

Northwestern BANKER

DES MOINES

February, 1933

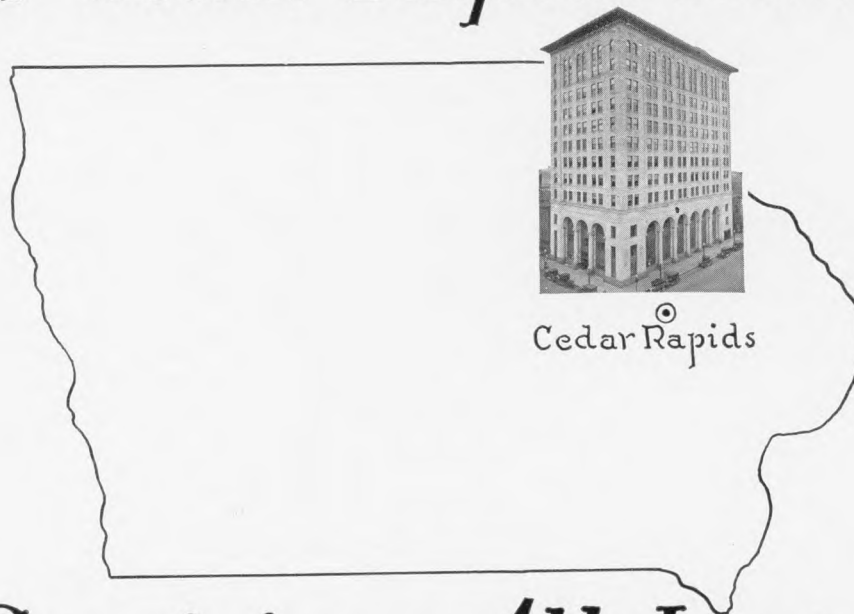
NAMED
SUPERINTENDENT OF BANKING
FOR IOWA

(See page 19)



D. W. BATES
Becomes Iowa Superintendent of
Banking on July 1

A Cedar Rapids Bank



Servicing All Iowa

CONTACTS

The contacts which the Merchants National Bank of Cedar Rapids has built up during its many years of uninterrupted service make this institution unusually well fitted to handle your Cedar Rapids items promptly and accurately.

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

Northwestern Banker

Des Moines

The Oldest Financial Journal West of the Mississippi

Number 547

FEBRUARY, 1933

38th Year

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NORTH AMERICAN BOND

Providing an Ownership in Bonds of Approximately 200 Issues

THE strength and stability which have characterized the investments of the largest institutional investors are due to two factors beyond the reach of most individual investors. These are: (1) Diversification over prime obligations; and (2) Continuous supervision. The cost of continuous supervision and of the investigations necessary to sound initial selection are prohibitive even for many institutions and other large bondholders. The capital investment required for adequate diversification is too great for the majority of bond buyers.

It is to meet this situation that NORTH AMERICAN BOND TRUST CERTIFICATES have been created. Through this single security an investor may obtain:

- 1 OWNERSHIP in bonds of approximately 200 issues, deposited in trust and held in trust in the vaults of one of the country's largest trust companies.
- 2 AN INVESTMENT in prime and selected obligations whose diversification is so broad that risk in any single corporate issue is reduced to a minimum.
- 3 SAFEGUARDS and advantages heretofore available only to the largest individual bond buyers and institutions, including supervision for the purpose of maintaining the quality of the investment for the entire life of the trust.
- 4 A SECURITY which can be converted into its cash liquidating value through the Trustee at any time in a manner and on terms fully set forth in a trust indenture.

NORTH AMERICAN BOND TRUST is not a unit type trust. Each certificate represents an interest in the entire fund and is equal in value to every other certificate of the same denomination.

TRUST CERTIFICATES

Concerning the Underlying Bonds

BONDS initially deposited were selected after more than a year of investigation and analysis during which every bond issue listed or commonly dealt in on the New York Stock Exchange and the New York Curb Exchange was examined. Bonds of 200 issues were selected from more than 2400.

- More than 80% of these bond issues are secured by mortgage.
- More than 88% of the issues represented in this list, or equally secured issues of the same companies, are represented in the combined portfolios of the six leading life insurance companies of the country.
- The industrial companies, if taken as a group, could liquidate or retire from business, dispose of their combined fixed capital assets for nothing, pay off their current liabilities and still have sufficient assets left to retire a funded debt 60% greater than is now outstanding according to latest annual reports.
- All of the corporate issues are either listed or commonly dealt in on the New York Stock Exchange or the New York Curb Exchange and are outstanding in the principal amount of at least \$5,000,000, excepting only equipment trust certificates.
- As a group these corporations do business in every state of the United States and in eight of the nine provinces of Canada. Utility operating companies whose obligations are held do business in 41 of the 48 states.
- Total funded debt of the corporations in the

list is only slightly more than 13 billion dollars as compared with total net property accounts of almost 26½ billion dollars and total assets of more than 41 billion dollars.

- Except in certain instances specifically provided for, all railroad and public utility corporations included earned their fixed charges at least 1½ times on average during the five year period ending with 1931 and corporations other than railroad and public utilities earned their fixed charges at least twice on average over the same period. (The "over-all" method of computing ratios of earnings to fixed charges was used wherever possible.)

- All of the corporations whose bonds have been included in the initial list fully earned their fixed charges even during the last fiscal or calendar year for which published reports were available on November 21, 1932.

- A composite balance sheet based on latest annual reports of the industrial corporations whose bonds are held shows cash and equivalent to be over two times all current liabilities. Total funded and long-term debt is only 32.7% of net property account.

- The railroad companies represented in the list account for more than 43% of the railroad mileage of the entire nation. They traverse the country from the Atlantic to the Pacific and from Canada to the Gulf. They are diversified in character, including granger roads, coal roads, industrial roads, short lines and trans-continental systems.

Price: At the Market

Current return: approximately 5.11%

(At present prices and based on bonds presently held)

Full details concerning the trust will be found in the standard Offering Circular, copies of which are available.

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Owned by a Nationwide Group of Investment Houses

CHICAGO

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PHILADELPHIA

LOS ANGELES

NEW ORLEANS

Northwestern Banker February 1933

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO

Statement of Condition, December 31, 1932

RESOURCES

CASH AND DUE FROM BANKS	\$254,080,213.92
UNITED STATES GOVERNMENT SECURITIES	78,317,999.20
OTHER BONDS AND SECURITIES	90,202,341.48
LOANS: DEMAND	\$119,816,909.65
TIME	<u>225,182,249.81</u>
STOCK IN FEDERAL RESERVE BANK	4,200,000.00
CUSTOMERS' LIABILITY ON ACCEPTANCES	7,506,087.10
OTHER BANKS' LIABILITY ON BILLS PURCHASED	310,092.46
INTEREST ACCRUED BUT NOT COLLECTED	2,740,768.28
BANK BUILDING	14,700,000.00
OTHER RESOURCES	783,350.12
	<u>\$797,840,012.02</u>

LIABILITIES

CAPITAL STOCK	\$ 75,000,000.00
SURPLUS	25,000,000.00
UNDIVIDED PROFITS	3,741,809.32
RESERVE FOR DIVIDEND PAYABLE JANUARY 2, 1933	1,125,000.00
RESERVE FOR TAXES AND INTEREST	9,930,992.99
DEPOSITS: DEMAND	\$489,595,282.91
TIME	<u>183,528,320.53</u>
ACCEPTANCES	8,154,424.97
OTHER BANKS' BILLS ENDORSED AND SOLD	310,092.46
DISCOUNT COLLECTED BUT NOT EARNED	670,738.72
OTHER LIABILITIES	783,350.12
	<u>\$797,840,012.02</u>

*The capital stock of the Continental Illinois Company, held in trust
for the stockholders of the Continental Illinois National Bank and Trust Company of Chicago,
is not included in the above figures*

Statement of Condition
of
THE FIRST NATIONAL BANK

[Affiliated with FIRST BANK STOCK CORPORATION]

MINNEAPOLIS, MINNESOTA

At the Close of Business December 31, 1932

R E S O U R C E S

Cash on hand and due from banks	\$26,947,183.51
U. S. Government Securities	11,315,100.00
Veterans' Loans Secured by U. S. Obligations	11,735,000.00
Loans and Discounts	49,997,283.51
Bonds and Securities	36,219,566.47
Subscription to Gold Notes, National Credit Corp.	10,840,204.43
Overdrafts	770,000.00
Bank Buildings	7,081.17
Customers' Acceptance Liability (Less Anticipations)	1,078,544.56
Bankers' Acceptances Purchased	1,613,340.70
Interest Earned but not Collected	1,408,737.56
	629,424.69
	\$102,564,183.09

L I A B I L I T I E S

Capital Stock	\$ 6,000,000.00
Surplus	5,000,000.00
Undivided Profits	422,159.81
Reserve for Interest, Expenses and Taxes	443,486.54
Interest Collected but not Earned	157,372.52
Circulation	4,141,600.00
Letters of Credit and Acceptances	1,613,340.70
Unpaid Subscriptions to Gold Notes of the National Credit Corporation	770,000.00
DEPOSITS	84,016,223.52
	\$102,564,183.09



Statements of Condition



December 31, 1932

The First National Bank of Chicago

ASSETS	
Cash and Due from Banks	\$240,194,417.01
United States Bonds and Certificates	52,763,253.98
Other Bonds and Securities	26,635,839.49
Loans and Discounts	162,483,634.18
Real Estate (Bank Building)	10,057,834.45
Federal Reserve Bank Stock	1,500,000.00
Customers' Liability Account of Acceptances	9,147,783.50
Interest Earned, not Collected	854,326.98
Assets Transferred <small>by Foreman-State National Bank after Deducting Reserves</small>	15,589,031.14
	<u>\$519,226,120.73</u>

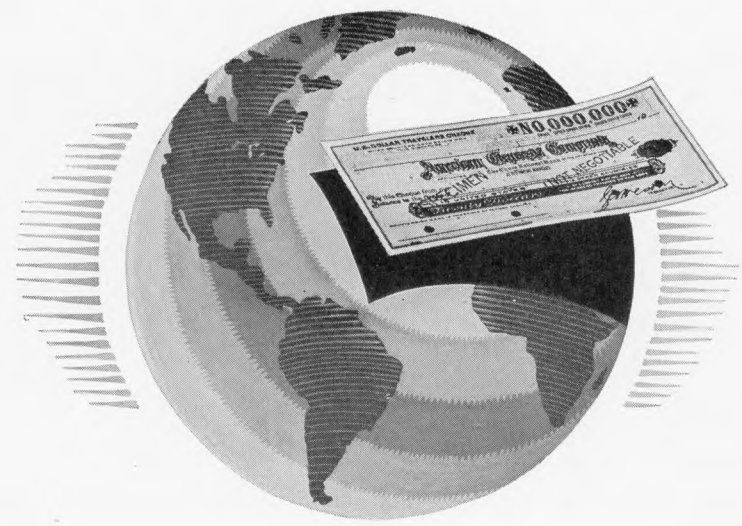
LIABILITIES	
Capital Stock paid in	\$25,000,000.00
Surplus Fund	15,000,000.00
Other Undivided Profits	5,022,314.35
Discount Collected but not Earned	648,873.23
Dividend No. 202, payable Dec. 31, 1932	750,000.00
Reserve for Taxes, etc.	2,488,808.32
Liability Account of Acceptances	9,491,276.24
Time Deposits	\$ 15,414,807.47
Demand Deposits	413,354,518.96
Deposits of Public Funds	30,855,465.12
Liabilities other than those above stated	1,200,057.04
	<u>\$519,226,120.73</u>
Contingent Liability <small>under Commercial and Travellers Letters of Credit Guaranteed by Customers</small>	\$ 2,582,724.49

First Union Trust and Savings Bank

ASSETS	
Cash and Due from Banks	\$ 61,619,602.04
United States Bonds and Certificates	8,382,950.00
Time Loans and Discounts	22,326,166.13
Demand Loans	16,349,578.92
Other Bonds and Securities	58,754,055.00
Assets Transferred <small>by Foreman-State Trust and Savings Bank after Deducting Reserves</small>	9,172,975.67
Other Assets	2,178,755.37
	<u>\$178,784,083.13</u>

LIABILITIES	
Capital Stock paid in	\$ 10,000,000.00
Surplus Fund	5,000,000.00
Other Undivided Profits	469,980.00
Reserve for Interest, Taxes, etc.	1,486,602.45
Reserve for Bonds held and Contingencies	4,000,000.00
Time Deposits	\$127,786,222.44
Demand Deposits	29,288,191.58
Liabilities other than those above stated	753,086.66
	<u>\$178,784,083.13</u>

Combined	
Capital, Surplus and Profits	\$ 60,492,294
Deposits	616,699,205
Resources	698,010,203



Turning a Withdrawal into a Profit

PEOPLE withdraw money from banks to spend it.

Practically only *one kind* of a withdrawal for one kind of an expenditure can be turned by the bank *into a profit*. That is when a depositor takes out money to spend on a trip—any kind of a trip—weekend, business, motor, railroad, cruise, domestic or foreign. People taking trips need American Express Travelers Cheques. They need them *for safety's sake*.

The prospect is already at the bank. He is a depositor. All that is generally needed to make him a Travelers Cheque customer is a reminder, a suggestion as to the risk of carrying cash and an offer

to provide the Cheques. The Paying Teller is in the strategic position to make this sale.

With Travelers Cheques in his pocket instead of cash, the customer leaves the bank feeling safer and grateful for the bank's advice. The profit to the bank is one-half of one percent, with no red tape and no risk. It was the working out of the Travelers Cheque system by the American Express in 1891 which made this profit possible.



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

Northwestern Banker February 1933



Across the Desk from the Publisher

By Clifford DePuy

Adjusting Mortgage Obligations by Arbitration

Governor Herring of Iowa suggested a month ago that foreclosures on farm mortgages in Iowa be temporarily suspended pending action at this session of the Legislature.

The Legislature has now worked out a plan of arbitration, which bill at the time of going to press with this issue of the NORTHWESTERN BANKER, has already passed the House.

The House bill creates a state board of arbitration of nine members to appoint county boards to endeavor to bring about adjustments between debtors and creditors in an effort to keep farmers on their land.

Under the bill, no foreclosures on a mortgage on real estate could be started until the holder and giver of the mortgage had submitted their rights to arbitration by the county arbitration boards.

The state arbitration commission is to name the county boards or commissions. The state body to consist of one representative from each of the nine congressional districts.

The House bill would suspend all court proceedings in foreclosure from the date of the application for arbitration with the understanding that such proceedings are to be suspended as long as findings are in force which may be until March 1, 1935, the date when the duties of the board are ended.

The bill also provides that notice of the arbitration hearing must be published.

While there may be objections to this piece of legislation, it at least brings debtor and creditor together on a friendly basis and does not abrogate the sanctity of contracts and obligations which must be recognized if business is to continue to function at all.

To issue proclamations stopping all foreclosure proceedings gives the wrong impression both to the debtor and the creditor. Isn't it better for the two parties concerned to get together, talk over their situation, and agree upon a satisfactory arrangement than it is to have the debtor feel that he is practically under no obligation to carry out his agreement.

After all, the life insurance companies that have loaned money to farmers have an obligation to their policyholders to whom, by law, they are being held strictly accountable.

No matter how serious our economic problems may be, the annulment of contractual agreements should not be advocated and let's hope that this arbitration plan will prove decidedly helpful and beneficial.

"These Little Pawn Shops"

In the recent debate in the Senate on the Glass Bill, Senator Glass pointed out the 80 per cent of banks that have closed in recent years were capitalized for less than \$25,000 each.

He then referred to these institutions as monopolists and said, "Who are the monopolists? These little pawn shops that want to monopolize the credit facilities of their own communities. They are the monopolists. They want to erect by law a tariff wall against credit facilities coming into their provinces, into their territories, and loan the business man, the merchants, and manufacturers money upon reasonable terms and interest."

No one will deny that banks which are established in the future should be capitalized for not less than \$50,000—that has been one of the reasons why we have had many of our bank closings, because the capital structure was not large enough.

I do not believe, however, that Senator Glass

adds anything to the arguments for his bill by referring to banks as "little pawn shops" when the history of banking in this country will show that these banks have not been monopolists of credit but that they have loaned it back to their own community, perhaps not wisely, but in many cases, too generously, and as a result of which, they have suffered along with the depreciated value of commodities and land in their own territory.

If that be monopoly, it is not my understanding of the term.

Who Are the Beneficiaries of an Economic Disturbance?

In every period of economic disturbance, there are frequently men on the street who feel that because they are temporarily out of work or otherwise feeling the effects of a period of depression that perhaps the firm for which they work, or "big business," as they term it, is reaping benefits which they do not enjoy.

Of course such reasoning is foolish because it is obvious that in a civilization as complex as ours, that what affects one group of individuals or one group of industries, affects them all, and that whether the business be manufacturing, agricultural or banking, unless there is employment for all and a fair price for the products of the farm and the products of industry, all must suffer correspondingly.

George E. Roberts, in his book on "Economics For Executives," illustrates this very well by saying, "When this array of business interests which are inevitable losers at every disturbance of business conditions is reviewed, one is prompted to ask, 'where are the opposing interests powerful enough to cause a crisis, and yet so isolated as to gain when all these interests are losing?' The answer is that there are no such interests."

Thus, each individual and each corporation is really a loser during an upheaval of the general normal business trends.

Climbing Up the Economic Hill

I have not read any statements by economic authorities which did not express the belief that we are gradually but surely climbing back up the economic hill toward brighter days and better business.

This point was emphasized again by Benjamin M. Anderson, Jr., economist of the Chase National Bank, in a recent address in Chicago, when he said:

"I have great confidence that things are clear-

ing up, and that we have seen the worst of this great national and world disorder.

"The present economic situation, I believe, and I think that we all believe, is on the mend. I believe that the turn came in the banking situation when the Reconstruction Finance Corporation began to function.

"I believe that we reached bottom in security values in June and early July and I believe that we reached bottom as regards volume of business with respect to the season in the first week of August.

"My confidence rests on two considerations: First, that progress has been made and that much greater progress is in early prospect with respect to clearing up the fundamentals of this disorder; and second, the present business situation is worse than even the fundamentals justify."

If our general fundamentals are better than we realize, this should give us faith in the future and help to gradually bring the general business of the country back to a better and sounder basis.

A Huge Credit Reserve

The Comptroller of the Currency has just issued a complete analysis of all the banks in the country as of June 30, 1932, and this shows a huge credit reserve in the form of over \$45,000,000,000 in deposits which will be available for the use of business and industry when our upturn gets fully underway.

A condensed picture of the banks of the country is given in the following tables:

	Total Banks 19,163	National 6,150	Other than Natl. 13,013
Loans and Discounts	\$28,074,640,000	\$10,281,676,000	\$17,792,964,000
Investments	18,223,241,000	7,196,652,000	11,026,589,000
Capital, Surplus and Profits.....	8,092,532,000	3,130,929,000	4,961,603,000
Deposits.....	45,390,269,000	17,460,913,000	27,929,356,000
Resources....	57,245,131,000	22,367,711,000	34,877,420,000

The banking system of the United States is also in a more liquid position than at any time in the past two years. If the items, cash in the vault, United States Government Securities and reserve at Federal Reserve Banks and other Reserve Agencies, were added together, it would amount to 17 per cent of the total resources, and it is upon the basis of these items that banks may extend their credit to industry and to agriculture.

This 17 per cent figure compares with 14 per cent in 1931, and 11 per cent in June, 1929.

Consequently, the banks are showing greater liquidity now in their resources than at any time in the past three years.



THAT GUILTIEST FEELING

© THE GERLACH-BARKLOW CO. JOLIET, ILL. U. S. A.

THAT GUILTIEST FEELING

From the original painting by Zula Kenyon. The picture tells its own story better than any words. Rags has pounced upon what he thought was a choice morsel, and if the facial expression of a dog means anything, he certainly doesn't like it.

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Iowa Legislates Confidence into Her Banking System

An analysis of the "Bank Stabilization" bill, recently passed by the Iowa legislature, intended to make banks "runproof" and to avoid bank receiverships. It became operative on January 23, 1933

THIS "Bank Stabilizing" bill is intended to prevent bank "runs" and without the necessity of receivership proceedings, to permit banks to orderly liquidate any slow or distressed assets. If for any reason a "run" from false rumors or any other reason should be precipitated against any bank, or if because of the economic conditions its officers and directors believe that it has reached the point where more time should be taken for the orderly liquidation of its assets to meet withdrawals, it may invoke either one of the two methods provided in the bill.

Application Must Come From the Bank

It will be seen that the application for any assistance must originate *with* and come *from* the "Officers or Directors" themselves. This gives discretionary power to the officers and directors of a bank to tell for themselves *if and when* they may need the assistance of the State Banking Department to handle an emergency situation or emergency conditions applying to their particular bank. That discretionary power does *not* originate or lie in the Banking Department. Therefore, the bank officers and directors must look to themselves if they are to obtain the helpful advantages of this new statute, as the Banking Department does not have the authority to apply its privileges except upon application from the bank officers and directors.

It will be seen from Section 1 that after an application for assistance has been received from the officers and directors of a bank that the Superintendent of Banking must obtain *either* the consent of the Executive Council (which takes in the Governor, Secretary of State, State Treasurer, Secretary of Agriculture and State Auditor) *or* the consent of the Governor, or the consent of the Lieutenant Governor.

After the officers and directors have applied to the Superintendent for assistance to meet an emergency, and he shall have obtained consent as foregoingly explained, he may *then* take over the actual management of the bank, and in so doing he *may* as he may deem to be for the best interests of all parties concerned, permit the local management of said bank to be carried on as follows:

Either—

- (a) By the *present* managing officers, or
- (b) By a *part* of them, or
- (c) By *any* suitable person or persons he may select to conduct such management.

Duration of Management

It will be seen that the Superintendent may, upon application of the officers and directors of a bank as foregoingly described, conduct the management for a period "not to exceed beyond one year from the taking possession except with the consent of the Executive Council." It of course will depend upon the conditions that surround the bank itself as to how long the Superintendent may conduct the remote management of said bank. He may find that the emergency is only temporary, or that the conditions that may have caused

To Frank Warner, secretary of the Iowa Bankers Association, goes much of the credit for the introduction and passage of this new banking bill. The analysis, presented here in part, was also prepared in his office.

the embarrassment or distress to the bank may end in a few weeks or in a few months, and that the institution can under its own officers and directors and stockholders again go forward on its *own* power. However, he may find that the conditions of distress may be of more permanent nature and that it might be necessary for him to conduct the management of the bank for a period longer than one year. But, if such were found to be the case, he must obtain consent so to do from the Executive Council of the State of Iowa.

At the end of Section 1 there appears the following:

"all the remedies at law or in equity of any creditor or stockholder against any

such bank or trust company shall be suspended, and the statute of limitations against such claims shall be tolled during such period."

This is believed self-explanatory; it is to prevent any person who might seek to throw a banking institution into receivership while it was exercising the prerogatives of this new statute.

It will be seen from Section 2 that following the time when the Banking Department comes to the assistance of the bank officers and directors that a "cut-off" is made in the business of the bank and *all new deposits* taken in after that date and *all new loans* made after that date from those deposits are to "be segregated." *Neither* said new deposits *nor* said new assets can be mingled with those in the bank *prior* to the "cut-off" date. Thus the banking business of the institution can be continued on uninterruptedly *while* the liquidation of the former old assets may at the same time be going on, *both* being done under the supervision of the State Banking Department.

Reorganization—Non-Assessable Stock

This provision introduces in Iowa an innovation in the way of *non-assessable* bank stock, getting away to a partial extent from one of the most iniquitous unfair and impractical of all bank requirements on bank stockholders. Section 3, it will be seen, provides that if the Superintendent, of course consulting with the officers and directors and stockholders, may find that it is advisable to *reorganize* the bank applying for his assistance under this act, he may, when he has obtained "approval of the Executive Council," have power so to do "including the right to issue stock * * * which shall be non-assessable."

Thus this new "Bank Stabilization" Bill provides one more means to help in the reorganization of banking upon a solid, sound foundation. It makes it possible to get additional officers and directors who up to the time of the enactment of this bill have absolutely declined to purchase any stock in banks or to serve on boards of directors of reorganized banks because of the endless assessment liability that they as bank stockholders were assuming.

Prior to the enactment of this "Bank Northwestern Banker February 1933

Stabilization" bill there seemingly was actually no way by which the State of Iowa could assist its banks during these trying economic times when the collections of notes were most difficult to make, with which to pay their increasing withdrawals, *except* to put such institutions into bank receivership with its paralyzing effects upon the local community. It became necessary in order to avoid such situations, to develop a *voluntary method* under which, with the assistance of depositors through agreements by them with the bank's stockholders and officers, the distressed assets in said bank might be removed and orderly liquidated by the depositors or their trustees as set forth in the "Depositor's Agreement" with the bank. This new "Bank Stabilization" bill now recognizes the "Depositor's Agreement" plan and gives the bank and its depositors the opportunity to rehabilitate and to reconstruct the business of their local banking institution under proper "Depositor's Agreement" plans.

The Superintendent of Banks, if it is deemed best by all parties concerned, may permit the restoration and rehabilitation of the bank to be carried out *voluntarily* by the depositors, with the bank officials and stockholders through a proper "Depositor's Agreement" plan. Under such a proper "Depositor's Agreement" plan this new bill then provides that the *same percentages* as used in the 1925 statute intended for the reorganization and reopening of banks that might be in receivership shall now equally apply to banks to be restored through a "Depositor's Agree-

ment" plan. The percentages in that old reorganization statute are set forth in the following Section 9239-a1 of the 1931 code: "If a *majority* of the creditors holding direct, unsecured obligations of such bank in excess of \$10.00 each and totaling in the aggregate amount 75 per cent of all direct unsecured obligations shall agree in writing to a plan of disposition and distribution of assets * * *" all the *other* depositors *not* signing such an agreement shall be equally bound anyway. From the foregoing Section 9239-a1 it will be seen that if 51 per cent of the depositors holding direct, unsecured obligations of such bank in excess of \$10 each and totaling in the aggregate amount 75 per cent of all direct unsecured obligations shall agree in writing through a proper "Depositor's Agreement" plan, then *all other* depositors of said bank not so signing shall be equally bound. This section is intended to bind any small minority that have sometimes refused to sign under the voluntary "Depositor's Agreement" plan and have made the work of those interested in the saving and restoration of their local bank sometimes difficult in trying to get 100 per cent signed up.

National Banks

Superintendent L. A. Andrew called the Comptroller's office at Washington, D. C., by long distance and set forth in general the provisions and intentions of this new bill, and asked if there was any way by which national banks might come under its provisions. The Comptroller's office is understood to have said over the 'phone that

it greatly regretted that national banks, being fully directly subject to the Federal banking laws, could not, of course, take advantage of the provisions of this new statute. Nevertheless, the adoption by national banks of the voluntary "Depositor's Agreement" plan is not to be condemned when done in the proper way according to the Iowa plan even if official sanction and approval were impossible under Federal laws to extend. National banks, however, can get the *indirect* benefit of this new "Bank Stabilization" act for the reason that in any "Depositor's Agreement" plan that they may desire to invoke they can point out that a sound "Depositor's Agreement" plan is now recognized by Iowa law. The Iowa Bankers Association, through its voluntary "Depositor's Agreement" plan stands ready to assist any national banks that may desire aid.

Confidence Restored

It becomes apparent from inspection of this new "Bank Stabilization" bill that bank receiverships will be vastly reduced in the future and will and should become but the exception. Restoration and rehabilitation in a banking institution on a sound, fair and constructive basis is the order of a new day that this new "Bank Stabilization" Act now brings into being. Many favorable comments have already been received upon this enactment and this 45th General Assembly and its leaders, including the Governor and Lieutenant Governor, have made enviable progress in a reconstruction program for Iowa.

Text of S. F. 111

A "Bank Stabilization" Bill intended (1) to make banks "runproof" and (2) to avoid Bank Receiverships, Published Saturday, January 21, 1933, becoming operative on and from Monday, January 23, 1933

An act amendatory to Chapter 412, Title 21 of the Code, 1931, extending the right of the Superintendent of Banking to take possession of banking institutions without insolvency proceedings and to protect the debtors and creditors of such institutions and to reorganize or operate the same as shall be set forth herein.

"BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

SECTION 1. The superintendent of banking shall, upon application of the officers or directors of any state bank, savings bank or trust company or private bank doing a banking business, have the power, with the consent of the executive council or of the governor or of the lieutenant governor to take over the management of any such bank and may, at his discretion, manage the same either by its officers or a part thereof or by any suitable person or persons he may select for such purpose. Such management, however, not to exceed beyond one year from the taking possession except with the consent of the executive council. During the period of such management and possession by the superintendent of banking, all the remedies at law or in equity of any creditor or stockholder against any such bank or trust company shall be suspended, and the statute of limitations against such claims shall be tolled during such period.

SEC. 2. The superintendent of banking, whenever he shall have taken over the management of any such banking institution as provided in section 1, shall have the right and power, with the approval of the executive council, to proceed to wind up its affairs as provided by law; or may continue the operation of the same, holding all deposits in the same, taking in deposits and carrying on the same under such rules and regulations as he may make for the conduct of its business and deem for the best interest of the debtors and creditors of such institution, including the right to compromise any rights, claims and liabilities of such institution. If such institution is kept open for business under the management of the banking department, and new deposits are received, such deposits shall be segregated, and any new assets acquired on account of such deposits shall be segregated and held in trust especially for such new deposits.

SEC. 3. However, if in the opinion of the superintendent of banking it is deemed advisable to reorganize any banking institution as set out in section 1 hereof, he shall, with the approval of the executive council, have power so to do on such terms and conditions as he may prescribe, including the right to issue stock upon such conditions as he, with the approval of the executive council, may prescribe for such stock, and which shall be non-assessable.

SEC. 4. Nothing in this act shall prevent the voluntary adoption of any form of depositors agreement not now or heretofore in contravention of the statutes thereto provided and under any such agreement the percentages as provided in section ninety-two hundred thirty-nine a1 (9239-a1), Code, 1931, shall be fully applicable.

SEC. 5. If, in the opinion of the superintendent of banking, with the approval of the executive council, it is advisable to sell, hypothecate or pledge or exchange any or all of the assets of such banking institutions by said superintendent, the said superintendent is given the power so to do with the reconstruction finance corporation or with any other party he may select.

SEC. 6. In so far as the provisions of this act may conflict with other acts or parts thereof, the provisions of this act shall control.

Chairman of the Chase National Bank governing board, in final report before retiring, finds financial confidence greatly improved. He urges adoption of a number of measures which will still further speed recovery.



ALBERT H. WIGGIN

There Is NEW HOPE IN THE WORLD

THE panic of the spring and early summer of 1932 is over, financial confidence has greatly improved. For the first time in three years we had, in the autumn of 1932, a better than seasonal improvement in business.

We are passing from the period of emergency credit devices—Reconstruction Finance Corporation, moratoria, standstills, and the like—into a period where the basis of credit can be restored by opening markets, starting the movement of goods, balancing budgets, and giving the farmers good prices by restoring their export market. Lausanne was the starting point.

Government Unity

The sweeping victory of Governor Roosevelt and the democratic party restores unity to our government, giving us president, senate and house of the same party and facilitating prompt and decisive action. It foreshadows a change in our foreign trade policy through the reciprocal lowering of tariffs at home and abroad, fundamental to the restoration of our export trade, which would produce a rally in farm prices and raw material prices and thus restore our domestic market for manufactured goods.

The deadlock respecting interallied debts, which is so great a deterrent to our trade revival, is also made to look much more promising by Governor Roosevelt's statement that the congress has not limited and cannot limit the power of the president to negotiate with foreign powers, even though it retains the power to ratify financial arrangements which he may negotiate with them.

By ALBERT H. WIGGIN

Lausanne represented an immense forward step, and the good spirit manifested by France there should be borne in mind by our people when they condemn the regrettable French default of December 15th. It is far more to our interest to let our foreign policy be animated by admiration of England's loyal payment under great financial difficulties than to let that policy be animated by resentment toward France. Neither in France nor in the United States was public opinion made ready for a proper handling of the December 15th crisis. Our own democracy will make some allowance for the difficulties of democratic government in France, and will accord respect to the French cabinet which

"IN A PERIOD when taxes on net earnings bring in inadequate returns, gross operations must also be taxed. The first and foremost consideration, basic to the welfare of every other interest in the country, is a strong United States treasury."

staked its existence—unsuccessfully—on the proposal to pay.

My statement made in my Annual Report of 1931 regarding interallied debts has been frequently misquoted. I then said that I was firmly convinced that "it would be good business for our government to initiate a reduction in these debts at this time." I reiterate this view. This is not cancellation. Had we faced this question at that time, we should not have the present prices of sterling exchange, raw materials and farm products. We have saved at the spigot but lost at the bung.

All good bankers, dealing with embarrassed but honest and competent debtors, consider such compromises as are necessary. They collect all that they can, but they usually expect to recover most by keeping the debtor a "going concern." A creditor of a good farmer embarrassed by the break in farm prices will, for his own protection, go very far in the effort to keep the farmer on the land as an interested and responsible owner. It is very generally to the creditor's advantage to do this. Our creditor government, dealing with a foreign government debtor, should apply the same general principles, with allowance for certain important differences, among them the facts that in relations between governments bankruptcy courts do not exist, that the creditor government must consider public opinion not only within its borders but also in the debtor country, and that the action of the creditor government can have a profound and far reaching effect upon the general economic situation of

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the creditor country and of the whole world such as the action of an individual debtor would not have. But the general principle of working things out from the standpoint of what is good business for the creditor, and recognition that it is good business for the creditor in a high percentage of cases to keep his debtor a "going concern" and to permit that debtor to hold up his head and retain his self respect, apply in both cases.

Funding of Floating Debt

I have no sympathy with the view that the funding of the public debt must wait until the budget is balanced. Both debt funding and budget balancing are essential parts of sound public finance. Both should be accomplished, and each as speedily as possible. There is no doubt at all in my mind of the ability of the government to fund its debt at the present time at fair and proper rates.

Sales Tax

I am in hearty sympathy with the proposal to derive revenue from the modification of the Volstead Act, but believe that the general manufacturers' sales tax will also be necessary if our government is to have adequate revenue. In principle, I dislike taxes on gross operations. I much prefer, under normal conditions, taxes on net business profits and other net income. But the government must have money, and must get its money where the money is to be found. In a period when taxes on net earnings bring in inadequate revenue, gross operations must also be taxed. The first and foremost consideration, basic to the welfare of every other interest in the country, is a strong United States Treasury.

Discourage Branch Banking

I believe that every community which can afford to support strong, independent local banks should have them. I favor branch banking in the city of the head office, as well as county-wide branch banking so that inadequately capitalized banks in villages may become inexpensive offices of strong county seat banks. National banks should have the same branch banking power that state banks have under the laws of the states in which they exist. States where banking capital is scarce may be well advised to adopt state-wide branch banking, or even to admit branches from institutions in other states. But it would be very unfortunate if New York City banks were forced into competition with one another in purchasing local banks and converting them into branches, in cities perfectly well equipped in capital and trained banking management to handle their own banking problems, of which there are so many in New York state.

The German picture is very much more encouraging than it was a year ago. The

German debtors have manifested splendid good will and loyalty, and have done more than they undertook to do. The government, the banks and the business community have cooperated in protecting the Reichsbank and the exchange position, and in this they have had the hearty support of the masses of the people who, trained by bitter experience, have been resolutely opposed to every suggestion of cheapening the currency or weakening the gold basis of the currency. Germany has gone through the year's political controversies with an impressive steadiness. Confidence, internal and external, in the political stability of Ger-

many, has greatly increased. Recent weeks, moreover, have brought a steadily growing situation, and there is statistical evidence that these reports have real foundation.

The prices of German securities, both in Berlin and in foreign markets, have shown marked improvement. This, in part, has been a reflection of growing foreign confidence in Germany, but, perhaps even more, an evidence of confidence by Germans themselves in the German position. The most important single factor contributing to the revival of confidence is, of course, the Lausanne Agreement.

NEWS AND VIEWS OF THE BANKING WORLD By Clifford De Puy

AFTER much "HUEY" and a "LONG" debate the Glass Banking Bill passed the Senate, limiting state wide branch banking to nine states which already permitted branch banks for state banks.

The bill also allows five years instead of three for National Banks to divest themselves of their security affiliates.

The bill will now go to the House for consideration, where it is not expected to pass.

MELVIN A. TRAYLOR, president of the First National Bank of Chicago, in his 69th annual report, points out that stock of the bank is held by 987 women, 1,645 men, 122 firms and corporations, and 279 trusteeships and estates. The stock of the First Union Trust and Savings Bank is held in trust for their benefit.

J. R. CAIN, JR., vice president of the Omaha National Bank and president of the National Bank Division of the A. B. A., is arranging for the meeting of some 5,000 bankers from Nebraska, Iowa, Kansas, Missouri, North and South Dakota, Minnesota, Wisconsin, Colorado, Wyoming, who are being invited to attend a regional bank management conference in Omaha, March 15th and 16th.

The main topic for discussion will concern methods of operation which have to do with better bank management.

ONE of my banker friends—I believe it was W. G. C. BAGLEY, president of the First National Bank of Mason City, sent me the following story about HENRY CLAY and DANIEL WEBSTER:

"One winter morning Henry Clay, finding himself in need of money went to the Riggs National Bank in Washington,

D. C., and asked for the loan of \$250 on his personal note. He was told that while his credit was perfectly good, it was the inflexible rule of the bank to require an endorser.

"The great statesman hunted up Daniel Webster and asked him to endorse the note.

"'With pleasure,' said Webster. 'But I need some money myself. Why not make your note for \$500, and you and I will split it?'"

"This they did. And today the note is still in the Riggs Bank—unpaid."

WHEN I was in Omaha the other day I was interested in discovering that STANLEY FIELD, chairman of the executive committee of the Continental Illinois National Bank & Trust Company of Chicago, is the son of JOSEPH N. FIELD, who was the first cashier of the Omaha National Bank.

The Omaha National Bank began business on July 2, 1866. The officers were EZRA MILLARD, president, and JOSEPH N. FIELD, cashier. The First published statement as of October 1, 1866, showed a capital stock of \$50,000.00, deposits of \$120,000.00 and total resources of \$219,000.00.

J. N. FIELD had resided in Sioux City, Iowa, some two or three years when in 1866 he joined EZRA MILLARD in Omaha and as cashier signed the first bills issued by the Omaha National Bank. Mr. Field took fifty shares of the bank stock at the time of the organization. At the time of his death in 1915 this original holding had grown to 1,000 shares.

Mr. Field severed connection with the bank within a few months and joined the merchant house of Field, Leiter and Company, Chicago, headed by his brother Mar-

What Their Statements Show

(As of December 31, 1932)

Editor's Note: THE NORTHWESTERN BANKER invites its readers to forward their bank statements to us and they will be published herein, from time to time.

TOWN	IOWA BANK	Capital	Surplus and Profits	Loans and Discounts	Bonds and Securities	Cash and Due from Banks	Deposits	Total Resources
Algona	Iowa State Bank	\$ 50,000	\$ 64,489	\$ 373,578	\$ 651,619	\$ 329,053	\$ 1,264,261	\$ 1,378,751
Ames	Union Store Trust & Savings Bank	100,000	31,270	319,483	201,043	177,093	1,280,972	1,581,867
Breda	Breda Savings Bank	50,000	11,940	548,312	.....	104,879	826,294	688,235
Cedar Rapids	The Merchants National Bank	500,000	1,058,110	5,853,817	5,899,650	5,580,369	16,161,549	18,217,359
Charles City	First Security Bank & Trust Co.	150,000	76,324	1,144,427	674,367	172,425	1,416,412	2,002,556
Clinton	The City National Bank	400,000	321,060	4,365,674	3,218,719	1,093,371	8,278,131	10,019,914
Coon Rapids	The First National Bank	25,000	31,295	212,494	108,030	47,648	310,014	391,309
Council Bluffs	First National Bank	370,000	*37,180	1,298,319	1,257,395	421,553	2,549,984	3,157,165
Des Moines	Iowa-Des Moines Nat'l Bank & Trust Co.	2,000,000	1,114,387	9,156,234	8,184,888	7,290,281	24,390,593	28,651,372
Des Moines	Valley National Bank	500,000	241,136	1,482,207	2,247,569	813,292	3,548,561	4,853,077
Des Moines	Valley Savings Bank	150,000	267,633	1,694,635	1,470,036	368,321	3,100,639	3,535,993
Dubuque	First National Bank	200,000	360,254	1,213,663	2,043,000	933,916	3,435,564	4,297,297
Grinnell	Grinnell State Bank	60,000	43,542	217,398	297,445	79,297	556,036	669,578
Marshalltown	Fidelity Savings Bank	100,000	122,151	1,555,606	387,029	419,602	2,198,890	2,421,042
Monticello	Monticello State Bank	200,000	209,375	2,878,336	748,442	510,399	2,950,972	4,189,698
Newton	Jasper County Savings Bank	100,000	61,183	**1,447,526	.....	385,308	1,897,481	2,066,164
Schleswig	Farmers State Bank	75,000	65,472	380,100	72,237	64,201	545,527	685,999
Sioux City	Live Stock National Bank	200,000	216,567	1,771,821	1,533,432	1,681,981	4,592,266	5,252,776
Sioux City	Security National Bank	250,000	164,926	1,409,454	2,282,294	1,260,538	4,444,665	5,252,829
Strahan	Farmers State Bank	25,000	7,389	**77,083	.....	32,456	82,181	114,580
Stuart	First National Bank	***55,348	.....	195,856	59,095	32,089	211,091	307,071
Toledo	National Bank	50,000	29,603	320,813	187,500	121,811	489,993	638,374
NORTH DAKOTA								
Buffalo	First National Bank	25,000	90,902	145,710	38,269	34,361	82,874	237,917
Grand Forks	First National Bank	400,000	135,466	2,097,929	1,718,005	568,172	3,907,613	5,313,241
SOUTH DAKOTA								
Elk Point	Union County Bank	20,000	51,500	140,807	259,202	153,380	487,154	572,381
Sioux Falls	Security National Bank and Trust	250,000	321,552	1,416,747	1,817,496	1,208,946	4,153,134	4,987,762
NEBRASKA								
Omaha	First National Bank	1,250,000	342,624	4,577,126	9,657,919	5,198,252	19,500,428	21,093,052
Omaha	Live Stock National Bank	450,000	164,441	2,537,964	75,764	1,284,712	4,065,039	4,937,495
Omaha	Omaha National Bank	1,250,000	1,125,741	12,135,253	4,209,915	9,498,384	24,603,203	28,101,972
MINNESOTA								
Brainerd	First National Bank	100,000	160,833	605,937	1,686,755	496,020	2,591,806	2,892,422
Mabel	First National Bank	25,000	7,564	120,226	244,143	84,403	422,790	474,054
Minneapolis	First National Bank	6,000,000	5,422,159	36,219,566	22,155,304	26,947,183	84,016,223	102,564,183
Minneapolis	Northwestern National Bank	7,000,000	*281,575	37,211,091	21,003,545	27,303,910	78,780,161	87,980,805
ILLINOIS								
Chicago	City National Bank and Trust	4,000,000	1,000,000	14,475,505	7,655,556	63,118,487	80,442,535	85,703,909
Chicago	Continental Ill. Nat'l Bank & Trust Co.	75,000,000	28,741,809	344,999,159	168,520,340	254,080,213	673,123,603	797,840,012
Chicago	Drovers National Bank	1,000,000	651,265	5,635,265	3,805,960	6,152,737	12,874,775	15,671,697
Chicago	Drovers Trust and Savings Bank	350,000	694,534	3,360,028	1,387,306	899,937	4,345,797	5,647,273
Chicago	First National Bank	25,000,000	20,022,314	162,483,634	79,399,093	240,194,417	459,624,791	519,226,120
Chicago	Northern Trust Co.	3,000,000	8,249,607	32,329,609	85,983,590	44,070,754	144,340,626	165,248,234
Chicago	Stock Yards National Bank	2,000,000	503,184	6,590,810	2,493,891	2,285,953	9,505,193	12,171,670
Chicago	Stock Yards Trust and Savings	337,500	348,061	4,890,181	2,167,212	1,161,970	6,937,743	8,306,025

*Capital and Surplus combined.

**Loans and Discounts and Bonds and Securities combined.

***Capital and Surplus and Profits combined.

shall Field. Soon thereafter he was transferred to Manchester, England, where for 47 years he represented Marshall Field and Company and it was there in 1875 that his son, STANLEY FIELD, was born.

WARREN C. GARST, formerly manager of the Want Ad department of the *Register and Tribune*, has left that organization to become deputy manager of the American Trust & Savings Bank of Cedar Rapids, which is now operating under the new Bank Stabilization Act. ERNEST R. MOORE is president of the bank.

COLONEL ROBERT G. INGERSOLL, in a speech made in Boston October 22, 1878, could just as well have made a similar speech at any time in the last two or three months because here is what he said:

"During the war, during the inflation—that is to say, during the years that we were going into debt—fortunes were made so easily that the people left the farm, crowded to the towns and cities. Thousands

became speculators, traders and merchants, thousands embarked in every possible and conceivable scheme. They produced nothing, they simply preyed upon labor, and each dealt with imaginary values. These men must go back; they must become producers, and every producer is a paying consumer."

PERCY W. HALL, former secretary of the Iowa Bankers Association and later representative of the Chase National Bank, is recovering in Los Angeles from an automobile accident which resulted in his being hit by a motor car while crossing the street. He was unconscious from 12 to 15 hours in two hospitals before he knew what had happened.

He is recovering nicely, however, and expects to be back to his office in a few weeks.

ELY CULBERTSON has shocked many of his admirers and bridge enthusiasts by saying, "The Culbertson system is exaggerated, the Sims system is exaggerated, the whole damn bridge game is exagger-

ated; it's not the center of the universe after all, it's only a side show."

This is the first intelligent remark I have heard about bridge for a long time. I like bridge for relaxation but some people want to make it their sole objective in life—at least that is the way it seems to me.

FRANCIS H. SISSON, president of the American Bankers Association and vice president of the Guaranty Trust Company of New York, believes that, "Business confidence and ambition and the spirit of enterprise will not revive so long as there hangs over the nation the question of how great a portion of the legitimate earnings of industrial and commercial effort will be expropriated to support government activities that do not add to either the security of business or the real welfare of the public."

FRED J. PARO, vice president of the Mercantile Commerce Bank & Trust Company of St. Louis, is advocating the appointment of FRANK W. SIMMONDS, (Turn to page 38, Please)

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"The Banker faces problems not only in the internal management of his bank, but also in the external conditions surrounding his bank. He must work just as hard for sound public policies as he works for sound banking policies. With the conditions as they are today the two are inseparable."

How the Investment Restrictions in the Glass Bill Will Affect Your Bank

IN AN address at the annual eastern regional savings conference held in New York under the auspices of the savings division, American Bankers Association, Francis H. Sisson, president of the association and vice president, Guaranty Trust Company, New York, said in part:

"No forward-looking banker could oppose banking reforms that would assure better credit accommodations to sound business enterprises, and, at the same time, bring a greater measure of safety to the funds that have been entrusted to his institution by depositors.

"While proposed legislation now before Congress provides for some constructive regulations, it also includes a measure that is both novel and highly experimental. Even many well-informed bankers fail to realize that the bill referred to now pending in Congress, besides abolishing security affiliates of Federal Reserve members within five years, would immediately prohibit these banks, both state and national, from underwriting and purchasing securities for resale through their bond departments. If the bill should pass, no longer could any commercial member bank participate in any bond issue, except certain government obligations, unless these securities were being purchased for its own account. American bankers and business men are now faced with the question: Are long-term and short-term financing, as inseparable as they have been throughout banking history, to be arbitrarily deprived of their natural relationship by legislation; and, if so, is there any real advantage to the public in taking this branch of investment away from the economically and traditionally best fitted to conduct it and turning it over to independent and unregulated houses?"

The Future of Securities

"Among the many weighty problems that face our savings banks at this time, there can be none more important than the future of the high-grade security market and the quality of the securities going into savings bank portfolios. The effect of the proposed banking reform is

to renounce investment banking, rather than regulate it. It would destroy a substantial part of our bond-distributing machinery, thus diminishing probably the marketability of the securities held by savings banks. Can anyone expect that a step of this kind will improve the quality of our long-term investments and safeguard the investors' interests? Apparently the intent is to make an exception in the case of municipal, state and United States government obligations, although the bill on this point is not perfectly clear. If so, we have a further anomaly that our great system of commercial banks will be allowed to compete for these classes of bonds and encourage the creation of public debt in which politicians are interested; whereas, they will

"WE ARE justified in confidence that the price structure in the bond market is on a sound foundation and that continued improvement can be anticipated."

not be able to interest themselves in the highest grade railroad or public utility issues that savings banks regularly include in their portfolio.

A Dangerous Step

"The serving of the long-term capital market is by its very nature intimately related with the short-term capital market and it seems to me highly unwise and dangerous to try to divorce them by legislative fiat. Surely we should be able to impose a code of regulations on this field of banking in the same way as with short-term banking. We should attempt to cure the abuses that have existed rather than suppress a function obvi-

ously legitimate in itself. For my part, I should like to see the savings banks and insurance companies, which are so vitally interested in the soundness of the long-term capital market, make themselves heard in opposition to these provisions of the banking bill before Congress. Too many people today feel that the organization of the long-term capital market is of interest only to a few bankers. As you well know, every depositor in a savings bank and every holder or beneficiary of an insurance policy has, whether he knows it or not, direct, live interest in the quality of our high-grade securities. The provisions of the pending banking bill, as they relate to these securities, far from safeguarding the people's interests, in my opinion, expose them to greater dangers.

"There is no large banking system in the world in which the natural and spontaneous relationship between commercial banking and the long-term capital market does not exist, for the complex and intricate system directing the flow of capital funds makes it difficult to segregate effectively one from the other. Frequently, commercial banks are called upon to accommodate industries, as well as governments, by investing some of their deposits in short-term notes that are to be redeemed from the proceeds of subsequent bond issues. When these bonds are ultimately marketed, banks often advance funds to the individual purchasers and accept the bonds as collateral. What possibly could be more natural, logical, and inevitable than for these same banks to participate in the creation, underwriting, and distribution of these securities. The high-powered and complex economic structure of this nation is largely kept in balance by the free, uninterrupted interchange of long and short-term capital.

"Every banker is fully aware of the abuses in investment banking that were fostered during the prosperous decade ending in 1930, but these abuses were

typical of the entire economic organism and were in no manner peculiar to banking alone. The post-war boom and accompanying business expansion required financing; and the public exhibited an almost insatiable desire to purchase the long-term obligations of the 'new economic era,' as a large part of the public believed it to be. Elaborate studies recently tend to show that the market depreciation and defaults affecting bonds that were originated by American banks and their affiliates were less than the average.

"Very harsh criticism has come from some quarters to the effect that it has been the practice of trust companies with security affiliates to facilitate the disposal of the affiliates' securities by distributing them among the trusts administered by these banks. This charge is untrue and grossly unjust. Under no conditions does a properly managed trust company resort to such violation of faith. It is also frequently stated that the maintenance of an affiliate greatly weakens the stability and the soundness of the parent company, but there are no available records indicating that any affiliate of importance has caused the failure of its bank.

Proper Regulation

"There are exceptional instances where banks have loaned injudiciously to security affiliates, where affiliates have indulged unwisely in stock market transactions, or where operations in the stock of the parent company have been conducted; but these few cases hardly constitute sufficient reason to condemn, and attempt to eliminate, the entire field of investment banking. Affiliates have been operating largely without any government supervision whatever; and the fact that a few of them may have entered into such unethical practices as the foregoing suggests, not that the entire system of investment banking is economically unsound, but that the more reputable institutions may better, and with more public confidence, carry on this legitimate economic function under a network of government regulations that would prohibit careless or unscrupulous activities by a few individuals.

"Such regulation could provide for periodic reports and examinations and for limitations in the amount of the parent bank's loans to, and investment in, its security affiliate. It seems only reasonable that, inasmuch as investment banking has grown up in response to the needs of our economic, industrial, and social structure, it would be folly indeed to renounce it by sweeping, depression-inspired, reform legislation. If investment banking in some of its phases has not been infallible in the past, it should be regulated; but nothing is to be gained by wrecking so vital a part of our economic machinery."

Mr. Sisson also declared that the general advance of bond prices of recent months, amounting to a present net rise of more than 15 per cent, since June, has increased the value of listed issues on the New York Stock Exchange by between five and six billion dollars. Such a movement would restore some \$3,000,000,000 to the values of securities in the investment portfolios of our banks as a whole. It has been a powerful influence in strengthening the position of many individual banks and in buttressing the banking structure as a whole.

"Events of more recent weeks have tended to consolidate our confidence in the position of the bond market," Mr. Sisson continued, "and in the financial situation of which it is a major part. Largely under the pressure of bankers, the municipalities are taking steps to rebuild their credit standing. The railroads, also large borrowers, have been doing better also in the matters of traffic and earnings. Foreign government bonds have reflected sounder political policies in that field. As a result we have seen recently a strong forward movement in government, municipal and corporate issues, both foreign and domestic. I believe we are justified in confidence that the price structure in the bond market is on a sound foundation and that continued improvement can be anticipated.

"The year-end statements of condition of banks showed that the banks generally, particularly the larger institutions in the financial centers that are the essential anchorages of the banking structure, are in an impregnable strong, liquid position, while throughout the country it was evident that the banks have made material progress in strengthening their positions. Whatever troubles may still lie ahead for individual banks in some places in connection with the further economic readjustments that yet remain to be completed, I can say without reservation that the main banking structure as a whole is sound and that it is deserving of full public confidence.

Loans Repaid

"Another significant phase of the banking situation is pictured in the substantial volume of loans that have been already repaid by banks which borrowed from the Reconstruction Finance Corporation. The last report of the corporation showed that while banks had borrowed about \$851,000,000 from it during the first eleven months of its operations, they had repaid no less than \$256,000,000, or 30 per cent. This is unquestionably a very good showing in the face of the continued severity of the depression. It shows a distinct strengthening in that portion of the banking

(Turn to page 34, Please)

Named Superintendent of Banking for Iowa

(See Cover Photo)

HIS APPOINTMENT confirmed by the Iowa Senate January 30, on July first D. W. Bates, of Albia, will become Superintendent of Banking.

Mr. Bates, who is president of the Home Savings Bank of Des Moines, and maintains a law office in Albia, has already joined the forces of the banking department to be in charge of the new "bank stabilization" law, recently passed by the Iowa legislature.

Mr. Bates practiced law in Albia for 28 years, was Monroe county attorney for six years and clerk of the court for four years. He was president of the Albia State Bank before coming to Des Moines in 1929.

During the five years which Mr. Bates has been president of the Home Savings Bank in Des Moines, he has maintained his legal residence and law office in Albia.

F. Robertson Jones, General Manager of the Association of Casualty and Surety Executives, tells of the crushing tax burden which has been saddled upon the American people and as this burden relates to insurance. He calls it

TAXING MISFORTUNE

IT IS a tax axiom that every person should contribute to the support of government in proportion to his ability; and that his ability can usually be measured by the true value of his property, the size of his net income or by other similar means. Stated concretely, the owner of a \$50,000 building should pay more than the owner of a \$25,000 building, and the \$10,000 a year man should pay more than the \$5,000 a year man. This axiom at times may be honored more in its breach than in its observance; but it is nevertheless regarded as a general principle of equitable taxation. It is the bone and sinew of the American taxing system today. We all have been brought up to believe that, by and large, this is the fairest rule for the apportionment of the cost of government.

Double-Headed Rule

Taxes imposed under this rough and ready rule are in effect taxes on *good fortune*. That citizen who, through ability, foresight or just plain good luck, accumulates the largest amount of worldly goods pays the heaviest tax and so on down the line. Although it is difficult, of course, to make any hard and fast rule which will do justice to everyone; yet, if honestly administered, this system of testing ability to pay by size of income or value of property, or both, is probably as good a test as we have been able to devise, and we find general acceptance of the principle that *good fortune* is a proper subject for taxation. The converse of this principle is that *misfortune* is not a proper subject for taxation. In any event, the logic of this double-headed rule, no matter how stated, is the basis upon which our taxing system has been founded, despite wide shiftings from it on occasions.

Political opportunists, however, find that this simple kind of justice in taxation does not suit their purpose or needs. They incline toward Colbert's theory that taxation is the art of plucking the goose so as to obtain the greatest amount of feathers with the least amount of squawking; and they act accordingly. It is to one of the most vicious of these opportunist methods of taxation that I intend to direct your particular attention; and that is the *taxing of misfortune*, a practice which has developed rapidly and spread widely in this country, because those who pay these

Mr. Jones says that "A tax on insurance is a tax on one of the greatest of social virtues---thrift, by which the assured provides against future want attendant upon calamity and catastrophe."

taxes really don't know that they do so. I refer to the taxes on the insurance business. For insurance is protection against misfortune; and taxing *protection* against misfortune is the same as taxing *misfortune*. That is exactly what taxation of most forms of insurance clearly is, whether life, casualty, surety, fire or marine insurance.

\$7 Out of Every \$100

How many of you realize that about seven cents out of every dollar that you pay for insurance goes to government in taxes? That is the sum exacted from you because you have the prudence and foresight, through insurance, to protect yourself, your family, your property and often the public itself against the misfortune that may befall you. The insurance company, of course, collects the tax from you policyholders and pays it to the tax collectors. The tax is included in the price paid for insurance—that is, in the premium paid for your insurance policy. In my opinion, the amount of this unjustified tax ought to be printed in large type on the bill for every insurance policy. Then every purchaser of insurance would know exactly how much he is being mulcted for the privilege of protecting himself and his family against possible misfortune. If this were done, policyholders would know that, in the aggregate, \$7 out of every \$100 they paid for insurance went to our tax spenders. And this knowledge might stir them to make vigorous protest.

Misunderstood

I often wonder why the simple fact about insurance taxation that I have just stated is not generally understood by policyholders; and why a sort of intellectual vertigo seizes them whenever the subject of who pays the insurance tax is broached. People will argue that the tax levied by their state is taken not from them, but, for the most part, from insurance corporations of other states—citizens of Texas, for illustration, will insist that the tax their state levies on insurance is derived largely from companies chartered elsewhere; and

that consequently the people of Texas are to that extent relieved from the burden of the insurance tax. Nothing could be more illogical than that kind of argument. Other people will say that to tax insurance is as legitimate as to tax any other industry. But an insurance company, no matter where chartered, of its very nature is only a "handler" of the premiums it collects from policyholders. It does not create values in the same sense that a shoe factory does. It fabricates no raw materials. It distributes no commodities. It merely collects premiums from the money to pay a large percentage of them out again to those who are unfortunate enough to meet with misfortune, or to their beneficiaries. It is the agency through which the social and economic effects of a large variety of misfortunes are mitigated and relieved. To burden heavily this relief of misfortune is an unconscionable, arbitrary and anti-social exercise of the taxing power.

Gouged Twice

Please do not misunderstand me. I am not asserting that insurance should not be taxed at all. It should be taxed, of course, but only to the extent of providing funds for its proper and economical supervision. It is obvious that the state should not itself be put to the expense of seeing that insurance policyholders get a square deal from the companies and that the companies themselves are solvent and continue to be solvent. But when, as in 1930, the states tax insurance companies \$95,500,000 over and above the \$4,500,000 needed to defray the cost of supervision, it is about time to call a halt. It is outrageous that insurance policyholders should be gouged twice for the general revenue fund, once as general taxpayers and a second time as the owners of insurance policies.

A tax on insurance is a tax on one of the greatest of social virtues—thrift, by which the assured provides against future want attendant upon calamity and catastrophe. Such taxation of insurance, as I have already emphasized, is ultimately the taxation of misfortune—manifestly a dangerous and highly anti-social abuse of the taxing power. In other words, human

Northwestern Banker February 1933

CITY NATIONAL BANK

AND TRUST COMPANY *of Chicago*

208 South La Salle

STATEMENT OF CONDITION DECEMBER 31, 1932

RESOURCES

Cash and Due from Banks	\$ 63,118,487.42
U. S. Government Securities	6,383,897.02
State, Municipal and other Securities	1,271,659.38
Loans and Discounts	14,475,505.24
Federal Reserve Bank Stock	150,000.00
Customers' Liability on Letters of Credit and Acceptances	174,794.27
Other Resources	129,565.82
	\$ 85,703,909.15

LIABILITIES

Capital	\$ 4,000,000.00
Surplus	1,000,000.00
Reserved for Taxes, Interest, etc.	84,937.85
Letters of Credit and Acceptances Outstanding	176,435.52
Deposits	80,442,535.78
	\$ 85,703,909.15

BOARD OF DIRECTORS

- CHARLES G. DAWES, *Chairman*
- DONALD S. BOYNTON
Pickands, Mather & Company
- PHILIP R. CLARKE,
President
- HENRY M. DAWES
President, The Pure Oil Co.
- CHARLES S. DEWEY
Vice President, Colgate-Palmolive-Peet Co.
- GEORGE B. DRYDEN
President, Dryden Rubber Co.
- GEORGE F. GETZ
Chairman of the Board, Globe Coal Co.
- JOHN GOODRIDGE
Willing Estate
- CHARLES B. GOODSPEED
Manufacturer
- HARRY B. HURD
Pam & Hurd
- JAMES S. KEMPER
President, Lumbermens Mutual Casualty Co.
- FRANK KNOX
Publisher, Chicago Daily News
- THEODORE W. ROBINSON
Manufacturer
- ELISHA WALKER
Capitalist
- RAWLEIGH WARNER
Vice President & Treasurer, The Pure Oil Co.
- ROBERT E. WOOD
President, Sears, Roebuck & Co.



DEPOSITS AS OF OCTOBER 6, 1932, (opening of business) \$73,364,000
DEPOSITS AS OF DECEMBER 31, 1932 \$80,442,000



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For basic security TODAY—

For net yield, year in and year out—

The answer to these questions is your best guide to a 1933 investment policy.



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misfortune and sorrow are made to pay tribute to the state treasury. As a state insurance commissioner long ago aptly said: "It is true that the tax-gatherer is not at the bedside of the sick or injured, or of the dying, demanding for the state his calamity tax. It is collected in advance from the premiums."

In this connection I desire to commend highly the majority of our state insurance commissioners who are opposed to the excessive and unfair taxation of insurance now in vogue in this country. They have done much to point the way to reform through their organization, the National Convention of Insurance Commissioners. Their commendable position, I must add, is well fortified by sound economic thought. John Stuart Mill called taxation of insurance "a direct discouragement of prudence and forethought;" and McCullough, expressing himself similarly, added that it may well be doubted whether insurance ought to be "charged with any duty, however slight." Strange as it may seem, however, the commissioners have had little help from the great mass of insurance policyholders who pay the tax, chiefly because these policyholders do not realize that the money actually comes out of their own pocketbooks and that because they buy insurance they are taxed twice for state revenue purposes.

Perhaps, however, the immediate reason that the taxation of insurance is so popular with legislators, is that they find it an easy prey; those who pay the tax, the policyholders, do not protest. Furthermore, the companies must of necessity have ready money and consequently they are not in a position to avoid the tax.

Premium Tax

So far, I have had in mind chiefly a special state tax on insurance—the so-called premium tax, which ranges in the various states from one to three per cent of the price paid for insurance protection. This is the most obnoxious of all of the taxes levied on insurance companies; but there are a multitude of other exactions which bring the total tax outlay of the companies up to about seven cents out of every dollar they receive from policyholders. These include federal and state income taxes, state and local property taxes and numerous additional levies, licenses, fees and what not. Verily, "57 varieties," which the policyholders ultimately pay.

As a matter of fact, an insurance company never files a scrap of paper, obtains a statement of any kind nor exercises any of its legitimate functions without having to pay a fee of some kind. In some instances, such payments have been known to aggregate more than the company's receipts. Legislation has even been enacted taxing plate glass and burglary and theft insurance premiums for the support of policemen's pension funds on the

(Turn to page 32, Please)

Bonds and Investments

THE HANDWRITING ON THE INVESTMENT WALL

The Outlook for Municipal and State Bonds

During 1933

TO THE World War is added another responsibility! The current evolution of municipal indebtedness had its inception subsequent to that era. With production at the highest level in history, demand insatiable, inflation at every turn, values artificially doubled and trebled, and in many instances quadrupled, in the short period of five years. Prosperity by the rank and file was taken to be perennial; "easy come—easy go," was the vogue of the day, according to Gertler, Devlet & Company, municipal bond brokers, in their year book, "Observations on State and Municipal Bonds 1933 Edition." Governmental budgets, they say, mounted as appropriations were increased; cities vied with one another in an effort to be more progressive, to an extent far beyond reason. Enormous amounts of debt obligations were floated year after year with utter lack of financial or economic perspective.

Overlapping districts with the power of taxation and debt creation such as school, road, irrigation and special have come into existence; obligations of this character are of enormous amounts and tend to befog values of municipalities. Cook county, Illinois; states of New York, Michigan and Illinois are striking examples of overlapping districts and account for over 35,000 such jurisdictions out of an estimated total of 500,000 for the country.

Debts have been created and spread over periods from one to fifty years without consideration of life or usefulness of improvement. From an estimated indebtedness for Federal, state and local of three billions in 1902, four billion eight hundred fifty million in 1912, the total has mounted to the gigantic sum of approximately thirty-seven billions currently; or a percentage increase of 1133 per cent from 1903 to 1932. During the same period expenditures of Federal, state and local governments rose from one billion five hundred seventeen million to approximately fifteen billions, an increase of 860 per cent.

To make this huge sum more understandable, one dollar out of every three of the total income of our entire national

population is consumed in the support of our governments and their sub-divisions. This orgy of spending by municipalities with few exceptions has been very little curtailed up to the present, even though the entire country has passed from a period of unprecedented inflation to one of dire depression during the past three years. The same voters who authorized unjustified bond issues are now demanding retrenchment in municipal and state expenditures, clamoring for reduction in taxes both personal and real.

The most serious aspect of the present situation is that taxation from practically all available sources hardly balances budgets and tax collections are in continually decreasing ratios. Under existing conditions inducements should be offered for the prompt payment of both current and back taxes; tax sales policies made as liberal as possible.

Refunding operations are becoming more and more difficult; bond holders demanding their interest and principal when due.

During the past year reductions in budgets have of necessity been generally prevalent, but by no means have they been cut sufficiently nor nearly as much as is possible; curtailments will have to be made in every branch of government; this requires immediate, honest, earnest and scientific study and will be forced on politicians loth to give up their sinecures, in order that municipal credits be maintained or resorted.

Retrenchments of at least 25 per cent should be made by state and local governments; expansion programs should be drastically reduced; planned public works that are not absolutely necessary should be deferred; employment of men in distress should be on projects beneficial or of a self-liquidating nature. Large curtailments in operating costs could be effected through consolidations of bureaus, overlapping districts and departments where duplication of effort are most pronounced.

The foregoing while prevalent is not

synonymous with all governments, may having seen "the handwriting on the wall" and have "placed their house in order." Their budgets are balanced, their tax collections are at high rates, their tax rates are being gradually lowered, their assessed valuations are fair, accordingly their bonds enjoy high credit rating.

Guaranty Trust Survey Says—

"Panaceas and quack remedies of all sorts are being offered on every hand," *The Survey* says. "The most oft recurring suggestion is that inflation of some sort must be resorted to to bring revival. For this there are many different suggestions, equally unsound and unworkable, but the human inclination to turn to some false remedy for treatment of its ills reaches its climax after all long periods of depression, and apparently history is repeating itself in that particular at present. In the minds of many students the parade of panaceas may well mark the climax of the depression.

"Many suggestions for the creation of more credit and more currency are being offered without any apparent study or grasp of the situation as these suggestions might apply to it. There is more credit available today than ever before in our history and the outstanding currency is at its high point, nearly a billion dollars more than at the top of our boom period in 1929. The obvious deduction is that what we need is not more credit or more currency, but more confidence in the use of the credit and currency already available. So the crux of the situation is the restoration of confidence and the crucial question is: how may that be stimulated?

"Again the answer seems somewhat obvious. If Congress would concern itself less with quack remedies and more with fundamental correctives, confidence would soon be revived. Established government credit through a balanced budget and a sound basis of taxes would mark the beginning of a return of confidence. Business-like settlement of the debt problem, and proper adjustment of tariffs, are among the positive suggestions."

Northwestern Banker February 1933

New Chairman Chase Board

At a meeting of the directors of the Chase National Bank, Winthrop W. Aldrich was elected chairman of the governing board to succeed Albert H. Wiggin, who recently announced his decision to retire as a Chase executive after 29 years of association with the bank. Mr. Wiggin continues as a member of the board of directors and the executive committee.

Mr. Aldrich was re-elected as president of the bank, a post which he has held since

the Chase-Equitable merger in June, 1930.

Charles S. McCain was re-elected by the directors as chairman of the board of directors, and John McHugh as chairman of the executive committee of the bank.

Luther Hill With R. F. C.

Luther L. Hill, president of McMurray Hill & Company, Des Moines investment bankers, has been appointed to the staff of the Reconstruction Finance Corporation in the self-liquidating division.

Mr. Hill has obtained a leave of ab-

sence from his company in Des Moines, and has taken up his new duties in Washington. He states that he will retain his full interest in McMurray Hill & Company and its affiliated companies, and that his work in Washington will be of temporary nature, at the conclusion of which he will return to his present position as president of McMurray Hill & Company.

The self-liquidating division of the Reconstruction Finance Corporation conducts the investment banking business of the corporation, underwriting municipal, public utility and industrial issues of self-liquidating projects. The corporation expects, with the return of more normal investment market conditions, to resell a large portion of its underwritings to investment bankers, dealers, etc.

This division of the corporation has thus far underwritten and purchased securities to the amount of \$148,000,000. At the present time there are applications for 149 projects, involving aggregate loans in excess of \$400,000,000.

Director of Bancorporation

George N. Ayres, president of the Central Life Assurance Society, Des Moines, and a director of the Iowa-Des Moines National Bank & Trust Company, has recently been elected a director of the Northwest Bancorporation, with which the Des



Resources
\$17,000,000.00

STOCK YARDS BANK & TRUST COMPANY CHICAGO

A Union of
**The Stock Yards National Bank
and
The Stock Yards Trust & Savings Bank**



GEORGE N. AYRES

Moines institution is affiliated. The Northwest Bancorporation, whose headquarters are in Minneapolis, now has one hundred and twenty-five banks as members of its group.

Mr. Ayres has long been connected with the business of banking, having served the Iowa-Des Moines National Bank & Trust Company as a director for many years.

Promotions at The Northern Trust

Several promotions were made by the directors of the Northern Trust Company, Chicago, following the annual meeting of stockholders. No changes were made at the stockholders' meeting, all sitting directors being re-elected.

Arlen J. Wilson and Keith J. Sheckler were made vice presidents. Both have been second vice presidents. Solomon Byron Smith and Harry M. Gustafson were promoted to second vice presidents from assistant cashiers. Reginald G. Olderr was made assistant cashier and manager of the savings department. He formerly held the title of assistant cashier.

Additional appointments also were made in other departments. John M. Easton was made manager of advertising and publicity. Harry Hunsberger, Lyell H. Ritchie and Theodore Lely were promoted to assistant cashiers. John R. Bjorkman was named assistant cashier and assistant manager of the savings department; Maurice E. Graves, assistant controller, and Irving L. Phillips, assistant manager of the bond department.

Stockyards Banks Merge

Union of the Stockyards National Bank of Chicago and the Stockyards Trust & Savings Bank has been ratified by the stockholders. The new bank is known as the Stockyards Bank & Trust Company. Capital, surplus and reserves total \$2,000,000, and deposits amount to \$15,000,000. Book values have been revised downward to conform to current value. The bank is the largest outside of the loop.

D. H. Reimers is president of the combined banks. The directors are F. H. Prince, Arthur G. Leonard, O. T. Henkle, D. H. Reimers, J. A. McDonough, Thomas E. Wilson, George F. Bridge, G. F. Emery, Clyde H. Schryver and Harry I. Tiffany.

Director First National

C. J. Whipple, president of Hibbard, Spencer, Bartlett & Company, was elected a director of the First National Bank of Chicago at the annual meeting of stockholders held last month. Other members of the board were re-elected, with the exception of Richmond Dean, whose retirement is due to the relinquishing of business activities, and Clive Runnells, who does not now live in Chicago. The board of directors of the First National Bank forms the board of directors and advisory committee of the First Union Trust & Savings Bank.

At the meeting of the board of directors, following the stockholders' session, Guy C. Kiddoo was promoted from assistant vice president to vice president of the First National Bank; Horace O. Wet-

more and Herbert V. Prochnow were appointed assistant cashiers. In the First Union Trust & Savings Bank, Lewis Miller was appointed assistant cashier.

Chase Officers Form New Club

A dinner was held at the Waldorf-Astoria recently, attended by more than four hundred officers of the Chase National Bank and its affiliates. The occasion marked the inauguration of a newly organized club of the officers of the Chase National Bank, Chase Securities Corporation, Chase Harris Forbes Corporation, and American Express Company. Joseph

C. Rovensky, vice president of the bank, presided.

The guests of honor were: Albert H. Wiggin, retiring chairman of the governing board of the bank; Winthrop W. Aldrich, who was elected recently as his successor; C. S. McCain, chairman of the board of directors, and John McHugh, chairman of the executive committee. Mr. Rovensky paid a warm tribute to Mr. Wiggin and Mr. Aldrich. He said of Mr. Wiggin that his retirement from the chairmanship of the Chase was not a retirement from the life of the bank or of its officers.

"In relieving himself of his most arduous duties, Mr. Wiggin is to have a well

Iowa Municipal BONDS

Through our state-wide representation we offer high grade Iowa municipals for Investment.

CURRENT OFFERINGS

Issue	Opt'l	Due	Price to Yield
DES MOINES, School.....	4 1/4 %	8-1-44	4.00 %
DES MOINES, Funding.....	4 1/4 %	6-1-45	4.00 %
OTTUMWA, Imp. Fund.....	4 %	5-1-34	4.10 %
FAYETTE CO., Prim. Road.....	5 %	5-1-35 1940-44	4.10 %
WINNESHIEK CO., Prim. Road.....	5 %	5-1-34 5-1-39	4.10 %
LUCAS CO., Funding.....	4 3/4 %	1937-9	4.25 %
DES MOINES, Airport.....	4 3/4 %	1935-7	4.25 %
WELLSBURG, Water Works.....	4 1/4 %	11-1-45	4.50 %
LISBON, Imp. Fund.....	4 1/4 %	1944-48	4.50 %
WAUKON, Refunding.....	4 1/2 %	9-1-28 9-1-36	4.50 %
SHELD AHL, School.....	4 3/4 %	5-1-40	4.75 %
NEW LONDON, Funding.....	4 3/4 %	1934-7	4.75 %
MARQUETTE, Grad. Fund.....	5 %	5-1-45	5.00 %
⊙			
CRESTON, St. Imp.....	5 %	5-1-35	5.00 %
DES MOINES, St. Imp.....	5 %	1933-41	5.25 %
⊙			
LAKE MILLS, Municipal			
Electric Light Plant Pledge Orders, 6s		1940-1	6.00 %

Concessions to banks and dealers on request

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earned rest," said Mr. Rovensky. "However, we say to him only 'auf wiedersehen;' he is not going to leave us, because we have partaken so much of him."

Mr. Aldrich was acclaimed as their new chief by those in attendance at the dinner, and in the name of the officers of each

organization comprising the Chase family, the chairman pledged their support and allegiance to him.

Reeve Sehley, vice president of the bank, presented to Mr. Wiggin, as a token from officers and employees, an old English silver table service. The fund for

the purchase of this gift was begun by a group of clerks, and contributions were made by every office boy, teller, clerk and officer of the bank.

Elected as officers of the new club for its first year were: Joseph C. Rovensky, president; R. R. Hunter, vice president; Albert J. Egger, secretary, and John J. Lendrum, treasurer.

OUR OFFERING LIST WILL BE MAILED REGULARLY UPON REQUEST

GMAC NOTES

are a standard medium for short term investment. Based on highly liquid assets, they provide a sound instrument for the temporary employment of surplus funds. GMAC obligations are in country-wide demand for the security portfolios of individuals, institutions and thousands of banks.

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We furnish you with a composite of all available investment facts that pertain to your bond list and send you an analysis of each security. Constantly, thereafter, your list is checked against all information as it is issued. The results come to your attention automatically. You have an up-to-date file on every issue you own.

The cost is so reasonable, you cannot risk doing business without it.

McFayden's Investors Service

Board of Trade Building
CHICAGO

Appointed in Cedar Rapids

The appointment of Mrs. Edgar B. Tapper of Cedar Rapids, as representative of Jackley-Wiedman & Co., in Cedar Rapids and vicinity, effective January 1st, has been announced by Winfield C. Jackley, president, of Des Moines.

Mrs. Tapper, who lives at 2164 Blake Boulevard, has been a resident of Cedar Rapids for nearly fifteen years. Through



MRS. EDGAR B. TAPPER

connections with the Denecke company and Penick & Ford, she has been identified with business in Cedar Rapids since 1925.

The opening of a Cedar Rapids office is the fourth office of the Des Moines investment house to be established outside of Des Moines. Offices also are maintained at Chariton, Mason City and Omaha.

Home Loan Bank Policy Approved

Approval for the conservative policy of the Federal Home Loan Bank operations took on nation-wide proportions as the comments of building and loan association managers from many states were made public by Ward B. Whitlock, president of the United States Building & Loan League, the national organization of the associations. Particular satisfaction is voiced over the fact that present home

mortgage problems are to be solved through a system supported by private capital rather than through a billion-dollar salvage sum from the government, the building and loan leader said.

The granting thus far of credit lines to 250 home financing institutions by the Federal Home Loan Bank board has been done on the only basis sound enough to make possible the floatation of bonds, according to the several hundred comments summarized. The consensus was that any man or woman with experience enough to speak in the home financing business knows that the safety of the new system in the beginning is essential to its permanent benefits."

Mr. Whitlock said that the reaction of the building and loan managers to the 13-page analysis of the association's affairs required with its application for Home Loan Bank membership was especially favorable. Other features of the bank's lending policies include limitation of loans to member institutions to 50 and 60 per cent of the value of the mortgages pledged as collateral.

"Not only the \$125,000,000 loaned by the United States treasury, but the billions of private capital which will be invested in the regional banks by floatation of bonds will be safe beyond any question because of the policies which have been carried out, giving thorough investigation to all institutions applying for loans," said Mr. Whitlock. "On file in the records of the Home Loan Banks and of the federal board are data relating to all of the loaning operations, payments of earnings and financial condition for the past three or four years, for every institution applying for a line of credit with one of the banks. These records establish the borrowers as solvent institutions, with a past history of financial operations and conservative management which entitles them to the complete confidence of the Home Loan Bank lending officers. By the same token membership in the Home Loan Bank becomes an impressive witness to sound financial practice."

Iowa-Des Moines National Elects

The recent annual meeting at the Iowa-Des Moines National Bank and Trust Company, Des Moines, resulted in several changes in the official personnel of that institution. Clyde E. Brenton succeeds Louis C. Kurtz as chairman of the board of directors. Mr. Brenton was formerly chairman of the executive committee. Mr. Kurtz, while not an officer of the bank, retains his membership on the directorate.

Three promotions are announced, that of John de Jong to assistant vice president, Harold P. Klein to assistant cashier, and Dutton Stahl to assistant trust officer.

Officers and directors of the Iowa-Des

Moines National Bank and Trust Company are as follows:

Clyde E. Brenton, chairman; W. H. Brenton, president.

Department of Commercial Banking—Herbert L. Horton, Albert J. Robertson, vice presidents; Winfield W. Scott, John de Jong assistant vice presidents; Geo. D. Jorgensen, Harold P. Klein, Verne T. Bonnett, assistant cashiers.

Department of Banks and Bankers—E. W. Jones, J. R. Capps, Clarence A. Diehl, vice presidents.

Department of Bank Administration—Harry G. Wilson, cashier; R. L. Chase, Sherman W. Fowler, assistant vice presidents; James F. Hart, James Burson, assistant cashiers.

Trust Department—Clyde H. Doolittle, trust officer; Victor H. Pulis, W. F. Howell, Dutton Stahl, assistant trust officers.

Mortgage Loan Department—A. L. Kreidler, manager; Orville M. Garrett, Laird M. Freyer, assistant cashiers. F. C. Davis, auditor.

Directors—Geo. N. Ayres, Fred Bohlen, Clyde E. Brenton, chairman; W. H. Brenton, J. R. Capps, Howard J. Clark, Ross J. Clemens, J. H. Cownie, E. C. Finkbine, W. J. Goodwin, J. B. Green, Wm. C. Harbach, Herbert L. Horton, F. C. Hubbell, Louis C. Kurtz, M. Mandelbaum, Jos. Muelhaupt, E. H. Mulock, Amos S. Pearsall, Albert J. Roberston, Oliver P. Thompsall, Carl Weeks and Fred W. Weitz.

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PLACE	Station To Station Rate			
	Day 4:30 A.M. to 7:00 P.M.	Evening 7:00 P.M. to 8:30 P.M.	Night 8:30 P.M. to 4:30 A.M.	Person to Person Rate
Akron, Ohio	\$1.80	\$1.55	\$1.05	\$2.25
Albany, N. Y.	.75	.65	.45	1.05
Albuquerque, N. Mex.	6.75	5.50	4.00	8.50
Allentown (Lehigh Co.), Pa.	.55	.45	.35	.80
Altoona, Pa.	1.15	1.00	.70	1.55
Amenia, N. Y.	.55	.45	.35	.80
Amsterdam, N. Y.	.85	.75	.50	1.20
Asheville, N. C.	2.35	1.95	1.30	3.00
Atlanta, Ga.	3.00	2.45	1.65	3.75
Atlantic City, N. J.	.60	.50	.35	.90
Auburn, N. Y.	1.05	.90	.60	1.40
Averill Park, N. Y.	.75	.65	.45	1.05
Baltimore, Md.	.90	.80	.55	1.25
Rego, N. Y.	1.70	1.45	1.00	2.15
	.45	.35	.35	.65
	.85	.75	.50	1.20



Where the charge is 50c or more a federal tax applies as follows: 50c to 99c, tax 10c; \$1.00 to \$1.99, tax 15c; \$2.00 or more, tax 20c.

Many costs, in business promotion and control, are hard to keep within today's budgetary limits. The cost of contact can be one exception—where Long Distance telephone service is used.

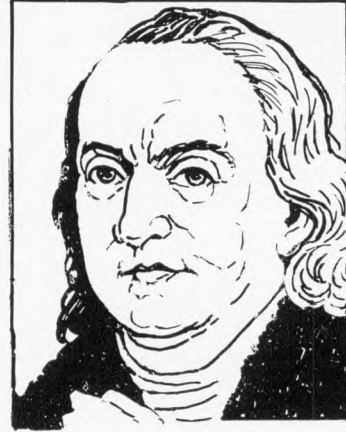
In your telephone directory turn to the list of rates to distant points. (Above appears a section of this list in the Manhattan, New York City, book). Note the economy of this way to keep in touch with the far-off branch or customer.

The low cost of Long Distance is one reason why this service has become so useful to business in these times. Another reason is the quality of the service, now maintained at the highest point in its history.





Great Salesmen of History



BENJAMIN FRANKLIN

No American statesman has left a deeper impression upon the habits of our people than Benjamin Franklin.

Unusually versatile, any one of his accomplishments in science, philosophy or statesmanship would have secured for him a place in history. Yet, he is best known for the virtues of industry, perseverance, generosity and self-mastery, he worked out for his own life.

In those dark days that followed the Revolution he proclaimed by speech and printed page the necessity for thrift and constructive habits as vital factors in the life of a new nation.

So fundamentally sound were his preachments that we find them poignantly applicable even today.



Each year our National Thrift Week opens on the anniversary of the birth of America's Apostle of Thrift—a fitting tribute to Franklin's great salesmanship of a homely virtue.

ROYAL UNION LIFE INSURANCE COMPANY

Des Moines
Iowa

J. J. SHAMBAUGH, President

Insurance

Daniel Boone is president of the Midland Life Insurance Company of Kansas City, and president of the American Life Convention. The American Life Convention is the oldest and largest association of life insurance companies in the world, numbering among its members about one hundred forty companies of this country and Canada.

The Future for Life Insurance

LIFE insurance will break no production records in 1933. It is very probable that there will be a recession from the marks set in 1932 during January, February and March, but with definite signs that fundamental conditions generally are improving, slowly but surely, I anticipate that on the whole the new year will be a satisfactory one for life insurance and that, when the complete records for the entire twelve months are checked, a gain over 1932 will be found.

If all of the life insurance agents of this country could realize immediately their big opportunity and would redouble their efforts to educate their clients and the many millions of men and women who are not now properly protected by suitable life insurance policies, the companies would sell more new life insurance in the first quarter of 1933 than was placed in January, February and March of 1932. It takes times, however, for the great majority of the men in the field to fully recover from the shock of the business depression and, like their prospects, many are giving too much thought to the "hard times."

A New Era

In my opinion there isn't the slightest question that life insurance is on the threshold of a new era of increasing usefulness, having won world-wide esteem and renewed confidence of the buying public through an unexcelled record of stability in the most trying period in the history of the institution.

It is true that a few isolated companies, purely because of their own particular problems, have met with financial embarrassment, but even in those cases I do not doubt for a moment that it has been or will be possible to make adjustments that should completely protect the policyholders and pay every death and disability claim in full. The men and women who have policies in such companies should not become panicky and permit anyone to talk them into sacrificing this protection. But, on the other hand, they should remember that the present situation is but temporary and that they never again will

By DANIEL BOONE

be able to purchase new life insurance for the same low rates they are paying on their old policies taken out at younger ages.

Compelled to Pay

As life insurance emerges from the depression with new honors, men in responsible positions in this business recognize the fact that means must be found to protect living policyholders from the selfish financial vandalism of individuals

"MEN and women everywhere today recognize this great record of life insurance, and more and more will they turn to life insurance for real protection."

who force men and women with life insurance to surrender such protection so that they can collect a part of their own debts. The life insurance companies generally have been proud of their ability to very quickly grant to their policyholders all legitimate requests for policy loans or the cash surrender value of existing policies, but they knew that in millions of instances this fearful sacrifice by the men and women of America was being forced upon them. Suddenly met with demands for payment or the reduction of financial obligations to parties who happened to know they carried such life insurance, they were virtually compelled to walk the plank and wipe out the carefully prepared plans for the protection of their widows and orphans ten, twenty or thirty years from now.

There is no question that life insurance has been forced to furnish cash in the place of many other institutions that should have had the courage to do their duty to their own clients. In such in-

stances many Americans were forced to sacrifice their last line of defense and imperil the safeguards built around their families. Steps should be taken to prevent a repetition of such a situation when America again faces a crisis.

Weathered the Storm

This depression from which the world is now recovering was the second big crisis that life insurance has weathered in recent years. No one could have conceived a much greater demand on the vast resources of the life insurance industry from the viewpoint of meeting death claims than the great influenza epidemic of 1917 and 1918. But dollar for dollar every claim maturing in that trying period was met promptly. The stability of life insurance was the big blessing in those dark days.

But there remained an even greater test for life insurance. Unquestionably no man within the industry and certainly none outside had the remotest idea that one day the vast reservoirs of financial resources built up through the land would be called upon almost overnight to play a leading part in saving the country from a ruinous panic. True, some of the great leaders of other days had looked forward to times of financial stress when life insurance would perhaps be called upon to assume an important role in providing a substantial cushion for financial hard knocks. But I am certain that even when the first big crash occurred on the stock market back in October, 1929, no one then correctly gauged the depths to which the finances of the people would plunge and the duration of the stress that was to follow.

Well Prepared

But life insurance was well prepared for the crisis. Certainly life insurance alone has been able to meet every demand on its resources dollar for dollar and still maintain at par all of its policy contracts. Where else can be found securities sold ten, twenty, thirty and forty years and more ago that are worth today exactly what the salesman told the buyer they would be valued at. It was only because

Northwestern Banker February 1933

life insurance in the days of prosperity had guided its steps in accordance with correct principles in the conduct of the business that it has been able to withstand so splendidly the terrific financial demands that have been made upon it.

Men and women everywhere today recognize this great record of life insurance and more and more they will turn to life insurance for real protection, not only to provide for their loved ones, but also to lay up funds to be used in those days when they are no longer able to find gainful employment or they personally wish to take things easy and enjoy the sunny sixties.

I am sure that the future is of great promise to life insurance. Perhaps it will begin to realize on its new possibilities during 1933.

National Fire Losses

One of the reasons for the heavy loss of life and property by fire in the United States—the value of buildings and contents destroyed by the flames in 1932 is estimated to have reached about \$442,000,000—is the common structural practice of neglecting to safeguard stairways, elevator shafts and other vertical apertures, according to C. W. Pierce, vice president of the Continental Insurance Company.

Mr. Pierce, who is in charge of the en-

gineering work of the Continental, said that building laws more generally should require proper enclosures around important floor openings. He believes also that if contractors in this country would follow the European practice of preventing the rapid spread of fire by means of proper enclosures for such vertical flame ducts as those referred to, the annual reduction in the loss of life and property by fire would be startling.

"Fires start frequently in the lower floors of buildings from hazards of different kinds," Mr. Pierce continued, "but they often spread and become serious because of structural defects, a leading one being the absence of proper enclosures for stairs, dumb-waiter shafts, elevators, ventilation, and other purposes.

"Following its natural tendency, flame will always rush upward and quickly trap those who may be caught on the upper floors of buildings in which fires break out—unless it is prevented from doing so by proper construction.

"There has been, of course, a general betterment in construction during recent years in certain classes of large buildings. There are still, however, too many fire traps in municipalities throughout the country, although heavy losses in such structures could be greatly reduced by the use of proper cut-offs and enclosures, and the adoption of other inexpensive, but effective, measures.

"Details of safe construction are described in the readily obtainable National Building Code of the fire underwriters, and in the interest of safety in life, the suggestions should be carried out wherever possible.

"During the present dullness in the construction field, it should be noted, the need for protective enclosures and other structural improvements should provide welcome opportunities for the employment of contractors and their staffs."

Succeeds Father

Melsher Falkenhainer of Algona, Iowa, has been named secretary-treasurer of the Druggists Mutual Insurance Company by the board of directors.

He succeeds his father, Al Falkenhainer, who was associated with the company thirty years and who died a short time ago. Home offices of the company, which operates in Iowa, Minnesota, Illinois and Wisconsin, is located at Algona.

R. W. Harvey of Missouri Valley, Iowa, has been elected president of the board, and W. R. Beek of Valley Junction vice president.

Company Changes Name

The name of the Western Grain Dealers Mutual Fire Insurance Company of Des Moines, has been shortened to the Western Mutual Fire Insurance Company. This action was taken at the recent annual meeting of the company's policyholders.

At the annual meeting, all officers of the company were re-elected. They are: President, D. O. Milligan, Des Moines; vice president, P. J. Harvey, Gowrie, Iowa; treasurer, F. D. Milligan, Jefferson, Iowa; secretary, G. S. Blount, Des Moines; assistant to the president, F. E. Yoast, Des Moines.

S. W. Wilder of Cedar Rapids, and J. D. Kent, Des Moines, were re-elected directors and J. F. Mueller, of Calamus, Iowa, was named a director. All the other directors carry over.

The Western Mutual Fire is one of the strongest companies of its kind in the middle west and has experienced a steady growth since its organization in 1907.

Votes New Charter

The Town Mutual Dwelling Insurance Company, Des Moines, at its annual meeting voted to extend its corporate charter 20 years, according to B. Rees Jones, president.

The company, completing 40 years in business, adopted new articles of incorporation and new by-laws.

Reports showed assets had increased during 1932 from \$873,575 to \$1,017,823.

The firm made a net gain of insurance

Liquidity and Diversification Spell STRENGTH

NwNL Invites Close Scrutiny of its 48th Annual Statement

December 31, 1932

RESOURCES

Cash	(3.04%)	\$ 1,432,277.21
U. S. Government Securities.....	(7.85%)	3,698,900.26
Canadian Governments	(1.49%)	704,084.68
Other Bonds:		
State, County, and Municipal.....	(6.50%)	3,063,455.18
Railroad Mortgage Bonds.....	(9.37%)	4,414,284.04
Railroad Equipments	(7.74%)	3,644,259.12
Public Utility	(5.11%)	2,406,542.55
Industrial	(1.15%)	541,667.91
Miscellaneous	(0.96%)	453,478.15
First Mortgage Loans:		
Farm Loans	(10.12%)	4,766,946.57
City Loans	(11.88%)	5,595,745.44
Policy Loans	(23.00%)	10,838,063.87
Real Estate (Incl. Home Office Bldg.).....	(4.89%)	2,302,984.78
Real Estate Sold Under Contract.....	(0.37%)	173,867.15
Premiums, Due and Deferred.....	(4.39%)	2,069,381.00
Interest Due and Accrued and Other Assets.....	(2.14%)	1,008,851.72
TOTAL	(100%)	\$47,114,789.63

LIABILITIES

Reserve on Policies.....	\$37,173,265.00
Death Claims Due and Unpaid.....	None
Claims Reported but Proofs of Loss not Received.....	149,327.01
Reserve for Claims Unreported.....	75,000.00
Other Reserves	3,479,060.61
Profits for Distribution to Policyholders.....	2,048,764.71
Land and Loan Contingency Reserve.....	369,047.14
Contingency Reserves (unassigned).....	1,000,000.00
Surplus to Policyholders (Including \$1,100,000.00 Paid-in Capital).....	2,820,325.16
TOTAL	\$47,114,789.63

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

O. J. ARNOLD, President

STRONG ~ Minneapolis, Minn. ~ LIBERAL

INSURANCE IN FORCE \$ 3 6 1 , 7 1 9 , 4 3 2

in force of \$9,756,984, bringing its total in force to \$387,659,103.

In addition to Mr. Jones, other officers re-elected are Harry Harding, Jefferson, Iowa, vice president; Frank H. Dirst, Hampton, Iowa, secretary; Grand McPherrin, Des Moines, treasurer, and Lester T. Jones, Des Moines, assistant secretary.

Those elected to the board of directors are O. B. McKinney, Cedar Rapids, Iowa; R. J. Sullivan, New Hampton, Iowa; George E. Beatty, Tipton, Iowa; R. Lloyd Young, Oelwein, Iowa; Harry F. Gross, Des Moines; Lester T. Jones; Harry Harding, Jefferson, Iowa; Governor-elect Herring, Des Moines; Mr. Dirst, B. Rees Jones, Mr. McPherrin; P. J. Shaw, Plover, Iowa, and R. A. Kent, Oskaloosa, Iowa.

Sales Training Course

An advanced sales training course, compiled by methods new in the field of life underwriting, has been brought out by Northwestern National Life of Minneapolis, according to an announcement made by President O. J. Arnold. The entire course, which deals with all vital points of advanced sales technique, is contained within the covers of one book called "The NwNL Guide to Successful Life Underwriting."

Unlike practically every other text on life insurance selling, the NwNL guide is not the result of armchair theorizing nor round-table discussion, but is founded upon an actual market study by experienced investigators who for several months accompanied NwNL fieldmen in many agencies in their selling. A nationally known sales research organization, Trade-Ways, Inc., of New York, was employed to undertake the work. As a result, there is nothing in the entire field of life insurance selling that in any way approaches this guide as a practical, down-to-the-ground statement of how life insurance is and can be sold. Every idea or method contained is a tried idea that has been proved successful.

The guide is designed, not primarily for beginners, but for the agent who is past the early stages of his training and experience and is now seeking to put himself into a class with the more successful agents who enjoy substantial incomes. It contains no definitions of insurance—no preachments on the value of insurance—no instructions for filling out application blanks—no vague discussions of the underwriter's moral and economic position in the community. It is aimed at men who already have passed the point of making a living at selling life insurance and deals with methods that help such men remove the present limits on their earning power. It is designed to make fair producers into

good producers and good producers into top producers.

The book was compiled and edited by the experienced staff of Trade-Ways, experts in the art of salesmanship who have been highly successful in doing similar work for outstanding organizations in other lines of business over a long period of years. It has been broken down into seven chapters and can conveniently be read in one or two evenings' time. The chapters are: I, The Key to Bigger Earnings; II, Getting the Facts; III, Planning and Stating the Recommendation; IV, Selling the Recommendation; V, Closing Difficult Sales; VI, Making Policyholder Servicing Profitable; VII, Capitalizing Your Sales Assets.

In bringing out this guide, NwNL does not regard it as a substitute for its elementary training course, "The Doorway to Life Underwriting," but regards it as a supplement and follow-up to it. According to present plans, general agents and managers will conduct special schools using the guide as a textbook.

Guaranty Trust Statement

The statement of condition of the Guaranty Trust Company of New York as of December 31, 1932, shows deposits, including outstanding checks, totaling \$1,038,778,217.54, which compares with \$1,

002,027,142.61 at the time of its last published statement September 30, 1932. The company's capital, surplus, and undivided profits total \$271,233,494.33, consisting of \$90,000,000 capital, \$170,000,000 surplus and \$11,233,494.33 undivided profits. The latter figure shows an increase of \$403,260.89 over the figure published at September 30, 1932, and \$737,761.42 over the figure published at June 30, 1932, but \$13,725,544.16 less than the figure published December 31, 1931, due to the amount appropriated by the board of directors out of undivided profits, as announced June 1, 1932, for the purpose of strengthening the reserves of the company.

The company's total resources are \$1,410,786,974.22. Its cash on hand, in Federal Reserve Bank, due from banks and bankers, and its ownership of United States government obligations totals \$724,962,884.58.

President of Central Hanover

William S. Gray, Jr., was elected president of the Central Hanover Bank & Trust Company, New York, at the organization meeting of the board of trustees January 19th, following the annual meeting of the stockholders, January 12th. George W. Davison, retiring from the presidency, was elected chairman of the board of trustees. William Woodward, re-

★ *Effective At Once*

Western Grain Dealers Mutual Fire Insurance Company

becomes

Western Mutual Fire Insurance Company

This action of shortening a name which had long been too unwieldy for ordinary business use was taken January 17th by the policyholders at the Annual Meeting of the Company

Fire, Tornado and Hail Insurance on Selected Mercantile Properties and Town Dwellings. A Complete Line of Automobile and Workmen's Compensation Insurance.

The elevator department will be continued under the name of Western Grain Dealers Insurance Department

Western Mutual Fire Insurance Co.

Operating in Iowa, Nebraska and South Dakota

Hubbell Building, Des Moines

Northwestern Banker February 1933

tiring from the chairmanship, was elected honorary chairman of the board of trustees. The management of the past four years continues under different titles.

Mr. Gray was born in New York in 1897. He served during the war as a lieutenant in the United States navy and was graduated from Princeton in 1919. He was elected vice president of the Central Union Trust Company, New York, in 1925, and since 1929, he has been the executive vice president of the Central Hanover Bank & Trust Company.

Mr. Davison has been president of Central Hanover Bank & Trust Company since 1929, in continuation of his presidency of Central Union Trust Company,

to which he was elected in 1919, as successor to the late James N. Wallace.

Mr. Woodward became president of Hanover National Bank in 1910, and has been chairman of the board of Central Hanover Bank & Trust Company since 1929.

Awarded School Bonds

Award of \$120,000 Des Moines independent school district judgment funding bonds was made to Jackley-Wiedman & Company of Des Moines on January 26th, on a bid of 100.54 for 4½s. The bonds mature 1944-53. Harris Trust and Sav-

ings Bank was awarded \$50,000 Des Moines school district refunding bonds, 4½s, on a tender of 100.90. The latter are 1940-42.

Taxing Misfortune

(Continued from page 22)

grounds that the police protect plate glass and movable property—and the policyholders are the victims.

Even this doesn't tell the whole story. The clerical service required for complying with these tax demands is an additional burden on the companies, for they are required to publish financial statements and to furnish all sorts of statistics and reports, much of which is unnecessary and all of which costs money. And the policyholders must pay for it.

What are policyholders going to do about these taxes on misfortune? Certainly nothing until they are educated to the fact that they pay them; until they become "insurance tax conscious;" until, as one writer so tersely puts it, "the most forgotten of all forgotten men"—the insurance taxpayer—remembers *himself* and gets into the spotlight of sympathetic public recognition.

Now Is the Time

If we are going to do anything about it—now, right now, is the time to begin; for the legislatures of 41 states are now in session. Undoubtedly there will be many schemes proposed for getting more money to cover growing deficits—both by raising present taxes and by discovering new sources of revenue. It seems to be characteristic of the politically minded that instead of cutting out waste and extravagance in government they are constantly devising new methods of getting enough money to perpetuate them. Instead of adjusting expenses to shrinking income, they try to find more income to fit expanding expenses. "No economies; but more taxes"—seems to be the guiding principle of many legislators, if we are to judge them by their deeds rather than by their words.

Every policyholder should right now be keenly on the watch to detect immediately any bills increasing taxes on insurance; and when he spots one, he should immediately get in touch with his state senator and representative and protest as vigorously as he can against such an anti-social proposal. For taxes on insurance, being taxes on *protection against misfortune*, are thoroughly unsound in principle and detrimental to social welfare.

"Mummy, can all angels fly?"

"Yes, darling."

"But cook can't fly, and daddy calls her his little angel."

"No, but she will fly, dear."



Standards of Practice

In recent years many trade associations have adopted standards of practice.

Likewise this institution has its standards and they include these cardinal elements:

1. Complete knowledge of the livestock industry.
2. Complete facilities for handling livestock proceeds.
3. Speed and efficiency.
4. Experience gained from 38 years location at the yards.

Live Stock National Bank

SIOUX CITY, IOWA

Affiliated with Northwest Bancorporation

"The Bank at the Yards"



OFFICERS

A. G. Sam, President

C. L. Fredricksen, Vice Pres.

W. G. Nelson, Asst. Cashier

M. A. Wilson, Cashier

W. C. Schenk, Asst. Cashier

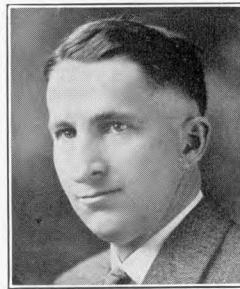


T. M. BRISBINE
President

South Dakota Bank News

Officers South Dakota Bankers Association

President.....T. M. Brisbine
Woonsocket
Vice President.....E. R. Heaton
Yankton
Treasurer.....Russell Bard
Miller
Executive Manager, Geo. A. Starring
Huron



GEORGE A. STARRING
Executive Manager

South Dakota Annual Meetings

A FORMER legislator in South Dakota and a past president of the South Dakota Bankers Association, F. B. Stiles of Watertown has been elected president of the First National Bank & Trust Company, Aberdeen.

Vice presidents elected were F. G. Suttle, J. H. Jackson and Ed A. Porter. Other officers are J. H. Suttle, cashier, and J. E. Koch, Arthur Severson and Fred Roesch, assistant cashiers.

Elected to the board of directors were: J. H. Jackson, J. H. Suttle, F. G. Suttle, Ed A. Porter, F. B. Stiles, Geo. Fletcher and George C. Slater, the latter three being newly elected.

THE ANNUAL meeting of the stockholders of the Bryant State Bank was held Tuesday afternoon, January 10th. A majority of the stockholders were present. A published statement was presented to those present and the cashier's report was read which showed the bank in a good condition and operating on a cash reserve of 59 per cent.

The same board of directors consisting of B. U. Hestad, H. G. Temte, James Erickson, Nels N. Brekke, Frank Richardson, Dr. A. W. Guse and L. A. Jacobson, was re-elected.

THE STOCKHOLDERS of the First National Bank of Canton held their annual meeting recently. The board of directors elected is as follows: G. J. Moen, Ira Bartholomew, J. A. Wallquist, Sander Brynjulson, George Dixon, J. V. Conklin and William Tank.

In the directors' meeting, held immediately following the stockholders' session, G. J. Moen was re-elected president; J. V. Conklin, first vice president; J. A. Wallquist, second vice president; Adolph Anderson, third vice president; Ira Bartholomew, cashier, and Gena Rikansrud, assistant cashier.

THE ANNUAL meeting of stockholders of the Security Bank & Trust Company, Webster, was held recently. All directors were re-elected as follows: W.

M. Naessig, Frank Mohs, Sr., F. W. Halbkat, John H. Lund, I. S. Coomes, Oscar Johnson, Ed A. Porter, E. M. Hanse and Andrew Hedman. Reports for the year were presented and the stockholders expressed themselves as well pleased with the year's showing.

THE ANNUAL meetings and elections of officers and directors have been held by the five Sioux Falls banks. Business reports made at the various meetings indicated a healthy condition of each institution.

The officers and directors of four of the banks, practically all re-elected, follow:

Security National Bank & Trust Company: W. Z. Sharp, president; F. H. Hollister, vice president; C. R. Clarke, vice president; John Barton, cashier; Delmar C. Lowe, J. Virgil Lowe, Oliver A. Bray and Melvin I. Orms, assistant cashiers; P. H. McDowell, manager trust and bond department; Adolph Lodmell, assistant manager trust and bond department. Directors: Sam Speier, Thomas McKinnon, A. F. Larson, Harry A. Hurd, W. K. Van Brunt, D. S. Elliott, John Barton, C. R. Clarke, F. H. Hollister and W. Z. Sharp.

Union Savings Bank: J. C. Vandagriff, president and trust officer; William C. Duffy, vice president and cashier; H. O. Engen, assistant cashier; R. E. Armstrong, assistant cashier. Directors: Roy E. Willy, C. A. Christopherson, A. K. Pay, H. A. Hurd, M. B. Hoffman, F. D. Burke, J. W. Horner, William C. Duffy and J. C. Vandagriff.

Corn Exchange: O. V. Meyhaus, president; W. C. Hollister, vice president; George B. McMahan, cashier; F. D. Johnson, assistant cashier. Directors: A. K. Pay, Frank Kelley, R. A. Hodgson, J. C. Vandagriff, O. V. Meyhaus, W. C. Hollister and George B. McMahan.

Citizens National Bank & Trust Company: W. E. Stevens, president; Ray G. Stevens, vice president; T. N. Hayter, cashier; Frank J. Cinkle, assistant cashier. Directors: Jay B. Allen, Leonard

F. Boyce, Walter C. Buchanan, Dr. S. A. Donahoe, Otto F. Jewell, Clifford H. Peck, T. N. Hayter, Ray G. Stevens, Walter E. Stevens.

THE ANNUAL meeting of the stockholders of the First National Bank of Deadwood was held recently. Reports submitted by the executive officers showed the bank to be in strong financial and liquid condition, with cash resources of over \$1,000,000.

Preceding to the election of a board of directors for the ensuing year, the stockholders re-elected the old board, composed of W. E. Adams, George V. Ayres, Harold S. Black, A. A. Coburn, Lee Boyer, R. E. Driscoll, Jacob Goldberg, John R. Jones and W. G. Rice.

NEWLY ELECTED president of the Exchange Bank of Lennox, is Fred Van Zon. Other members of the board are Sol Bailin, B. C. Burma, Frank Miller, Louis Jacobs and Henry Jacobs.

M. PLIN BEEBE and son Ernest, Mr. Jones and Mr. Cromholm of Ipswich, the postmaster from Mobridge, L. M. Larson of Wessington Springs, W. J. Hughes and Mrs. J. H. Drips of Gann Valley, and Charles Johnson and R. A. Johnson of Kimball attended the stockholders meeting of the Bank of Kimball.

The following directors were elected for the coming year: Mr. Beebe and Mr. Jones of Ipswich, Mr. Larson of Wessington Springs, Mr. Hughes of Gann Valley, and Charles Johnson of Kimball.

Ready to Pay

With a new sinking fund law in effect and \$750,000 available from sale of tax anticipation warrants, South Dakota is ready to meet payments due on maturing credit bonds.

While officials prepared machinery to put into operation the new law diverting half the 4 cent gasoline tax to pay rural credit department debts, bankers advanced \$750,000 on 5 per cent tax anticipation warrants maturing on or before June 15th.

Watertown Merger

The First National Bank and Trust Company and the Citizens National Bank and Trust Company, both of Watertown, were consolidated last month under the name of the First Citizens National Bank. Both organizations are affiliated with the Northwest Bancorporation of Minneapolis.

Dies in Aberdeen

Carl H. Norberg, 39, former Rutland banker, died in his home at Aberdeen after an illness of about one year.

Mr. Norberg had recently been transferred from Sioux Falls to Aberdeen as

Northwestern Banker February 1933

a representative of the Western Adjustment and Inspection Company. He was born in Sioux Falls and was a graduate of both the academy and college divisions of Sioux Falls College.

Open for Business

After being without a banking institution for over a month, a new bank to be known as the Bowdle State Bank has opened for business. It has been chartered with a capital of \$15,000 and \$1,500 surplus. The officers are Jacob Kurle, president; John C. Gross and Fred G. Gross, vice presidents, and Henry C. Gross as cashier. Other stockholders are John

Leno, Henry Bauder, Herman C. Baer, of Bowdle, and H. L. Woodworth, an attorney of Ipswich.

Destroyed by Fire

Fanned by a high wind, fire destroyed the Farmers State Bank building of Carthage.

In addition to the bank which occupies a part of the first floor, the blaze gutted the Weigold and Nordby department store, and on the second floor damaged the offices of a dentist and physician, a beauty parlor, and an apartment.

Damage was estimated conservatively at \$30,000.

How Investment Restrictions Will Affect Your Bank

(Continued from page 19)

structure which found it desirable to seek temporary credit cooperation from the Reconstruction Finance Corporation. It indicates also a laudable determination among bankers to make this form of assistance as truly temporary as possible and to place banks as rapidly as possible squarely on their own resources again.

"In contrast to this attitude and improved position among the banks, no other major class of Reconstruction Finance Corporation borrower has made anything like the same rate of repayment. It should also be noted that applications for loans from banks have steadily decreased in number each month since last April, until recently the monthly number of such applications was considerably less than half what it was in the early months of the operations of the corporation.

Activity Increasing

"During the last few months business activity as gauged compositely by standard measures such as iron and steel production, carloadings, cotton and wool consumption, electric power production, automobile output, boot and shoe manufacturer and other basic lines, has increased about fifteen per cent above the low point of the depression last July. These measures also show that recent data of activity have been characterized by a very great degree of stability, one authority finding that fluctuations have remained within the narrow range of less than a point on its scale. This year-end trend of improvement and stability is in marked contrast with the preceding years of the depression. The July to December changes in business activity in 1931 showed a 16 per cent decline, and in 1930 a 12 per cent decline. As I have said, an advance of 15 per cent was shown for the last five months of 1932."

Mr. Sisson added that inflation is not the pathway to business recovery in the United States and that bankers should oppose such misguided efforts to better our economic situation.

"The banker faces problems, therefore," Mr. Sisson concluded, "not only in the internal management of his bank, but also in the external conditions surrounding his bank. He must work just as hard as a citizen for sound public policies as he works as a banker to practice sound banking policies. With conditions as they are today the two are inseparable."

An Irishman, mourning his late wife, tearfully remarked: "Faith, and she was a good woman. She always hit me wid de soft ind av the broom."

T

HE MEASURE OF VALUE of a CITY CORRESPONDENT is its ability and desire to serve. The facilities of this bank are complete for the prompt handling of any business.

We would like to prove both our ability and desire to serve you in Sioux City.

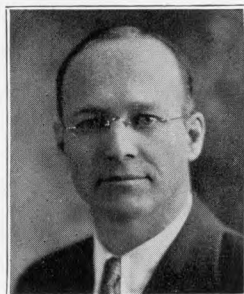


FIRST NATIONAL BANK
IN SIOUX CITY

A. S. Hanford, President

Frederick R. Jones, Vice Pres.

Fritz Fritzon, 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

Nebraska Annual Meetings

STOCKHOLDERS of the State Bank of Edgar met recently in a regular annual meeting with E. A. Jones presiding. The five present directors, E. W. Clack, G. E. Martin, E. A. Jones, H. G. Springer and Henry Koehler, were reelected and another new member was added to the board. A. H. Warren, president of the bank, was elected for the place.

STOCKHOLDERS of the Falls City State Bank held their annual meeting. A banquet at Hotel Weaver was followed by the business session at the bank.

L. P. Wirth, C. W. Thornton, E. E. James, J. C. Mullen and W. L. Redwood were elected directors for the year.

A general review of the business of the past year was given by L. P. Wirth, president, who asserted that adverse conditions had been experienced by farmers, business men, mechanics and bankers alike.

DIRECTORS of the Douglas County Bank of Omaha in Benson, who were chosen at the time the bank was reorganized last April, were re-elected at the first annual stockholders' meeting.

Clement L. Waldron, attorney, continues as president of the institution, while E. L. Cook and W. F. Ruzicka, appointed in September, will continue as executive vice president and cashier, respectively.

Harry Knudsen, Alfred Nielsen, L. B. Bethards, Osar Olson, A. L. Cook and Waldron compose the board of directors.

The annual stockholders' meeting of the Roseland State Bank was held last month in the township hall, R. G. Lynch presiding. Directors re-elected were R. G. Lynch, Leland Hall, Bert Whelan, Otto Miller, John Klein, Horace Williams. L. J. Mangus was elected to succeed Fred Ehrman. Annual reports were given.

STOCKHOLDERS of the United States National Bank, Omaha, at the annual meeting elected John W. Hughes

a director to succeed the late Edward M. Martin and named Milton F. Barlow assistant cashier. Barlow is the son of the late M. T. Barlow, for many years president and chairman of the board of the bank. There were no other changes.

Willard B. Millard, Jr., was elected a director of the Omaha National Bank at the annual meeting of that institution. He entered the service of the bank in 1924 and became a vice president in 1928 after having served as assistant cashier. He is a grandson of the late Senator Joseph H. Millard, president of the bank for almost 40 years. All officers and other directors were re-elected.

The Stock Yards National Bank adjourned after its meeting to reconvene after the return of Ford E. Hovey, president, now in Washington. There were no changes. No official changes were reported by the Live Stock National.

C. A. SCHARMANN was elected president of the Farmers State Bank at Steele City, at the recent meeting of the board of directors, to succeed his father C. F. Scharmann. Miss Nell Drake was elected cashier to fill the position vacated by C. A. Scharmann. George Patterson retains his position as vice president, and C. F. Scharmann continues as one of the bank directors.

DIRECTORS of the First National Bank of York held their annual meeting and declared the 102nd consecutive semi-annual dividend. Directors of the First Trust Company, the First State Savings Bank and the First National Company, institutions associated with the First National Bank, also held their annual meetings and re-elected their officers for the coming year.

A MEETING of the stockholders of the Nebraska State Bank was held at Bristow, over 28 being present. The same board of directors will act this year as last year, with the exception that F. T. Anderson takes the place of Geo. E. Anderson on the board.

OFFICERS and directors of the several Lincoln institutions are as follows:

First National Bank

Officers—S. H. Burnham, chairman of the board, H. S. Freeman, chairman executive committee; George W. Holmes, president; P. R. Easterday, executive vice president; W. B. Ryons, L. C. Chapin, Stanley Maly, vice presidents; Leo J. Schmittle B. O. Campbell and E. H. Mallowney, junior vice presidents; Howard Freeman, cashier; Fred D. Stone, manager service department.

Directors—S. H. Burnham, George W. Holmes, H. S. Freeman, Charles Stuart, C. B. Towle, Arthur A. Dobson, Paul H. Holm, George P. Abel, L. C. Chapin, E. B. Stephenson, B. F. Bailey, Stanley Maly, W. H. Ferguson, E. J. Burkett, P. R. Easterday, W. B. Ryons, Samuel C. Waugh, C. A. McCloud, Thomas C. Woods, W. E. Sharp, M. B. Holland, Frank D. Williams.

First Trust Co.

Officers—S. H. Burnham, chairman of board; George W. Holmes, president; H. S. Freeman, vice president; P. R. Easterday, vice president; Samuel C. Waugh, executive vice president and trust officer; Merle C. Rathburn vice president; Bennet S. Martin, vice president; Fred R. Easterday, secretary; C. E. Hinds, treasurer; O. F. Schlaebitz, assistant trust officer; John C. Whitten, assistant trust officer; A. Suffa, assistant secretary; G. L. Carter, assistant secretary.

Directors—S. H. Burnham, George W. Holmes, H. S. Freeman, Charles Stuart, C. B. Towle, E. J. Burkett, P. R. Easterday, W. E. Sharp, W. B. Ryons, Samuel C. Waugh, Arthur A. Dobson, L. C. Chapin, George P. Abel, Thomas C. Woods, Frank D. Williams.

Continental National Bank

Officers—Edwin N. Van Horne, president; T. B. Strain, vice president; Edward A. Becker, cashier; W. S. Battey, assistant vice president; R. C. Johnson, assistant vice president; C. W. Battey, assistant cashier.

Directors—M. V. Beghtol, T. B. Strain, S. R. McKelvie, E. A. Becker, E. N. Van Horne.

National Bank of Commerce

Officers—M. Weil, president; Carl Weil, vice president; Ernest C. Folsom, vice president; Byron Dunn, vice president and cashier; Albert A. Held, assistant vice president; B. G. Clark, assistant cashier.

Directors—Ernest C. Folsom, W. T. Barstow, L. C. Oberlies, E. W. Miskell, J. D. Lau, Leonard A. Flansburg, William P. Wallace, P. O. Southwick, M. L. Springer, Byron Dunn, Carl Weil, M. Weil.

Northwestern Banker February 1933

Commerce Trust Co.

Officers—M. Weil, chairman board of directors; Carl Weil, president; Byron Dunn, vice president; Ernest C. Folsom, vice president; M. L. Springer, secretary-treasurer; Oliver DeMars, assistant secretary.

DIRECTORS serve as officers at the Farmers Bank, Nebraska City, and those who were re-elected are: J. H. Catron, president; Mike Gardner, vice president; J. R. Stevenson, cashier; Mark Fullriede, assistant cashier.

Re-elected directors of the Merchants National Bank are Paul Jessen, F. J. Homeyer, R. O. Marnell, James T. Shewell and E. M. Shewell. Officers are James T. Shewell, president; R. O. Marnell, cashier; W. G. Eisenmann, assistant cashier, and H. W. Montgomery, assistant cashier.

Directors of the Otoe County National Bank are W. H. Pitzer, H. F. Meyer, H. J. Stocker, Morton Steinhart, J. D. Stocker.

At the Nebraska City National Bank the following will serve as directors for 1933: A. B. Wilson, O. N. Nelson, William Kropp, A. P. Stafford and O. J. Schneider. Officers are A. B. Wilson, president; O. N. Nelson, vice president; O. J. Schneider, cashier; G. W. Slack, assistant cashier, and W. L. Wilson, assistant cashier.

FOUR MEMBERS of the board of directors of the Federal Land Bank, J. M. Lammers, J. H. Edwards, A. A. Lammers and J. A. Thoene, were re-elected at the annual meeting of members held in Hartington. Fred Hoelsing was elected to serve in the fifth place, W. W. McKenzie being the outgoing officer.

DENNIS P. HOGAN was re-elected president of the Federal Land Bank of Omaha at the annual meeting of directors. All other officers of this bank and of the Federal Intermediate Credit Bank also were re-elected.

John Carmody is vice president; Andrew Kopperud, vice president and treasurer; T. C. Hornby, vice president; Harvey, M. Johnsen, general counsel, and H. E. Baird, chief appraiser. Charles McCumsey is manager of the Federal Intermediate Credit Bank and L. N. Burch is assistant manager and counsel.

STOCKHOLDERS of the O'Neill National Bank held an annual meeting and elected the following officers: President, S. J. Weekes; vice president, C. P. Hancock; cashier, Francis Cronin; assistant cashier, Edward Quinn. Directors: S. J. Weekes, Mrs. S. J. Weekes, Edward Quinn and Francis Cronin.

The stockholders and directors of the First National Bank of O'Neill elected directors as follows: J. F. Gallagher, J. P. Mann, H. J. Birmingham, Edward M. Gallagher and Edward T. Campbell. Officers elected: President, J. F. Gallagher; vice presidents, H. J. Birmingham and Edward M. Gallagher; cashier, Edward T. Campbell; assistant cashier, Helen Biglin.

E. J. MACK, who has been an officer of the Security State Bank of Atkinson for the past twenty-five years, was elected president of that institution Wednesday, January 11th, at the annual meeting of the stockholders. He succeeds Henry Hookstra, who was named vice president. J. J. Krska was elected cashier.

Directors of the bank are May E. Hart,

E. J. Mack and H. Hookstra, all of Atkinson.

THE STOCKHOLDERS of the Boyd County State Bank at Anoka held their annual stockholders' meeting on January 11th, and the following officers were re-elected:

President, A. J. Fink; vice presidents, Olof Monson, Thos. Thomsen; cashier, L. D. Monson.

The following directors were elected: A. J. Fink, Olof Monson, Thos. Thomsen, John E. Monson and Arthur Schuman.

The STOCKHOLDERS of the Farmers & Merchants Bank, Ceresco, held their annual meeting on January 10th. The following were elected to serve as directors for the coming year: Frank Wedberg, Herman Nelson, John Martin, Olof Olson, Nels Olson, J. H. Barry and Fred Mostrom. The directors then organized by electing Frank Wedberg, president; Herman Nelson, vice president, and Fred Mostrom, cashier.

FIVE DIRECTORS were re-elected at the annual meeting of stockholders of the National Bank of Neligh, January 10th. They are L. E. Jackson, Fred Penn, C. H. Ray, Dr. U. S. Harrison and J. W. Spirk.

On January 16th the directors elected C. H. Ray, cashier. Mr. Ray has been acting in that capacity since R. B. Genoways resigned some time ago, and will continue to devote his full time to the bank.

AT THE ANNUAL meeting of stockholders of the Spencer State Bank, the board of directors was re-elected and will serve another year.

Hans Storjohann was re-elected president; Henry Woidneck, vice president; J. M. Puelik, cashier; Herman Woidneck, Jas. Zidko, L. I. Hines and E. B. Bradley, board members.

THE ANNUAL meeting of the stockholders of the City National Bank and the City Trust Company was held recently and all officers and directors were re-elected.

The following is the personnel of the officers of the City National Bank: C. N. Beaver, president; Frank L. Borden, vice president; J. E. Shrigley, cashier; K. G. Dreier and R. J. Anderson, assistant cashiers.

THE ANNUAL meeting of the shareholders of the Farmers' State Bank of Tecumseh was held at the bank. All officers were re-elected for the coming year. The financial showing of the bank was most satisfactory.



Condensed Statement December 31, 1932

RESOURCES		LIABILITIES	
Loans and Discounts	\$2,537,964.79	Capital	\$ 450,000.00
Bonds and Securities	75,764.52	Surplus	100,000.00
U. S. Bonds to Secure Circulation	200,000.00	Undivided Profits, Net.	64,441.70
U. S. Government Securities	760,552.13	Unearned Discount	25,624.91
Stock in Federal Reserve Bank	16,500.00	Reserved for Taxes, Interest, etc.	25,639.01
Banking House	52,000.00	Dividend payable Jan. 3, 1933	6,750.00
Furniture and Fixtures	None	Circulation	200,000.00
Other Real Estate	1.00	Deposits	4,065,039.71
Due from U. S. Treasury	10,000.00		
Cash and Sight Exchange	1,284,712.89		
	\$4,937,495.33		\$4,937,495.33

This Bank Has NO Affiliated Companies

Member of Federal Reserve System and Omaha Clearing House Association

LIVE STOCK NATIONAL BANK

OMAHA

Northwestern Banker February 1933

Heads Stock Exchange

H. H. "Hal" Roberts was elected president of the Omaha Live Stock Exchange. He succeeds A. D. Majors. Roberts was vice president and has been a director for seven years.

A. E. Rogers was named to succeed Roberts as vice president. Directors elected for three-year terms are Howard Moberly, C. F. Cox and B. B. Blanchard.

In "Recovery" Stage

Forty-five bankers, investment bankers and life insurance executives interviewed by A. C. Potter, president of Burns, Potter & Company, Omaha, on a trip to New York, Boston, Philadelphia and Chicago, believe the United States is in the final or "recovery" stage of the depression.

"It was the opinion of the business leaders with whom I talked that this depression has had four phases," he said. "Two of them have been normal, and two abnormal.

"We entered the fourth and 'recovery' stage last June, according to those I interviewed. This is viewed as the second normal phase. Confidence is returning and there is less panic among the people. The market for high grade bonds is very strong and this is regarded as absolute evidence of recovery. Carloadings are increasing steadily in the east and are showing less decrease in this part of the country and bank deposits over the country have shown improvement each week since last July."

Re-elected

Louis S. Clarke of Omaha was re-elected president of the Mortgage Bankers' Association of Nebraska at the annual banquet and business meeting. John D. Wadsworth of Council Bluffs was elected vice president.

Although detailed discussion of taxation and tax problems took place, the association members passed no resolutions outlining their suggestions, according to Mr. Clarke.

Named President

Reorganization of the Omaha Symphony orchestra, for a season of three more concerts this year, and under management separate from the board which has controlled the orchestra in the past, is announced.

The new organization will be called the Civic Orchestra Society of Omaha, and W. Dale Clark was elected president.

Heads Spalding Bank

The stockholders of the Spalding City Bank elected Dr. M. M. Sullivan president of the institution at their annual meeting. Dr. Sullivan is a son of the late

John H. Sullivan, who was president of the bank from its organization in 1902.

Miss Hannah Sullivan was named vice president; M. J. Dolce, cashier, and Leo Temper, assistant cashier. Directors were: Vincent Glaser, Mr. Dolce and Dr. Sullivan.

Heads Clearing House

T. L. Davis, vice president of the First National Bank, was elected president of the Omaha Clearing House Association at the annual meeting. He succeeds Alvin E. Johnson, vice president of the Live Stock National Bank.

Gwyer H. Yates, president of the

United States National, was elected vice president, William B. Hughes was elected secretary and manager.

State-Owned Bank

A Nebraska-owned bank established with \$1,200,000 worth of government bonds, was proposed in the senate recently by State Senator Boelts (Dem.) of Central City.

The proposed bank would be depository for all public funds of the state and its subdivisions and the state would guarantee deposits, which would be tax free. In control would be directors chosen one from each congressional district by the



SALMON P. CHASE, Secretary of the Treasury under LINCOLN

THE CHASE NATIONAL BANK

of the City of New York

WINTHROP W. ALDRICH

Chairman Governing Board and President

CHARLES S. McCAIN

Chairman

Board of Directors

JOHN McHUGH

Chairman

Executive Committee

The Chase National Bank invites the
accounts of banks, bankers, firms,
corporations and individuals.

governor and the state tax commissioner for terms of two years.

Farmers, laborers, manufacturers, merchants, educators and others engaged in "useful occupations" could get loans from the bank to the amount of 60 per cent the value of real estate or other tangible securities.

Speculators and monopolies would be barred.

Allotment Plan

The voluntary domestic allotment plan offers an opportunity for agriculture to get the equality to which it has been entitled for so long, Louis S. Clarke declared in a recent address before the Omaha Real Estate Board at the Conant.

Mr. Clarke, president of the Nebraska Mortgage Bankers Association, is a member of the national advisory committee for shaping the relief plan, now pending in Congress.

"The east is finally beginning to realize that prosperity of the farmer means prosperity of the nation," said the speaker, "and if we don't get relief now, with the opportunities presented, we're just a bunch of suckers."

He believes, he stated, that the chief reason for the depression is that agriculture has not had the benefit of the high tariff wall that surrounds this country.

"Forty-four per cent of all our people live on farms or in small towns of 2,500

population or less," he continued. "Today, their buying power has been curtailed to an almost unbelievable degree. The voluntary allotment plan will restore this buying power, I'm convinced."

Mr. Clarke favors applying the plan, at first, to only wheat and cotton, and later to hogs.

Banker Dies

George Brechler, 63, former Page banker, died at his home in Battle Creek, recently. Mr. Brechler underwent an operation several months ago from which, according to reports, he did not entirely recover.

For several years of his life Mr. Brechler was deputy county treasurer of Madison county, following which he went to Washington, D. C., where he held a governmental position. He was employed in the Battle Creek Bank for a number of years and then helped to organize the Page State Bank for which he served as president for some time. Several years ago he retired from active life and made his home in Battle Creek.

News and Views

(Continued from page 17)

deputy manager of the American Bankers Association, for comptroller of the currency in the Roosevelt administration.

Mr. Simmons has a wide acquaintance among bankers and those who have intimate knowledge of his many years of efficient work in the American Bankers Association say that he is eminently qualified to fill the post of comptroller. Mr. Simmonds has a pleasing personality and rates high as an economist and banking analyst. He has been identified chiefly with the state bank division of the American Bankers Association.

ARTHUR D. WELTON, well known financial writer, has just written a new book entitled, "Mr. Weld Retires." This is published by the Sears Publishing Company, 114 East 32nd Street, New York, and is "an amusing theme, a tense plot intriguing characters and a young girl who will walk straight into your affections."

All of which should make this one of the best sellers.

Pretty Young Thing: "Are you sure these curtains won't shrink? I want them for my bedroom windows."

Candid Clerk: "Lady, with your figure, you should care—you should care."

Girl's Father: "So you want to marry my daughter, eh? Well, my answer depends upon your financial position."

Young Man: "What a coincidence! My financial position depends upon your answer."



The Northern Trust Company's entire building, in the heart of Chicago's financial district, is devoted exclusively to serving the financial and property needs of its customers.

At the close of the recent year individuals and firms were entrusting to this bank almost 66 per cent more in deposits than at the same period a year ago. Total assets had grown from \$104,598,000 on December 31, 1931, to \$165,248,000 on December 31, 1932.

Thus another year of progress is added to the banking record of The Northern Trust Company. Upon this record, which stretches back over 43 years, the business of conservative banks, firms and individuals is cordially invited.

1889



1933

THE NORTHERN TRUST COMPANY

NORTHWEST CORNER LA SALLE AND MONROE STREETS

CHICAGO



Northwestern Banker February 1933



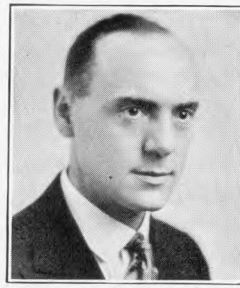


M. F. ERNST
President

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

Minnesota Annual Meetings

FEW CHANGES were made by national banks in St. Paul at their annual stockholders' meetings.

At the First National, Frank B. Kellogg became a vice president and general counsel. He formerly was an advisory vice president. All directors were re-elected.

At the Twin Cities National Bank, H. H. Bigelow retired from the presidency and became chairman of the board. Albert L. Ritt was elected president. He formerly was vice president of the Minnesota Transfer State Bank, which was absorbed a few months ago by the Twin Cities National. Present vice presidents of the Twin Cities National were re-elected.

No changes were reported by the American National, Empire National, Stockyards National or others.

George H. Prince, chairman of the First National Bank, told stockholders that the institution made an excellent record in the past year.

AT THE ANNUAL meeting of stockholders and the election of officers and board of directors of the First National Bank, of Deep River, the following were elected: George H. Herreid, president; S. J. Moran, vice president; Marc Adams, cashier; M. J. Baker, Fred Breid and W. R. Wallace, directors.

THE ANNUAL stockholders meeting of the State Bank of New Ulm was held recently. The directors were re-elected as follows: Fred J. Backer, Willibald Eibner, Wm. C. Muesing, J. A. Ochs, E. A. Stoll, Andrew Saffert and Cust Stuebe. All the officers were also re-elected: Andrew Saffert, president; Fred J. Backer, vice president; Edward A. Stoll, cashier; P. Kitzberger, W. J. Gareis, F. J. Schugel, assistant cashiers; R. C. Dummer and Leander Dauer, bookkeepers.

ALL DIRECTORS and officers of the Northwestern National Bank of Minneapolis, and three affiliates in the Northwestern group were re-elected at the annual meetings of stockholders and direc-

tors. Edward W. Decker is president of the Northwestern National Bank.

The affiliates are: Third Northwestern National Bank, R. E. MacGregor, president; Fifth Northwestern National Bank, Clarence E. Hill, president; Central National Bank, John Schmidler, president.

STOCKHOLDERS of the Goodhue County National Bank, Red Wing, confirmed appointment of B. M. Boxrud as president of the institution to succeed the late C. J. Sargent, made by the board of directors recently. They also confirmed the elevation of N. C. Lien to cashier and promoted E. A. Nordly to the post of assistant cashier.

E. J. PRIEBE, a member of the staff of the bank since 1906, was chosen cashier of the Farmers National Bank of Waseca, at its annual meeting, succeeding C. H. Bailer. Emerson C. Wards was re-elected president; N. P. Powell, vice president; J. C. Hazlitt, Jr., and Harlan Hamlin, assistant cashiers; E. C. Ward, N. N. Powell, E. J. Priebe and W. S. Brown, Waseca, and S. W. Kenyon, Owatonna, directors.

OFFICERS ELECTED at the annual meeting of the Duluth National Bank were announced recently. Dr. William J. Eklund was re-elected president. Other officers are: P. George Hanson, vice president; Nathan Eytcheson, cashier; J. A. Hagberg and R. S. Carlson, assistant cashiers, and Dr. Eklund, Mr. Hanson, J. W. Lyder, Otto Johnson, R. L. Griggs, E. C. Peterson and F. W. Sullivan, directors.

Directors and officers of the Community Savings Bank, Duluth, chosen at the annual stockholders' meeting, are: Joe Ansell, J. F. Bingham, J. S. Smith, Andrew Ekstrom, Rudolph Peterson, Olaf Haugsrud and Aaron Siegel; C. E. Kinney, president; Mr. Bingham, vice president, and Robert Tierney, cashier.

Stockholders of the United States National bank elected their directors and officers. They are: Directors, Byron M.

Pattison, Andrew Johnson, Charles E. Armstead, J. S. Gates, G. H. Winsor and A. J. Wentzel; officers, Mr. Pattison, president; Mr. Wentzel, vice president; Mr. Gates, cashier, and G. R. Smith and Floyd Cox, assistant cashiers.

SHAREHOLDERS of the Security State Bank, Maple Lake, re-elected all its officers. The officers are John A. Elzenpeter, president; Albert Westrup, vice president; Adolph Herold, John Welton and N. D. Vandergon, directors; H. A. Ney, cashier, and H. Bolduan and F. Bolduan, assistant cashiers.

OFFICERS and directors for the coming year were named by the Security Bank & Trust Co., an affiliate of the Northwest Bancorporation, and the First National Bank at meetings in Owatonna. Sidney W. Kinyon was re-elected president of the First National Bank; Harvey Johnson, cashier; F. H. Joesting, vice president, and C. A. Tincher, secretary-treasurer. Directors named are Mr. Kinyon, Mr. Tincher, Guy Doolittle, Mr. Joesting and H. A. Hanna. All members of the board of directors of the Security Bank & Trust Co., were renamed. They include B. J. Meixner, Thomas E. Cashman, Paul H. Evans, Thomas R. Kelly, O. M. Hegnes, Robert K. Evans and A. A. Endres. Officers chosen were Paul Evans, president; Mr. Kelly, vice president; Mr. Hegnes, cashier.

JOSEPH UNDERLEAK was elected president of the First National Bank of Chatfield, at the annual meeting. Officers also named were T. W. Pease and F. G. Stoudt, vice president; A. O. Krogan, cashier, and Beth Onstine, W. A. Kietzschman and R. J. Halloran, assistant cashiers.

THREE NEW directors of the Fidelity State Bank of Minneapolis were elected at its annual meeting and all other directors and officers were re-elected. The new directors are: Seman Kaplan of Liebenberg & Kaplan, architects and builders; Clifford L. Swanson, manager of Nels Swanson Fuel & Transfer Co., Inc., and Emmett Duemke, president of the Argus Publishing Co. Mr. Duemke was elected to the board to succeed his father, the late State Senator Lewis Duemke.

THE KANABEC STATE Bank held its annual meeting recently. The following directors were elected for the ensuing year: Otto Allman, Art C. Rentz, J. P. Gotfredson, Kleo McIlhargey, John G. Dahlman and Frank P. Powers.

At the directors meeting held on the same date the following officers were chosen: Frank P. Powers, president; Arthur C. Rentz, vice president; M. R. Powers, cashier; R. P. Campbell, assistant cashier.

THE ANNUAL MEETING of The Klein National Bank was held in the banking room last month. C. H. Klein, president of the bank, C. P. Klein and O. W. Schulz, members of the board of directors from Chaska, were present.

C. H. Klein was re-elected president, Grant Jacobson was re-elected vice president, Leo A. Nikolai and Roy A. Stemsrud were re-elected as cashier and assistant cashier, respectively.

ALL OF THE OLD officers and directors of the First National Bank of Eveleth were re-elected at the annual meeting. The officers are George A. Whitman, president; R. M. Cornwell, vice president; G. R. Gable, cashier; A. I. Naslund, as-

sistant cashier. The directors: W. P. Chinn, R. M. Cornwell, T. H. Davey, Dr. C. W. More, Peter Peterson, George A. Whitman, J. S. Wilson.

The officials of the Miners National Bank were not changed at the annual meeting held January 10th. James Robb is president; L. G. Castle and Alfred Hoel, vice presidents; John R. Schuknecht, cashier. The group of directors consists of James Robb, L. G. Castle, Alfred Hoel, E. A. Kefgen and J. R. Schuknecht.

THE ANNUAL stockholders meeting of the First State Bank of Meriden was held recently. The following directors were elected: Mr. H. H. Wicklow, J. C. Wilker, J. H. C. Schuldt, Henry Boege, H. J.

Karsten, Fred Mundt and Ed. Buscho. After the general meeting, the directors met to organize for the following year. J. H. Schuldt was elected president; H. H. Wicklow, vice president; W. P. Jones, cashier, and Alfred W. Schuldt, assistant cashier.

THE ANNUAL meeting of stockholders of the First National Bank of Paynesville was held at which all former directors were re-elected. Mr. Anson Evans was again elected president and chairman of the board of directors. Phil J. Noonan, of Alexandria, and N. H. Dreis, of this city, were elected vice presidents; H. J. Sauer, cashier and manager; C. E. Gesme and E. J. Nehring, assistant cashiers and John G. Tuseth, bookkeeper and teller.

COLONEL S. COLE, St. Paul, was elected president of the First National Bank of Hastings; F. W. Finch and W. Beerse, vice presidents; H. F. Schoen, cashier and trust officer; Karl L. Hanson, assistant cashier; Miss Elizabeth Moore, assistant trust officer; Earl Henry, teller, and H. S. Cole, F. W. Finch, W. Beerse, T. P. Gardner and H. O. Schoen, directors. Theodore Albrecht, Minneapolis, was elected president of the Hastings National Bank; Charles Doffing, cashier; Miss Edna Darling, assistant, and Theodore Albrecht, T. Cook, Charles Doffing, L. P. Kingston and A. Doffing, directors.

THE CITIZENS STATE BANK, of Gaylord, held its annual meeting on Tuesday forenoon, January 10th, and re-elected the same personnel as has been at its head for a number of years past. S. J. Maurer who has been connected with the institution since it was organized, was re-elected president; E. P. Hoerschgen and H. C. Gildemeister are the vice presidents; I. M. Nelson is cashier, and D. W. Fenske and John Estenson are assistant cashiers.

DR. J. C. ROTHENBURG, A. C. Ochs, George P. Forster, Arthur J. Lehrer, J. A. Rieck, J. R. Schmid and E. L. Nippolt were re-elected directors of the State Bank of Springfield, at the annual meeting. Officers named were: E. L. Nippolt, president; Dr. J. C. Rothenburg, vice president; M. J. Foy, cashier and A. J. Black, Walter Frank, Arthur S. Birkemeyer and Wm. Kuehl, assistant cashiers.

THE ANNUAL meeting of stockholders of the State Bank of Cobden was held recently. The following directors were elected for the ensuing year: H. H. Schultz, M. G. Hanson, Louie Mikaelson, E. P. Grabow and A. O. Wensberg. After the stockholders' meeting the annual directors' meeting was held and the following officers were re-elected: President, H. H. Schultz; vice president, Louis Mikaelson; cashier, E. P. Grabow.

These Unusual Days call for an Expression of Thanks

A hundred thousand loyal friends and customers have enabled us to round out a quarter of a century of success, and we desire to express our appreciation for the patronage that has made this success possible.

YOU, TOO

You, too, have business friends and patrons who deserve some recognition for the part they have had in the success of your institution—for the patronage that has kept your doors open when so many banks have been compelled to close.

Gerlach-Barklow good will advertising mediums make new friends and keep old friends from forgetting.

The new 1934 line is now ready for your approval. Watch for the Gerlach-Barklow man with the finest and most comprehensive line we have ever created. He will call on you soon.

The GERLACH-BARKLOW COMPANY JOLIET, ILLINOIS

ART CALENDARS DELUXE
BUSINESS GREETINGS
FANS, CUT-OUT-PUZZLES

DIRECT MAIL ADVERTISING
FOLDERS, BOOKLETS, BLOTTERS
PARAGON LEATHER UTILITES

ASK THE GERLACH-BARKLOW MAN TO SHOW YOU
"MADONNA OF THE LILIES"

THE ANNUAL MEETING of the stockholders of the First National Bank, of Pine City, was held recently, when they re-elected J. C. Carlson, president; R. P. Allen, J. A. Peterson and Geo. Dorr, vice presidents and J. D. Boyle, cashier. They also comprise the board of directors. I. A. Melin and M. J. Baron were elected as assistant cashiers.

At the meeting of the board of directors of the Farmers & Merchants State Bank, Dr. E. G. Nethercott was elected president; W. A. Sauser, first vice president; A. M. Challeen, second vice president; C. M. Pennington, cashier, and George Daley, assistant cashier. P. H. Anderson was re-elected chairman of the board of directors.

AT THE ANNUAL meeting of the First National and the Citizens State Bank, of Fairfax, Mrs. E. F. Sell was elected president of the First National; A. G. Briese, vice president; Mrs. Gertrude O. Fiss, cashier; C. J. Braun, assistant cashier, and G. A. Rieke, Senator Herman Schmechel, Otto W. Kiecker, A. O. Mundahl, Mrs. E. F. Sell, Mrs. G. O. Fiss, and A. G. Briese, directors. Reuben Sell was elected president of the Citizens State Bank; Ernest Luedtke, vice president; A. R. Quast, cashier; W. B. Frank, assistant cashier, and Ray Wellner, L. J. Bruggeman, Fred Berg, Reuben Sell and Ernest Luedtke, directors.

R. S. BANFIELD, vice president of the First National Bank of Austin, was elected to the board of directors of the First National Bank, Blooming Prairie, at the annual meeting.

All officers and directors were re-elected. They were Sam A. Rask, president; T. C. Cashman, vice president; C. A. Peterson, vice president and cashier; B. Betlach, vice president; Ray Herron, assistant cashier; C. H. Christianson, assistant cashier. The officers with Mr. Banfield form the board of directors.

DIRECTORS of the First National Bank of Walker, at their annual meeting elected R. F. Ross vice president of the bank, to replace Frank C. Bragg, who resigned from the post January 1st.

ELECTION OF the board of directors of the first National Bank of Brainerd was held at the annual meeting of the stockholders.

Five directors were renamed to a new term and a sixth member, C. W. Boteler, was elected to membership on the board. The directors renamed were G. D. LaBar, Fred A. Farrar, H. P. Dunn, H. R. White and B. L. Lagerquist.

THE ANNUAL meeting of the Farmers State Bank of Nerstrand, was held in the directors' room. Following the business that came before this meeting directors

THE facilities which this Bank offers its correspondents have been developed through serving the exacting and diversified needs of a large and discriminating clientele.

Nearly all the nationally known industries carry their Philadelphia accounts with us.

Our list of correspondents includes the leading financial institutions of the country, both large and small.



... THE ...

PHILADELPHIA NATIONAL BANK

ORGANIZED 1803

PHILADELPHIA, PA.

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

were elected as follows: F. A. Kolling, Dr. H. O. Elthon, Charles Bollenbach, K. A. Finseth and Albert Quie. In the afternoon the directors met and elected F. A. Kolling, president; Charles Bollenbach, vice president; K. A. Finseth, cashier; Dr. H. O. Elthon and Albert Quie, directors, and L. C. Bollenbach, assistant cashier.

A. M. MAGNUSON and George Werstlein were elected to the board of directors of the First National Bank of Thief River Falls. Mr. Magnuson is owner of the Independent Fruit and Grocery, and Mr. Werstlein is cashier at the bank. Other directors are O. D. Ostby, Rasmus Oen, T. M. Thronson and E. M. Bennes.

THE ANNUAL meeting of the First National Bank of Milaca, was held at the First National Bank recently and the following directors were elected to serve in 1933; M. K. Rudd, A. E. Allen, Ray B. Hixson, Geo. W. Kirkeby and J. A. Allen.

The new officers elected are: J. A. Allen, president; M. K. Rudd, vice president; Geo. W. Kirkeby, cashier.

OFFICERS and directors of the Glenwood State Bank and the Pope County State Bank were re-elected at the annual meetings of the two institutions.

Theodore Aune was retained as president of the Glenwood State Bank, with J. O. Haugen, vice president and cashier,

and Louis Robards, assistant cashier. J. O. Grove, W. H. Engebretson and Thomas Callaghan continued as directors.

E. A. Gandrud was re-elected president of the Pope County State Bank, while J. E. Griffith and T. R. Thompson were re-named vice president and cashier, respectively. Andrew Lund remains chairman of the board of directors of the Pope County Bank.

MARTIN HUSEBY was elected president of the First National Bank of Battle Lake, at their directors' meeting, following the annual stockholders' meeting.

The stockholders elected the following directors, to take office at once: Martin Huseby, Ole Bondy, William Thorstad, J. S. Peterson, Millard Ranstad.

THE SHAREHOLDERS of the First National Bank of Aitkin had their annual meeting with sixteen members present. All of the following stockholders were re-elected as directors for the ensuing year: G. M. Robinson, B. R. Hassman, Peter Larson, A. Zeese, John A. Healy, N. Falconer, E. F. Franzen, William Megarry and R. N. Hasling.

In a New Orleans court a man was charged with abusing his team and using loud and profane language. One of the witnesses was an old negro.

"Did the defendant use improper language while he was beating the horses?"

"Well, he talked mighty loud, sah."

"Did he indulge in profanity?"

The witness seemed puzzled, so the lawyer put the question in another form.

"What I mean, Uncle Sam, is, did he use words that would be proper for a minister to use in a sermon?"

"Oh, yes, sah," the old man replied, with a grin, "but dey'd have to be 'ranged in different order."

Mother Will Spank

"Mother, can't I give baby a bite of my apple?"

"He has no teeth to bite with yet, dear."

"Can't you lend him yours, mother? They're on the bureau."

A Question of Authorship

First Student: "Great Scott! I've forgotten who wrote 'Ivanhoe.'"

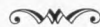
Second Ditto: "I'll tell you if you tell me who the dickens wrote 'The Tale of Two Cities.'"—*Cornell Widow.*

Mr. Poorpay: "I would like to have this pair of trousers reseated. I sit a lot, you know."

Tailor: "All right, and I hope you brought the bill I sent you along to be receipted, too. I've stood a lot, you know."—*The Islic.*



Able and Willing to meet the sound needs of Correspondent Banks



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

1933-Century of Progress Exposition in Chicago

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

North Dakota Annual Meetings

ALL officers were re-elected and few changes occurred in the board of directors of two Valley City banking institutions at their annual meeting.

Officers of the First National Bank continue with A. G. Bjerken, Minneapolis, president; Erle L. Fouks, vice president; T. H. Jeffery, cashier, and J. M. Connors, assistant cashier. The new board of directors includes: A. G. Bjerken, Erle L. Fouks, James Grady, John B. Gray, T. J. Jeffery, E. C. Hilborn, Bert Stern, John H. Marshall, Rudolph Giseliuss, E. E. DeCosse and John Q. Wieland.

Henry E. Nelson was renamed president of the American National Bank & Trust Company, with A. C. Thorkelson, vice president and cashier; Leonard Beal, vice president, and Russell Haugen, assistant cashier. Board members are H. W. Green, Karl J. Olsen, J. E. Jones, Henry E. Nelson, A. C. Thorkelson, A. P. Paulson, C. N. McGillivray, C. H. Noltmier, William Rohde, Emil Feldman and Frank Starke.

WILSON EYER and J. K. Clark, president and cashier, respectively, of the First National Bank of Lemmon since its establishment, have been retired by the First Bank Stock Corporation of Minneapolis, owners of the institution. Fred L. Lewis, for the past two years executive vice president of the bank, has been named to the presidency to succeed Mr. Eyer. H. R. Rendahl has taken Mr. Clark's place as cashier and a member of the board of directors.

STOCKHOLDERS of the First National Bank of Cando, affiliated with the First Bank Stock Corporation, held their annual meeting January 10th, at the offices of the bank. Five directors were chosen at this annual meeting and the following were elected to serve in that capacity for the ensuing year: C. J. Lord, Alex Currie, Harry Lord, T. S. Harkison and C. L. Harris.

At the close of the stockholders meeting the newly elected directors held their meeting for the purpose of organization, and elected the following officers: C. J.

Lord, president; Harry Lord, vice president; T. S. Harkison, cashier; C. L. Harris, assistant cashier; H. M. Schaffer, assistant cashier.

AT THE ANNUAL meeting of the stockholders of the Union National Bank & Trust Company, Minot, the directors were re-elected as follows: Frank T. Merrill, C. H. Zehring, J. N. Ellison, John Ehr, E. A. Shirley, Andrew Balerud and G. D. Coleord. John Ehr was re-elected chairman of the board.

Officers of the bank were all re-elected as follows: Frank T. Merrill, president; C. H. Zehring, vice president; H. L. Thorndal, cashier; R. S. Loberg, assistant cashier; C. H. Zehring, trust officer, and Miss Lucile Cunningham, assistant trust officer.

DR. A. D. McCANNEL and Henry E. Byorum were elected vice presidents of the First National Bank & Trust Company of Minot.

Walter E. Tooley, assistant cashier since 1913, was named director and cashier, to succeed Henry E. Byorum who had held that position since 1914, having succeeded to that position when Robert E. Barron was named president.

Other officers elected are R. E. Barron, president; H. E. Dahl, Charles F. Anderson and A. J. Brunner, assistant cashiers. Mr. Dahl is also trust officer.

With R. F. C.

J. L. Bell, vice president of the First National Bank, Bismarek, for many years, recently announced that he had severed his connections with that institution.

Though his plans for the future are not yet fully shaped, he announced he probably would become affiliated with the Regional Credit Corporation of Minneapolis in the near future.

During his many years of residence in Bismarek, Bell has served as treasurer of many organizations, including the Red Cross, Association of Commerce, and Provident Life Insurance Company, was

a member of the Masonic Lodge and has been a civic and social leader in the city.

N. I. Roop was elected to succeed Bell at the annual meeting of the board of directors, following the annual meeting of the stockholders.

Resigns

With the resignation of C. F. Mudgett as manager of the Bank of North Dakota accepted by the industrial commission in its first meeting since the new administration took charge, no choice was made of a permanent successor.

The commission, members of which are Gov. William Langer, Attorney General A. J. Gronna and Commissioner John Husby, placed P. H. Butler in charge until a new manager is named.

Three Bank of North Dakota department heads and 22 other employes were notified of immediate dismissal. Department heads included G. Olgeirson of the foreclosure division; C. S. Cass of the finance department, and A. L. Fosteson of the collection department. Others discharged were mostly clerks.

News Notes

The Bank of Steele received its charter and opened for business December 29, 1932. This bank assumed the deposit liabilities of the First National Bank of Steele, which discontinued business and went into voluntary liquidation. The officers and directors of the new bank are as follows: Directors, Alex Stern, P. W. Clemens, R. L. Phelps, Martin Peterson, H. H. Graveseth, E. D. Bower and William Stern. Officers, president, Alex Stern; vice president, P. W. Clemens; vice president, H. H. Graveseth, and cashier, H. W. George.

H. R. RENDAHL has resigned as a director and cashier of the Northwestern Bank of Langdon and has accepted a position with the First National Bank of Lemmon, South Dakota.

THE ELK VALLEY State Bank, Larimore, has reduced the number of its directors from five to three.

JOHN POWERS has been elected a director of the Havana State Bank, Havana, succeeding C. E. Castle who has resigned.

HELEN KRIESEL has accepted a position as bookkeeper of the Havana State Bank.

THE SECRETARY of State has issued certificates increasing the capital stock of the Sterling State Bank from \$12,500 to \$15,000, and renewing the term of its corporate existence for a period of twenty-five years.

Northwestern Banker February 1933

Brief News from Iowa Banks

By J. A. SARAZEN
Field Reporter

VISITED C. C. Jacobsen, formerly president of the Iowa Bankers Association, a few days ago and found him very busy in his work as vice president and manager of the Regional Agricultural Credit Corporation of Sioux City. There are about 115 employes in the office in addition to approximately 150 fieldmen on the road. Mr. Jacobsen said there have been 1,084 loans closed to date by the Sioux City office, and this new money has had a very beneficial effect in the different communities where it has been disbursed.

THE TWO BANKS at Charter Oak are running neck and neck in deposits, according to their statements of December 31, 1932. The Farmers State Bank lists total deposits of \$277,043.56, and the First National Bank lists total deposits of \$277,622.55.

N. J. BOLSER, vice president of the American Trust & Savings Bank, Le Mars, was elected a director of the Farmers Savings Bank, Struble. He succeeds W. H. Deegan, who passed away some time ago.

D. A. MEEKS, manager of Armor & Co., Denison, was elected to the board of directors of the Commercial State Bank at the annual meeting. The following directors were re-elected: J. W. Miller, Jr., J. J. Miller, Frank Hoffman and L. C. Thiedeman.

MISS BARD WILLIAMS, serving as vice president of the First National Bank, Stuart, and in the hardware business for the last 22 years, was elected president of the bank at the annual meeting held January 10th. She succeeds Walter I. Haynes, who asked not to be re-elected as his many other interests occupy all his attention.

Frank Eckard, also in the hardware business, and who has been serving the bank as a director, was elected vice president.

Jacob Blackman, one of Adair county's most stable farmers, was elected to the board of directors. However, he was formerly connected with the bank as executive vice president, director, and in other capacities for the last 35 years.

According to C. L. Beech, cashier, the bank came through 1932 in fine shape. In

July, 1932, the bank borrowed \$45,000 from the R. F. C. so that the patrons might be accommodated with legitimate loans. This loan of \$45,000 had been reduced on December 31st to \$21,214 without injury or hardship to the borrower.

THE ANNUAL MEETING of the stockholders of the First National Bank, Denison, was recently held, at which time all the old directors were re-elected as follows: Charles Bollen, B. Brodersen, P. J. Farrelly, N. W. Inghram, William Adams, W. D. Mundt and W. A. Grotfelty.

The directors expressed themselves as well pleased with the management of the bank, and with the volume of business done during the year 1932.

C. F. CADWELL, who was cashier of the First National Bank, Elliott, for the past 23 years, has been elected cashier of the Dunlap Savings Bank. He succeeds H. W. Van Horn.

THE CARROLL County Bankers Association held its annual dinner meeting January 11th, at Glidden. R. M. Moehn, president of the Commercial Savings Bank, Carroll, was re-elected president of the association. George J. Hess, cashier of the Carroll County State Bank, Carroll, was re-elected secretary. Other officers re-elected were E. D. Sutherland, Manning, vice president, and R. W. Porter, Glidden, treasurer.

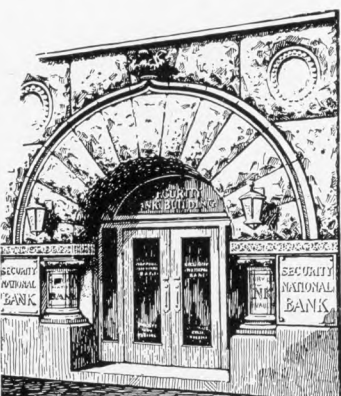
Following the dinner, served by the ladies of the Glidden Auxiliary, R. M. Moehn introduced Bob Garst of Coon Rapids, who gave a splendid talk on the monetary system of the country, explaining the theory advocated by Henry Wallace, of the Iowa *Homestead*, who was slated to address the meeting but was unable to be present.

H. E. Qualheim, president of the Crawford County Trust & Savings Bank, Denison, gave a short talk discussing the various methods of revising our present system of exchange and the problems confronting borrowers and lenders. Other members of the association also gave short talks.

THEODORE ROHWER, president of the Farmers State Bank, Schleswig, can be congratulated for the fine showing made in liquidating his loans between the calls of September 30, 1932, and December 31, 1932. The bank's statement of September 30th listed deposits of \$565,000 and loans and discounts of \$707,000 and bills payable of \$203,000.

The more recent statement of December 31st, lists deposits of \$545,527, loans and discounts of \$421,650, and no bills payable. The cash position of the bank has been strengthened considerably between these two calls and what has been

(Turn to page 51, Please)



LEADERS

This month we celebrate the birthdays of two great Americans—George Washington and Abraham Lincoln. They were leaders at two very critical times in the affairs of our nation.

The Security National Bank's leadership is based on its constant desire to render any service, however small, which will be helpful to the banks and bankers who may use its facilities.

OFFICERS

Leonard R. Manley.....	President
C. R. Gossett.....	Vice President
R. Earl Brown.....	Cashier
Delko Bloem.....	Ass't Vice President
Albert C. Eckert.....	Ass't Cashier
Daniel B. Severson.....	Ass't Cashier
Elmer O. Smeby.....	Ass't Cashier

SECURITY

NATIONAL BANK

of Sioux City

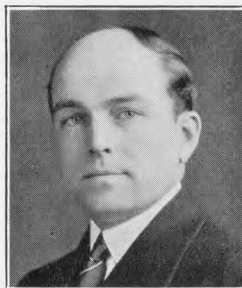


FRED J. FIGGE
President

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

Iowa Annual Meetings

P. T. GRIMES was re-elected president of the Davis County Savings Bank at the directors' meeting following the annual meeting of the stockholders.

All stockholders of the bank were present or represented at the meeting, except two who were ill. The present board was re-elected, with one new director, C. E. Fortune, chosen to fill the vacancy caused by the death of Frank C. Young, former vice president of the bank.

The new board of directors re-elected the officers who have served in their respective positions the past year, the only change in the official personnel being the election of B. B. Burchett to the vice presidency of the bank to succeed the late Frank C. Young.

THE DIRECTORS of the Farmers Savings Bank of Williamsburg have elected C. J. Simmons as president to fill the place made vacant by the death of W. G. Fletcher, who had been president of that institution. The new president has been cashier of the bank for many years and his services in the institution run back about forty years.

Mr. O. E. Jones who has been connected with the bank for the past 28 years, has been elected as cashier. He was also elected as a director to take the place made vacant by the death of J. H. Hughes.

J. O. LOY was elected president of the People's State Bank of Batavia at the annual meeting of the directors. He succeeds Harry Wilhoit, who resigned a few weeks ago. L. A. Peebler was chosen vice president, replacing Mr. Loy. J. P. Starr of Fairfield and John F. Stull and Ross L. Parrett are the other directors. All five men were re-elected.

THE FARMERS SAVINGS BANK of Halbur has been named by the new state executive council as a state depository for 1933.

Naming the depositories was done on motion of state treasurer L. J. Wegman at the first meeting of the new council.

THE STOCKHOLDERS of the Teeds Grove Savings Bank held their annual meeting.

The following directors were elected: Henry Harmsen, Marvin Jargo, William Jargo, Frank Grimm, Chris Mohr, Walter Wessel and Carl Thomsen.

After the adjournment of the stockholders' meeting the new board met and elected the following officers:

President, Frank Grimm; vice president, Henry Harmsen; cashier, John Thomsen; assistant cashier, Wilbur Jackson.

STOCKHOLDERS of the Farmers Savings Bank held their annual meeting and elected the following officers:

President, W. F. Siegmund; vice president, John Jensen; cashier, John Dykema. Directors: David Wagner, Pete Olson, Waltin Olson, W. F. Siegmund, John Jensen and George Raiber.

AT THE MEETING of the new board of directors of The Farmers National Bank of Garner, Chas. Wellik was elected president, to succeed J. N. Sprole, resigned.

The elevation of Mr. Wellik to the presidency of the institution is a well earned promotion for him. In July, 1918, Mr. Wellik became associated with the Farmers National Bank. At that time he was assigned the position of assistant cashier. Later he was elevated to the cashiership, a position he has held for eleven years.

AT THE MEETING of the Wayland Bank on January 10th, the same officers as appointed temporarily when the bank was organized were named for the coming year: President, E. C. Allen; vice president, A. B. Magdefrau; cashier, C. L. Graber; assistant cashier, Marie Imhoff; board of directors: J. R. McKirahan, E. C. Allen, Otto Frey, John R. Wenger, Jacob G. Roth, H. L. Kauffman, Frank Eicher, Joe W. Wittrig and A. B. Magdefrau.

STOCKHOLDERS of the Washington State and Washington National Banks held their annual meetings, the principal items of business being the election of directors for the new year.

At both meetings a spirit of optimism prevailed, the stockholders being pleased with the conditions of the two institutions, as shown by the recently published official statements of the banks and repeated in reports made at the meetings.

THREE ADDITIONAL directors were elected to the board of the City National Bank, Clinton, at the annual meeting of the stockholders. They are F. J. Ward, W. H. Iten and R. E. Clizbe.

At the meeting of the directors, which followed, G. L. Curtis, who has been acting as president since the death of the late A. C. Smith, pending the selection of a permanent president, retired and W. A. Anderson, executive vice president since September, 1930, was elected to the presidency.

At the directors' meeting immediately following the stockholders' meeting officers were elected as follows:

President, W. A. Anderson; vice presidents, Milo J. Gabriel, H. G. Kramer, A. R. Thurn; vice president and trust officer, O. P. Petty; cashier, J. H. Nissen; assistant cashiers, M. E. McCrabb, Emil Johannsen, H. M. Olney and F. E. Conover.

AT THE ANNUAL meeting of stockholders of the Hardin County National Bank, Eldora, Eastman W. Nuckolls was chosen on the directorate to fill the vacancy on the board since the death of Chas. Baskin. All other officers and directors were re-elected: D. M. Moser, president; H. H. Turner and James Nuckolls, vice presidents; Eastman W. Nuckolls, cashier; Parker S. Davis, chairman of the board; C. McKeen Duren, Harry B. Moser and officers and directors.

THE ANNUAL meeting of the stockholders of the Keokuk National Bank was held last month, when the following directors were elected for the ensuing year:

C. R. Joy, Thomas H. Joyce, J. A. Dunlap, L. J. Montgomery, E. R. Cochrane, B. B. Hobbs and Carl A. Weber.

The directors held their meeting when officers were named as follows:

President, J. A. Dunlap; vice president and cashier, E. R. Cochrane; assistant cashiers, J. R. Baur and L. A. Whetstone.

THE VALLEY NATIONAL bank, Des Moines, re-elected its officers and board of directors without a change. J. H. Cownie is president.

Other officers are: C. W. Enyart, executive vice president; C. O. Craig and D. S. Chamberlain, vice presidents; C. T.

Northwestern Banker February 1933

Cole, Jr., vice president and cashier, and W. E. Barrett, assistant vice president.

Directors are R. A. Crawford, Mr. Enyart, Mr. Cownie, Mr. Cole, Mr. Chamberlain, Ed Amend, Ernest W. Brown, F. O. Green, Alfred Hammer, Rudolph Weitz and John N. Hughes.

THE CENTRAL National Bank, Des Moines, re-elected all its officers, headed by Grant McPherrin, president; Leland Windsor, vice president, and L. G. Fuller, vice president and cashier.

Other officers are C. W. Oxborrow, assistant vice president and auditor; F. R. Warden, assistant vice president; Emmett E. Johns, F. R. Quiner, A. T. Donhowe and G. L. Nissly, assistant cashiers, and I. L. Wright, trust officer.

AT THE ANNUAL meeting of the officers and board of directors of the Peoples Savings Bank, Cedar Rapids, Frank C. Welch was elected president, to succeed John Burianek, Jr. Mr. Welch has been associated with the Peoples Savings Bank for twenty-eight years, having begun his duties there as messenger boy in July of 1905. He was associated with Mr. Burianek during this entire period.

FRANK VON SCHRADER, chairman of the board of the Union Bank & Trust Company, Ottumwa, was elected president at the bank's annual stockholders' meeting, and the offices of chairman of the board and president were consolidated. Mr. Von Schrader, who is now both chairman of the board and president of the bank, succeeds in the presidency Cyrus K. Blake, resigned. Mr. Blake continues as a director of the bank.

THE ANNUAL meeting of the stockholders of the First National Bank of Oelwein was held in the banking rooms with a good representation of stockholders present who were very much pleased with the year's results and unanimously re-elected the board of directors for the ensuing year as follows: Thomas Smith, C. B. Chambers, M. F. Gunderson, E. R. O'Brien, E. E. Stoup, A. S. Harper, Richard H. Smith and Geo. W. Falk.

STOCKHOLDERS of the Farmers Savings Bank at Hamlin held their annual meeting and re-elected officers and directors as follows:

H. G. Rice, president; Hans J. Hansen, vice president; Hans Hansen, cashier; Anton Nelson, Nels Mortensen, P. K. Petersen and Nels Rattenborg, directors.

THE ANNUAL meeting of the First National Bank of Colfax was held last month at the bank building in Colfax.

No changes in the officers or directorship was made, the same officers being re-elected to serve during the coming year of 1933, which are as follows:

Dr. F. E. Boyd, president; F. M. Gaggle, vice president; H. E. Bell, cashier; R. E. Cummings and J. H. Cairns, assistant cashiers.

ALL OFFICERS and members of the board of directors were re-elected at the annual meeting of the First State Bank and Trust Company of Fort Dodge.

F. L. Loomis was re-elected president and the other officers are: O. M. Oleson, C. W. Gadd and C. D. Case vice presidents; J. Floyd Rich, cashier, and E. H. Moore, assistant cashier.

The members of the board of directors who were re-elected for another year are E. H. Rich, O. M. Oleson, F. L. Loomis, Donald Vincent, C. B. Smeltzer, W. S. Merryman, W. L. Casteel, John Haire and C. W. Gadd.

THE VANCLEVE Savings Bank held its yearly stockholders' meeting last month. Nearly 75 per cent of the shares were represented, more than at any previous meeting.

The old board of directors was unanimously elected, including W. E. Preston, F. W. Tigges, L. J. Nason, W. M. Warden, George Tigges, G. J. Amendt and J. D. Waltemeyer.

O. F. CHASE was elected president; Dr. D. H. Pelletier, vice president; E. P. Tobias, cashier, and L. F. Grady, assistant cashier at the organization meeting of the board following the annual meeting of the New Hartford Savings Bank. The first three named, together with J. M. Bergman and N. A. Olmstead, constitute the board of directors.

H. N. HALVORSON was re-elected president of the First National Bank, Clear Lake, at its annual meeting last month.

All other officers and directors were re-elected also.

D. M. ANDERSON, former judge of the district court, was chosen chairman of the board of directors of the First Iowa State Bank of Albia. Mr. Anderson succeeds D. W. Bates of Des Moines, Iowa. A. J. Roberts was re-elected president; H. J. Moore, vice president; Roy Alford, cashier, and John Griffin, assistant cashier.

OFFICERS AND directors for the three banks of Creston were elected at the annual meetings. They are: Farmers and Merchants Bank, E. N. Dougherty, president; W. W. Burns, vice president; A. W. Nichols, cashier, and John F. Ward, assistant cashier. Board members: Mr. Dougherty, Mr. Burns, W. J. Colbert, Evelyn Webb and R. C. Thomson.

Iowa State Savings Bank—D. Davenport, chairman of board; George J. Bartle, president; R. K. Meadows, cashier, and Ernest Porter, assistant cashier. Board members: Mr. Davenport, Scott Armstrong, J. E. Deitrick, W. C. Tramp, George J. Bartle and Kenneth H. Davenport.

First National Bank—Directors, Frank A. Ide, chairman; H. F. Harsh, Will Recknor, Bert Tallman, N. I. Menzer, George Newcomb, J. M. Wray, F. D. Iekis, J. D. Spaulding, Dave Kelly and A. E. Jensen.

C. C. SHEAKLEY, M. F. Condon, Matt Kennedy, A. O. Natvig and J. F. Kennedy



ABOVE are cattle going to market at Schleswig, Iowa. The territory around Schleswig is one of the greatest feeder districts in the state. On the first of December 48 carloads of fat cattle were shipped out in one day. According to Theo. Rohwer, president of The Farmers

State Bank, Schleswig, Iowa, it is not unusual to ship 25 carloads of cattle per week out of Schleswig during the shipping season. Buyers often go to Colorado and ship back cattle for feeder purposes. Most of them are Herefords.

Northwestern Banker February 1933

last week were re-elected directors of the First National Bank of New Hampton.

Mr. Sheakley is president; Mr. Condon, vice president; J. F. Kennedy, cashier; A. C. Klatt and W. J. Kennedy, assistant cashiers, and Miss Marcella Crawford, bookkeeper.

WILLIAM MEE, JR., of Oklahoma City, Oklahoma, a nephew, was elected president and a director of the First National Bank of Gladbrook, to succeed the late Martin Mee, at the annual meeting of the stockholders. The new president is to be the active head of the bank. He is now at Gladbrook and will remain indefinitely.

THE ANNUAL meeting of the New Vienna Savings Bank was held at the bank building, New Vienna, on Wednesday, January 4th, at which time the following officers were elected for the ensuing year:

President, Ferd Freking; vice president, Joseph Wessels; cashier, E. K. Smith; assistant cashier, John Froning.

Directors: Ferd Freking, Joseph Wessels, Frank Wilgenbusch, William Riesberg, Henry F. Klass, C. B. Vaske and John Froning.

THE ANNUAL stockholders' meeting of the Guthrie County State Bank was held in Guthrie Center, January 9th. Two hundred twelve shares of stock were represented at the meeting.

The board of directors declared a 3 per cent dividend on the basis of the earnings during the past year. These checks, totaling \$900, have been handed out to the majority of the shareholders.

The annual meeting re-elected the old board for the ensuing year. Members include: E. E. France, H. E. Ellett, Walter Hartman, Cary Headlee, Wilmer Sheeder, T. E. Daugherty and G. M. Barnett.

TWO ADDITIONS to boards of directors of Red Oak banks were made at the recent annual elections when F. E. Billings was added to the board at the First National Bank and O. R. Byers was named assistant cashier of the Red Oak National Bank.

Officers of the First National include the following: President, Chas. T. Schenek; vice president, F. S. Schadel; cashier, F. R. Iddings; W. J. Roberts, cashier; directors, T. J. Hysham and F. E. Billings.

Officers of the Red Oak National include: President, William Cochrane; vice president, Chas. E. Carey; vice president, R. C. Brogmus; cashier, F. E. Crandall; assistant cashier, O. R. Byers; directors: Chas. Miller, E. E. Jones, Jr., Chas. A. Reese, Norman N. Turner and A. R. Tracy.

Officers at the Red Oak Trust include: President, Wm. Cochrane; vice president,

A. R. Tracy; cashier, R. E. Shoemaker; directors, Chas. E. Carey, F. E. Crandall, E. E. Jones, Jr., L. A. Schwinn and N. N. Turner.

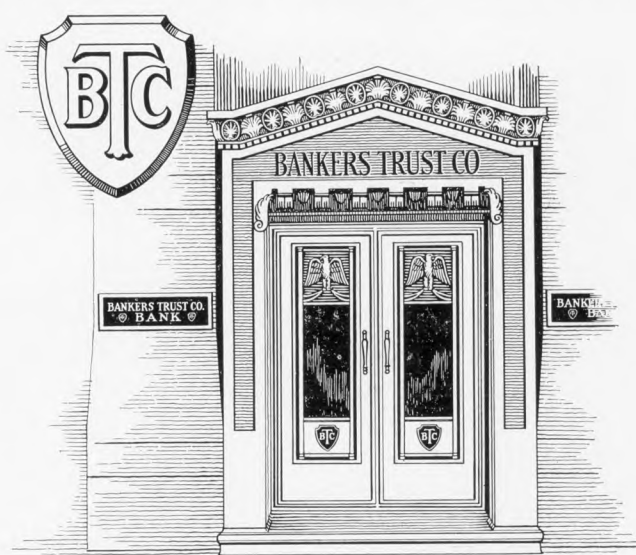
THE STOCKHOLDERS of the Early Savings Bank held their annual meeting with an unusually large number present. The officers of the bank remain the same as heretofore. Ray Stevens was elected as a director to fill the vacancy caused by the death of Frank Struchen.

J. WALTER HELSCHER has been elected president of the Farmers Savings Bank, Keota, succeeding the late George Stevenson, and his place on the board has

been filled by election of Walter R. Stoutman as director. William A. Stputner was elected vice president; Walter Stoutman, cashier, and Mrs. Helen Stoutner, assistant cashier. The directors include: Messrs. Helseher, Stoutner and W. S. Helseher and Charles McCampbell.

ELECTION OF Palmer C. Toy of Storm Lake, Iowa, a brother of James F. Toy, as president featured the annual meeting of the Toy National Bank, Sioux City. He will fill the vacancy caused by the death last March of Carleton B. Toy.

The new bank president, who for many years was president of the Commercial Trust and Savings Bank, has been retired



GOOD BANKING rests on time-tried, bed-rock principles. Yet when conditions are unusual, it is short-sighted to blindly follow usual procedure. Only by viewing today's problems in the light of today's conditions can we be of utmost service to you.

BANKERS TRUST CO. BANK



CORNER 6th AND LOCUST STS., DES MOINES
CAPITAL \$1,000,000 SURPLUS \$200,000

DIRECTORS

L. B. BARTHOLOMEW Vice Pres.-Trust Officer	J. W. HOWELL Vice President, Warfield-Pratt-Howell Co.	B. F. KAUFFMAN President
PAUL BEER President, The Flynn Dairy Co.	F. W. HUBBELL Vice Pres.-Treas., Equitable Life Ins. Company of Iowa	L. B. MAYTAG Capitalist
DR. O. J. FAY Surgeon	HENRY FRANKEL Treas. Younker Bros.	S. L. SHEUERMAN President, Sheuerman Brothers, Inc.
J. G. GAMBLE Attorney	J. W. HUBBELL Vice President, F. M. Hubbell Son & Co.	B. B. VORSE Vice President

for several years. He makes his home in Los Angeles, California, and plans to remain there for the present.

All officers and directors were re-elected at the First National Bank. They are: A. S. Hanford, Sr., president; Frederick R. Jones, vice president; Fritz Fritzon, cashier, and W. J. Bertke, W. J. Downey, Mr. Fritzon, Mr. Hanford, Mr. Jones, J. W. Porterfield, David W. Stewart, C. M. Stilwell and John H. Kelly, directors.

Present officers of the Live Stock Na-

tional Bank, Sioux City, were re-elected. They are: A. G. Sam, president; C. L. Fredericksen, vice president; M. A. Wilson, cashier, and W. G. Nelson and W. C. Schenk, assistant cashiers.

Directors of the Live Stock National Bank are T. J. Dee, Mr. Fredericksen, Alex Highland, Mr. Sam and Mr. Wilson.

AT A MEETING of the stockholders of the Citizens State Bank, Griswold, new officers and directors were named for the coming year. Byron Kewin, L. A. Cock-

lin and U. G. Rogers were named as new directors. Following the election of directors the naming of officers to preside over the affairs of the bank for the coming year was taken up and L. A. Cocklin was named as president, taking the place of J. H. Alexander, who for thirty-four years has presided as president. E. E. Horn was named as vice president and Dan Epplesheimer as cashier.

WILLIAM J. HOLLANDER, retired druggist, was again elected president of the Sheldon National Bank at the meeting of the directors following the stockholders' meeting. Other officers are: W. P. Iverson, vice president and cashier; E. B. Myers and Fred J. Pylman, assistant cashiers.

The annual meeting of the directors of the Security State Bank of Sheldon took place last month. Stockholders elected the same directors for the coming year and the same officials were re-elected.

The bank board of the Security State Bank of Sheldon consists of the following members: G. P. Schneider, C. L. Schneider, O. J. Frey, G. J. El'erbroek, M. Mulder, G. P. Kersten and L. A. Struyk.

J. R. MITCHELL was re-elected chairman of the board of the Manly State Bank. H. A. O'Leary of Mason City, who represents the McNider stock interests in the bank, was elected president; Dr. S. S. Westly and Ray Field were re-elected vice presidents, and C. S. Rye was re-elected cashier. Fred Zarbroek and H. D. Backhaus were returned to their old positions on the board of directors.

N. E. KELLEY of Altoona has been named as cashier of the Cambridge State Bank, at a recent meeting of the board of directors of that institution. He will succeed H. H. Lexvold, who has acted as cashier for the five years since the bank organized. Mr. Lexvold suffered a severe case of blood poisoning and his health does not permit him to continue the arduous duties of cashier.

JOHN SIEH, an active official in the Farmers Trust and Savings Bank of Spencer since its establishment in 1916 and vice president for the past five years, resigned that office recently at the annual stockholders' meeting.

Mr. Sieh has been in ill health for some time and his quitting active participation in the banking business, at least for a time, was on advice of his physicians. He is retaining his stock holdings and will continue as a member of the board of directors of the institution.

COL. HANFORD McNIDER was re-elected chairman of the board of directors at the annual business meeting of the First National Bank of Mason City.

Guaranty Trust Company of New York

140 Broadway

LONDON PARIS BRUSSELS LIVERPOOL HAVRE ANTWERP

Condensed Statement, December 31, 1932

RESOURCES

Cash on Hand, in Federal Reserve Bank, and due from Banks and Bankers.....	\$ 197,891,874.27
U. S. Government Bonds and Certificates..	527,071,010.31
Public Securities	79,865,101.22
Stock of the Federal Reserve Bank.....	7,800,000.00
Other Securities	24,953,391.87
Loans and Bills Purchased	456,157,496.34
Real Estate Bonds and Mortgages	2,391,701.10
Items in Transit with Foreign Branches.....	7,972,124.51
Credits Granted on Acceptances.....	85,968,777.36
Bank Buildings	14,322,480.02
Accrued Interest and Accounts Receivable....	6,393,017.22
	<u>\$ 1,410,786,974.22</u>

LIABILITIES

Capital	\$ 90,000,000.00
Surplus Fund	170,000,000.00
Undivided Profits	11,233,494.33
	<u>\$ 271,233,494.33</u>
Accrued Interest, Miscellaneous Accounts Payable, Reserve for Taxes, etc.....	6,512,828.82
Acceptances	85,968,777.36
Liability as Endorser on Acceptances and Foreign Bills	139,165.00
Agreements to Repurchase Securities Sold....	8,154,491.17
Deposits	\$1,018,967,670.00
Outstanding Checks	19,810,547.54
	<u>1,038,778,217.54</u>
	<u>\$1,410,786,974.22</u>

Other officers re-elected include: W. G. C. Bagley, president; C. A. Parker and R. P. Smith, vice presidents; F. C. Heneman, assistant vice president, and H. V. Bull, cashier.

THE ANNUAL meeting of the stockholders of the Grinnell State Bank was held last month. Mrs. Louise M. Henely was chairman and cashier. J. E. Bach was made secretary.

The new directors elected for this year were: John S. Nollen, John Evans, A. J. Blakely, Dr. E. F. Talbott, Raymond Pilgrim, Frank Matteson, J. E. Bach, C. A. Blair and C. S. George.

AT THE ANNUAL meeting of the stockholders of the Burt Savings Bank, held January 10th, the report of business showed a 10 per cent net profit for the year.

The officers remain as before: W. T. Petes, president; F. E. Rubey, executive vice president, and J. T. Heaney, cashier.

TWENTY years of continuous service in the employ of the People's National Bank and People's Savings Bank of Albia will be observed February 1st by Earl W. Baxter, cashier.

Ten months ago, in April, 1932, J. A. Canning, president, also observed twenty years of service with the banks.

THE ANNUAL meeting of the stockholders of the Farmers State Savings Bank of Independence was held January 10th. The same officers and directors were re-elected for the ensuing year. They are as follows: President, Chas. C. Meythaler; vice president, Will Blank; cashier, E. F. Sorg; assistant cashiers, C. L. Fiester and P. E. Sorg; bookkeeper, Miss Alverna Sullivan; stenographer, Miss Henen O'Biell.

The directors are: Chas. C. Meythaler, Will Blank, Albert Israel, Dr. B. B. Sells, W. E. Glenney, F. A. Kirsch and E. F. Sorg.

The report of the condition of the bank as of call on December 31, 1932, shows a total of \$153,184 cash on hand and due from banks; \$65,400 of U. S. government bonds, and \$152,000 of municipal and other bonds and securities. This makes a total of \$370,584 assets which can be liquidated almost immediately. During the past six months the deposits have increased over \$100,000. The bank has a capital of \$50,000 and surplus and undivided profits of \$19,476.

AT THE FIRST National Bank stockholders' meeting in Boone, C. C. Quinn retired from the presidency of the bank. He is being succeeded as president by J. H. Herman and other officers include: W. H. Crooks, vice president; F. P. McDonald, cashier; H. R. Eaton and J. E. Carlson, assistant cashiers.

There was almost a full representation of stockholders present at the City Trust and Savings Bank meeting. After routine business was disposed of, reports of various officers were taken up with discussion following. The stockholders elected nine directors for 1933 as follows: C. E. Rice, C. H. Crooks, F. M. Ballou, John L. Goeppinger, W. R. Dyer, H. G. Rice, John H. Goeppinger, Mrs. Katherine Stanger and R. T. Duckworth.

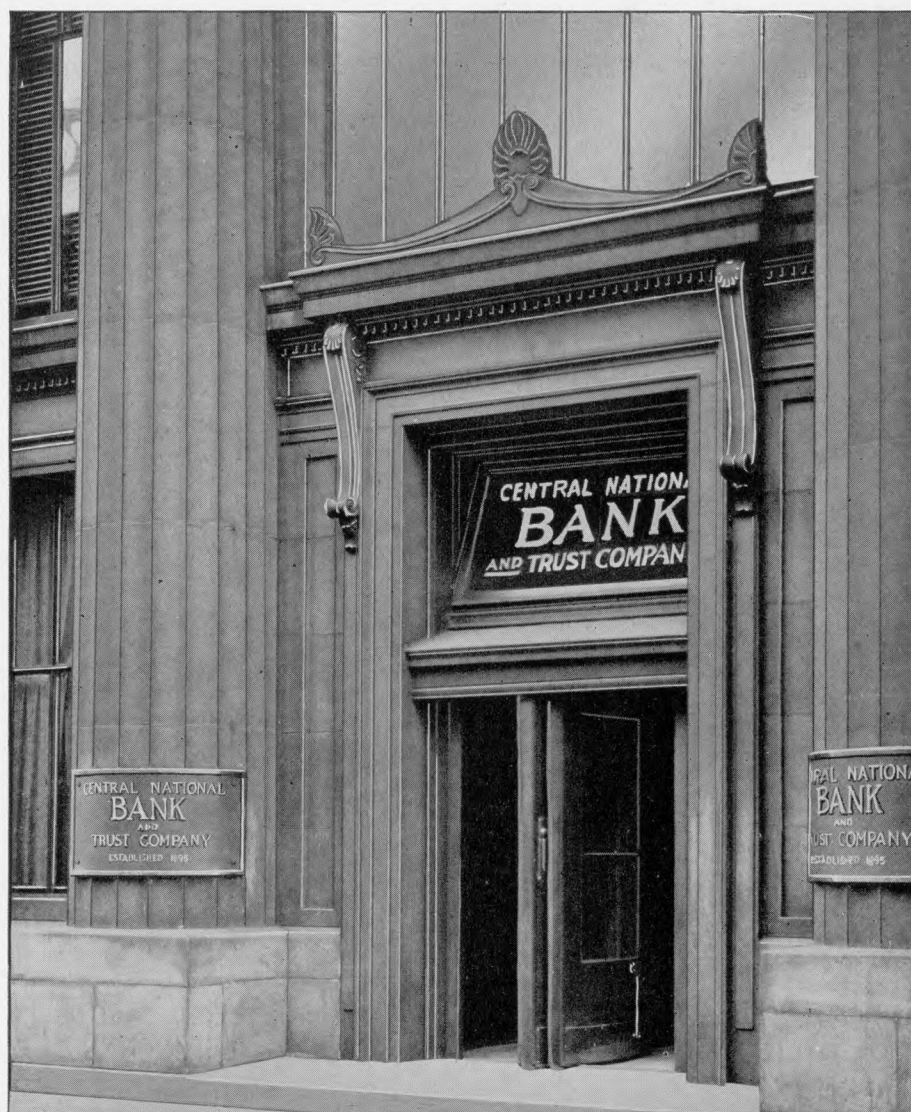
Stockholders of the Boone State Bank met at the bank for the yearly session to elect directors, hear reports and discuss matters pertaining to the bank's business. Officers and directors were named

for this year as follows: President, T. L. Ashford; vice president, B. P. Holst; cashier, R. J. Meyers.

Directors: T. L. Ashford, B. P. Holst, Frank Hollingsworth, John Cooper, H. E. Fry, F. H. Johnson and Bertram P. Holst.

Dies in Des Moines

George E. Pearsall, 82, prominent in Iowa banking circles for a half century and a vice president and director of the Iowa-Des Moines National Bank and Trust Company, died at his home last month.



Through this door
You'll Find Good Banking Service
and a Friendly Welcome

CENTRAL NATIONAL BANK
AND TRUST COMPANY

FIFTH AVE. - Between WALNUT and LOCUST
DES MOINES - - - - - IOWA

He had been seriously ill with influenza.

Mr. Pearsall's death came on his eighty-second birthday, on the fifty-first anniversary of his marriage, and just 40 years after coming to Des Moines. Mrs. Pearsall preceded him in death in 1923.

Mr. Toy Celebrates

James F. Toy of Sioux City, the well known veteran of northwest Iowa banking circles, and president of the First National Bank of that place, was 83 years old on January 5th. Mr. Toy quietly observed the 83rd milestone of his life by giving his attention to business matters in connection with the Toy National Bank

and the Farmers Loan and Trust Company of which he is the head.

Cut Interest Rate

The Rippey Savings Bank of Rippey has decided to cut the rate of interest on time deposits from 4 per cent to 3 per cent, while the interest rate on loans was changed from 8 per cent to 7½ per cent.

With Davenport Bank

J. M. Hutchinson, director of the Iowa State Bank of Calmar, has been named head of the trust department of the new Davenport Bank and Trust Company at Davenport.

For the past few months Mr. Hutchinson has been assistant manager of the Regional Agricultural Credit Corporation at Sioux City. He was induced to leave that position only in view of this present offer which will be a fine promotion.

Mr. Hutchinson is the son-in-law of Mr. and Mrs. Fred F. Figge of Ossian, Iowa.

With R. F. C.

After being connected with the First National Bank of Sumner, Iowa, for 24 years, Elmer Mohling, assistant cashier, resigned his position to accept a position with the Reconstruction Finance Corporation. Mr. Mohling assumes the duties of his new position at once.

The offer came to Mr. Mohling from the Chicago office of the corporation.

Resigns

Guy C. Martin has resigned from his position as cashier of the Farmers' State Bank of Malvern, to take effect February 15th, and with his family will establish a residence elsewhere. His successor has as yet not been elected but several applicants are on the waiting list. The personnel of the board of directors remains unchanged.

Named Cashier

G. L. Dickinson, formerly of Kellerton, but who has recently been conducting a cafe in Stansberry, Missouri, has been elected cashier of the Beaconsfield bank, to fill the vacancy caused by the sudden death of L. R. Beadle. He has had previous experience, having been assistant cashier of the Kellerton State Bank for about twenty years.

Foreclosures Stopped

L. A. Andrew, state superintendent of banking, announced recently that the receivers of the closed state banks in Iowa have been notified to hold no more farm real estate or chattel mortgage foreclosure sales, and to postpone those sales which already have been scheduled.

This order is to prevail, Mr. Andrews stated, until real estate and chattel prices are higher.

He further stated that that order does not apply to cases in which holders of second mortgages foreclose on debtors, or in which property securing the mortgage is being dissipated.

Mr. Andrew further stated that it has been the policy of the banking department and the receivers of closed banks to effect settlements with Iowa farm debtors in preference to foreclosure sales, and that few public foreclosure sales have been held.

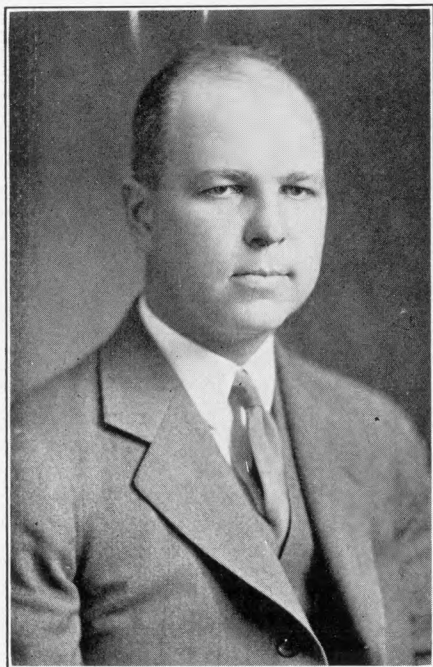
The
Omaha
National
Bank

ALWAYS
AT YOUR SERVICE

New Shrine Treasurer

Leonard R. Manley, president of the Security National Bank of Sioux City, Iowa, has recently been elected treasurer of Abu Bekr Shrine in Sioux City. Mr. Manley has been active in Masonic work for many years.

Under the able direction of Mr. Manley, the Security National Bank finds itself in



L. R. MANLEY

a most comfortable position at the close of 1932. With around a million in short term securities, another million in government bonds, and about a million and a quarter in cash and due from banks, the resources of the institution are in a highly liquid form.

According to its last statement, the Security National shows deposits of \$4,444,665, and total resources of \$5,252,829.

Brief News From Iowa Banks

(Continued from page 44)

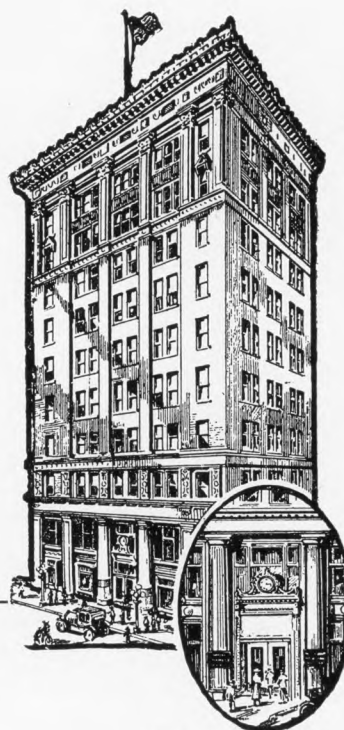
accomplished in the way of liquidating bills payable under present conditions is most extraordinary. In commenting on this fine showing, Mr. Rohwer said that most of these loans were made to responsible cattle feeders.

J. P. HESS, president of the Carroll County State Bank, Carroll, passed away January 13th. He was 75 years old and had been in the banking business for the past 48 years. Mr. Hess entered the banking business in 1885 as cashier of the Carroll County Bank which was a private institution owned by the Patterson broth-

IN NEW QUARTERS

TO MAINTAIN our past record of service, and to facilitate the handling of our increased business, we are now located in new and larger quarters. We invite new business in all departments of banking—from banks, corporations, firms and individuals.

STRICT adherence to the sound, constructive policies which have been a part of this institution for the past thirty years assure you of the efficient service you want in a Waterloo correspondent.



The WATERLOO SAVINGS BANK

WATERLOO - IOWA

OFFICERS

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

**The
Waterloo
Savings
Bank**

Bankers' Wants

This department of The Northwestern 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 remember, this service is free to subscribers.

For Sale—Eight-drawer steel check file, Burroughs, late model transit machine, Brandt cashier and latest Burroughs model posting machine. Make a bid on all or any part. Address the Northwestern Banker, 3205. 2-3.

Position Wanted—Young man, age 22, two years general banking experience, university graduate commerce and finance, single, willing to start at small salary. Can furnish best of references. Address the Northwestern Banker, 3203. 2-3-4.

Position Wanted—Young man, 28 years old, married, of Protestant faith, member of the Masonic Lodge and with eight years experience as Assistant Cashier. Capable of handling any position in a bank. Can furnish the best of reference as to ability and integrity. Address the Northwestern Banker, 3204. 2-3-4.

For Sale—Two nests Invincible Deposit boxes of 30 boxes each. Size 4¾ x 2½ x 14. Nickel steel front. Will deliver F.O.B. any Iowa town at \$1.50 per box. Security State Bank, Radcliffe, Iowa. 1-2-3.

For Sale—Short Method Rules for measuring hay, corn, grain, coal and other items. Prepared in Mimeograph form. Will mail copy upon request and receipt of 25 cents. Address J. P. Denger, Cashier, Bank of Galt, Galt, Iowa. 3201. 12-1-2.

LOUIS J. MUEHLE & COMPANY

Certified Public Accountants

601-602 Securities Building
DES MOINES, IOWA



FRANCIS DRAKE HOTEL

200 ROOMS \$2.00 PER DAY AND UP 200 BATHS

Guest rooms and kitchenette apartments

Special weekly and monthly rates

10TH STREET AT 5TH AVENUE

MINNEAPOLIS

Northwestern Banker February 1933

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leral Reserve Bank of St. Louis

ers. Three years later Mr. Hess and a few friends purchased the Patterson brothers' shares in the bank, reorganized the institution and renamed it the German Bank of Carroll County.

The same setup continued until January 1, 1918, when a state charter was granted the bank at which time it was changed from a private institution to a state bank and the name changed to the Carroll County State Bank, which it is known by today.

It was at this time Mr. Hess was elected president and held this position continuously until his death, although he did not take a very active part in the conduct of business since 1928, leaving most of the responsibilities on the shoulders of his two sons, George, cashier, and Carl J., assistant cashier.

George Hess has been associated with his father for the past 26 years and Carl J. Hess has been with the bank for the last 15 years.

The city of Carroll and community and many banking friends deeply regret the passing of Mr. Hess.

H. W. MEYERS was elected a director of the Manning Trust & Savings Bank at the annual meeting held January 9th. He succeeds Gus Vinke, deceased. All other former directors and officers were re-elected.

THE FARMERS State Bank, Merrill, lists in its statement of December 31st, deposits of \$107,784.48, and total cash assets of \$68,305.56.

AT THE ANNUAL meeting of the Templeton Savings Bank, Dr. Otis P. Morganthaler was elected a director and succeeds Engelbert Irlbeck.

THE IDA COUNTY State Bank, Ida Grove, of which F. R. Jones of Sioux City is president, shows a very substantial growth for the short time it has been operating. The bank was organized eleven months ago and its statement of December 31st, lists deposits of \$275,000 and total footings of \$324,000. This bank does not pay any interest on deposits with the exception of a few small accounts, which are mostly children's accounts. Loans and discounts are listed at \$62,000, state and municipal bonds \$75,000, United States government bonds \$55,600, and cash on hand and sight exchange \$123,000.

THE HOLSTEIN State Bank, of which Mr. Jones of Sioux City is also president, has a very nice statement as of December 31st. This bank was organized in 1931, and lists deposits of \$441,000 and total footings of \$504,000. Like the Ida County State Bank, no interest is paid on deposits. Loans and discounts are \$124,700, state and municipal bonds \$148,200,

United States government bonds \$118,100, cash and due from banks \$96,700.

THE FARMERS Savings Bank, Danbury, is another new bank which was organized a little more than a year ago and is not paying interest on deposits. Their statement of December 31st lists deposits of \$108,650 and total footings of \$141,660. The statement lists loans, bonds and securities \$70,500, cash \$52,000, United States Liberty bonds \$19,141. C. F. Seibold, of Sioux City, is president, and F. W. Kemp, cashier.

SOME BANKERS think that banking in the future will be run on an entirely different basis than what it is today. For instance, one banker that I recently talked to said he thought that in the future people would pay the bank to keep their money for them instead of the bank paying the customer to leave his money. Of course, some plan would have to be worked out so the bank would be 100 per cent liquid at all times.

More and more bankers are beginning to realize that it is difficult for a bank to pay a high rate of interest and keep solvent as they must invest their money in long-time paper and higher yield, more speculative issues to be able to make money and pay the customer the higher rate of interest. There still are a good number of banks in the state paying 4 per cent interest and practically all of them seem to feel that it is too much. However, the general attitude seems to be "don't rock the boat, we can't afford to lose deposits."

IN CONVERSING with J. F. Johnston, president of J. F. Johnston's Bank, St. Charles, a private bank, I was informed that his bank has not paid any interest on deposits for the last five years. He was paying 4 per cent interest at that time and decided it would be better to have far less in deposits and be able to make some money on what deposits he had than to pay out so much in interest. At the same time it was felt the bank could then invest in lower yield, high grade investments. Deposits five years ago were around \$430,000 and their statement of December 31st speaks pretty well for itself with deposits of \$225,000, capital \$50,000, surplus \$35,000, no borrowed money and no rediscounts. Resources are loans and discounts \$166,525, U. S. bonds \$85,000, cash and exchange \$58,634, overdrafts none and real estate none. The bank building and furniture and fixtures have been charged off.

Mistress: "Mary, when you wait at table tonight for my guests, please don't wear any jewelry."

Maid: "I have nothing valuable, ma'am, but I thank you for the warning."

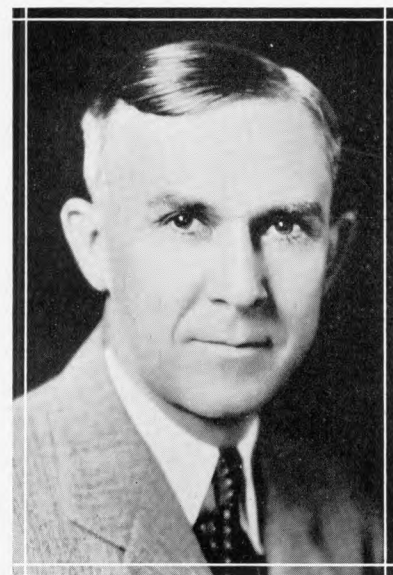
Waterloo Savings In New Location

Finding it necessary to obtain larger quarters to transact its increased volume of business, the Waterloo Savings Bank, Waterloo, Iowa, last month moved into the empty banking rooms of the Pioneer Building. In addition to the banking quarters, the lease also includes seventeen hundred safety deposit boxes in the old



H. G. NORTHEY

Pioneer vaults, which the Waterloo Savings will take over and operate. Also, the boxes in the building formerly occupied by the bank will be available to patrons, as before.



R. W. WAITE

Originally the Waterloo Savings Bank had made plans to enlarge and remodel its old location. This would have meant considerable expense, however, and it was



J. J. MILLER

found the better method would be to rent the banking quarters in the Pioneer Building which were designed and especially equipped for banking purposes. A lease on those quarters was obtained which did not increase the overhead and conformed to the larger volume of business which the bank is now doing. It is felt the

change is an advantage to all concerned, and consistent with good, conservative banking.

The recent statement of condition of the Waterloo Savings Bank shows deposits of \$1,949,753.97, and total resources of \$2,128,335.76. State, county, and municipal bonds total \$126,875.52; market bonds, \$98,389.95; U. S. bonds and treasury notes, \$189,900; and cash on hand and due from banks, \$957,205.93, making a total for this account of \$1,372,371.40, which indicates that the Waterloo Savings Bank is more than 70 per cent liquid.

The officers of the Waterloo Savings Bank are as follows: J. E. Johnson, chairman of the board; H. G. Northey, president; R. W. Waite, vice president; Carleton Sias, vice president; J. J. Miller, cashier; Francis R. LaBarre, assistant cashier; V. Spalding Miller, assistant cashier.

Ruling the Waves

A prominent judge, crossing the Irish Channel on an extremely rough voyage, noticed a lawyer friend who was suffering from seasickness.

Judge: "Can I help you in any way?"

Lawyer: "Yes, please overrule this motion."



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CHARLES E. ROCHESTER, General Manager

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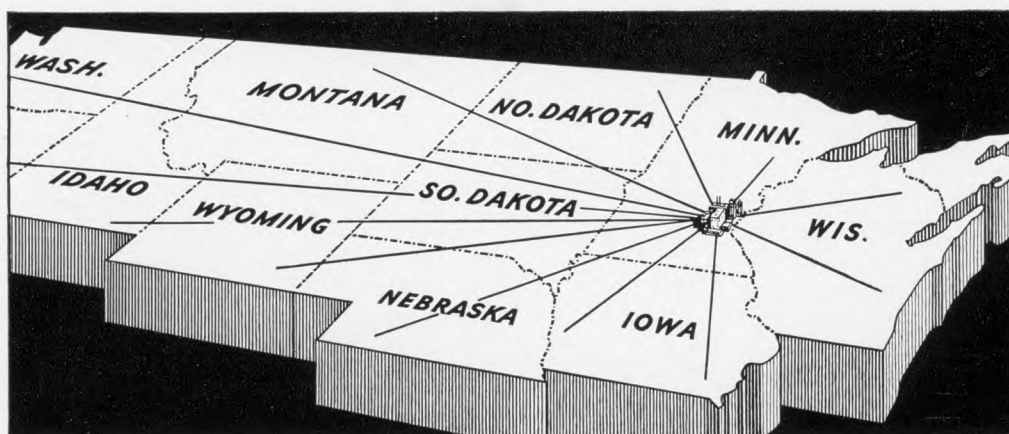
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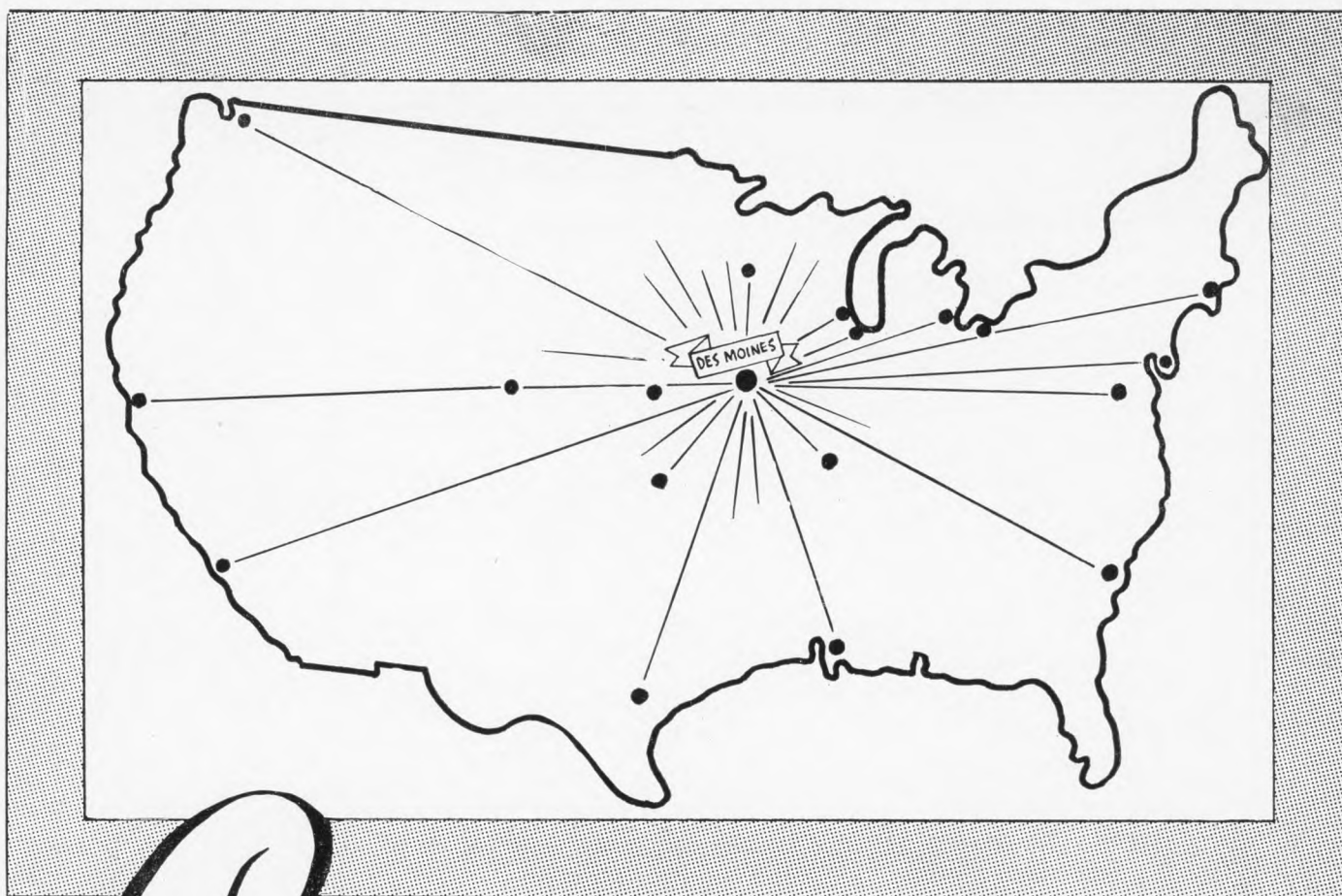
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