great scarcity of good bulls in this state. We might advocate the establishment of an exchange which might be fostered by the retail merchants committee of the chambers of commerce of the different cities throughout the state. The matter of bringing new animals into our state and the financing of same should be sponsored by our agricultural committee.

Repeal of Tax on Checks

Fifth, I would recommend the continued agitation for the repeal of the government check tax law. It is not necessary for me to dwell on this matter as I think you will all agree with me that that is essential.

Federal Reserve System

Sixth, I would recommend that an active campaign be made by the secretary, encouraging banks of the state to make applications to become members of the Federal Reserve System, as it is obvious that the public will demand some form of bank deposit insurance be enacted within the next year.

Postal Savings

Seventh, I would recommend that the Association devote considerable time and money in an endeavor to eliminate our

greatest competitor, the postal savings system. I wonder if the average man on the street realizes that postal savings is an insidious form of hoarding—hoarding that is guaranteed by the banks because the banks put up collateral 100 per cent which they have to keep 100 per cent even though they lose on the bonds pledged.

If you will analyze your bonds pledged for this class of business which many of you have, you will agree with me that one of the greatest losses our banks in this nation have taken, in the past year, is depreciation on these same bonds pledged to secure postal savings deposits.

We have been encouraged for years by our state and national departments to set up a secondary reserve in bonds, which we now realize was bad advice. I am convinced that the best secondary reserve consists of good loans to farmers and merchants in our territory which loans are eligible for rediscount with the Federal Reserve Banks.

We have all been more or less guilty of endeavoring to build up totals for our institutions and have pledged these secondary reserve bonds for postal savings deposits and we have all suffered tremendous losses on account of depreciation which the Government will require us to absorb.

Senator Wm. J. Bulow writes, quoting: "I fully realize the present activities of the postal savings department are very detrimental to the banking institutions. It has been my opinion for several years that Postal Savings in small communities is very harmful to the business interests in these communities, inasmuch as the money leaves these communities and is concentrated in the larger financial centers. It is my own notion that the Government should retire from this activity in the near future for the general good of the thousands of communities scattered over the nation."

To remedy this situation it will take time and effort. I would recommend that we continue agitation of immediately doing away with interest on postal savings

Bankers

VISITING CHICAGO

during A Century of Progress
will find this bank anxious to
co-operate in making their trip
a pleasant one. . . . We are pre-
pared to be your official source
of information and assistance.



CITY NATIONAL BANK
AND TRUST COMPANY *of Chicago*

208 SOUTH LA SALLE STREET

and reducing the amount that any individual may deposit in the postal savings banks.

Clearing House Associations

Eighth, I would recommend as an activity for our Association the establishment of Regional Clearing House Associations. From information I have obtained, these associations which have been set up in twenty-eight of our states have been operating very successfully. I also recommend that we discontinue our committee on banking practices and substitute therefor a committee on bank management whose duty will be as a major project, the establishment of regional clearing house associations.

Through these associations we may be able to supply the local machinery essential to setting up and putting into operation the necessary standards and uniformities. Each association should install a credit bureau for the elimination of multiple borrowers with over-extended credit. They should give careful consideration to per item banking costs and install a measures system of service charges, supplemented by a carefully constructed schedule of charges on all bank services that cost a bank time and money.

Since our state has reduced the interest rate on notes to 8 per cent, careful consideration should be given to the rate of interest being paid on time and savings accounts with a view to bringing interest rates in line with what a bank can afford to pay on the basis of making safe conservative loans, and safe conservative investments. A reduction of all interest rates to not over 3 per cent on time and savings deposits should be accomplished within the year. I would urge that careful attention be given to the matter of public deposits, and the terms under which such deposits are to be accepted should be on a more uniform basis, and through an association of this kind a justifiable saving could be made each year.

Copies of our examinations both state and national, could be forwarded to the secretaries of these associations and by constructive cooperation great assistance could be given to our members.

I would urge cooperative bank advertising, systematically planned with the view of educating the public as to what sound, conservative, serviceable banking really means. This should be accomplished through our committee on Public Relations.

Bank earnings are a more potent factor today than ever and I think you will all agree with me that it is essential that we must increase our earnings. By such cooperation our earnings could be easily increased by 5 per cent on invested capital.

The greatest benefit to be derived from a Regional Clearing House lies in the fact that it will destroy the fear and secretiveness among our bankers. As a matter of fact, we would no longer have secrets from one another. It would place us in close contact with our banker neighbor and in times of stress such as these, would be of greatest assistance to all.

Finances of Our Association

Lastly I would recommend a revision of our by-laws which would change the schedule of membership dues whereby the smallest banks would pay a trifle less and the larger banks a considerably greater percentage of the cost of operating the Association. On account of the reduced number of banks, consolidations and the reduction in resources of our banks, the amount to be realized from our schedule of membership dues will be far from sufficient to carry on during the coming year. It is necessary that we have sufficient income to balance our budget. The program of work which the Association should undertake during the coming year will require some travelling expense within the state and even possibly to Washington on certain legislation of vital importance to our members.

Is Our Association Worth While?

The survey of the records of our Legislative Committees functioning from 1925 to 1933 compels us to realize the great value of the association. If any members will review our legislative activities during these years bearing in mind what certain legislation would have meant to their own institutions, they would readily ascertain that the savings have been far ahead of the cost of operating our association.

I could enumerate many details accomplished by this association but time forbids. However, a few of the most outstanding acts should be mentioned, such as reduction of interest rates on time and savings deposits, miscellaneous incomes brought about by the levying of several types of service charges, reduction of interest rates by banks on public funds, the legal service department which is open to members for free service at all times, and the regular publication of a bulletin which has kept our members informed on practically everything of importance in the banking business.

What has been done has been due mainly to the unusually constructive efforts and loyal cooperation of our executive manager, Mr. Geo. A. Starring. During the legislative sessions at Pierre he has accomplished the almost impossible—he has been able to obtain the full confidence of all administrations, he has functioned 100 per cent, and has kept matters pertaining to our Association out of politics. At this point, I wish to extend to Mr. Starring in behalf of the South Dakota Bankers Association, our expression of sincere appreciation for his most valuable services.

I have full confidence that our darkest hours are past and a glorious day is dawning when the American banker shall come into his own. With this thought in mind, and the pledge to our people to give them the best banking accommodations in the country, let us make the year 1933 the turning point in banking history.

Business Makes Impressive Advances

THE last month has witnessed the most impressive advances in business activity and in price levels since the beginning of the depression, states the Guaranty Trust Company of New York in the current issue of *The Guaranty Survey*, its review of business and financial conditions in the United States and abroad, published May 29th.

"Thus far, the clearest evidences of recovery are largely confined to the heavy industries and the security and basic commodity markets," *The Survey* continues. "But scattered reports indicate that con-

structive influences have also been felt in other branches of business where comprehensive statistical information does not become available so promptly as in the lines just mentioned. Particularly encouraging are the numerous instances of increased employment and higher wage rates that have been reported from all parts of the country.

Bases of Current Expansion

"Under the circumstances, it is inevitable that the question should arise to what extent the recent improvement is due to

normal expansive forces and to what extent it is attributable to commodity hoarding inspired by the fear of currency and credit manipulation. This question—which is, unfortunately, very difficult to answer—is vital in its bearing on the outlook for the future. In so far as the current expansion represents a response to natural recuperative forces, its significance is wholly favorable.

"The first and most obvious consideration that comes to mind in this connection is the fact that practically no money or credit expansion has yet taken place, al-

Northwestern Banker June 1933

though on May 23d the Secretary of the Treasury authorized the Federal Reserve Banks to buy \$25,000,000 in government securities in the open market. If inflation has played any part in recent developments, it has done so only by anticipation. That may tend to indicate that the recovery is based on sound and natural grounds, or it may simply show how extremely sensitive the price structure is to any doubts that arise concerning the stability of the currency. To the extent that the latter is the case, it may well be given most careful consideration by those who have assumed that inflation, or 'reflation,' is a simple and controllable process whereby prices can be raised to a desired level by forcing a limited amount of new currency or credit into circulation.

Reasons for Optimism

"There are, nevertheless, several reasons for believing that the recent signs of improvement reflect, in part at least, the operation of genuinely constructive factors in the underlying situation. One is the simple historical fact that the recession has already continued well into its fourth year. Seldom, if ever, in the past has a violent and continuous downward reaction extended over such a long period without effecting the necessary readjustments and laying the groundwork for a sound recovery.

"This view is strengthened by a recollection of the revival that began last summer and attained considerable momentum before it was halted by a combination of factors, prominent among which was the growing distrust of the banking situation. This obstacle now seems to have been removed. It is not unreasonable, therefore, to regard the current expansion as the continuation or the resumption of an upward movement that really began almost a year ago.

"It may be significant also that the movements of prices in the last few weeks have become increasingly independent of the fluctuations of the dollar in foreign exchange markets. When the price advance began, it seemed to be primarily a function of dollar depreciation. This is no longer clearly the case. The dollar has shown signs of greater firmness in terms of gold standard currencies, but prices in this country have continued to rise. Furthermore, the aggregate advances in prices of some of the most important domestic and international commodities have considerably exceeded the depreciation of the dollar from its gold parity.

"In conjunction with these favorable reflections, the fact that a substantial upturn in business has taken place without any appreciable monetary manipulation appears truly encouraging. President Roosevelt has announced that the extraordinary powers conferred upon him by the 'inflation' amendment to the farm bill will be exercised only when, as, and if



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they seem to be required. There is ground, therefore, for the hope that the current improvement may proceed with sufficient momentum to forestall the use of these drastic and dangerous experiments in currency tinkering.

Broad Scope of Revival

"As time goes on, the scope and magnitude of the advance in business activity become more apparent. Most of the basic industries, including steel, automobiles, bituminous coal, electric power, lumber, and some branches of the textile industry, have already risen above the levels of a year ago. Railway freight loadings have exceeded the total for the corresponding period of the preceding year for almost the first time since the depression began. Department store sales increased in April by much more than the usual seasonal amount. Most significant of all, factory

employment and payrolls increased last month, contrary to the usual April trend. The increases over the March figures were moderate, particularly in view of the abnormally depressing influence of the banking holiday. Recent reports from various industries, however, indicate very strongly that the upward tendency has gained momentum in the last few weeks and that the figures for May will show substantial gains.

"Improvement has also continued in the financial situation. The exchange value of the dollar has shown increasing firmness. The withdrawal of currency from hoarding has proceeded to a point where the sharp increase in circulation immediately prior to the banking holiday has largely disappeared. The amount of gold and gold certificates outstanding in the hands of the public has been cut in half since March 8th and is now the smallest in more

than ten years. The banks open and operating without restrictions are estimated to represent 90 per cent of the banking strength of the country, as measured by deposits; and the 5,000 or more banks that are still under restrictions are being rehabilitated as fast as conditions permit.

Sharp Rise in Prices

"The most striking feature of the rise in commodity prices is the fact that, thus far, it has affected chiefly the prices of basic raw materials. The wholesale price index of the Guaranty Trust Company, which is based on prices of twenty-three commodities of this class, advanced 32 per cent between February 15th and May 15th, while the weekly index of the Bureau of Labor Statistics, which is based on 784 commodities of all classes, rose only 4.5 per cent between March 4th and May 13th,

(Turn to page 24, please)

A City Pays Tribute to Its Banks

THE progressiveness of a city depends upon its leadership, the solidarity of its banks and the measure of loyalty of its citizens. It can just as surely be said that the solidarity of its banks depends upon the integrity of its bankers and the measure of faith and confidence of the depositors. And this is a story of the little city of Keokuk, Iowa, built upon high bluffs overlooking Ol' Man River. It is a story of a city of 16,000 people that points with pride to its progressiveness and especially to its financial history.

On Thursday, March 16, 1933, the citizens of Keokuk gave a demonstration of faith that would be unique in the annals of any city. Perhaps precedents play an important part in the life of a community, and perhaps the faith of Keokuk people in its banks can be traced to the fact that in all its history there has never been a bank failure recorded.

And, that faith must ring true, because the Retail Division of the Chamber of Commerce planned a banquet for its bankers and the bank employees some time before the bank holiday was declared. It set the evening of Thursday, March 16th, as the date for the festive occasion, to give public expression to that faith, and no effort was made to change the date.

Even during the trying days of the holiday and the limitations of Senate File No. 111 in Iowa, Keokuk merchants, professional men and manufacturers, had confidence that the city's banks would all be re-opened without restrictions. And, on Wednesday, the 15th, the good word came, and all four of Keokuk's banks began serving again the community's inter-

**Manufacturers, merchants,
professional men and the
entire population of Keokuk,
Iowa, take part in demon-
stration of never-failing
confidence in their banks
and bankers**

By DALE E. CARRELL
*President, Chamber of Commerce,
Keokuk*

ests unreservedly as they had done through all the years.

The scene on Keokuk streets on that Thursday evening were reminiscent of war times and the victory parades. The streets were thronged with applauding citizenry as the Keokuk bankers and the bank employees were hailed as heroes as they rode in the fine new cars that had been sent to pick them up at their homes. There were many organizations in the line of march, bands, Legion degree team, and the Elks carried the huge flag that had been carried many times before in patriotic parades. It was a stirring sight and one long to be remembered in this city on the banks of the Mississippi.

At the Hotel Iowa, over 200 sat down to the banquet tables, where additional homage was paid to the banks and the bankers. It was a happy occasion and one of celebration and there was appropriate music, instrumental and vocal.

Speeches were limited to just two—one expressing praise of the banks and the bankers and renewing the community's pledge of faith in them, and the other voicing appreciation of the community's spirit of cooperation and demonstration of faith.

The Hon. E. W. McManus, speaking for the bankers, praised the citizens, saying "The real credit is due to the people of Keokuk, to the merchants, both those on and off Main Street, the laboring man, the entire rank and file of the community, who have in this crisis kept their feet on the ground, have not become excited or have not been afraid of the banks. It was this feeling of mutual confidence between the people and the banks that has made it possible for the banks themselves to weather the storm that they have." He also lauded the bankers for their splendid, loyal and unselfish cooperation, being determined to stand together in the crisis.

The president of the Chamber of Commerce, speaking for the merchants and citizens, said, "We have known the truth about our banks. We have known all the time that they were sound, and now we want the world to know. It is a wonderful thing to be able to turn back the pages of our history and find no blot on the record of our banks. Strong men and men of integrity have guided the destinies of these banks and the institutions have weathered the shocks that have leveled financial structures in every nearby community and throughout the country." The speaker also declared that "tonight we vow anew our faith in Keokuk banks and bankers."

“ banking publications are being flooded with queries from banks, about the relative strength of insurance companies. . . . ”
 (“Insurance Advocate”—N. Y. City)

Facts regarding **THE RELATIVE STRENGTH**

of the Fire Insurance Companies in the “North British” Group may be obtained from their December 31, 1932 Financial Statements, which include complete investment portfolios with Moody's ratings. Study of them is invited, for there is hardly a Bank or Building & Loan Association in the country that is not protected by one or more of these companies:

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The Mercantile Insurance Company of America
The Homeland Insurance Company of America
North British & Mercantile Insurance Company, Ltd.
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The Pennsylvania Fire Insurance Company

From formation these companies have rigidly practiced, in good times and bad, a policy of sound underwriting and conservative investments, thereby guaranteeing security to policyholders. Furthermore, none of these companies has borrowed any money, nor needs to. They have proved Conflagration and Panic proof.

The percentages of bond holdings and their ratings by Moody's Investors Service (officially recognized by the New York Insurance Department) are as follows:

Classification of Bonds held December 31, 1932, according to Moody's Bond Ratings					
	Bonds to total investments	Aaa (highest rating)	Aa	A	Baa
Commonwealth	96%	63%	25%	10%	2%
Mercantile	96%	68%	23%	9%	0%
Homeland	75%	72%	16%	10%	2%
North British	92%	70%	23%	6%	1%
Pennsylvania	90%	53%	34%	9%	4%

(These fire insurance companies' financial statements are worth studying)

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Please send copies of your Financial Statements and investment
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☐ Mercantile

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☐ North British

☐ Penna. Fire

(Check those you desire)

Name

Address

NW 2

Business Makes Impressive Advances

(Continued from page 22)

the latest date for which an index number is available.

"This comparison is in line with the usual experience, inasmuch as fluctuations in prices of raw materials almost always occur earlier and are more violent than those in manufactured commodities. Some authorities are of the opinion that the drastic decline in prices of leading raw materials in recent years has been one of the major factors in prolonging and aggravating the depression and that a sus-

tained advance in such prices, unless it arises from artificial currency manipulation, will be among the most definite indications of genuine business recovery.

New Relation

"Even a cursory examination of the new laws and the bills now pending must impress the observer with two facts of basic importance. The first is that the relation of government to business has, for the time being, at least, undergone a fundamental change. The second is that the Federal administration has been given an extraordinary degree of latitude in the formulation of policies. Some commentators have gone so far as to regard

these changes as constituting a political and economic revolution.

"The modern economic system is both vast and complex, and its precise workings are beyond the comprehension of any individual or group. The government, in assuming the responsibility of regulating its operation, is indeed taking a bold step. Not only must there be assurance of protection against the terrific temptations of corruption inherent in the grant of such sweeping powers, but the public service must be kept free from the inefficiency and indifference that always tend to creep into governmental bureaus. The successful administration of such a program will require integrity, intelligence, and alertness of the highest order. The laborer and the consumer must be protected against exploitation and the minority against oppression. At the same time, efficiency must be permitted to enjoy its rewards and inefficiency to suffer its penalties; otherwise, the incentive to effort will be removed, and industrial progress will cease. Demagogic appeals and selfish group interests must be encountered and combated at every step.

"To meet these stringent requirements with reasonable adequacy would appear to demand a higher grade of public service than has ever been achieved in the past. And for every error, every miscalculation, every failure of the system to function according to expectations, the blame will fall squarely on the shoulders of the government. It is not without reason that men of practical experience in economic affairs have consistently demanded that business be kept out of politics. The industrial recovery bill, if enacted, will carry business into politics on a scale unprecedented in this country.

"Despite these disquieting considerations, the attitude of industrial leaders toward the bill is by no means one of unmitigated hostility. After more than three years of ever-deepening depression, there is a fairly widespread disposition to try the experiment, with its recognized dangers and pitfalls, rather than to risk an indefinite continuation of the almost intolerable conditions of the recent past. Even before the passage of the bill, leaders in the electrical equipment industry have signified their intention to avail themselves of its provisions. If the trial is even reasonably successful in achieving its declared aims, it will bring relief to all groups. If it fails, it can be abandoned with less permanent damage than some of the other economic experiments that are about to be tried."

New Firm

Don Knowlton, formerly publicity director of the Union Trust Co., Cleveland, has entered into a partnership with John W. Hill, Union Trust Building. The firm will be known as Hill & Knowlton and will



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engage in corporation publicity and advertising.

Knowlton is known to Clevelanders as a writer as well as an advertising man. He has been a frequent contributor to national magazines and is the author of the National Financial Advertisers Association official textbook on Bank Advertising.

Hill, formerly financial editor of Penton publications, for the last seven years has been engaged in corporation publicity under the name of John W. Hill and Associates.

Heads Federal Reserve

One of the most important positions in national financial affairs was filled recently by President Roosevelt when he named Eugene Black of Atlanta governor of the federal reserve board. He succeeds Eugene Meyer, resigned.

Since the reserve system holds the key position in the administration of the wide currency and credit expansion program under the inflation bill, all eyes have been centered on the vacancy left by Mr. Meyer.

The new governor is approaching sixty years of age, having been born in Atlanta in 1874. In 1928 he was made governor of the Federal Reserve Bank of Atlanta. He entered the field of finance by way of law, having been for a number of years a specialist in corporation practice.

Makes Taxes Fit Income

Back in the palmy days of the pre-depression era, extravagance in many businesses was responsible for their subsequent failure. They had built up expenses and an overhead that could not be met when sales dropped.

Extravagance on the part of individuals, in buying luxuries they could do nicely without, was likewise the cause of great hardship later on. Salaries were cut, jobs were lost—and it was impossible to maintain the old inflated standards of living.

By the same token, government extravagance now is laying the seeds of even greater trouble. Businesses and individuals have learned their lessons—they have cut their sails to fit their finances. Government has not. It has broadened its functions and raised its operating costs in the face of gigantic drops in the national income. It is maintaining itself in a state of luxury that the private citizens cannot afford.

Unless government retrenches, the capital that provides jobs, opens new opportunities and creates productive enterprise will be stifled. The farmer will be crushed beneath a burden of costs that he cannot pay—in various states, more than 50 per cent of farm taxes are in arrears and thousands of acres have been taken over by the states. The individual is faced with tax payments out of all proportion to income.

Bonds and Investments

Six Points in Municipal Economy

The Municipal Securities Committee of the Investment Bankers Association outlines a six-point program for taxation economy and efficiency

A SIX-POINT program for more practical economy and more permanent efficiency in taxation and public expenditures is laid down in the annual May report of the Municipal Securities Committee of the Investment Bankers Association of America. The report gives first the salient developments affecting municipal securities and municipal finances in various states, and then a "program of constructive economy." The six points of the program are:

1 Overlapping governments should be consolidated because "local taxing and administrative units have become too numerous for efficient operation. This condition has grown out of various circumstances during our recent period of expansion. Many of these units have become burdensome upon the taxpayer. Frequently they are too small to render economical services and they cannot support the cost which their separate entity requires. The tendency toward reorganization and consolidation is showing itself in some of our communities but it has not as yet accomplished sufficient results.

2 Municipal governments are indispensable to the general welfare and must be maintained at whatever odds. Economies must be maintained and tax levies reduced where possible, but certain taxes must be paid because the municipality has been not only the first line of defense against distress and starvation, but certain taxes must be paid if our health, lives and property are to be safe. A closer understanding and cooperation between officials and taxpayers is necessary to further efficiency and economy and avoid destructive tax strikes that cost more than they gain.

3 Tax bills should be sent out at least quarterly and perhaps even monthly. Under the present system revenues begin to come in six months to a year after the related expenditures begin. This necessitates short-term borrowing. Other difficulties in the present system are "too numerous and too evident for enumeration. Spreading the tax payments over the entire year should overcome a large part of these troubles. There are some obstacles in connection with this program, of course, but they are by no means insuperable. The annual saving in the

cost of tax-anticipation financing and the satisfaction of operating on a cash basis would justify the change."

4 More frequent tax collections should provide a quarterly or monthly control of expenditures. Operation outgo would be curtailed according to income; but any plan for improvement in financial administration demands that accounting methods be raised to a higher level.

5 State supervisory control of municipal finances in event of default is recognized as a desirable method of dealing with defaults, since municipal corporations are creatures of the state and it is the duty of the state to administer the finances of its subdivisions in event of a breakdown in a community's credit. New Jersey and Massachusetts provide receivership commissions to administer local finances. Ohio, Michigan and North Carolina have state agencies to supervise and assist in debt refunding. The Canadian provinces of Ontario and Quebec have permanent commissions, which, on petition by a municipality or its creditors, take complete charge of the community's financial activities, either before or after default.

6 "It is mandatory upon our states and municipalities to find some method of catching up with themselves on tax delin-

quencies." Accumulations of past due obligations are one of the most serious threats to local government credit. Tax levies should be reduced where possible, but this year apparently requires "some sort of a levy over and above operating expenses and debt service. This excess, as small as special situations can stand, should be set up as an additional asset to offset obligations which already existed because of these delinquencies."

The report was presented by E. Fleetwood Dunstan, Bankers Trust Company, New York, chairman of the committee, and is signed by 21 members of the committee as follows: Clifford S. Ashum of Minneapolis, R. Emerson Ayars of Philadelphia, Joseph E. Chambers of Buffalo, Eugene I. Cowell of New York, James A. Cranford of Jacksonville, John W. Denison of Chicago, Clifford T. Diehl of Cincinnati, Howard H. Fitch of Kansas City, George Hannahs of New York, George P. Hardgrove of Seattle, Henry Hart of Detroit, J. G. Hickman of Vicksburg, Milton G. Hulme of Pittsburgh, Royal D. Koreheval of St. Louis, Robert W. Knowles of Boston, John S. Linen of New York, Francis Moulton of Los Angeles, D. T. Richardson of Chicago, A. J. Spencer of Toledo, E. Warren Willard of Denver, and Meade H. Willis of Winston-Salem.

Utility Bonds Survive the Depression Best

PRIMARY reasons why operating utility bonds have resisted deflation were enumerated recently before the National Association of Mutual Savings Banks by F. V. Henshaw of Wood, Struthers & Company, New York. Mr. Henshaw, an expert upon the subject, said in part:

"Looking at one of the usual charts showing the price trend of bonds from 1931 to date, it will be seen that the prices of second-grade rails follow a line resembling a vertical cross-section of the Himalaya Mountains, while high-grade rails and industrials more closely resemble the slopes of Mt. Washington. At the

top is a stout bridge across the canyon which dips in the center like a suspension bridge. According to the particular chart that I have in mind, an investor who bought an equal number of the public utility bonds selected therein, at the highest average price, and sold them at the lowest average price during a period of two and one-quarter years would have suffered a loss of about 11¼ per cent of his capital; at today's prices, he would lose about 7½ per cent. In a similar transaction in the selected industrials, the loss would be approximately 35 per cent and 28 per cent, respectively.

Northwestern Banker June 1933

"Some facts as to legal utility bonds in the state of New York may be of interest. Utilities in that state have been legal only since March, 1928. The original list of legal bonds was largely tentative, since the banking department had not had time to procure the necessary information. Counting all bonds that were either approved or tentatively suggested—there were 225 issues of 87 companies. On December 31, 1932, there were 202 legal issues of 73 companies. Of the 23 issues that disappeared, 12 were stricken off because of failure of the companies to furnish the necessary information; three issues matured or were called; six issues of two companies were removed because the

companies increased their debt above the legal limit; and, only *two issues of one company* lost their legal position by reason of failure of the company to earn the required margin over bond interest. The result of the extreme business depression of 1932 will—as far as I can make out—remove the bonds of only one important company, although there are, of course, several close to the edge. Note, however, that even the one 'goat among the sheep,' cast out in 1932, is still some distance from default, while the important company likely to go off the legal list this year is earning its charges by an amount that would comfortably insure the legal status of the bonds of a railroad company.

"Company after company, during a year of bitter distress—with our major industries commonly incurring large deficits—have earned from two to four times fixed charges, in the electric, gas and telephone industries. While the utilities cannot go quite the way of the railroads, they can be squeezed to death between rate reductions at the bottom and taxation at the top. But, after all, are not the American people very much in the same position—between reductions in wages and increased taxation?"

"To sum up, I do not think that the holder of any sound operating utility bond need have any fear of impairment of his investment, as a result of rate cutting or taxation. Under anything that could be called fair rate regulation and taxation, such operating utilities have demonstrated their ability to earn enough to maintain the integrity of their debts under any condition much short of industrial prostration."

News and Views

(Continued from page 14)

The same limits are provided in the companion Steagall Bill, with non-member state banks included on approval by state authorities.

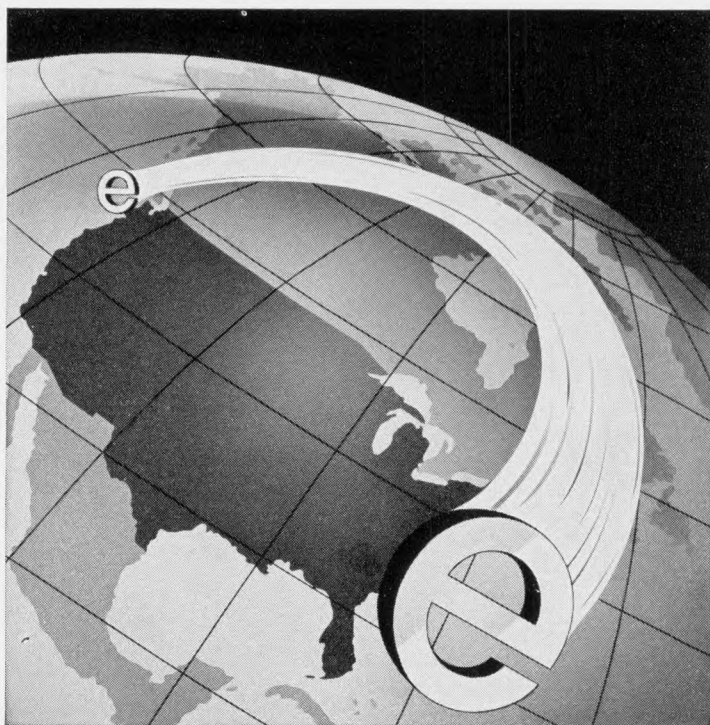
ACCORDING TO THE LATEST available statistics, \$546 is the average bank savings of 44,000,000 Americans.

CHESTER L. PRICE, publicity director of the City National Bank and Trust Company of Chicago, was recently elected president of the Chicago Financial Advertisers Association, at their annual meeting.

The other officers, directors and standing committee chairmen were as follows:

Vice president, J. K. WAIBEL, Continental Illinois National Bank & Trust Company; secretary, RUTH H. GATES, State Bank & Trust Company, Evanston, Illinois; treasurer, DOROTHY S. TREVINO, Personal Loan & Savings Bank. Directors: FRED W. MATHISON, National Security Bank; CHARLES S. FRYE, Chicago *Journal of Commerce*; W. G. DONNE, Chicago City Bank & Trust Company; GUY W. COOKE, First National Bank of Chicago; R. R. JEFFRIS, Harris Trust and Savings Bank.

The following standing committee chairmen were appointed: Program, GUY W. COOKE, First National Bank of Chicago; Publicity, R. R. JEFFRIS, Harris Trust and Savings Bank; Membership, FRED W. MATHISON, National Security Bank of Chicago; Entertainment, CHARLES S. FRYE, Chicago *Journal of Commerce*.



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Display the Flag!

The following comment on June 14th, Flag Day, comes from H. B. Craddick, president of Craddick Service, in Minneapolis. Mr. Craddick says:

"Let every home, school and place of business in this community display the Stars and Stripes on Flag Day.

"Let this day be a demonstration that we Americans are making war on adversity and depression with a solid front of determination, faith, loyalty, courage and optimism.

"Let the flag, thrown to the breezes, give assurance to the world that our citizens maintain their faith and loyalty to our government, 'for the people, by the people, of the people!'

"Display Old Glory on Flag Day!"

To Meet in St. Louis

The twentieth annual convention of the Mortgage Bankers Association of America will be held at the Statler Hotel in St. Louis, Missouri, on October 10th and 11th. An innovation will be introduced in the general convention procedure which will take the form of regular class sessions on mortgage problems. Delegates attending the meeting may choose the classes most applicable to their particular type of mortgage lending. Selection from a wide range of subjects will be possible including farm and city property management, collections, appraisals, title problems, federal and state legislation affecting mortgage banking, etc.

Further preparations for the convention will be made at a meeting of the board of governors of the association to be held in Chicago on June 16th and 17th. The board is comprised of thirty members from twenty-three states representing some of the largest mortgage and insurance companies in the country.

Chase Makes Important Changes

Shareholders of the Chase National Bank and Chase Securities Corporation, at special meetings held recently, voted their approval of recommendations recently made by their respective boards of directors which will result in important changes in the Chase organization. Outstanding among these changes were reductions in the boards of directors of both the bank and securities corporation, removal of the Chase National Bank and its affiliates from the general business of investment banking save as provided by the National Bank Act, and dissolution of the wholly-owned securities distributing affiliate, the Chase Harris Forbes Companies.

The meetings consummated plans that had been under way since March 8th,

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when Winthrop W. Aldrich, chairman of the Governing Board and president of the bank in a public statement expressed views in favor of separating commercial banking from the general business of investment banking. He at that time disclosed that the Chase had for some while previously been giving serious consideration to the question of severing connection with its security affiliates and of limiting its future participation in investment banking solely to handling obligations of the United States Government and such other securities as are permitted by the National Bank Act.

Action of the Chase shareholders coincided with the introduction into the senate of the Glass banking measure, which is designed to bring about nationally certain of the changes now made effective at the Chase. The total vote cast by Chase shareholders, both directly and by proxy, while not disclosed, manifested a predominating sentiment in favor of the proposals.

Effect on Real Estate

What inflation, if it comes as planned, means to real estate, and what immediate shifts and changes realtors should prepare for will be a central topic before the coming annual convention of the National Association of Real Estate Boards.

Organization of all the business groups and the powerful social forces interested in the advancement of home ownership, to guide a new movement for home construction, as was outlined at the recent National Conference on the Renewal of Home Building, will be one of the phases of the present outlook to come before the meeting. The convention, the most important meeting of the year in the real estate field, will be held at the Stevens Hotel, Chicago, and will occupy the entire week of June 12th to 17th.

The program as planned strongly reflects the present national movement toward low-cost home production, toward homes planned with the neighborhood as a unit, for more satisfactory community life, and toward homes with space enough around them for small gardens, which could give a return for part-time labor.

Very specific discussion is planned for present-day real estate problems in the fields of mortgage finance, property management, farm land, appraisal, and the like.

Your Investment in Railroads

Railroad securities may not be listed in your name. But the chances are that you have an insurance policy, a saving account, perhaps an interest in some endowed institution. If you have, you are a railroad stockholder. For a great many years banks and insurance companies and universities and hospitals have been putting much of their money into railroad bonds. They did this because it seemed a sure-fire investment, from the standpoint of safety—no industry seemed more necessary to the country or to have a better chance of permanence than the railroad.

The question now is—was that a mistake? The railroads are still the basic medium of transport. They still carry practically all of the long-haul freight in the country, and the bulk of the short-haul. They still reach into every corner of the nation—something no other transport system does. They still offer unparalleled standards of service. There is still no competitor in the field which is able to fill their shoes.

Railroad improvement in the United States has stopped because we have regulated the railroads with an iron hand—and allowed competitors to escape the same type of regulation. It has stopped because we have throttled the railroads with political red tape and given favors to transport mediums which, while they have a place, are far inferior to the rail in magnitude and efficiency of service, in responsibility, and in their importance to the financial future of the country.

What are you going to do about your interest in the railroads?

LIQUIDITY

No better proof of the liquidity of the *collateral trust notes* of the Iowa Guarantee Mortgage Corporation could be given than the fact that in the past two years this corporation paid to Iowa Banks over \$1,500,000 for *collateral trust notes* without one cent of discount.

Over 150 Iowa Banks are purchasers of our *collateral trust notes*.

The past experience of Iowa Banks with our *collateral trust notes* recommends them for purchase by banks because of their safety, their liquidity and their short maturity.

The Iowa Guarantee Mortgage Corporation is Iowa's oldest and largest automobile finance company, having been established in 1917.

IOWA GUARANTEE MORTGAGE CORPORATION

JULIUS D. ADELMAN, *President*
SHOPS BUILDING DES MOINES, IOWA

Guaranty of Deposits Causes Weak Banking

EIGHT large scale tests by practical working experience of the guaranty of bank deposits as a means for strengthening banking conditions and safeguarding the public interest are a matter of record and each one of these attempts failed of its purpose, says a detailed study of the plans tried in Oklahoma, Nebraska, Mississippi, South Dakota, North Dakota, Kansas, Texas and Washington published by the Economic Policy Commission of the American Bankers Association. The report declares that from the facts assembled "it is evident that the guaranty scheme contains within itself forces inherently tending to cause weaker rather than stronger banking."

In a foreword Leonard P. Ayres, vice president Cleveland Trust Company, chairman of the commission, says:

"In view of renewed widespread discussion as to the desirability of some form of general guaranty of bank deposits or plan of deposit insurance, the commission has thought it well to make a somewhat more detailed study than had previously been made concerning the facts and definite effects upon banking conditions connected with the eight experiments with guaranty plans carried out by a group of western states in the period from 1908 to 1930. This study was undertaken by Gurden Edwards, secretary of the commission, and the results, drawn from official records and other first hand sources, are presented as a contribution to the literature and history of American banking."

Summarizing the results of the investigation the report says:

"Taken separately, special circumstances such as technical defects in the plan or faulty administration might be held accountable for the breakdown in any given instance, leaving it an open question as to whether the idea might not be successful under different circumstances. Taken as a composite whole, however, the failures of the various plans not only confirm one another in their defects, but each one also supplied added special features that were tested and found wanting. Taken thus all together they give a complete picture. It would appear, therefore, that there is no essential aspect of the guaranty plan that is not covered in the coordinated history of the failure of these eight applications of it.

"Of none of the eight cases studied could it be said that the aims of the guaranty plans to protect the public were realized or that banking was benefited.

"As a matter of unbiased history, therefore, the guaranty of deposits plan proved fallacious and unworkable, whether from

the point of view of banking practice, actuarial science as applied to the insurability of bank deposits, the effects on the human element within banking, the effects on the public attitude toward banks, the attitude of public bank supervisory officers in respect to their duties and administrative functions, or the fortifying of the banking structure to withstand adverse economic conditions."

In conclusion the report suggests positive measures to enforce sound banking by prevention of undesirable practices and conditions as better than the negative effort to make good for losses by means of indemnity, guaranty or insurance after the damage has been done.

C. I. T. Buys Universal

The Commercial Investment Trust Corporation has purchased the interest of the Ford Motor Co. in the Universal Credit Corporation for \$30,000,000, it has been jointly announced by Henry Ford and Henry Ittleson, president of the Com-

GMAC SHORT TERM NOTES

available in limited amounts
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OFFICES IN PRINCIPAL CITIES

Market Quotations

Our Trading Department is in active communication with New York, Chicago and other financial centers in all parts of the country.

We are constantly executing buying and selling orders for Iowa banks and invite your inquiry on any listed or unlisted bonds.

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INVESTMENT SECURITIES

Davenport Bank Building

Davenport, Iowa

mercial Investment Trust Corporation. The purchasing company will not be required to undertake any new financing and it is understood has the funds on hand.

The announcement stated that the Universal company will continue to cooperate with the Ford Motors Co. and will be operated as a division of the Commercial Investment Trust Corporation under its present management.

"Our experience with the Universal Credit Corporation has been very satisfactory," said Henry Ford in making the announcement. "We set out to reduce the cost of credit to the car buyer and we feel that we have succeeded. During the five years since its inception the Universal Credit Corporation has done over one billion dollars worth of business.

Brighter Days for Mining

The world as a whole is moving slowly, but steadily, toward decisive changes in monetary standards. It is recognized that

gold alone cannot carry on world commerce, and that there must be some other generally accepted medium of exchange.

Silver, of course, is the logical choice—indeed, the newly passed inflation bill permits the president, at his discretion, to raise its value. The mining industry seems on the verge of brighter days.

Buys Bank Stock

Chrysler Corporation has purchased 20,000 shares of stock of the new National Bank of Detroit for a total of \$500,000, L. F. Skutt, in charge of stock subscriptions for General Motors, announces. General Motors Corporation purchased the original issue of \$12,500,000.

"It is the purpose of General Motors to undertake to spread the stock as widely as possible among owners in the state in order that the bank may be truly representative of Michigan and its industrial and commercial organizations," Mr. Skutt said.

Walter P. Chrysler, commenting upon the purchase of stock by his company, stated: "Chrysler Corporation cooperated actively with General Motors and other large depositors in the two old banks and has stood ready to subscribe to the capital of the new bank, which we all recognize was so badly needed."

New Booklet

A new booklet on internal bank auditing procedure has been issued by the Bank Management Commission, American Bankers Association, in its series on commercial bank management. A plan of procedure and a simplified form of monthly report to be used in connection with it, is presented in the booklet. This procedure coupled with accrual accounting control is believed to be thorough and necessary for the proper safeguarding of a bank's funds, it is stated in the introduction.

Examples are also given of procedures designed for fraud prevention. It is pointed out that as each bank operates under conditions peculiar to its own territory and itself, the adoption of any one system of auditing procedure is not likely. However, if the outline as given in this booklet is studied and adapted by the individual banks, much good will result, the commission believes. Copies of this booklet may be obtained for twenty-five cents from the Bank Management Commission, American Bankers Association, 22 East Fortieth Street, New York City.

The C. W. Britton Company

Investment Securities and Commercial Paper

Davidson Building

SIOUX CITY, IOWA

We Are Pleased to Announce That

MR. MARSHALL J. BARLOW

is associated with us as of this date.

June 1, 1933



JACKLEY-WIEDMAN & COMPANY

DES MOINES

REGISTER AND TRIBUNE BUILDING PHONE 3-5181
CEDAR RAPIDS CHARITON MASON CITY WASHINGTON

Public Works Essential

Public improvements and the jobs they provide must be one of the means of leading this country out of the depression, Secretary of War George H. Dern declared in a recent address.

"This is no time for curtailing needed public improvements," Secretary Dern said. "On the contrary, they should be expanded not merely as a make-work program for unemployment relief but to prime the pump of industrial resumption.

"Let no timid soul or special propaganda frighten us into thinking that our national credit is in danger. Have we forgotten that in 1919 we had a deficit of \$13,000,000,000 without hurting our national credit?"

An irate fan who had watched his home team go down to defeat, stopped the umpire as he was leaving the field.

"Where's your dog?" he commanded.

"Dog?" ejaculated the ump. "Have no dog."

"Well," said the grouchy one, "You're the first blind man I ever saw who didn't have a dog."

No Cure-All For Holdup Protection

(Continued from page 17)

police attention without any danger of gunfire.

Thousands of bankers have been kidnapped at night and forced to open money chests for the bandit. While it is true that timelocks on bank vault doors largely eliminated this type of attack, it is equally essential that time lock protection be used on night deposit chests and after-hour deposit safes.

The combined delayed control and silent signal lock is an effective means of providing protection against daylight holdup attacks enabling the user to open the chest as the bandits command, subject to the delay period of 5 to 30 minutes which allows officers from the central station ample time to answer the secret warning, reach the premises and arrange for the capture of the bandits.

Lobby Holdup

How easy it is for bandits to mingle with the depositors in your lobby and suddenly at the command "stick 'em up" dominate both employees and depositors.

Approved tear gas systems are available that reduce bank holdup insurance premiums 25 per cent. They are designed to harmlessly drive the bandits from the bank without firing a bullet. Tear gas systems can be connected with tellers' safety lockers which can be automatically closed and deadlocked at the instant the tear gas is released in order to protect the money in tellers' windows against the confusion that exists after an attempted attack.

Single Window Holdup

Many a bank to its sorrow has had one teller quickly held up and the bandits have made good their escape before there was general confusion or general alarm. As long as tellers have money exposed at their windows in sums great enough to attract the bandit, they will be exposed to this type of attack.

Teller's safety lockers offer a ready attack. They provide a cash drawer in which is kept only a few hundred dollars for immediate needs. As deposits accumulate above this minimum sum, they are placed in a secret compartment of the tellers safety locker from which they are automatically dropped into the locker below. Bulk sums for the teller's use are retained in the locker and can be kept under many forms of control, such as remote control from a control room, automatic rewind delayed control combination lock control, or two key control—all enabling the teller to reach the money when he needs it by slightly anticipating his requirements, but always keeping the bulk sum beyond the bandit's reach.

Our purpose of reviewing these eight types of holdup attack together with known means of resisting them that are today available is to quickly call attention to the problem and repeat again the necessity of each banker analyzing his own bank to determine in his own mind the ways in which he can be held up and then to scientifically set about providing protection against all of the ways his bank can be held up.

Foreign Markets

Not the least of the problems faced by the new administration is that of foreign trade and its allied problems—war debts, world cooperation in economic matters, monetary revision, and good foreign relations of all kinds.

It is probable that but a small proportion of our people realize how much foreign trade used to mean to us. Three or four years ago it amounted to about ten per cent of the total national business—

and ten per cent often marked the difference between profit and loss in the average business. It employed, directly and indirectly, between three and four million people. It kept gigantic factories humming to provide the products and commodities the nations abroad wanted.

The problem of war debts has been and is a barrier to the interchange of goods on a large scale. Ruinous silver prices have deprived much of the world of its buying power. Tariff wars and embargoes have worked against imports and exports.

The last administration grappled with the problem, and the new one will do the same. Secretary of State Hull has long been a friend of foreign trade, and it is to be hoped his efforts may produce results. If some measure of success in stimulating international commerce is attained, it will go a long way toward solving the problems of unemployment and industrial recession in this country, and will give a strong helping hand in the work of recovery.

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GREETINGS

to the Life Underwriter of America—the Apostle of Thrift, the Protector of Homes, the Guardian of Widows and Orphans, the Comforter of Old Age, the Ambassador of Peace and Happiness—the greatest salesman of modern times!



Life Insurance *today* is what you have made it.

Your achievements *tomorrow* will be greater than today.

No goal is too high for you!

ROYAL UNION LIFE INSURANCE COMPANY

Des Moines
Iowa

S. A. APPLE, President

Insurance

A better trained insurance seller, and a better informed insurance buyer, will do away with much of the controversy now attendant upon the

SETTLEMENT OF LOSSES

KNOWLEDGE on the part of both insurance buyer and seller of the specific needs for protection, a straightforward and comprehensive contract for providing the protection, justifiable mutual confidence between buyer and seller, adequate coverage and complete concurrence of coverage between insurance policies, were stressed as fundamental bases for satisfactory settlement of losses without controversy, by speakers at the American Management Association Insurance Conference.

"Too often, either through lack of knowledge on the part of the buyer or through unreasonable reliance on the advice of the seller, losses have been sustained before the need for protection designed to cover adequately the specific needs of the buyer was realized," M. B. Dalton, vice president of Liberty Mutual Insurance Company, said. "The need for greater attention, more study, and a more comprehensive knowledge of the kinds of protection needed, on the part of the buyer, is apparent. The greatest need, therefore, is for better trained insurance sellers and better trained insurance buyers."

Contract Forms

The second fundamental, according to Mr. Dalton, after a mutual understanding as between buyer and seller, has been reached, is a series of contract forms which as simply and comprehensively as possible cover each specific need. "Our changing industrial world has created vast new fields for insurance protection which have to a large extent been met by insurance carriers with adequate new policy forms. Much remains to be done, however, and the companies generally will welcome intelligent and constructive criticism of insurance buyers to the end that cooperative effort may produce contracts mutually understandable and subject to a minimum of controversy in the settlement of any loss thereunder."

In concluding his speech, Mr. Dalton said: "It still is necessary that there be a spirit of mutual confidence as between buyer and seller and that this confidence be based on the utmost good faith on both sides. Far too many insurance sellers have been interested too much in premium volume and far too many buyers have been interested too much in driving a sharp

trade in a loss settlement. There appears to be too general a lack of appreciation on the part of buyers that in the last analysis the buyers as group stand whatever losses are paid and that rates which are high can only be reduced by the prevention of loss."

Little Litigation

H. A. Wiley, chief adjuster of Associated Factory Mutual Fire, emphasized the fact that the usual disagreeable adjustment of certain types of losses is largely due to the ignorance of the assured and to his susceptibility to the plea that he will get more than his actual loss if he places the adjustment in certain hands. As a rule, no one is better acquainted with his business or his property than the assured,

THREE FIRE insurance executives urge a spirit of mutual confidence between the seller and buyer of coverage, with this confidence based on the utmost good faith on both sides

Mr. Wiley said. The assured cannot afford to turn his interest over to any other person in the event of a legitimate claim, he stated.

"When one considers the number of insurance contracts issued annually and the thousands of claims made under them, the comparatively few cases that are litigated surely speaks well for either the wording of the contract or the fairly liberal interpretation of what was intended," Mr. Wiley went on to say. "There is little doubt but that many forms contain too much detail and the greatest trouble experienced by an adjuster is where the form attempts to name about everything from the kitchen sink to last year's straw hat, or possibly from a hydrant hose to the Turkish rugs in the director's room. I recall one printed form covering about 36 items for various amounts and then a paragraph apart from the others read:

'and all other property of the assured not otherwise enumerated.'

Ideal Form

"The ideal form is one that states that the entire property of the assured, or his legal liability in property of others at a specific location, is covered against the hazards insured against with the exception of . . . , and then in bold type are stated the exceptions in as few words as possible and in terms that the average person not in the insurance business will understand. A policy should be written, not merely so that it can be understood, but also so that it cannot be misunderstood.

"Continuity of insurance connections is surely a prime factor in the satisfactory settlement of losses," Mr. Wiley stated. "Such continuity is largely due to confidence on the part of both the assured and the insurance company. Any line of business is transacted to better advantage if, through years of favorable experience, confidence is built into the association."

George W. Lilly, general manager, Fire Companies' Adjustment Bureau, stated that the principal cause of controversy and unsatisfactory dealing in the settlement of losses is the attitude of apprehension on the part of the claimants quite generally. "A loss settlement," he said, "is strictly a cooperative business transaction in which the actual interests of the various parties are wholly compatible. There is, in fact, a total want of conflict of interest. Frankness and open dealing are imperative to complete success."

Two Factors

Two principal factors which should eliminate some so-called controversy and perhaps establish a predetermined basis of settlement, according to Mr. Lilly, are adequate coverage and complete concurrence of coverage between policies.

To carry out these principles, he said, the stock companies have provided printed forms and placed them in the hands of all local agents for general use. "It is no longer a difficult matter for an applicant to select the form best suited to his requirements and to provide for the attachment of that particular form on all of his policies," Mr. Lilly went on to say. "It impresses us as fair to suggest the importance to an assured that he interest himself in this question of adequate cov-

Effective Equipment

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 - c. Guaranteed Premium Reduction with dividends after tenth year
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12. Mail advertising—"To Pave the Way"

Effective equipment counts for a lot in these days of keen competition for sales.

Consider the above outstanding advantages to which—in keeping with NWNL's reputation as a sound, progressive company that has the needs and interests of its fieldmen paramount—every NWNL fieldman can lay claim as a part of his "effective equipment." They *do* help make sales.

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Add to Your Income

MANY BANKERS in Iowa, Nebraska and South Dakota are augmenting their incomes by representing the Western Mutual Fire Insurance Company. If interested in increasing *your* earnings, write for our attractive proposition.

This 26-year-old company issues standard Fire, Hail and Tornado coverage on select town dwelling

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Write for full information today.

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erage and uniformity and that he assume the obligation to know that it has been provided. The applicant for insurance should consider the value of his insurance from the standpoint of the amount thereof rather than the relatively small premium paid, and use the same degree of care and attention in arranging for that insurance which he would exercise in any other business transaction of equal monetary importance."

In concluding, Mr. Lilly said: "It is perfectly logical to suggest to the assured the importance of determining what is adequate coverage of his particular subject and arranging such coverage to be in strict concurrence between his policies, that he maintain a comprehensive although not necessarily elaborate record of his property and business in order to insure an adequate but not excessive recovery and that he adjust his purposes and attitude for compatible dealing with the company adjuster."

Joyce Retires

William B. Joyce, who has been identified with the National Surety Corporation and its predecessors for more than forty years, and who has been ranking officer in New York for thirty years, announced on May 22d his retirement from active management of the corporation. He also announced that Vincent Cullen has been named president and chief executive officer of the corporation, and E. M. Allen, formerly president, has been elected executive vice president. Mr. Joyce will remain as chairman of the board of the National Surety Corporation.

The National Surety Corporation was organized April 29, 1933, as part of the rehabilitation plan of the National Surety Company which had found it necessary to cease operations because of repercussions of the bank holiday and mortgage situation. Mr. Joyce actively participated in the rehabilitation program. Now that it has been successfully launched and the new company is making very encouraging progress, Mr. Joyce has decided to relieve himself of the burdens and responsibilities of most of his active business duties.

In announcing his decision Mr. Joyce made the following statement:

"The building up of the National Surety organization has been my life's work. I built up the old National Surety to its highest eminence. Only an unprecedented economic crisis temporarily affected this situation. I have started the new National Surety Corporation on its road to success. The heavy burdens of managing a large complicated insurance business are now being passed over to Vincent Cullen, a younger man, who has been trained in this company and who will become its president. I will remain as chairman of the board, and am for the present leaving for California to rest, and to develop the west

coast business of the National Surety. My heartiest desire will be to continue the development and growth of the National Surety Corporation until it is the greatest and strongest surety company in the world."

Figure it Out

Here is a little problem in simple arithmetic for you:

You have two piles of dollars. You have been spending from one of them, and it is growing alarmingly small. So you stop spending from it, and take the dollars from the other pile instead.

This, you say, is economy, and reduction of expenses.

Absurd as this problem is, it is no more absurd than the antics of our legislative bodies in the matter of taxes. They shift a tax from one class of property to another—thus taking the money from "different piles"—and call it tax reduction. For government, as an individual, there is but one way to reduce taxes—spend less money.

More Power at Home

It is a remarkable fact that during the most intense year of depression—1932—sales of electricity for domestic purposes advanced over 1931.

Also during the year, the cost of electricity went down. This naturally led to the sale of more electric labor-saving devices, and their wider use. Facing the industry is a vast potential market—the properly electrified home is still the exception and not the rule. The industry's policy is and has been to explore that market as rapidly as is economically possible. This, of course, is good business for the utility.

But it is good business for the customer as well. It is he who reaps the greatest benefit.

Even depression can't halt electric use—industrial sales may drop materially, but the home owner, with an eye to a bargain, offers a constantly expanding market. And there is still another fine side to this situation—in electricity we have an industry which can be depended upon to a greater extent than any comparable service industry, to maintain payrolls and employment levels and tax payments whether times are good, bad or indifferent.

Appointed Vice President

Appointment of John H. Leaver to be vice president in charge of agents for the Central Life Assurance Society, of Des Moines, has been announced by George N. Ayres, president of the company. Mr. Leaver began his duties in Des Moines June 1st in charge of agency activities of the Central Life in 21 states.

Mr. Leaver is one of the best known insurance men in the middle west. After

\$700,000 Paid to Policyholders in 1932



... and \$1,000,000 Assets as added protection for 1933

DURING 1932, a heavy storm year, the old reliable Farmers Mutual Hail paid *Dollar for Dollar* on losses. The policy of this old company, the Rutledge Company, has been and will continue to be, to maintain an adequate surplus to meet severe emergencies and to give maximum protection to every policyholder. This surplus is in addition to reserves that are larger than the schedule required of old line companies. The surplus and reserves have come from economical management, and guarantee to the policyholder that every loss will be paid in full, in good times and bad, year in and year out.

How well this policy has operated to the advantage of the insured is shown by the following forty-year figures:

<i>Losses Paid</i>	\$11,250,000.00
<i>Savings to Policyholders, over</i>	10,250,000.00
<i>Admitted Assets to Guard Policyholders, 1933</i>	1,000,000.00

Such an association needs no apology in competition with any company. The Farmers Mutual writes wind, automobile, fire, and hail protection.

Farmers Mutual Hail Insurance Association of Iowa

PERRY RUTLEDGE
President

E. B. RUTLEDGE
Treasurer

W. A. RUTLEDGE
Secretary

722 Sixth Avenue, Des Moines, Iowa

Northwestern Banker June 1933

two years in the naval aviation corps during the World War, he started selling life insurance in St. Louis as an agent of the Connecticut Mutual Life Insurance Company. Later he brokered business for several companies, and acted as an insurance counselor.

Having decided on insurance for his career, Mr. Leaver completed the New York University life insurance training school conducted by Griffin Lovelace.

In 1925 he joined the Missouri State Life Insurance Company as an agency special in their St. Louis branch, and was later appointed assistant manager of the branch. He then was made supervisor of

western state agencies for the Missouri State. After two years in that position he became manager of the Iowa-South Dakota branch of the Missouri State Life, with headquarters in Des Moines. There he developed one of the Missouri State Life's leading agencies, work which brought him to the favorable attention of Mr. Ayres and other officials of the Central Life Assurance Society.

In 1932 Mr. Leaver accepted a position as vice president of the Provident Life and Accident Company, of Chattanooga, Tenn. He resigned that post early in May, to return to Des Moines.

Mr. Leaver is married and has two

children, Betty Lou, ten, and Jack, seven. Mrs. Leaver and the children will join him in Des Moines in September to again establish their home there.

Hail Company Takes Larger Offices

The Farmers Mutual Hail Insurance Association of Iowa will move August 1st to new and larger quarters on the fifth floor of the Valley Bank Building, according to W. A. Rutledge, secretary.

The present home office location at 722 Sixth Avenue, comprising two floors, has become so crowded during the past year that it was deemed necessary to make the move.

The new location has 6,000 square feet of floor space and will provide sufficient space for all departments.

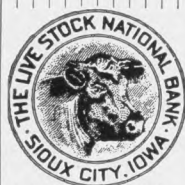
Mr. Rutledge in commenting on the change, stated that it had been the desire of the officers for some time to get a more central location that would give the forty employees ample room.

The Farmers Mutual writes wind, tornado, automobile, fire and hail insurance.

More Government Competition

Seventy-five fertilizer companies, most of them members of the National Fertilizer Association, joined in sending a telegram to President Roosevelt giving the industry's attitude on the proposed operation of the Muscle Shoals nitrogen plants for the competitive manufacture of chemical fertilizers. The message expresses hearty accord with the President's message to Congress of April 10 which relates to flood control, soil erosion, afforestation, elimination from agricultural use of marginal lands, and distribution and diversification of industry in the Tennessee Valley.

Bills before Congress purporting to have the President's approval, particularly the McSwain-Hill-Almon Bill in the House, the President is advised, would authorize the manufacture and sale of fertilizer by the government on a large scale in competition with private industry. Such activity on the part of the government, the message states, would jeopardize a capital investment of \$350,000,000 and the jobs of some 25,000 persons now engaged in fertilizer production. Present plans, it is pointed out, have an annual capacity of 12,000,000 tons of fertilizer, with a peak production in 1930 of 8,200,000 tons. In 1932 the total volume of business was only 4,300,000 tons, the decrease being due to the loss of farm purchasing power and despite the granting of large amounts of credit to farmers.



OFFICERS

A. G. Sam, President
C. L. Fredricksen, Vice-President
M. A. Wilson, Cashier
W. G. Nelson, Asst. Cashier
W. C. Schenk, Asst. Cashier

The Heart of the Sioux City Stockyards

The very convenient ground-floor location of the Live Stock National Bank in the Exchange Building, places this institution in the heart of the Sioux City stockyards, where quick and immediate service can be given to every transaction.

Because of the speed and dependable collection service which we can give you at Sioux City, you in turn can pass this on to your customers and they in turn will be more pleased with the advantages you are offering them.

Live Stock National Bank

Sioux City, Iowa

Affiliated with Northwest Bancorporation

"THE BANK AT THE YARDS"





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President

South Dakota Bank News

Officers South Dakota Bankers Association

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Vice President.....E. R. Heaton
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Miller
Executive Manager, Geo. A. Starring
Huron



GEORGE A. STARRING
Executive Manager

South Dakota Convention

MEMBERS of the South Dakota Bankers Association gathered in Mitchell Thursday and Friday, June 1st and 2d, for the organization's forty-second annual convention.

The opening day's activities were confined mainly to registration and the annual bankers golf tournament. A dinner was held in the evening at which Gov. Tom Berry; Carl W. Jones, publisher of the *Minneapolis Journal*, and Preston E. Reed, executive secretary of the Financial Advertisers Association of Chicago, were the principal speakers.

T. M. Brisbine, Woonsocket, president of the association, reported on the year's activities at Friday morning's session. George A. Starring, Huron, executive manager of the association, and F. D. Greene, Huron, in charge of auditing, presented their annual reports.

L. E. Corey, state tax director, discussed "How the New Tax Law Affects Banks." A. O. Steensland, Lake Andes, will talk on the "Agricultural Credit Administration." "Bankers in the Legislature" is the subject on which Robert Peterson, Centerville, chairman of the house banking committee at the 1933 session, spoke. W. S. Given, Milbank, discussed "From Feed Lot to Portfolio."

The afternoon session opened by a discussion of a government feed loan waiver suit by I. A. Churchill, Huron, counsel for the association. W. R. Ronald, Mitchell publisher, explained "The New Federal Agricultural Law."

These addresses were followed by an open forum on the general subject of "Adapting Banking Methods to Changed Conditions." L. L. Lillibridge, Burke, lead the discussion. Other topics of interest to the association were taken up at this session.

The convention closed Friday afternoon with the election of officers and selection of a 1934 convention city.

South Dakota members of the American Bankers Association held their annual meeting during the convention.

Elected President

Robert Peterson was elected president of the First National Bank of Centerville, at a recent meeting of the directors. He takes the place of the late James Mee, who was president since the bank was founded.

Dr. A. J. Struble was elected vice president to fill the vacancy caused by the promotion of Mr. Peterson. J. M. Mee continues as cashier, Miss Nora Anderson as assistant cashier and Miss Altrude Nelson as clerk.

In Fine Condition

"Gratifying increases" in deposits and cash reserve of South Dakota state banks since the March banking holiday are reported by F. R. Strain, deputy state superintendent of banks.

Mr. Strain said combined deposits of 149 state banks increased from \$22,314,500 on March 15th, when the holiday ended, to \$23,947,000 on May 6th, date of the last report. This is a gain of \$1,632,500.

During the same period, the cash reserves of these banks mounted from \$5,024,600 to \$6,772,600. Computed on a percentage basis, after deduction of certain funds, the average reserve amounted to 32 per cent on May 6th, compared with 25 when the banks reported. The minimum legal reserve for state banks is 17.5 per cent.

Another indication of improved banking conditions, Mr. Strain said, is that borrowings of the state banks during the period were reduced \$305,100.

Mortgages

Urban home and real estate mortgages outstanding in South Dakota at the close of 1932 totaled nearly 15 million dollars.

That figure, exclusive of any portion of a national farm mortgage indebtedness of \$8,500,000,000, was compiled by the Federal Home Loan Bank in reaching a total of \$36,295,000,000 as the nation's urban mortgage indebtedness.

The statistics were presented in the house during consideration of the home loan act.

Banks were listed as holding the greatest share of South Dakota's urban mortgages, a total of \$7,275,000. Building and loan associations held \$5,554,716 and insurance companies held \$2,133,579. The actual total was \$14,963,295.

H. D. Walrath Dies

Homer D. Walrath, 91, pioneer Watertown banker, and chairman of the board of directors of the First Citizens National Bank, died at his home, recently.

Death was due to bronchial pneumonia and followed a critical illness of only two days.

Improved

Conditions in north central South Dakota are 25 per cent better than six weeks ago, J. E. Kelly, Aberdeen, state banking department examiner, believes following a survey of conditions in his area.

Kelly stated that the outlook of farmers had brightened noticeably and business men likewise had taken a more optimistic view of the immediate economic future.

In the area under Mr. Kelly, only two banks have failed to reopen following the national banking holiday, and in each instance, he said, there is another bank in the same community that is engaged in business.

James Mee Dies

James Mee, 67, president of the First National Bank of Centerville, and at one time democratic national committeeman, died at his home recently. He had suffered a stroke two hours after his return from Rochester, Minn., where he went for a medical examination. He had been in poor health for many months.

Mr. Mee was widely known in financial circles in this part of the state. He is survived by his widow, a daughter, and three sons.

Gold Received

Since the executive order of March 14th that all gold be delivered to federal reserve banks, people of the Chamberlain vicinity "turned over" approximately \$15,000 in coin and gold certificates to the first National Bank and Trust Co.

Banks Are Helping

Banking interests are contributing materially toward a revival of the building industry, particularly in the modernization and reclamation of structures which are in various stages of obsolescence.

It is no secret that, as a necessary protection for investments, many banks have been forced to curtail their loans on build-

ings whose usefulness is rapidly declining because of age or inadequate accommodations. But numerous instances recently have come to light of assistance given to building owners both in the form of relief on loans and decreased interest rates when the owners undertook to modernize their buildings and increase their rentability.

The helpful attitude of the banks is revealed in the case of Mrs. Leonara Samisch, owner of an apartment property in Brooklyn. When Mrs. Samisch applied to her bank for a renewal of the first mortgage on this walk-up apartment the bank required that she reduce her mortgage by 10 per cent, otherwise it

would be impossible to grant an extension.

Further conversations on the subject disclosed that Mr. Samisch was considering the installation of an elevator in this apartment and already had negotiations under way with an elevator company for the improvement. With this information, the bank readily conceded that the conversion from a walk-up to an elevator apartment would increase the rentability, particularly of the upper floors, and therefore the value of the building, and unhesitatingly granted extension of the mortgage without a reduction in the amount of the loan.

The bank further agreed that when the elevator is installed it will reduce the

interest rate formerly charged on the loan.

Real estaters and building owners see in this attitude of the banking interests an incentive to enlarge activity and a material boost to employment and to the building industry.

Minnesota News Notes

By J. A. SARAZEN

THE STATE BANK, Maple Plaine, have remodeled the tellers' cages, changing them to the new full-vision style.

THE FARIBAULT State Bank & Trust Company has completed reorganizing and opened for regular banking business. H. E. Westerman, extensively interested in the lumber business, and headquarters at Montgomery, purchased a large block of stock in the bank and has been added to the board of directors.

BEGINNING May 6th Mankato banks will open at 9 A. M. and close at 3 P. M. On Saturday banks will open at 9 A. M. and close at 1 P. M. Heretofore hours have been from 9 A. M. to 3 P. M. every day.

THE FIRST State Bank, Medford, just completed redecorating.

THE AMERICAN State Bank, Mankato, has completed its reorganization and is now conducting its usual banking functions. The bank was issued a license to reopen May 9th. The Security State Bank, North Mankato, will be consolidated with the American.

THE BANKS in western Minnesota, known as the Klein banks, all opened immediately after the national bank holiday. There are seven of them and are located as follows: First National Bank, Chaska; First National Bank, Waconia; Victoria State Bank, Victoria; State Bank of Young America; State Bank of Cologne; Security National Bank, Montevideo; Klein National Bank, Madison. The first five banks mentioned are in Carver county and have reduced interest rates from 3 per cent to 2 per cent.

F. R. WARD, vice president, Twin Cities National Bank, Saint Paul, said business has been very satisfactory, every thing considered. This bank is a consolidation of the Twin Cities National Bank and the Minnesota Transfer State Bank as of last November. Deposits at that time were around \$1,100,000 and are now around \$900,000. Due to the fact the bank is located in a factory district where there is so much unemployment, it is considered deposits are holding up very well.



WELCOME, IOWA BANKERS!

We extend to you a most cordial invitation to visit our institution during the Convention June 19-20 and trust that your stay in Sioux City may be both pleasant and profitable.

To serve you in Sioux City will be our pleasure.



FIRST NATIONAL BANK IN SIOUX CITY

A. S. Hanford, President

Fredrick R. Jones, Vice Pres.

Fritz Fritzson, Cashier



R. H. BARBER
President

Nebraska Bank News

Officers Nebraska Bankers Association

President.....R. H. Barber
Paxton
Chairman Executive Council.....
.....H. A. Schneider
Plattsmouth
Treasurer.....C. F. Brinkman
Omaha
Secretary.....Wm. B. Hughes
Omaha



WM. B. HUGHES
Secretary

Hours Changed

Fremont banks have placed in effect the new banking hours which were announced recently. Banks closed at 3 o'clock in the afternoon, instead of at 4 o'clock, as formerly, and will close at 3 each afternoon in the future.

In changing the hours, the bankers found most customers had been informed of the change. But few tried the doors of the banks between the hours of 3 and 4 o'clock.

In setting the new hours, bankers took steps to give their employees more time to complete their day's work. Much of the detail of banking must be done after the doors are closed, they point out. When the banks are kept open until 4 o'clock, employees often are kept busy into the evening in taking care of the details which must be completed in the day's business, bankers point out.

The bank officials announced that persons desiring to talk to them on business after the hours of 3 o'clock may do so by making appointments or by telephoning them.

Install Protection

The State Bank of Benkelman has joined with a long list of Nebraska banking houses in an effort to stifle the progress of bank bandits which has been so marked during the past year and especially during the past few weeks in the state. The move was necessary in order to comply with the demands of insurance agencies specializing in burglar insurance who are finding the going so tough that they have decided to either raise bank burglary insurance to an almost prohibitive figure or abandon the field altogether. At one time burglar insurance was available to Nebraska banks at \$1 per thousand while at the present time it has raised to \$20 per thousand. The day-light robbery system has practically deprived banks of protection in so much as it is always a case of a surprise attack and the viciousness of the system used renders bank employees and even law enforcement agencies powerless because of the suddenness of the robbery and the brief time required to back em-

ployees into vaults and scoop up all funds in sight. The new system practically keeps the funds under a time lock even in banking hours, only enough money being kept out to transact counter business.

Gives Dairy Talk

Dan V. Stephens, of Fremont, president of the Nebraska State Dairyman's association, was one of the speakers on the annual dairy field day program held at the Nebraska Agricultural College in Lincoln. The field day was open to all Nebraska dairymen and a large number, including members of dairy herd improvement association, were present.

Mr. Stephens took as his subject, "What the State Dairyman's Association Is Doing."

Heads Group One

Guy L. Clements, Elmwood, was elected president of Group 1, Nebraska Bankers Association at the end of a one-day convention of the group at Lincoln. Other new officers are F. J. Patton, Blue Springs, vice president, and R. W. Heim, Dawson, secretary. Earl H. Wilkins, of Geneva, is retiring president.

Pointing out that government has been undergoing profound changes during the past months, Judge Bayard H. Paine, speaker at a banquet which terminated the meet, urged members of the organization "to swallow your love for the old forms and get in tune with the times."

Personnel Same

Nebraska Banking Superintendent E. H. Luikart recently announced the department has been reorganized under new banking laws without change of personnel.

He said George Woods, former bank commissioner, has been retained as deputy superintendent of banking and George B. Wilson, formerly in charge of building and loan associations, has been made chief deputy in charge of building and loan and trust companies.

Luikart said the receivership division would continue to operate under the

courts on receiverships already established. He expects few new receiverships for some time but said a policy would be worked out by which the new salary limitations would be applied to work done by the receivership division on any new receiverships.

Sixty Delegates

The Omaha chapter of the American Institute of Banking will send 60 representatives to the national convention in Chicago, June 12th to 16th.

An effort will be made to elect Milton Barlow, Jr., of the United States National Bank a member of the national executive council.

Farm Loans

Handling of applications for federal farm loans under the terms providing for administering the new fund of \$200,000,000 from the Reconstruction Finance Corporation will begin in Omaha immediately. As announced by Bert Waddell, Moorcroft, Wyoming, stockman, who will direct the loans in Nebraska, Iowa, South Dakota and Wyoming.

The new fund is designed to aid the farmer with property already mortgaged to carry on for the next three years, by which time, it is hoped, conditions will be such that the borrower will be ready to start payments. Under the law, it is required that in the cases of farmers whose property is mortgaged, the mortgage holder will agree not to foreclose for any reason whatsoever for at least three years.

Waddell explained that the law provides that the loan must not exceed 75 per cent of the value of the farm property, and, in the case of mortgaged property, the new loan must not cause the 75 per cent valuation limit to be exceeded.

Re-opens

The State Banking Department announces the Farmers State Bank of Plattsmouth authorized to reopen (May 19th) without restrictions. This makes 245 state banks which have been authorized since the "holiday" to operate without restrictions.

Vice President

J. M. Hopley, manager of the Farmer's store in Tekamah for the past ten years, has gone to Oakdale as vice president of the First National Bank. Conrad Wiese, formerly of West Point, succeeded him as manager of the local store.

A. I. B. Officers

R. Wallace Johnston of the Stock Yards National Bank was elected president of the Omaha chapter, American Institute of Banking, at a recent meeting

at the club rooms in the Omaha National Bank Building. He has been vice president.

Mr. Johnston has been associated with the Stock Yards National 13 years.

Other new officers: Einar Juel, Council Bluffs Savings Bank, vice president; Ernest Tanner, First National Bank of Omaha, secretary, and Paul Barton, Omaha National Company, treasurer.

Group Meeting

The annual convention of District Three of the Nebraska State Bankers Association will be held in Norfolk, Flag Day, June 14th, it was decided at a meeting of district officers.

Several hundred persons each year attend the annual meeting and a program including an evening banquet is arranged.

The session this year was postponed from Arbor Day, when it is usually held, and there was some doubt as to whether or not the bankers would hold their usual Norfolk meeting.

Ben Saunders, of Plainview, president of District Three, presided at the officers' meeting.

Dinner Guest

Karl G. Kalde, former auditor of the First National Bank of Council Bluffs, who has accepted a new post at Glens Falls, N. Y., was a guest of honor at a recent dinner in Omaha, given by members of the Omaha chapter of the American Institute of Banking.

He is national chairman of the institute's public education committee.

Those attending included R. Wallace Johnston, president of the chapter; Jesse

E. Billings, H. O. Miller, Milton T. Barlow, Einer P. Juel, Dwight Hesse, Chauncey Evans, Raymond Nelson, Oliver P. Cordill, Thomas Boggs, Ernest Tanner and Richard Gash.

Dies in Oxford

Martin A. Fulk, 79, resident of Phelps county since 1887, passed away. He was stricken suddenly, while sitting in a chair and fell to the floor, death resulting a few minutes later.

Mr. Fulk was born in Indiana and came to Illinois later, where he was married to Ida May Hopkins on November 12, 1874. The couple celebrated their fiftieth anniversary on November 12, 1924, when over 100 invited guests enjoyed the anniversary with them.

He has been cashier of the Atlanta State Bank since its establishment in 1903. The past four years he has spent very little time at the bank except on Saturdays. Before entering the banking business, he owned a hardware business in Atlanta.

He was widely known and had many friends who will miss his friendship.

Stands High

Steve Wirtz, chief discount teller at the Omaha National Bank, stands third high in the list of individual member-getters for Ak-Sar-Ben despite the fact that he must spend all day in his bank cage. Unlike most other team workers, who get out on the streets, nearly all memberships obtained by Wirtz have been received "over the counter" from customers who came to the bank.

Wirtz has obtained 61 members. The

two workers who lead him are Ray Bernard of the stock yards, who passed the two hundred mark recently, and C. E. McIntosh of the Union Pacific, with more than one hundred.

Wirtz is a member of the team headed by Ak-Sar-Ben Governor W. B. Millard, Jr., and Councilor Manning Handler.

Re-opened

The Elmwood State Bank re-opened on Thursday morning, May 11, 1933, in accordance with the plans which they have announced. W. N. McLenon remains as cashier of the bank and Miss George Coatman is assisting with the book work. The patrons of the bank are pleased that the bank has re-opened.

Terms Expire

In addition to filling the places of the seven directors whose terms expire at the end of this fiscal year, June 30th, the Omaha Chamber of Commerce must also choose a successor to the late Nelson H. Loomis, whose term on the board would not have ended until 1934.

Those whose terms expire this year are Lester O. Barr, general manager of Swift & Co. here; W. Dale Clarke, president of the Omaha National Bank; A. W. Gordon, president of the Omaha Loan and Building Association; Glenn E. Jennings, president Wright & Wilhelmy; Alvin E. Johnson, vice president Live Stock National Bank; Walter L. Pierpoint, Pierpoint Bros., and Gwyer H. Yates, president United States National Bank.

Reduce Taxes

Tax reduction remains uppermost in the public mind. A definite start has been made with the cut in veterans' compensations, and the 15 per cent reduction of federal salaries. Many of these cuts have already been compensated to the recipients more or less by the decline in the cost of living. Next federal move is expected to be drastic reorganization of bureaus and departments to eliminate waste, unnecessary activities and duplication of effort.

The treasury has been disappointed in the yield from the new miscellaneous taxes. Revenues to the government from sale of such articles as oils, matches, pistols and revolvers, etc., have been below the estimate. On the other hand there was a substantial recent gain in revenue from the automobile tax and the gift tax.

Tax losses from other sources were offset by a rise in income tax receipts. This is nothing to be proud of because the rise was due simply to higher individual tax rates, rather than to increased personal or corporate earnings.



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WILL PLEASE YOU**

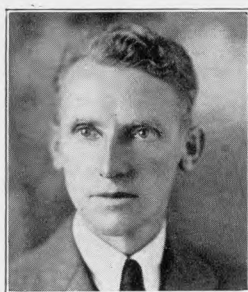
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LIVE STOCK NATIONAL BANK

Union Stock Yards
OMAHA

THIS BANK HAS NO AFFILIATED COMPANIES

Northwestern Banker June 1933

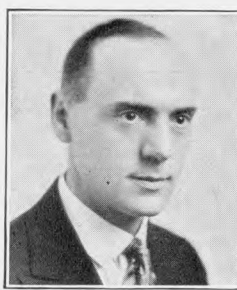


M. F. ERNST
President

Minnesota Bank News

Officers Minnesota Bankers Association

President.....M. F. Ernst
St. Paul
Vice President.....William Duncan
Mankato
Treasurer.....D. J. Fouquette
St. Cloud
Secretary.....George Susens
Minneapolis



GEORGE SUSENS
Secretary

Named Reserve Board Chairman

JOHN N. PEYTON, of Duluth, Minnesota banking commissioner, became chairman of the board of the Minneapolis Federal Reserve Bank and federal reserve agent for the ninth federal reserve district May 15.

The federal reserve board is appointing Mr. Peyton as a Class C director of the Minneapolis Federal Reserve Bank to fill the vacancy created by the death of John R. Mitchell, chairman of the board and federal reserve agent. This term will expire December 31, 1935.

The office of chairman has been vacant since January 31, when Mr. Mitchell died after a short illness. He had been the chairman of the board since 1924, when he was appointed to succeed John R. Rich, who had been chairman since the formation of the Federal Reserve Bank in 1914.

Mr. Peyton has been state banking commissioner for a little more than two years. He was appointed to the post by Governor Floyd B. Olson January 30, 1931, but was not confirmed for several days.

During and since the banking holiday, Mr. Peyton has won considerable attention by the forceful way in which he has handled the banking situation. He insisted as soon as plans were made for the reopening of the national banks by the secretary of the treasury that only such state banks as were or could make themselves 100 per cent sound would be allowed to reopen. He adopted practically the same regulations for the reopening of the state banks as were set up for the national institutions.

Mr. Peyton is a native of Duluth. He was educated in the Duluth public schools, Phillips-Exeter Academy and Yale University. Following his graduation from Yale in 1908, he returned to Duluth to enter the banking business.

To Succeed Payton

Elmer A. Benson, of Appleton, Minn., has been appointed Minnesota commissioner of banking to succeed John N. Peyton, who has been appointed chairman of the board of the Minneapolis Federal Re-

serve Bank and federal reserve agent of the Ninth district.

Mr. Benson was state commissioner of securities, having been appointed to the post in January by Governor Floyd B. Olson to succeed Charles W. Gillam.

Mr. Benson prior to his appointment had been cashier for six years of the Farmers and Merchants State Bank of Appleton. At the time Mr. Peyton was appointed banking commissioner Mr. Benson was discussed for the position.

Named Examiner

Robert D. Beery, Long Prairie banker, has been named examiner in charge of liquidation of closed banks, by Elmer A. Benson, new state banking commissioner.

Mr. Beery, whose appointment is effective at once, replaces W. A. Smith, who has held the post for more than 15 years.

Mr. Beery was secretary of the Minnesota Independent Bankers Association. His first connection with banking was in 1905, at Mott, North Dakota. He stayed in the banking business there until 1913, part of the time as cashier. From 1913 to 1916 he was with the North Dakota banking department and from 1916 to 1923 was a private banker.

From 1923 to 1925 he was a national bank examiner, and from 1925 to 1928 a receiver for national banks being liquidated. Since 1928 he has been in the banking business at Long Prairie.

Secretary

J. A. DuBois, president of the First State Bank of Sauk Center, is the new secretary of the Independent Bankers Association. He succeeds Robert D. Beery, now in charge of closed bank liquidation, state banking department.

Mr. DuBois was chosen secretary by the governing board in session at Sauk Center. Plans for the association's annual convention were discussed. In the past it has been held early in June, but this year, Mr. Beery advises "it will probably be held later."

Investigate Attorneys

Attorney General Harry H. Peterson recently ordered an investigation of attorneys retained in connection with liquidation of closed banks of Minnesota.

In a letter to W. A. Smith, examiner in charge of bank liquidations, he demanded names of such attorneys, dates they were appointed, copies of their appointments, information as to who appointed them, what supervision they have, who supervises their work, fees they receive and other data. Mr. Peterson said he had been receiving numerous complaints that attorneys were liquidating banks "so all but the depositors get their money."

Bill Unsound

The fundamental unsoundness of the so-called bank insurance bill now before congress, which would in effect require strong, profitable banks to guarantee the deposits of weak or unprofitable banks, was condemned in a recent statement by Lyman E. Wakefield, of Minneapolis, president of the First National Bank & Trust Company and vice president of the First Bank Stock corporation.

While proposing this new and heavy burden for sound banks, sponsors of the legislation, Mr. Wakefield pointed out, would prohibit strong banks from employing the only method by which banking service can be furnished to small communities that are entitled to it—the establishment of branch banking.

Named Cashier

Directors of the Union State Bank have elected Oscar Krieg, cashier. Mr. Krieg's assistant will be Robert P. Howe, and Miss Eleanor McCulloch will be teller.

Mr. Krieg's management of the Sauk Rapids Bank climaxes a service of many years in the banking business. He was employed at the Citizens State Bank, was taken into the Sauk Rapids State Bank when the former consolidated with the Benton County State Bank, and became assistant cashier at the Union State Bank when it opened May 1, 1929.

Consolidation

Consolidation of the Randolph State Bank with the Security State Bank has been effected as an outgrowth of banking reorganizations now in progress. J. A. Anderson, who has been cashier of the Randolph Bank, becomes vice president of the Cannon Falls institution, of which D. Fay Case is president and cashier.

The Randolph State Bank has been in operation for twenty years.

Trust Company Opens

The Marquette Trust Company of Minneapolis, reopened for business May 19th at its offices at 517 Marquette Avenue,

Northwestern Banker June 1933

Changed and Changing Banking Conditions

cannot alter the fundamental principles upon which inter-bank relationships are based.

There is a definite upward trend in business activity that suggests the advisability of carrying your account with a bank completely equipped to offer the best in the way of collection services.



...THE...

PHILADELPHIA NATIONAL BANK

ORGANIZED 1803

PHILADELPHIA, PA.

CAPITAL and SURPLUS-----\$30,000,000

under a permit of the Minnesota Department of Banking. The second largest trust company in Minneapolis, it was one of the city's six institutions which did not reopen when the bank holiday ended March 13th.

Reorganization of the trust company was completed May 18th, it was announced by Ralph W. Manuel, president, and Elmer A. Benson, state commissioner of banks. All directors and officers of the company, headed by Mr. Manuel, have been reelected and continued in charge of the institution.

Hold Election

At a meeting of the stockholders of the Farmers & Merchants State Bank, of Lamberton, the following board of directors were elected: Wm. Raveling, president; Julian Morten, vice president; T. E. Kuehl, A. G. Einen, Dr. Van Duzee, Sam Skow and H. W. Werner. They in turn elected T. E. Kuehl as cashier, and Ewald Fenrick, of Ceylon, as assistant cashier.

Mr. Kuehl is a son of Mrs. Mary Kuehl, of Springfield, and Mr. Fenrick was an employe of the State Bank of Springfield until recently.

Heads Duluth Bank

H. H. Peyton, president of the First National Bank of Proctor, has been named president of the Pioneer National Bank of West Duluth, to succeed his brother, John N. Peyton, state banking commissioner, who resigned to accept the position of chairman of the board of directors of the Federal Reserve Bank of Minneapolis.

Named Secretary

Herbert G. Swanson, of the Drovers Exchange State Bank, South St. Paul, was elected secretary of the Exchequer Club, composed of representatives of banks in St. Paul, White Bear and South St. Paul, at the annual meeting and dinner in the Windsor room of the St. Paul hotel. Forty attended.

Cashier Resigns

A. D. Bertrand, cashier of the State Bank of Sleepy Eye since its reorganization six years ago, announced his resignation recently, to take effect June 1st. Mr. Bertrand will open an insurance office.

County Meeting

Searns County Bankers Association held its annual meeting at St. Cloud, May 18th. Speakers were State Secretary Susens, J. E. Odegard, of Santiago, and Julian Gumbiner, statistician, J. M. Dain & Company, Minneapolis. Following are the officers elected: President, A. Peternell, Albany; vice president, Anton B. Rieland, Richmond, secretary-treasurer, Norbert Ley, Watkins.

North Dakota Bank News

Officers North Dakota Bankers Association

President.....	T. A. Tollefson
	Dickinson
Vice President.....	D. R. Green
	Grand Forks
Secretary.....	C. C. Wattam
	Fargo

Practicing Law Without a License

C. C. WATTAM, secretary of the North Dakota Bankers Association, sent out the following information to his member banks:

"The Bar Association of the State for some time past has been questioning the practice of banks throughout the state in connection with the handling of matters which lawyers claim constitutes the practice of law. The 1933 legislature passed a measure which makes the unlawful practice of law a criminal offense.

"We have on numerous occasions advised the banks as to how far they can go with respect to these matters. It is our opinion that the filling in of blank spaces in mortgages, bills of sale, deeds, satisfactions, etcetera, does not constitute the practice of law. If, however, special provisions are written into any of these documents which might become the subject of legal interpretation, or any contracts, agreements, or wills are prepared by the bank or its officers, such act might subject you to the provisions of this law, in addition to any civil liability which you might incur by reason of mistakes in the preparation of documents.

"The Bar Association has a special committee investigating complaints on the unlawful practice of law, and our advice is that any time your customers insist upon service of this kind, you advise them that you are prohibited by law from performing such service."

North Dakota News

A. A. McMASTER has resigned as cashier of the Peoples State Bank, Westhope. W. T. Munn, formerly president, is now president and cashier of the institution; and Wm. Munn, Jr., has accepted a position as assistant cashier.

KENNETH WISHART has been elected president of the Farmers and Merchants State Bank, of Tolna, succeeding Henry Deehr, who has resigned.

THE FARMERS AND MERCHANTS State Bank, of Tolna, has amended its Articles of Incorporation and reduced

the number on its board of directors from seven to three.

THE FARMERS STATE Bank of Great Bend, has discontinued accepting deposits and gone into voluntary liquidation.

Group Meetings

F. O. Healy, Glenburn, was elected president of the Northwest district group at the recent meeting in Minot. A. H. Makee, of Noona, was named vice president; R. S. Loberg, of Minot, secretary, and Frank T. Merrell, of Minot, member of the state nominating committee.

Resolutions adopted opposed guaranteeing of bank deposits, restricting of bank officers from acting as directors of other corporations, and forbidding bank officers to sell insurance "as these clauses appear in the Glass bill."

The bankers also opposed liberalization of postal savings activities, demanded reduction in present interest rates paid on postal savings deposits, and opposed a proposal for referring of a law making appropriations for the state highway department operation.

Another resolution paid tribute to the memory of the late James Johnson, pioneer Minot banker, who died a few months ago.

Missouri Slope bankers selected Mandan as their 1934 meeting place at the annual convention of the slope division

of the North Dakota Bankers' association at Beach.

Nearly a hundred bankers from all sections of southwestern North Dakota attended the convention. Sessions opened at 10 a. m. and continued throughout the day.

T. A. Tollefson, Dickinson, president of the state association, presided over the meeting and occupied a prominent place in the speaking program of the day. W. F. Cushing, editor of the Beach Advance, made the address of welcome opening the sessions and Tollefson responded.

C. C. Wattam, secretary of the association, outlined his experiences in connection with the legislature at Bismarck early this year. Other speakers included Charles Eastgate, Stark county agent; George W. Thorpe, association attorney; Paul Mann, Dickinson, vice president of the association; R. W. Putnam, Minneapolis, and B. E. Groom, Fargo, agricultural chairman of the Greater North Dakota association.

M. T. Barger, Linton, was named president for the year at the annual election and A. R. Weinhandl, Mandan, was named vice president. Other officers include H. E. Wildfang, Sterling, secretary; J. J. Fischer, Linton, treasurer, and John C. Fisher, Glen Ullin, delegate to the state nominating committee.

Former Banker Dies

Irving C. Gaylord, 72, formerly vice president of the Lincoln Trust Company, New York, which now is merged with the Chase National Bank, and treasurer of the American Missionary Association, died recently in the Agnes LeRoy Memorial Hospital.

Gaylord was born in St. Croix Falls, Wis., December 13, 1860, the son of Augustus Gaylord who was adjutant general of the state of Wisconsin during the Civil War.

He began his banking career in 1871 when he established a bank in the frontier prairie town of Sheldon, N. D.

Sarcasm

A collector of scrap-iron was trundling his well-filled barrow along the middle of a very narrow road.

Presently a very ancient-looking motor car came up behind him, and the driver tooted his horn to indicate that he wanted to pass.

The collector ignored the request and continued to occupy the middle of the road.

After a while the driver of the car began to lose his temper.

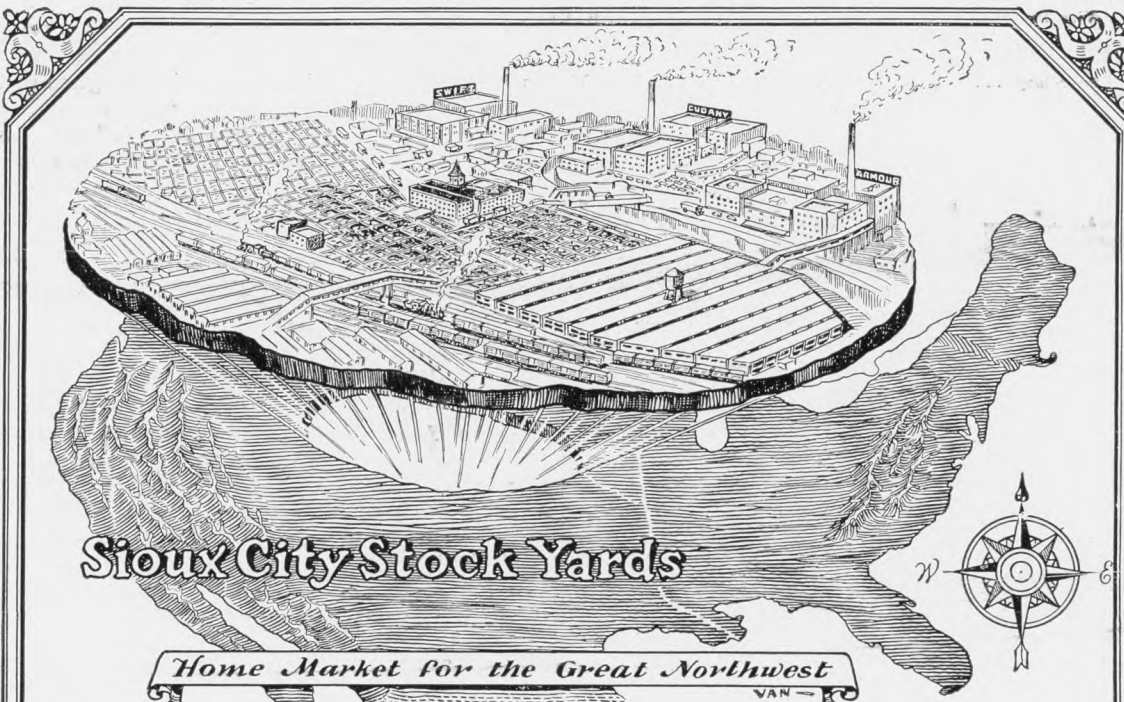
"Hi, you!" he shouted. "Didn't you hear me blow my horn?"

"All right, gov'nor," said the scrap-iron merchant, "don't be in such a hurry. I'll call around and collect the car tomorrow."

North Dakota Annual Convention

Valley City

June 23 and 24



Sioux City Stock Yards

Home Market for the Great Northwest

For half of a Century this market has provided a reliable Cash Outlet for the live stock producers of the Northwest.

Play safe - - ship to a Public Market where prices are established by competitive bidding.

Sioux City Stock Yards



FRED J. FIGGE
President

Iowa Bank News

Officers Iowa Bankers Association

President.....Fred J. Figge
Ossian
Vice President....Robt. W. Turner
Council Bluffs
Treasurer.....B. D. Helscher
Sigourney
Secretary.....Frank Warner
Des Moines



FRANK WARNER
Secretary

Opens in Sioux City

Hubert H. Everist, of Sioux City, president of the Western Asphalt Paving Corporation, was elected president of the new Security National Bank at a meeting of the institution's directors.

Paul Bekins, vice president of the Bekins Van and Storage Company, was elected vice president; C. R. Gossett, former vice president and more recently conservator of the Security Bank under federal restrictions, executive vice president, and Delko Bloom, assistant vice president.

The board of directors includes Francis K. Lytle, Howard V. Martin, Leonard R. Manley, Edward M. Corbett, Edward C. Palmer, Harry P. Pratt, William M. MacFarlane, George Booth, Bekins, Gossett and Everist.

Within half an hour after the reorganized Security National Bank opened on May 31st, new deposits reached the \$150,000 mark, according to Cashier C. R. Gossett.

The gain continued during the day, with withdrawals confined to persons hard pressed for cash after the three-month closing, according to the bank's officials.

Cashier Resigns

E. A. Wimmer resigned his position as cashier of the Peoples Savings Bank, of Crawfordsville, effective May 1st, and K. A. Coates, cashier of the Wyman Savings Bank, Wyman, Iowa, for the past four years, was elected to the position. Mr. Coates is now acting as cashier of both the Crawfordsville and Wyman banks. Mr. Wimmer's future plans have not yet been made public.

Increases Capital

Stockholders of the Central National Bank and The ... Des Moines, have ... stock

the bank might con-
pt new deposits under federal
national banks.

the law permits a bank to accept de-
posits up to the amount of twenty times

its combined capital and surplus. The bank had combined capital and surplus of \$500,000 and deposits of more than \$10,000,000.

The stock will be issued immediately, Mr. Pherrin said, and stockholders will be privileged to buy four-fifths of the amount they now hold. The rest, if there is any, will be offered to the public.

New Bank

The Security State Bank has been organized at Hartley with the following directors until the first annual meeting: C. W. Green, Sutherland, Iowa; W. F. Thompson, Spirit Lake, Iowa; W. A. Hamilton, Hartley, Iowa; C. W. Lynn, Sutherland, Iowa; Ernest McDowell, Hartley, Iowa.

The following are officers:

President, Ernest McDowell, Hartley; vice president, C. W. Lynn, Sutherland; assistant cashier, Frances Parker, Hartley, Iowa.

Candidate for A. B. A. Council

Robert W. Turner, president of the City National Bank of Council Bluffs, is a candidate for the executive council of

the American Bankers Association. In accordance with the custom of past years the A. B. A. members in Iowa will elect during and at the time of the convention of the Iowa Bankers Association one of their members to represent them on the executive council of the A. B. A. Mr. Turner's friends urged him to become a candidate for a vacancy occurring a year ago, but he at that time declined to be an active candidate against a warm personal friend of his who was then elected. Mr. Turner's candidacy is the only one so far for the above position. He is well known to bankers throughout Iowa. He has been a member of the American Bankers Association for many years and active in its respective state committee work, not to speak of his many years' activity in the work of the Iowa Bankers Association.

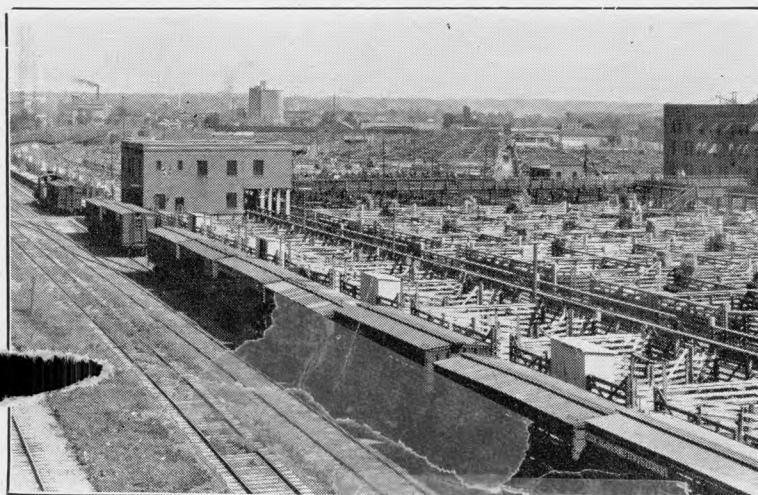
Change at Kiron

W. J. Sandberg, who has served for over 33 years as cashier of the Kiron State Bank, tendered his resignation, effective May 15, 1933. This resignation was due to ill health. C. E. Dahl, former assistant cashier, was made cashier to fill the vacancy. He has been with the bank a number of years and previously was connected with the Peoples State Bank, North Branch, Minnesota.

New In Colfax

The name of the new bank at Colfax is First National Bank of Colfax. The bank opened May 20th and assumes 75 per cent of the deposits and liabilities of the First National Bank, Colfax. Officers are Dr. F. E. Boyd, president; F. M. Gagle, vice president, and H. E. Bell, cashier.

Mr. Bell said no difficulty was experienced in getting waivers signed as the spirit of the depositors was always the best. He said the main thing is to let



THE STOCK YARDS AT SIOUX CITY

the depositors know what you are doing and they will cooperate with you.

Ninety-five per cent of the depositors signed waivers and practically all of them were signed in the bank across the counter. Deposits increased \$30,000 the first four days the bank was open.

Merge Three Banks

The work of consolidating the National and State Banks of McGregor and the Savings Bank of Marquette into one bank has been completed and the new bank, known as the First State Savings Bank, is open for business in the National Bank building in McGregor, according to F. S. Richards, president.

The National Bank and the State Bank

have surrendered their charters and the merger of the three banks has been made under charter of the Marquette bank. The merger has been supervised and approved by the state banking department and a depositors' committee of five McGregor business men.

Charter Granted

A charter for the National Bank of Waterloo has been granted by the office of the comptroller of the currency, Washington, D. C.

Granting the charter was announced by the comptroller's office and by Congressman A. C. Willford, who conducted the negotiations.

The charter names as president of the

bank James M. Graham, president of James Black Dry Goods Company; Rodney P. Lien, assistant to W. C. Pyle, receiver of the Commercial National and Pioneer National Banks, will be vice president, and Charles S. McKinstry, formerly assistant cashier of the Commercial National Bank, cashier. Other positions in the bank will be filled by selection of the officers and members of the board of directors.

The complete list of members of the board of directors is as follows: J. E. Armstrong, C. W. Chapman, James M. Graham, Allen H. Head, W. H. Langlas, Rodney P. Lien, A. L. Lommel, John W. Rath, Harry Shaw, Horace Van Metre and Henry C. Wurster.

Granting of the charter approves the selection of the First National building in the quarters formerly occupied by the Commercial National Bank, as the site of the National Bank of Waterloo.

Enters Bank

Miss Josephine Steckel, of Bloomfield, for the past three years a member of the Bloomfield high school faculty, recently announced her resignation from the local teaching staff to become associated with the Exchange Bank, of which her father, W. J. Steckel, is president.

Reduces Capital

The First Trust and Savings Bank of Merville has filed an amendment to its articles of incorporation with the county recorder reducing its capitalization from \$40,000 to \$25,000. The amendment was signed by Charles W. Logan, chairman, and D. E. Wilkins, secretary of the board of directors. Besides Mr. Logan the board of directors consists of G. C. Sanborn, F. W. Johnson, R. E. Hess, W. L. Sanborn, J. C. Larkin and Gust Zollmer.

Cashier Resigns

A. S. Andresen, who for a number of years had been the cashier of the Citizens Savings Bank of Ossian, has resigned, accepting a position with the State Banking Department of Iowa. He was appointed conservator of banks at Ottumwa and Fairfield and has already assumed his new duties.

Cashier in Clinton

L. J. Derflinger, former first vice president of the Cedar Rapids Bank and Trust Company, who was cashier of the

Mr. Derflinger has a wealth of banking experience and entered the employ of the Cedar Rapids institution twenty-five years ago and during the intervening period having been



**The Omaha
National Bank**
Complete Banking Service

advanced to the high office held to the time his resignation was announced. He had been cashier since 1920.

He was active in the Cedar Rapids Clearing House Association and had been its secretary a number of years. He also was prominent in Cedar Rapids civic enterprises.

W. S. Baird Dies

W. S. Baird, 69, trust officer of the State Savings Bank of Council Bluffs, and former state senator from Pottawattamie county, died at his home recently. He had been ill several weeks.

Mr. Baird was a member of the thirty-ninth to forty-fourth sessions of the general assembly and formerly was chairman of the senate ways and means committee.

Iowa Falls State

At a meeting of the stockholders of the new Iowa Falls State Bank, the following directors were chosen: I. A. Nichols, W. A. Middleton, D. W. Repp, W. E. Welden, Dr. R. M. Smith, J. W. Capwell, A. C. Thornburg. Following the stockholders' meeting, the new board organized and elected the following officers for the bank: President, Dr. R. M. Smith; vice president, W. A. Middleton; cashier, A. C. Thornburg; assistant cashier, L. L. Winterfield.

The new bank is capitalized at \$25,000, with a \$5,000 surplus.

Prospects Good

An optimistic note was sounded by James F. Toy, prominent Sioux City banker, in a talk before members of the Greater Sioux City committee at a recent regular weekly luncheon meeting.

Mr. Toy was particularly enthusiastic about the prospects for an early return of prosperity in Iowa and the middle west generally. He said the gradual and consistent advance in the price of farm commodities during the last two months was one of the brightest signs on the horizon.

Mr. Toy said that Iowa had the most fertile land in America and that if, with returning high prices for farm products, the farmers could not make money it would be impossible for them to make money anywhere.

Two Banks Open

The Capital City State Bank and the Home Savings Bank, both in Des Moines, opened June 1st under a waiver plan which frees them from restrictions of Senate File 111, D. W. Bates, deputy state superintendent of banking, announced.

Mr. Bates said his department had completed checking the deposit waivers signed by the required 75 per cent of the depositors of both banks.

Officers of the two banks said that aug-

mented staffs had been at work for some days and that they would obtain the bank's release June 1st.

Vice President

Andrew J. Huglin, former Des Moines banker, who has been acting as assistant receiver of the Diamond National Bank, Pittsburgh, Pennsylvania, has been named vice president of the newly organized Pitt National Bank in that city.

Mr. Huglin resigned as vice president of the Iowa-Des Moines National Bank and Trust Company in February, 1932, to become first vice president of the Diamond National Bank.

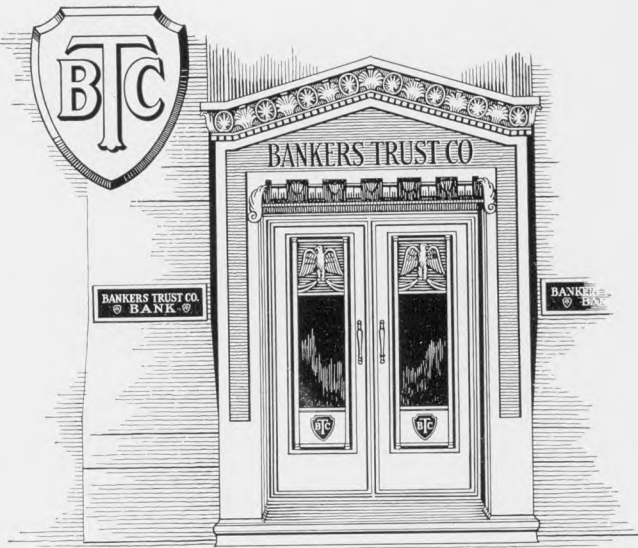
Promoted

Carl Mesmer, former assistant vice president of the Bankers Trust Company, Des Moines, was elected vice president at the annual meeting of directors.

Other officers, including B. F. Kauffman, president; B. B. Vorse, Scott Pidgeon and L. B. Bartholomew, vice presidents; C. H. Stephenson, cashier; and F. S. Lockwood, secretary, were re-elected.


Changes Jobs

J. F. Wheeler, cashier of the First State Bank at Conrad, has resigned his position with the bank to accept a position as appraiser for the Joint Stock Land Bank of



AS we rejoice in the improved business outlook, we are fully prepared to meet the wider service and increased responsibility that will be required of us.

BANKERS TRUST CO. BANK



MEMBER
FEDERAL RESERVE
SYSTEM

CORNER 6th AND LOCUST STS., DES MOINES

CAPITAL \$1,000,000 SURPLUS \$200,000

DIRECTORS

<p>L. B. BARTHOLOMEW <i>Vice Pres.-Trust Officer</i></p> <p>PAUL BEER <i>President, The Flynn Dairy Co.</i></p> <p>DR. O. J. FAY <i>Surgeon</i></p> <p>HENRY FRANKEL <i>Treas., Younker Bros.</i></p> <p>J. G. GAMBLE <i>Attorney</i></p>	<p>J. W. HOWELL <i>Vice President, Warfield-Pratt-Howell Co.</i></p> <p>F. W. HUBBELL <i>Vice Pres.-Treas., Equitable Life Ins. Company of Iowa</i></p> <p>J. W. HUBBELL <i>Vice President, F. M. Hubbell Son & Co.</i></p>	<p>B. F. KAUFFMAN <i>President</i></p> <p>L. B. MAYTAG <i>Capitalist</i></p> <p>S. L. SHEUERMAN <i>President, Sheuerman Brothers, Inc.</i></p> <p>B. B. VORSE <i>Vice President</i></p>
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Chicago. Mr. Wheeler severed his connections with the Conrad bank and assumed his new duties on May 15th.

Mr. Wheeler has been in the banking business in Conrad many years. He was one of the organizers of the First National Bank at Conrad about twenty years ago and held the position of president in that bank until it was merged with the Conrad State two years ago to organize the First State Bank.

B. F. Kauffman Presidential Candidate

The bankers of group 6, in their annual meeting held in Des Moines on

Thursday, May 25, 1933, endorsed B. F. Kauffman, president of the Bankers Trust Company, Des Moines, for president of the Iowa Bankers Association. For many years Mr. Kauffman has been well known among the bankers throughout this state. He was a member of the Iowa Loan Committee of the War Finance Corporation more than 10 years ago. He was a member of the Iowa Loan Committee and helped set up and carry forward the work of the National Credit Corporation in the fall and winter of 1932. Later he became a member of the Iowa Loan Committee of the Reconstruction Finance Corporation, which position he still holds.

In addition to all these position relat-

ing to organizations designed to relieve the stress upon banking, he has served for the past two years as chairman of the Committee on Banking and Agricultural Credit Facilities of the Iowa Bankers Association. The work of the foregoing has carried him many times into every group in the state and many bankers will recall the vigorous, forceful and courag-



B. F. KAUFFMAN

Greetings to Iowa Bankers

*We extend to you and yours a
heartly welcome*

Please feel free to make our offices your
headquarters during your stay in Sioux City

The Toy National Bank

Sioux City, Iowa

Sound, Conservative Banking Since 1873

H. H. Epperson, President

Frank E. Scott, Vice President

A. J. Bertelsen, Cashier

Directors—R. E. Siman, D. S. Prusiner

Morningside Savings Bank

Sioux City, Iowa

**We shall be glad to welcome you to Sioux City at the Iowa
Bankers Association Convention, June 19-21**

ous addresses he has given while battling for basic principles that would perpetuate equity and the right to live among all classes of banks. In him the average Iowa banker will again find a true champion for any general problems that may perplex him. He, as chairman of the above committee, has had a very active and leading part in the reorganization and rehabilitation work that the Iowa Bankers Association has endeavored to carry on in the interest of its members throughout the past two years. Mr. Kauffman, if chosen president of the bankers association of this state, will carry with him a most comprehensive appreciation of the economic and financial problems of business and farming with which those interests have during the past few years been wrestling. The last Des Moines banker to serve as president of the Iowa Bankers Association was elected in 1915.

County Meeting

The Jones County Bankers Association met at Morley recently.

A four course banquet was served at 7:30 p. m., at which 24 officers and directors were present. Five banks of the county were represented.

A business meeting followed the ban-

quiet and the following officers were elected: H. M. Carpenter, Jr., cashier of Monticello State Bank, was re-elected president; P. B. Daly, president of Amber Savings Bank, elected vice president; J. R. Ramey, assistant cashier of Onslow Savings Bank, elected treasurer, and L. D. Murfield, cashier of Jones County Savings Bank, re-elected secretary.

Service Charges

Urging its members to install "new and broader schedules" of service charges for banking facilities, the Iowa Bankers Association recently sent its affiliates a list of rates which it believes to be equitable.

"It is important these days that every means for producing bank revenue shall be explored and employed to its fullest reasonable capacity," the bulletin said, in suggesting that "every bank in Iowa which does not have a schedule of 'service charges' as broad as those listed . . . take up the matter at their next meeting looking toward the early adoption of some such schedule or the revision of their old schedule so as to conform."

The rates as outlined by the association were principally to charge a service fee on checking accounts based on charges now demanded by the state banking department from institutions under its supervision.

Candidate for I. B. A. Treasurer

Everything points to Clarence S. Rye, cashier of the Manly State Bank, as the next treasurer of the Iowa Bankers Association. Mr. Rye was endorsed by his Group, which is Group Three, at their meeting a year ago for that position and it was the spirit of true sportsmanship that he stepped aside last year and supported his good friend, B. D. Helscher,

vice president of the Keokuk County State Bank, Sigourney, the present treasurer of the Iowa Bankers Association.

Mr. Rye has been a worker in the ranks of the Iowa Bankers Association for years and for the past three years has served as chairman of its Agricultural Committee. His group and state work in the Iowa Bankers Association has given him a wide acquaintance among bankers throughout the state and among them he is most highly regarded.

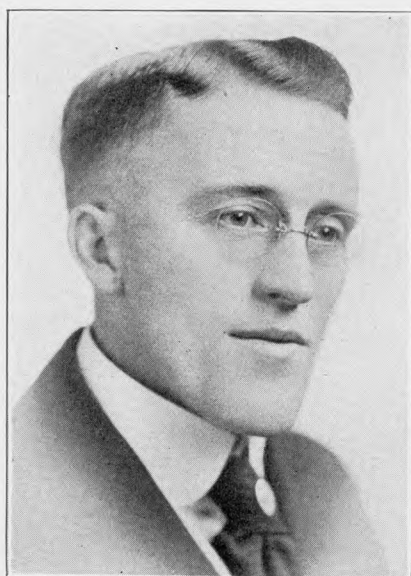
It is anticipated that Mr. Rye's election may be without competition in view of his many years of service in the Iowa Bankers Association work.

Banks Released

Banks released from under the restrictions of the state emergency bank stabilization law now (May 19th), number 287, records of the state banking department showed.

This number includes banks released unconditionally to resume normal operations and those which have gone on waiver plans under the provisions of the new uniform bank reorganization law.

Twenty-one banks were released from the stabilization law, S. F. 111, in the first half of May, four unconditionally and the remainder to go on reorganization plans.



C. S. RYE

A CONNECTION with
the CENTRAL NA-
TIONAL gives you the benefit
of the resources and facilities
of an institution adequately
equipped to meet every de-
mand of modern banking.



GRANT McPHERRIN
President

LELAND WINDSOR
Vice President

LYNN FULLER
Vice Pres. and Cashier

The Old Reliable
CENTRAL NATIONAL
BANK & TRUST COMPANY

Fifth Ave. Between Walnut and Locust
Des Moines, Iowa

The banks released unconditionally in this number included the First State of Fredericksburg, Gillett Grove Savings Bank of Gillett Grove, the Mingo Trust and Savings of Mingo, and the Titonka Savings of Titonka.

Others released to go under the reorganization plans included the Breda Savings Bank of Breda, Cedar Falls Trust and Savings of Cedar Falls, First Security Bank and Trust Company of Charles City, Exchange State of Collins, Dixon Savings Bank of Dixon.

Security Savings of Eagle Grove, Farmers Savings of Garber, Farmers State of Garber, Farmers State of Lake View, Onawa State of Onawa, the Citizens Savings

and the Sac City State of Sac City, the Valley Junction Savings of Valley Junction, and the Walnut State of Walnut.

Also released were the Farmers State and the Monona State of Monona, which consolidated and organized a new bank, the Union State Bank of Monona.

Study Farm Loans

Officers and executive committeemen of national farm loan associations of Iowa, Nebraska, South Dakota and Wyoming met in Sioux City recently, to study the new farm mortgage refinancing act and prepare for action on President Roosevelt's "new deal" to relieve agriculture.

The group represents 440 national farm loan associations whose outstanding loans total \$170,000,000.

Under the new federal law, these associations are to trim excessive farm debts, consolidate the old obligations into a new loan and give the farmer 10 years to pay. This procedure will involve 30,000 borrowers in the four states.

New Position

O. M. Chaney, who has been in charge of the affairs of the defunct First National Bank of Coin most of the time since it closed as assistant to C. S. Foster, receiver, has resigned to accept a position as field man for the Federal Reserve Bank of Chicago.

Named Cashier

Miss Rita Patterson has been elected cashier of the First State Bank at Conrad to succeed J. F. Wheeler, who recently resigned. Miss Patterson is the second woman bank cashier in Grundy county. Miss Freda Boldt has been cashier of the Farmers Savings Bank at Holland for several years.

Miss Patterson was formerly assistant cashier in the Conrad bank. She had a number of years of banking experience before coming to Conrad.

Summer Home

Norman Shaffer, a vice president of the Continental Illinois National Bank and Trust Company, Chicago, has purchased 80 acres of land three-quarters of a mile east of Altoona on Highway No. 6, and will erect a summer home there. The tract is at the southwest corner of the intersection.

Mr. Shaffer is a son of L. A. Shaffer, veteran Polk county banker and president of the Shaffer State Bank in Altoona.

County Meeting

The Johnson County Bankers Association held annual election recently at a meeting held at the First Capital State Bank at Iowa City. J. E. Ashton, cashier of the Farmers and Merchants Savings Bank of Lone Tree, was elected president of the association; A. F. Droll, cashier of the Hills Savings Bank, vice president; F. L. Schweitzer, assistant cashier of the First Trust and Savings Bank of Oxford, secretary, and O. E. Markitan, cashier of the Solon State Bank, treasurer.

Harlan Merger

Harlan's two strong state banks, Shelby County State Bank and Farmers & Merchants Savings Bank and the Kirkman Savings Bank, have been merged into one institution, called The Shelby County State Bank.

The new bank will carry on its business



With the changing years this institution expands its services and keeps modern its methods. But it does not change its concept of banking, its full acceptance of the trust obligation. It remains as always, ready to do for its customers everything that is consistent with sound banking.

If we can serve you in Chicago your inquiries are respectfully invited.

THE NORTHERN TRUST COMPANY

Northwest Corner La Salle and Monroe Streets
Chicago



Northwestern Banker June 1933



in the structure heretofore occupied by the Farmers & Merchants Savings Bank.

In the merging of these three banks into one, there will not be many changes in personnel from that of the two Harlan institutions involved.

The officers of the new bank are: H. P. Dowling, president; A. C. Clapp, vice president; G. K. Swift, cashier; F. F. Wunder, assistant cashier. The bank is organized under the charter granted the Farmers & Merchants Savings Bank, and will operate under that charter, except that the name of the institution is altered to The Shelby County State Bank. The directorate of the bank comprises H. P. Dowling, A. C. Clapp, J. P. Hertert, Hans Brodersen and R. D. Prouty.

Renew Charter

County recorder A. L. Nelson announced recently that the Farmers State Bank at Ellsworth has had its charter renewed by the state banking department for another 20 years. The former charter expired April 24th. It is considered rather complimentary to a bank to get its charter renewed at this time, Mr. Nelson said.

Slim Pickings

Thieves broke into the First State Bank at Brunsville recently and stole a few nickles and pennies that had been left in the machine for making change on the counter. They effected an entrance by breaking out a window glass and unhooking the catch so they could raise the window sash. They also took a shotgun belonging to Cashier Harms, which was found a day or two later in about two feet of water in the Floyd river. No attempt was made to enter the vault or tamper with the safe.

The robbery bore every evidence of being the work of local talent. The dollar or so of small change doubtless attracted their attention and the shotgun was the only other thing of value on which they could lay their hands.

Obtain Building

Judge Oscar Hale, Burlington, recently approved a petition for a three-year lease of the American Savings Bank building by the new First National Bank and ordered the receiver to enter into the lease as submitted in the petition by the state banking department. Announcement was made that the new bank will probably be started about June 1st.

Work of securing supplies will be rushed and the new bank should be in operation shortly. A. J. Benner is president, A. C. Clapp, vice president, and H. P. Dowling, cashier. The board of directors consists of H. P. Dowling, H. D. Witte, Jr., A. J. Benner, Sam Strause, G. D. Parker and Mortimer Good-

OFFICERS

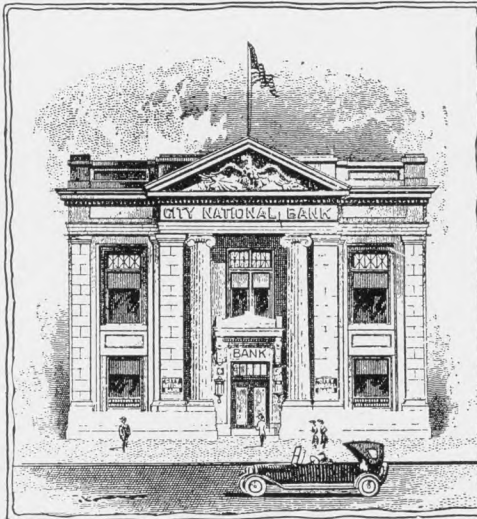
W. A. ANDERSON
President

MILO J. GABRIEL
Vice President

O. P. PETTY
Vice President and
Trust Officer

H. G. KRAMER
Vice President

A. R. THURN
Vice President



OFFICERS

J. H. NISSEN
Cashier & Assistant
Trust Officer

M. E. McCRABB
Assistant Cashier

E. JOHANNSEN
Assistant Cashier

H. M. OLNEY
Assistant Cashier

F. E. CONOVER
Assistant Cashier

F. H. HAMANN
Assistant Cashier

R. A. W. LATIMER
Auditor

Clinton County's Largest Bank

"Every Consideration"

The City National Bank offers an institution large enough to inspire the confidence of its customers, but not too large to give every consideration to the interests of every correspondent.

Write to us about any phase of banking service in which you may be interested.

THE CITY NATIONAL BANK

CLINTON, IOWA

Assets Over \$9,000,000.00

DIRECTORS

W. A. ANDERSON
President
C. A. ARMSTRONG
President C. F. Curtis
Company, Inc.
A. A. BENTLEY
President
Fidelity Life Association
A. P. BRYANT
Vice President
Clinton Corn Syrup
Refining Co.
O. D. COLLIS
President The Collis Co.
W. H. ITEN
Iten Bros.

E. J. CURTIS
Vice President Curtis Bros.
& Co.
G. L. CURTIS
President Curtis Companies,
Inc.
G. W. DULANY, JR.
President Eclipse Lumber
Co.
Chairman Climax Engineer-
ing Co.
MILO J. GABRIEL
Vice President
President Gabriel Lumber
& Fuel Co.
B. M. JACOBSEN
Congressman Second Iowa
District

E. L. MILLER
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J. PETERSON
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Vice President
H. W. SEAMAN
J. O. SHAFF
Farmer and Live Stock
Dealer
F. H. VAN ALLEN
President J. D. Van Allen
& Son, Inc.
E. J. WARD
General
B. M. JACOBSEN
G. E. WILSON
Pres. Clinton Bridge Works

win. Mr. Goodwyn will be cashier and the rest of the bank personnel will be named soon.

New Cashier

Frank Verbest of Rock Island was named cashier of the Union Savings Bank at Grand Mound at a recent meeting of the board of directors.

Until recently Mr. Verbest was connected with a bank in the Illinois city and comes to Grand Mound highly recommended. He plans to move to Grand Mound as soon as possible.

H. A. Grumstrup, whose resignation as cashier was accepted, will return to Clinton, his former home.

With Jackley-Wiedman

Marshall J. Barlow, formerly with A. B. Leach & Company, is associated with Jackley-Wiedman & Company, Des Moines bond house, as of June 1st, Winfield C. Jackley, president, has announced. Mr. Barlow is widely known in Iowa investment circles.

Iowa representatives of Jackley-Wiedman & Company are now maintained in Cedar Rapids, Chariton, Mason City and Washington, Mr. Jackley announced.

A Revolution

America is set for a revolution in home building, according to Joseph B. Mason, editor of a leading building magazine.

"Three primary factors are combining to bring in the revolution," says Mr. Mason. "First, there is a housing shortage estimated at approximately 500,000 family units.

"Second, jerry-built houses erected in the post-war period have created a public antipathy toward flimsy construction methods.

"Third, the growing interest in modern architectural design, which will be amplified and given concrete form at the Century of Progress Exposition at Chicago, is creating a public demand for new forms, new materials and better usage of old materials.

"While it is not expected that the country, as a whole, will embrace extreme architectural treatment, there is definite evidence that there will be insistence on fire-safety, permanence, convenience, comfort and good looks.

"The incoming revolution means the end of shoddy, fast-depreciating houses, of family fire-traps and of excessive costs in construction and maintenance. Strict economy is essential in the New Home; simplicity in construction and design will follow almost inevitably. Architects and builders are ready to demonstrate that the demand can be met, and in homes of enduring charm."

A Postal Savings Plan

Walter Oby, member of the Council of Administration of the Minnesota Bankers Association, and president of the Detroit State Bank of Detroit Lakes, recently offered the following suggestions for a better handling of the postal savings system:

"Up to 1920-21 the postal savings system was generally recognized as serving the industrial centers where labor of foreign extraction made use of the service. Today the original intent of its function has changed to be the hoarding pit for millions upon millions of cash reserves drawn from banks of the country. Cash that has been withdrawn from banks is not in current use. These funds are more or less the accumulation of our people invested through the medium of savings or C. D. accounts, and it is this unprecedented raid upon the reserves that support our whole bank deposit structure, and the fear of further withdrawals which it has inspired in the hearts of the bankers, and this has compelled bank credit deflation on a huge scale.

"This forced contraction of bank credit has destroyed purchasing power, paralyzed business, created unemployment, destroyed values, dried up the stream of private profit and...

"The system has drawn... ties over the northwest to re... ural channels there would be but little need for the government absorbing the

Your Bank Has a Duty to Perform in Restoring Confidence and Courage



The New Deal Billboard

Portraits of President, Vice President and all Cabinet Members. Biography of each on the reverse side.

Printed in four colors. Brilliant, Interesting.

Buys seven square feet of the best advertising space available anywhere for one-fourth of a cent a day.

Calendar pad may begin with any month. Available for immediate distribution.

WRITE TODAY

THE GERLACH-BARKLOW CO.
JOLIET, ILLINOIS

We want to see sample and price in quantity of..... of the New Deal Billboard.

Name
Bank
Town
State

bank chattel loans, and banks could carry this ordinary liquid paper.

"This picture would therefore indicate that the postal savings system is in direct competition with banks. On the one hand the government offers its bills as low as $\frac{3}{4}$ per cent and banks of the country are expected to absorb them, while on the other hand they pay a private depositor in postal savings 2 per cent, and these are the very funds the economic life of the community requires for short and long term financing.

To abolish the postal savings system entirely may be impractical and it may be too far reaching for the banking fraternity to attempt, but the situation can be improved of which the following is an outline:

"First. That Congress pass a law discontinuing payment of interest entirely on funds deposited with the postal savings system.

"Second. Discourage instead of encourage the practice of using postal savings as receiving stations where adequate banking facilities are available.

"Third. The postal savings system shall designate a bank or banks in the community where the funds originate, and if there is no bank in the town of the receiving station then at the nearest banking point.

"Fourth. There shall be no discrimination in favor of national as against state chartered banks, so long as the bank or banks qualify with proper collateral. In towns where two or more banks exist, funds are to be divided equally among the banks that qualify.

"Fifth. Depository banks shall pay the postal system a rate of 1 per cent per annum computed semi-annually the same as now and shall furnish collateral the same as now.

"Sixth. Of the interest thus received by the system sufficient shall be retained by it to maintain itself, $\frac{1}{2}$ per cent if that covers the expense of conducting the business, and the balance transferred to the general fund of the treasury.

Effects and Results

"First. It will result in deposit funds reverting back to normal channels. A strong tendency to overcome present government competition in banking and enable banks paying 4 per cent to adjust their rate to 3 per cent; now impossible when the United States post office pays 2 per cent.

"Second. This would overcome the present trend of the public doing their banking at the post office instead of at the bank, which contributes towards taxes and possess no free franking privileges.

"Third. Funds must be re-deposited where they originate, thus the banks will show this added deposit, which might be designated as 'postal savings deposits' in published reports, while on the resource side it would show added prime securities,

thus adding confidence to the bank. The earnings on these securities over 1 per cent paid as interest will be a wonderful help to the bank in sustaining itself in the community—country banks need this. We must help instead of drain the rural bank.

"Fourth. Banks not members of the Federal Reserve must be given equal consideration with member banks; one is as safe as the other, moreover, the same class of collateral will protect the funds. In towns with two or more banks, treat them alike, if they qualify with collateral. The state, counties and most cities do this.

"Fifth. The system receiving one per cent is $\frac{1}{2}$ per cent more than it now nets,

while the bank obtains a wider margin badly needed to offset services performed for the government without pay (Federal check tax, handling applications for regional loans).

"Sixth. Should result in new source of revenue to the government not now available.

"This plan will not deprive a depositor from leaving his currency with the government for safekeeping. The government should not pay interest on such funds as then it competes with banks. The government, like its citizens, needs banks and this plan should be put through as one measure to stabilize and help to maintain them."



Convention Time Again!

and this year's Iowa Convention will be the most important and the most interesting ever held.

We especially appreciate the opportunity afforded by the 1933 Meeting to renew old and make new acquaintances in Iowa. The Drovers will be well represented. We look forward to seeing you there.



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

1933-Century of Progress Exposition in Chicago

Safe Investment

"A well-constructed and properly designed house still is the safest investment in America," says N. Max Dunning, Fellow, American Institute of Architects, of Chicago. "Home ownership, however, cannot be of lasting benefit unless the investment is based on sound value."

Mr. Dunning is the chairman of the "How to Judge a House" committee of the National Committee on Wood Utilization, United States Department of Commerce. A publication under this title has been issued for the benefit of the prospective home buyer, pointing out the details of construction and design, a knowledge of

which will enable the nontechnical prospective purchaser to determine the value of his purchase.

The average man, the bulletin states, often has difficulty in checking up on building materials and their application. If the framework or the foundation are of poor construction, costly repair work will follow. The bulletin also shows how to avoid extravagance, thereby securing the lowest possible rental values.

"The American public is more critical of values today than ever before," says Mr. Dunning, "and this booklet will encourage good building practices to cater to public needs."

"How to Judge a House" is an 85-page illustrated bulletin, which may be secured at a cost of 10c a copy from the Superintendent of Documents, Washington, D. C., or any of the district offices of the Bureau of Foreign and Domestic Commerce, located in the principal cities.

Greetings, Iowa Bankers

The new Security National Bank of Sioux City is now open for business. Officials of the new institution are:

President, Hubert H. Everist
(President, Western Asphalt Paving Corporation)
Executive Vice President and Cashier, C. R. Gossett Vice President, Paul Bekins
Assistant Vice President, Delko Bloem
Assistant Cashiers, R. Earl Brown, A. C. Eckert, D. B. Severson, E. O. Smeby

This bank extends a cordial welcome to all Iowa bankers to attend the 1933 Iowa Bankers Convention, June 19-20, and to visit the offices of the Security National Bank.

WE LIKEWISE OFFER THE SERVICES OF
THIS BANK FOR YOUR SIOUX CITY
BUSINESS

Security National Bank

SIOUX CITY, IOWA

Francis K. Lytle
Edward M. Corbett
William W. Macfarlane
C. R. Gossett

DIRECTORS
Howard V. Martin
Edward C. Palmer
George Booth

Leonard R. Manley
Harry P. Pratt
Paul Bekins

Hubert H. Everist

THE NEW OUTLOOK

Today the people of the Nation are visualizing a new outlook for better banking and better business which lies just ahead.

The Waterloo Savings Bank, because of its improved banking methods and increased understanding of the kind and character of service desired by its customers and correspondents, is in a better and stronger position than ever to be of service to those individuals and institutions which are desirous of having an account in Waterloo.

The Waterloo Savings Bank

WATERLOO - IOWA

OFFICERS

J. E. Johnson, *Chairman of the Board*
H. G. Northey, *President* J. J. Miller, *Cashier*
R. W. Waite, *Vice President* Francis R. LaBarre, *Assistant Cashier*
Carleton Sias, *Vice President* V. Spalding Miller, *Assistant Cashier*

To Manage Branch

I. C. Jensen, assistant cashier of the Northwest Savings Bank in Mason City, will be in active charge of the bank's branch in Sheffield.

Mr. Jensen comes to Sheffield with 12 years of banking experience in Cerro Gordo county. He was for eight years affiliated with the Clear Lake State Bank and the Cerro Gordo State Bank before going to Mason City to join the Northwest Savings Bank. He has been in his present position for four years.

Changes Name

The First Capital State Bank in Iowa City will be changed to a national bank as soon as approval is given by the comptroller of the currency at Washington, D. C.

Unanimous approval was given to the resolution authorizing the directors of the bank to change the institution from a state to a national bank. The name of the bank will be changed to First Capital National Bank of Iowa City and the directors will continue unchanged.

Dies In Algona

J. W. Wadsworth, 80, last original stockholder of the Kossuth County Savings Bank, which operated in Algona more than 60 years, died recently. He formerly was a director of the Iowa state fair.

Sixty years ago, shortly after the bank was organized, he entered its employ as a teller. He later served as bookkeeper, assistant cashier, cashier, president and chairman of the board of directors.

He was a member of the Masonic lodge for 60 years.

IMPORTANT NOTICE

**Here are facts of vital importance
to every banker. Read every word
of this advertisement.**

**The Bank Daylight Hold-up Insurance problem is
serious. What are you doing to preserve YOUR
hold-up insurance?**

Rates are already prohibitive . . . in *hold-ups! Protection must fit many*
many states 1900% higher than 1927. *needs!*

Some policies have
been cancelled . . .
refusals of renewals
are imminent . . .
unless approved
hold-up protection
is installed.

Banks are being
held-up in EIGHT
DISTINCT WAYS.
Your bank can be
held-up in one or
more . . . only a
thorough analysis
can tell you how
many. Remember,
it does no good to plug one "leak" and
leave others unstopped.

*There is no magical "ONE WAY"
to protect every bank against all*

Save Your Hold-Up Insurance

See the Diebold exhibit at the
Iowa Bankers Convention . . .
Hotel Warrior . . . Sioux City
. . . June 19 and 20.

Our Protection Engineers will
be on the ground to give you
facts and information on the dan-
gers of hold-up and to explain the
Diebold Plan of Complete Bank
Hold-up Protection.

The Diebold Plan
of Bank Hold-up
Protection is com-
plete. It contains
no so-called "cure-
alls." It does offer
many optional
forms of protec-
tion . . . one or
more for every
type of attack.
Each risk to which
you are exposed
can be scientifically
matched with ap-
proved protection.

*Let Diebold protection engineers
analyze your risks and without obliga-
tion make complete protection recom-
mendations.*

DIEBOLD

SAFE & LOCK CO., Canton, Ohio

SEE OUR EXHIBIT AT THE IOWA BANKERS CONVENTION

Northwestern Banker June 1933

FRANCIS DRAKE
HOTEL



200 ROOMS \$2.00 200 BATHS
Guest rooms and kitchenette apartments 10TH STREET AT 5TH AVENUE
PER DAY AND UP Special weekly and monthly rates

MINNEAPOLIS



**Modified Rates
on All Classes
of Rooms**

400
ROOMS \$2.50
WITH
BATH from

More than 150 Rooms Priced at
\$2.50 and \$3

Omaha's largest and finest hotel,
the center of business, social
and travel activity. Excellent
food in the beautiful main din-
ing room, and popular Indian
Grill. Music by famous bands.

Operated by EPPLEY HOTELS CO.

Bankers' Wants

This department of The Northwest-
ern Banker is free to subscribers.
To non-subscribers, a charge of five
cents per word. In answering key
numbers, please enclose postage for
forwarding purposes. And remem-
ber, this service is free to subscribers.

Position Wanted—Teller or Assistant
Cashier. Young married man. Age 29.
Eleven years experience. Address the
Northwestern Banker, No. 3207. 5.

For Sale—Former equipment of the
Pioneer National Bank, Waterloo, Iowa,
such as bookkeeping machine desks, post-
ing machines, savings tub, ledger holders
and books, Kardex files, stools, bus, steel
cabinets, addressing machine, check pro-
tector, money changer, coin counter, and
other miscellaneous bank equipment. Ad-
dress the Northwestern Banker No. 3208,
or Waterloo Savings Bank, Waterloo,
Iowa. 6.

Position Wanted—Experienced Coun-
try Banker wants place as Cashier. Good
references as to character, ability and
past record. Address the Northwestern
Banker No. 3209. 6-7.

the
CURTIS HOTEL
MINNEAPOLIS

Now—
A room with private bath
\$1.50
in the city's finest hotel.



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These 50,000,000 should prove profitable to Banks

It is estimated that fifty million people will go to the World's Fair in Chicago.

This is a conservative figure when we recall that forty years ago, twenty-eight million visited the Columbian Exposition in that same city.

For five months beginning May 27, every day will see its stream of travelers starting out by train, bus, airplane or private car.

If ever people need protection for their travel funds, it is when they are on the road or in crowds.

The bank not only furnishes this protection, but makes a profit of one-half of one per cent when it influences these travelers to carry American Express Travelers Cheques.

There are several ways of bringing this profit into a bank—the friendly caution of tellers and bank officers to those with whom

they have contacts—small but consistent advertising in local newspapers—the display of signs—the enclosure of blotters in statements.

Travelers Cheque sales respond quickly to promotion because the safety of travel or vacation funds is a basic appeal to everyone.

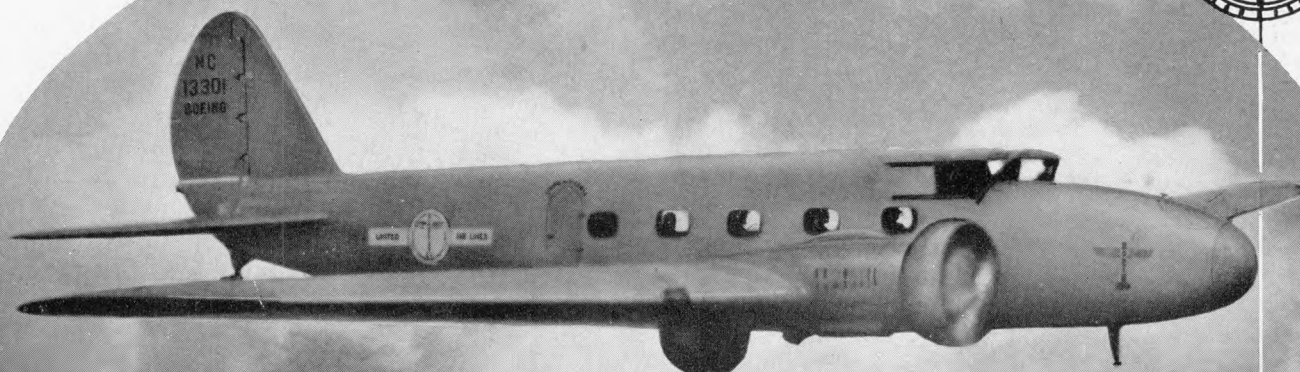
There will be many millions who go on vacations apart from the World's Fair and all are equally in need of travel fund protection.

But the fifty million who are Chicago bound, stimulated to travel by the lure of the great Exposition, provide a market which comes rarely during the Century.



Steamship tickets, hotel reservations, itineraries, cruises and tours planned and booked to any part of the world by the American Express Travel Service.

AMERICAN EXPRESS TRAVELERS CHEQUES AND TRAVEL SERVICE



FASTER SERVICE FOR CORRESPONDENTS

TWELVE HOURS to New York by air—eighteen hours to San Francisco. Our location on a trans-continental air line places us within a few hours of leading financial centers.

Nine railways operating 19 lines in and out of Des Moines, provide additional fast service facilities.

With direct banking connections in all sections of Iowa, as well as in impor-

tant cities throughout the nation, we are able to serve correspondent banks promptly and efficiently.

Transit items are cleared quickly. Skilled personnel with modern equipment is geared to give fast service on collections.

Banks and bankers are invited to make use of any or all of the complete banking services offered them by this—Iowa's Largest Bank.



IOWA-DES MOINES NATIONAL BANK & TRUST COMPANY

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NORTHWEST BANCORPORATION

