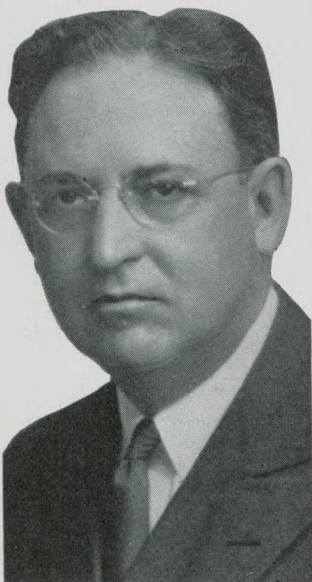


# NORTHWESTERN BANKER

DES MOINES

SEPTEMBER, 1933



E. R. HEATON  
President  
South Dakota Bankers Association  
Vice President  
First Dakota National Bank  
& Trust Co. of Yankton

A. B. A. Convention Meets in Chicago

*Page 7*

Three Essentials  
Of the New Bank Salesmanship

*Page 8*

Acme Interest Tables

*Pages 9, 11, 13, 15*

# *A Cedar Rapids Bank*



Cedar Rapids

## *Servicing All Iowa*

### OUR GOAL

OUR goal is to render our correspondents a service so satisfactory that once tried, it will be permanently required.

Unquestionably that is the reason our relationship with so many country banks has extended over a long period of years. We solicit the accounts of those who seek such a service.

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**Cedar Rapids**

**Iowa**

# Northwestern Banker

Des Moines

*The Oldest Financial Journal West of the Mississippi*

Number 554

SEPTEMBER, 1933

38th Year

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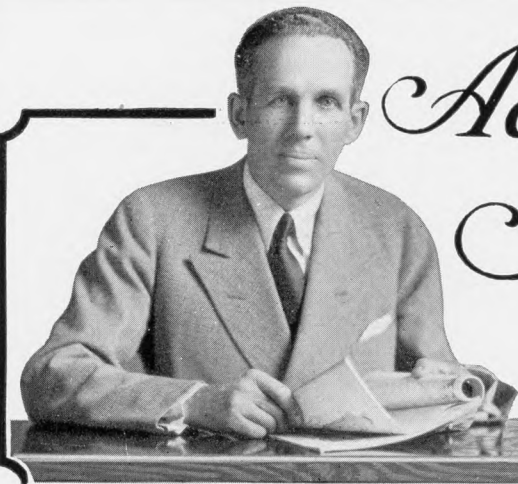
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# Across the Desk from the Publisher

By Clifford DePuy

## Are Bankers Suffering from "Hold-over Timidity"

General Hugh S. Johnson, Administrator for Industrial Control, says that commercial banking is not functioning in this country and that bankers are suffering from "hold-over timidity" of a year or two ago.

In stating his position on this subject, General Johnson says:

"I do not believe that the figures on the advance of commercial credits indicate a loosening up on the part of the banks.

"Ordinarily bankers take care of seasonal needs of industry. We have had a steady downward economic index and most of the bankers who have taken the risks of future commitments have gotten pretty badly stung. I do not believe that anybody can force credits since they are fostered by faith and confidence in the future. You simply cannot get extensions of credit by fiat.

"The trouble is a lack of confidence creating a downward spiral. The whole subject of this campaign is to create an upward spiral and carry banking up with it. I have been getting reports to see if there is an expansion of credit behind trade, and I should say there is not."

When you consider that the only real test of financial institutions in the last year or so has been their liquidity, it is not surprising that bankers are not loaning out their money as rapidly as they once did, or perhaps as rapidly as conditions now warrant.

I know of many banks which are 75%, 80% and even 85% or 90% liquid today simply because of the experiences of the last year or so, and the heavy demands which were made upon them by their depositors.

I believe that as fast as business regains confidence, it will likewise be reflected in the banking business with an expansion of credit for all sound business ventures.

That business is actually improving is indicated by many reports which are coming in from various lines of industry. One very hopeful indication is the fact that Dunn and Bradstreets reports that there were fewer failures last month than at any time for seven years.

Also increased business volume and higher prices both tend to increase the demand for commercial bank loans so I believe while General Johnson's criticism may be correct at the moment, I am confident that the banking institutions of the country will do their part in helping business climb back to the plateau of prosperity where it once was.

## How Sweden Manages Her Currency

In these times when we are talking about managing our currency, regulating our prices, and getting industry to sign the NRA codes, I was very much interested in reading an article in the September Forum, by Charles D. Hallinan, which describes Sweden's experiment in managing her currency, and the very successful results which she has had.

At the London Economic Conference, the Swedish delegates were much in demand to explain how their system actually worked.

The real credit for the idea is given to Ivar Rooth, Governor of the Swedish Riksbank, and this is how he does it:

"By using the ordinary technique of his job but using it with an eye to the price level. He had one new gadget, evolved for him by the bank's statistician—a sensitive weekly index of 'Swedish buying power.' It covered all classes, and the data were drawn from all parts of the country. This index showed the Governor of the Riksbank the first sign of weakness, the first sign of shrinking buying power, and like a man in the switch tower, he pulled this lever or that, and watched the effect. All in the day's work. Once he intervened and asked the commercial banks to go slow in advanc-

ing money to customers for the import of luxuries—it was balling things up. Another time he decided that the competition between the commercial banks and the savings banks, for savings deposits, was disturbing the monetary machine and he asked them to get together. He watched the foreign exchange market closely and intervened from time to time, not to 'defend' the international 'prestige' of the krona, but to keep the fluctuations of that symbol from disturbing Swedish prices."

To prove whether this managed currency system has worked satisfactorily in Sweden, if we take the physical output of goods in 1928 as equal to 100, the production of goods in 1932 declined only 4 per cent in Sweden, 11 per cent in Great Britain, and 43 per cent in the United States for that same year.

Whether or not the Federal Reserve Banks could operate and manage currency in this country, is a debatable question, but at least here is one small country that through all of the chaos of the last few years has presented a bright and shining example to the rest of the nations on this important question—and don't forget that Ivar Kreuger gave Sweden a smashing blow last year—which stunned but did not upset them.

### **Should Banks Be Examined by Independent Accountants?**

I have read several articles recently by prominent bankers and public accountants who argue that many of our banking difficulties have come from poor supervision on the part of the national and state banking departments, and that improved supervision is one of the main requisites for the future success of our banking system.

I was talking with the vice president of a corporation which owns a large number of banks, and he said that the examination which their own auditors made, of their various institutions, was much more rigid and careful than that made by the national examiners, and the reason was that their holding company had its own money invested in these banks, and they wanted to know the actual condition, and were not trying to cover up anything.

It is true, of course, that proper bank supervision by state and national authorities should do away with poor banking and eliminate losses, but such has not always been the case in the past.

Large industrial corporations which have their own accounting department still employ outside

auditors and public accountants to go over their books and check against the corporation's own book-keeping department.

There are some banking authorities who are now recommending this practice in the banking business.

The captain of a ship uses his compass to guide him in his course, but if his compass should give him inaccurate information he would be lost or shipwrecked. Likewise, the proper audit of a bank's books is the compass by which the officers and directors must guide the business affairs of their institution, but that compass must be accurate and must give to them the proper information if they are to keep the bank in the channel of success. Consequently, I am convinced that more careful audits and more thorough examinations must come from both the state and national banking departments, and these also in my opinion should be supplemented by regular audits by public accountants at definite intervals throughout the year.

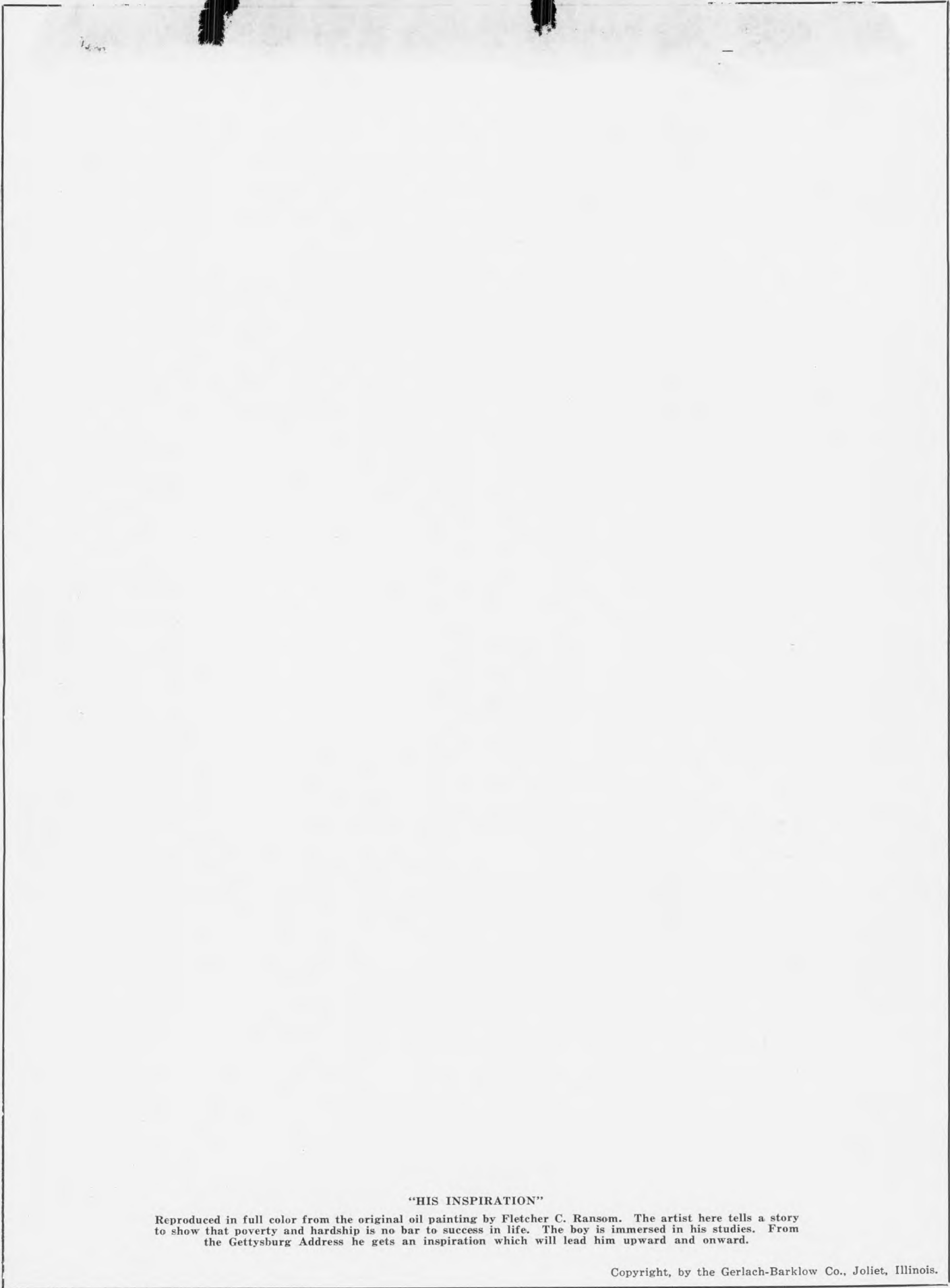
### **The Personality of Your Bank**

In spite of all the rules and regulations and all the laws of the lawmakers, I am convinced that the time will never come when banking is simply a mechanical, automatic, drop-your-money-in-the-slot-machine affair.

Back of every transaction is a personal element, a personal contact with tellers, and officers, and the personality of every bank is reflected by the attitude of these individuals with the depositors and prospective customers.

As one banker said recently, "All banks are organized for the same purpose and most of them operate under the same laws, but the personality of the bank is to its advantage or disadvantage. The average man trades with a bank because he thinks that is the ideal place for his account. It is quite a compliment to a bank when some one comes in and opens an account, and if we mishandle the customer in any way we have missed a chance to make a real friend."

And as the banking business progresses and improves under the "New Deal," it will still be dependent upon the personal element as to whether or not the business of any particular institution moves forward or backward. Therefore, the "personality of your bank" is of vital concern to you, and should always be kept in mind as one of your most valuable assets.



"HIS INSPIRATION"

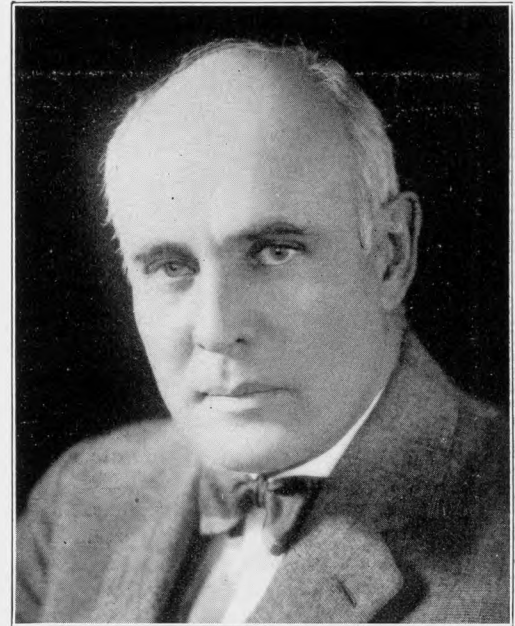
Reproduced in full color from the original oil painting by Fletcher C. Ransom. The artist here tells a story to show that poverty and hardship is no bar to success in life. The boy is immersed in his studies. From the Gettysburg Address he gets an inspiration which will lead him upward and onward.

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# A. B. A. Convention

## Chicago, September 4-7

Members of the American Bankers Association, With Headquarters at the Stevens Hotel, to Listen to Washington Officials



FRANCIS H. SISSON  
President  
American Bankers Association

**L**EADING figures among the National Administration's financial and reconstruction officials will be drawn together with the nation's bankers in discussions of the country's outstanding problems of recovery and the part of banking in it at the annual convention of the American Bankers Association, to be held in Chicago, September 4th to 7th, it is disclosed in the program made public by Francis H. Sisson, president of the association.

At the opening general session, Tuesday, September 5th, following Mr. Sisson's presidential address, which will present the case for the banks in the political and financial controversies surrounding them the last four years, Eugene R. Black, Governor of the Federal Reserve Board, Washington, will deliver an address under the title "Forward."

Two other Washington officials will occupy the program at the closing regular general session, Thursday, September 7th, when Comptroller of the Currency F. T. O'Connor, who has supervision of all the national banks in the nation, will deliver the opening address. He will be followed by A. A. Berle, Jr., Special Advisor of the Reconstruction Finance Corporation, who will speak on "Some Essentials of a Sound Banking System."

### Second Session

At the second general session, Wednesday, September 6th, an address on "Why the American Banking System" will be delivered by Harold Stonier, Educational Director of the Association, and George V. McLaughlin, President of the Brooklyn Trust Company and President of the New York State Bankers Association will speak on "The Need for Revision of the Glass-Steagall Act and a Sane Legislative Program for Banking."

Another public official will present the viewpoint of state banking in the banking problem before the meeting of the State Bank Division of the association, the afternoon of Wednesday, September 6th, which will be addressed by Governor Alf M. Landon, Governor of Kansas, on "The Necessity of a Sound State Banking System Outside of the Guaranty Act." Also before the meeting of the Trust Division the morning of Monday, September 4th, Joseph V. McKee, President of the Title Guaranty and Trust Company, New York, former acting mayor of New York City, will deliver an address on "The Real Estate Mortgage Problem."

### Program

The detailed program of the general convention sessions, which will be held at the Stevens Hotel, was announced by Mr. Sisson as follows:

General Convention: Tuesday, September 5th, 10:15 a. m. Call to order, President Francis H. Sisson, Vice President Guaranty Trust Company, New York City. Invocation, His Excellency Most Reverend Bernard J. Sheil, D.D. Address of the president. Report, Official Acts and Proceedings of Executive Council. "Forward," Eugene R. Black, Governor Federal Reserve Board, Washington, D. C. Appointment of Resolutions Committee. Wednesday, September 6th, 10:15 a. m. Call to order, President Francis H. Sisson. Invocation. "Why the American Banking System," Harold Stonier, Educational Director American Bankers Association. "The Need for Revision of the Glass-Steagall Act and a Sane Legislative Program for Banking," George V. McLaughlin, President Brooklyn Trust Company. Report of Nominations Committee and election of officers.

Report of Resolutions Committee. Thursday, September 7th, 10:15 a. m. Call to order, President Francis H. Sisson. Invocation, Dr. John Thompson, Pastor First Methodist Episcopal Church. Address, James F. T. O'Connor, Comptroller of the Currency. "Some Essentials of a Sound Banking System," A. A. Berle, Jr., Special Advisor Reconstruction Finance Corporation. Installation of officers.

### Divisions

The programs of the various divisional meetings are as follows:

National Bank Division, Grand Ball Room, Stevens Hotel, Monday, September 4th, 9:30 a. m. Call to order, President J. R. Cain, Jr., Vice President Omaha National Bank, Omaha, Nebraska. Address of the president. Appointment of committees. "Interest Rates on Time Deposits," O. Howard Wolfe, Cashier Philadelphia National Bank, Philadelphia. Symposium, "Adjusting Loaning and Investment Policies Under the Banking Act of 1933": for city banks, Marvin E. Holderness, Vice President First National Bank, St. Louis; for country banks, Charles F. Zimmerman, President First National Bank, Huntingdon, Pennsylvania. Reports of committees. Election and installation of officers.

Savings Division, Grand Ball Room, Stevens Hotel, Tuesday, September 5th, 2:00 p. m. Call to order, President Gilbert L. Daane, President Grand Rapids Savings Bank, Grand Rapids, Michigan. Appointment of committees. Address of the president. "The Significance of the Savings Banks Trust Company in the Savings Business in New York State," Oliver W. Roosevelt, First Vice President Dry Dock Savings Bank, New York City. "Do Savings Hamper Prosperity?" Sisson. (Turn to page 22, please)

Northwestern Banker September 1933

## Quality - Quantity - Method of Expression

# The Three Essentials of the New Bank Salesmanship

THERE are two great books of life. One is the Book of Nature, the other is the Book of Human Nature. Most bankers will agree that during the next five years, it is going to be more important than ever before to study the Book of Human Nature. One of the chapters of this book has to do with salesmanship.

Undoubtedly the word "Salesmanship" brings different thoughts to your respective minds. There have been many different types of new business activities carried on under the guise of salesmanship. You are familiar with the premium campaign of the past, in which the prospective customer was offered a choice of an alarm clock, percolator, set of dominos, or an umbrella, for opening an account. In such campaigns, it was frequently common to emphasize the fact that at the end of six months the customer could close the account and keep the premium. Another form of new business activity was the employe, officer and director contest or campaign, in which everyone in the bank, under the pressure of team competition and special prizes, went out and asked everybody and his brother to open an account to "help me out because we are having a contest and I get credit for it." Seldom was the prospective customer told how he might benefit from the transaction. The records will show that such practices did not build for permanency, either in business or good will.

### All Salesmen

The idea that everybody in the bank should be a salesman for the bank is fundamentally sound. The people of the new business department come in contact with only a small percentage of the total number of customers and prospective customers. I regard every contact made with the public by any officer or any employe as a sales contact. Every time the members of a bank staff come in contact with the public they either make a favorable impression or they make an unfavorable impression. They either build up in the mind of the person with whom they are talking the respect he has for the bank or they tear it down. They either make a positive impression or a negative impression. They either sell the bank or they unsell it.

Northwestern Banker September 1933

By GRANVILLE B. JACOBS,  
*Director of Sales Education for Banks,  
South Orange, New Jersey*

### This Address on Bank Salesmanship Was Given by Mr. Jacobs Before the 1933 Convention of the American Institute of Banking

So I say to you my friends, that in the New Bank Salesmanship we must recognize every one in the bank as a salesman for the bank. Remember of course, that as salesmen, some will have different duties than others. All cannot develop trust business or the larger commercial accounts, but every person connected with the institution can contribute in rendering service in such a way as to inspire confidence, create good will, and build for additional business. Each has a definite sphere of influence that can be capitalized for the bank.

### Three Essentials

In considering this New Salesmanship there are three essentials with which we must deal. Everything has its essentials. In the case of food we usually think of bread as being an essential. In an automobile it is the gasoline, you cannot go far without it. In a suit of clothes it's the pants and so it is with the new bank salesmanship, there are certain essentials. I like to think of these essentials as being represented by an equilateral triangle, on one side of which is the *quality* of what we say and write and do. On the other side is the *quantity* and at the base is the *method of expression*.

First let us analyze the *quality* side. Last November I overheard an officer in a bank explaining the handling of a mortgage to a lady customer. After he finished he asked, "Do you understand me?" This question placed the lady in an embarrassing position. She did not like to say,

"No, I am dumb, I don't understand you." None of us like to admit that we do not understand. The quality way for that officer to have asked the question would have been to have said, "Have I made myself clear?" By this question the customer would have been made to feel at ease because the officer would have been assuming the responsibility for any lack of understanding. This may seem like a trifle to some but it is well to remember that the human mind is very fragile and in many cases a pinch of sugar tips the scale. It was Michael Angelo who said, "Trifles make perfection, but perfection is no trifle."

### Two Words

A few years ago Irving Berlin wrote a song entitled "My Wife Has Gone to the Country." Most of you remember that song. Undoubtedly some of you sang it at the time it was so popular. I am told that when Berlin first wrote it he could not get a dime for it. The publishers did not want it. They turned him down flat so he went back home and thought. He thought! And he added two words, Hooray! Hooray! He then sold the song for one hundred thousand dollars. One hundred thousand dollars for two words but they were words of life and joy. They were *quality* words so far as that song was concerned.

I have a friend who was raised on a farm. He still has a love for the farm and frequently visits the farmer's markets just to study their natural manners and homely philosophy. He likes to tell of an incident he witnessed some time ago at one of these markets. A woman walked up to the rig of a farmer and asked, "How much are potatoes today?" With an indifferent attitude the farmer said, "Lady, potatoes are a dollar and a half a bushel today." The woman replied, "That seems a little high for potatoes this time of the year." "Yes," growled the farmer, "taters are kinder high today." Just a plain blanket answer that we so frequently get from people who are supposed to be serving the public intelligently. I am sorry to say that we too frequently get such answers from people in banks—the take it or leave it attitude.

(Turn to page 23, please)



# Acme Interest Tables

Compiled By MARION D. WOODS

THE interest tables published here were compiled and arranged by Marion D. Woods, cashier of the Valley Savings Bank, Des Moines. Mr. Woods prepared these tables originally for his own use, but so many of his friends and associates have asked him for copies, that he has decided to have them published.

The Acme Interest Tables, as Mr. Woods calls them, are figured on percentage rates of 5 per cent, 5½ per cent, 6 per cent, 6½ per cent, 7 per cent and 8 per cent. In this issue of THE NORTHWESTERN BANKER are published the 5 per cent and 6 per cent tables. The 5½ per cent and 6½ per cent tables will appear in the October issue, and in the November issue of THE NORTHWESTERN BANKER the 7 per cent and 8 per cent tables will be reproduced. Answers to percentages falling above or below those named may be obtained by either multiplying or dividing by 2, as the case may be. Mr. Woods will be glad to answer any questions or communications directed to him regarding the tables.

Wide Margin  
for Binding  
if Desired

### Explanation

The 360 day basis is used in these tables.

The bold face figures at the top of the column represent the principal, the light figures below represent the interest.

The principal figures at the top may be made to represent different amounts by changing the decimal point. Point off two places in the 40000 column it will read \$400; by pointing off three places it reads \$40, and by pointing off four places it reads \$4.

The interest to be computed will be in the column of figures extending downwardly, directly under the principal amount, and opposite the number of days. Point off the same number from the right hand side as pointed off in the principal amount, then point off two places for cents, for the correct amount of interest.

Illustration: To find the interest on \$486.00 for 120 days at 6 per cent.

Interest on \$400.00 for 120 days amounts to \$8.00

Interest on \$ 80.00 for 120 days amounts to 1.60

Interest on \$ 6.00 for 120 days amounts to .12

Interest on \$486.00 for 120 days amounts to \$9.72

For 2½% rate divide answer by 2.  
For 1½% rate multiply answer by 2.

5%

Days	10000	20000	30000	40000	50000	60000	70000	80000	90000
1	000139	000278	000417	000556	000694	000833	000972	001111	001250
2	000278	000556	000833	001111	001389	001667	001944	002222	002500
3	000417	000833	001250	001667	002083	002500	002917	003333	003750
4	000556	001111	001667	002222	002778	003333	003889	004444	005000
5	000694	001389	002083	002778	003472	004167	004861	005556	006250
6	000833	001667	002500	003333	004167	005000	005833	006667	007500
7	000972	001944	002917	003889	004861	005833	006806	007778	008750
8	001111	002222	003333	004444	005556	006667	007778	008889	010000
9	001250	002500	003750	005000	006250	007500	008750	010000	011250
10	001389	002778	004167	005556	006944	008333	009722	011111	012500
11	001528	003056	004583	006111	007639	009167	010694	012222	013750
12	001667	003333	005000	006667	008333	010000	011667	013333	015000
13	001806	003611	005417	007222	009028	010833	012639	014444	016250
14	001944	003889	005833	007778	009722	011667	013611	015556	017500
15	002083	004167	006250	008333	010417	012500	014583	016667	018750
16	002222	004444	006667	008889	011111	013333	015556	017778	020000
17	002361	004722	007083	009444	011806	014167	016528	018889	021250
18	002500	005000	007500	010000	012500	015000	017500	020000	022500
19	002639	005278	007917	010556	013194	015833	018472	021111	023750
20	002778	005556	008333	011111	013889	016667	019444	022222	025000
21	002917	005833	008750	011667	014583	017500	020417	023333	026250
22	003056	006111	009167	012222	015278	018333	021389	024444	027500
23	003194	006389	009583	012778	015972	019167	022361	025556	028750
24	003333	006667	010000	013333	016667	020000	023333	026667	030000
25	003472	006944	010417	013889	017361	020833	024306	027778	031250
26	003611	007222	010833	014444	018056	021667	025278	028889	032500
27	003750	007500	011250	015000	018750	022500	026250	030000	033750
28	003889	007778	011667	015556	019444	023333	027222	031111	035000
29	004028	008056	012083	016111	020139	024167	028194	032222	036250
30	004167	008333	012500	016667	020833	025000	029167	033333	037500
31	004306	008611	012917	017222	021528	025833	030139	034444	038750
32	004444	008889	013333	017778	022222	026667	031111	035556	040000
33	004583	009167	013750	018333	022917	027500	032083	036667	041250
34	004722	009444	014167	018889	023611	028333	033056	037778	042500
35	004861	009722	014583	019444	024306	029167	034028	038889	043750
36	005000	010000	015000	020000	025000	030000	035000	040000	045000
37	005139	010278	015417	020556	025694	030833	035972	041111	046250
38	005278	010556	015833	021111	026389	031667	036944	042222	047500

(Continued on page 11)

# 3 REASONS

## Why Banks Should

## Advertise Now

### PART I

(EDITOR'S NOTE:—Published here is Part One of a series of two articles by Mr. Craddick. Part Two will appear in the October issue of THE NORTHWESTERN BANKER.)

LET'S not waste time in arriving at the correct answer:

1. Patrons
2. Public
3. Profits.

And if you wish to add a fourth reason, you might set down . . . the government. The reasons are so obvious to the banker that it seems unnecessary to dwell on each of them separately. Suffice to say that stockholders want profits and dividends, patrons want protection and service, the public at large wants adequate and sound banking service to serve its daily needs. And the government is becoming an increasingly dominant partner in the business of banking.

In all that has happened during the past several years it will be well to remember that ADVERTISING has at all times been a "blue eagle," available and ready to do its part. More than a few bankers, who have made intelligent, consistent and continuous use of publicity during the most trying times bankers have ever known, will attest to that statement.

### *A Useful Tool*

Advertising is a tool. If it isn't used nothing happens. Results depend entirely upon how and when it is used. Nor can the user expect the impossible. Advertising never made a safe bank out of an insolvent one. Advertising never has been, never will be, a substitute for sound bank management.

But many banks that today enjoy the full confidence of their patrons and communities undoubtedly owe that comfortable position to the fact that they used advertising of kind and character to truthfully reflect facts and conditions and so maintained customer confidence and community good will in the face of great odds of negative public opinion.

Customer confidence and good will—are they not the most priceless of all banking assets? Losses on sagged paper and securities can be covered by surplus and assessments. But there is nothing in the bank's vaults that will restore losses of confidence and good will. Strange, isn't it, that the two greatest

factors in a bank's success should be—not capital structure, building, equipment—all of which can be set down in figures—but two invisible intangibles and both unpurchasable, for they must be earned and deserved and incessantly vigilantly protested.

### *A "Forgotten Asset"*

Advertising, however, is apt to be construed by some as merely an "ad" in the local paper, a "circular letter" sent out now and then, perhaps some folders or blotters. In some banks, these constitute the entire gist of the bank's so-called

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TO MANY bankers, advertising has become a "forgotten asset." Advertising is a tool. If it isn't used, nothing happens. Results depend upon HOW and WHEN it is used.

---

advertising program. To many bankers "Advertising" has become a "forgotten asset."

Old time bankers will recall the days when the bank took the initiative in almost every local project involving the raising of funds. Poor old Mr. Jones' one and only cow died. The banker headed up a subscription list with \$5.00 and business men up and down the street kicked in for a new cow for Jones. The same plan was followed when the town band needed new uniforms; when the local ball club was putting on a two-day tournament and needed a guarantee fund. Bankers headed the lists for flag poles, drinking fountains, Fourth of July celebrations, and a long list of equally important events.

Most of those duties and functions have long since been taken over by Le-

gion Posts, Rotary, Kiwanis, Lions or the local Commercial Club (if it has survived) and yet under tactful direction, all of these organizations are in a position to play an important part in the upbuilding of banking confidence, good will and understanding.

### *Broader View*

Looking to the future, it seems almost certain that bankers will think less of the term of "advertising" and more of the broader, constructive term, "public relations." Many bankers associations already have committees which work under a title of "public relations." Some constructive work has been done by such committees. They function at their best in fair weather. It is doubtful if any of them have had time or inclination to give constructive suggestions to association members during the past eight months.

Some of the larger banking institutions in metropolitan areas have well organized public relations departments. Where such activities are discussed before banking groups and conventions, the speaker usually comes from some large institution where the bank deals only with city conditions. Their experience is, of course, valuable but the banker in smaller cities and towns finds but limited assistance or information coming from such highly organized departments.

Those bankers who still have the old fighting spirit and expect to remain in the banking profession, all henceforth give renewed thought and attention to the development of a public relations plan and program as a very definite part of their bank's service to the community and public.

### *A Definite Plan*

The bank in the small city or village has just as much need of a well developed public relations program as his brother banker in the large city—and he can have a definite working plan of his own and simplified to meet his own local conditions and needs.

(Turn to page 25, please)



# RESULTS OF RECENT State Branch Banking Legislation

Minnesota Legislature Voted NO  
Wisconsin Legislature Voted NO  
Illinois Convention Opposed  
North Dakota Bankers Opposed  
South Dakota Legislature Voted YES

**I**N ORDER that the readers of THE NORTHWESTERN BANKER may keep informed as to state legislation as it affects branch banking, we are giving a brief summary herewith of the results of legislation on this question this year.

## *Minnesota Legislature Voted No*

The Minnesota legislature which adjourned in April, 1933, defeated a state wide branch banking bill which was presented at that time. The bill came up in the Senate and was defeated by a vote of 41-26. It was not called for a vote in the House.

## *Wisconsin Legislature Voted No*

The Wisconsin Legislature adjourned on July 25, 1933, and passed a bill "Relating to Receiving Stations" and which is analyzed by the Legislative Committee of the Wisconsin Bankers Association as follows:

"(Chapter 8) Relating to Receiving Stations. This act

(a) Suspends present law to July 1, 1935.

(b) With approval of Board of Review, a bank may establish a receiving station to replace an existing bank or a closed bank which has ceased to do business since July 1, 1929, and in place of which no new bank or receiving station has been opened, providing

(1) It is for best interests of the community.

(2) Not to exceed four stations permitted to any bank.

(3) Stations must be located in county in which the bank operates, and

(4) Under rules and regulations prescribed by Banking Department

(5) No bank, a majority of whose stock is owned, held or controlled by a foreign corporation, association or any form of trust permitted to establish such station."

*This bill as enacted includes the declaration that "nothing in this act shall be construed as committing the State in any manner to a policy of allowing branch banking within its borders."*

## *Illinois Convention Opposed*

In the last session of the Illinois Legislature, the only branch banking bill sub-

mitted was one which would have permitted branch banking in Chicago. The bill was discussed by the House Committee on Banks, Banking and Building and Loan Associations, but the committee refused to give it further consideration and as a result of this the bill never came to a vote.

In the "Declaration of Policy" adopted by the 43rd annual convention of the Illinois Bankers Association, they said:

"We believe in the dual system. We protest against any invasion of states' rights by taking from each commonwealth the power to create its own banking system. The state banking systems have not failed any more than the National and Federal Reserve Systems have failed. States should be permitted to retain the right to charter banks in accordance with localized sentiments and conditions. A closer adjustment to local problems can be had under state laws than under a national act. There should be the alternative opportunities that now exist from which banking institutions and local business interests may choose, so that they can function or conduct their business relationships under that banking code which best meets the conditions of the times and of the place as they see them."

## *North Dakota Bankers Opposed*

While no bill on branch banking was introduced at the last session of the North Dakota Legislature, some consideration was given to the advisability of so doing but it was believed that it would not be possible to obtain the passage of such a measure so none was introduced.

## *South Dakota Legislature Voted Yes*

At the special session of the South Dakota Legislature which adjourned last month, House Bill No. 28 introduced by the Joint Committee on Banks and Banking was passed, it being, "A bill for an Act entitled, An act providing for the establishment, operation and control of Branch Banks and authorizing the consolidation and purchase of banks for the purpose of establishing branches and repealing all acts in conflict herewith."

The bill as passed reads as follows:

"Section 1. *Definition.* The term branch bank as used in this act shall be held to include any branch bank, branch office, branch agency, additional office or any branch place of business at which deposits are received or checks paid, or money lent.

"Section 2. *Branch Banks Authorized.*

A bank may establish and operate branch banks within the state with the permission of the State Banking Commission, under such rules and regulations as they shall prescribe, not inconsistent with the laws of this state and permission to establish and operate branch banks within the state shall rest solely in the discretion of the State Banking Commission. Such bank must have a paid-in and unimpaired capital stock of not less than the aggregate minimum capital required by law for the establishment of an equal number of banks situated in the various places where such bank and its branches are situated and not less than one hundred thousand dollars. Branch banks may be established by a bank consolidating with or purchasing the assets of another bank situated in the state and banks within the state are hereby authorized to consolidate for such purpose. No branch bank shall be established in any city or town of less than 3,000 population where there is an existing national or state bank regularly transacting a customary banking business, except by purchase of or consolidating with all existing banks located in such city or town, and no branch bank shall be established in any city or town of more than 3,000 population and less than 15,000 population where there are two or more existing banks, either state or national, legally transacting customary banking business, except by purchase of or consolidating with an existing bank or banks located in such city or town. Any national banking association whose principal place of business is situated in this state hereby is authorized to do all things and perform all acts which state banks of this state are permitted to do or perform under any provisions of this section, provided that the particular conditions and restrictions prescribed for state banks of this state with the exercise of like privileges are imposed upon and complied with by said national banking association. Provided, further, that no such bank or branch bank, or any officer, employe or agent of such bank or branch bank, shall engage in the life insurance business or act as the agent or stockholder of any life insurance company or association.



# "We Have Just Begun to FIGHT!"

SOME one made the remark at the Illinois State Bankers Association that addressing a banker's meeting today is like addressing the G. A. R.'s. There are so few of them left. But as our ranks have thinned the demand on each individual has greatly increased.

These are times when men must be men. After all these years of putting your last dollar into your institutions, you still have a greater responsibility, the rehabilitating of your banks and your community.

You are the individuals who have helped very materially in making this great state of Iowa what it is today. Let your memories revert back to the young men in your various communities whom you have assisted in procuring credit in agriculture or business and in later years they made it plain to you in their expression of gratitude that if it had not been for your help and encouragement they never would have been able to get a start.

## *Times Are Different*

Business must be transacted differently these days. Formerly in Iowa (50 or 60 years ago) land was worth five to thirty-five dollars per acre and a banker could take security on the land for a loan, feeling reasonably certain that in the next year it would have advanced three to five dollars per acre and your security was better. That state of affairs continued until 1920 when we were partly stirred out of our lethargy by the fact that land was worth no more than the profits above the taxes and interest which we found to our dismay was nil.

I recall very vividly in 1915 we had a bank in Jasper County which advertised that they held \$450,000 worth of Jasper County first mortgages and were proud of it. When the war came on in 1917 these same real estate securities were sold in Des Moines to insurance companies at their face value and accrued interest. In the last ten years banks that held real estate securities were not proud to have it appear in their call statement, and it is so today. Fortunately the products of the farm are looking better to all of us and the President has taken things in his own hands. An agricultural bill has been passed and we have some great minds attempting to put it into action.

Be an optimist. Be a bull on the

## Some Things that Bankers Can Do During the Next Year to Promote a Return to Normally Successful Business Conditions and the General Happiness of Their Community

By F. E. BOYD,

*President, The First National Bank,  
Colfax, Iowa*

United States. Don't be pessimistic about everything around you. Don't talk it. Every one tires hearing a pessimist rant.

## *Service Charges*

Now about service charges. Bankers must stop playing Santa Claus. Your customers hesitate about doing business with a bank that isn't making money. They want the bank to prosper and in return they can be taken care of in a business-like manner by the bank. If the bank is prosperous in your community, people will remark in and out of town that you need not worry or be apprehensive about the stability of your banking institution. These statements will trickle farther than you imagine. Have no uneasiness about your customer making a run on your institution after it is once opened. For the last ten years people had lost confidence progressively in their bank, or in fact in all the banks in the country, regardless of size or who was running them until they were breaking all the institutions by pulling out the currency or preferably gold and hoarding it. They wanted nothing but money. The crisis arrived from a federal standpoint by the President closing all the banks by proclamation, until the nation could stop and think and get their bearings. Following the closing he later, when part of the banks opened, ordered the hoarded gold to be returned to the Federal Reserve Banks. I am happy to say we had a President that had the courage, which he put into action, that averted one of the greatest financial panics the world would ever know.

## *Restricted Banks*

Now about you bankers that are under a conservator or under senate file 111. We thought we were running a fairly good bank, but when we went down to visit the chief bank examiner's office we found our bank was one of those 75 per cent institutions. We came back home, asked the depositors for a 25 per cent waiver, produced 75 per cent within a week without ever going out of our institution and before the final papers returned from Washington we had 96 per cent. We received our license, opened up with plenty of cash thinking everyone would want their money. Only one depositor called for the currency and the amount was \$1,800. No one else bothered. The first three days our deposits increased \$30,000 and since then we have had the greatest load lifted from our mind about the people wanting their money. We hadn't smiled for three years when every morning we would pick up a paper and note where several banks had closed.

If there are any bankers that are not opened in full, the National bankers go down to Chicago immediately and find out what is required of you and come back home and work it out. You can do it, but you must not get discouraged when you run up against obstacles. The State bankers that are under senate file 111, go down to Des Moines and get into consultation with Superintendent Bates. There will be nothing that he will not do for you so far as time and advice goes. The Federal and State departments want to do what is equitable to all concerned, the depositors, stockholders and community. Neither the Federal or State departments want to put any undue hardships upon any bank but the banks must come up to the requirements.

When you go home, kiss your wife and if you haven't one, kiss some other man's wife's daughter. Stand firm and instill hope into your community.

We are Iowans, born within its borders, between the two greatest rivers of this western country which flow so peacefully southward. Iowa, with its black loam which is not surpassed on earth for its fertility to raise the golden corn that fattens the finest cattle and hogs on earth.

It has gone out that Iowa is licked.

We have just begun to fight.



# NEWS AND VIEWS

## OF THE BANKING WORLD

By Clifford De Puy

**E**DWIN BIRD WILSON, president of the well known financial advertising agency which bears his name, believes that:

"The elimination of interest on commercial deposits tends to make possible reasonable profits on fair-interest commercial loans and to provide funds for efforts to increase the bank's line of desirable deposits and loans. It points to more and fairer advertising by banks of deposit.

"Generally speaking, the Banking Act of 1933 gives added power and influence to bank advertising."

Every banker who expects to regain the confidence and prestige which he once had in his community must use advertising in a more consistent and more intelligent way than he ever has before.

**A.** G. SAM, president of the Live Stock National Bank of Sioux City, sends me a copy of their local newspaper carrying the views of the mammoth N.R.A. parade which was held in that city, and underneath a picture of a team and buggy, on which was the name of the bank, is the statement: "With teamwork we expect to drive back to prosperity." Three beautiful young ladies, together with the driver, were in the buggy, and I certainly agree with the statement concerning them which says, "With such promise and three wisps of maids dressed in the dainty styles of happier days—well, who isn't willing to go for a ride with the N.R.A.—lucky coachman."

**H**ARRY H. PETERSON, attorney general of Minnesota, has given his opinion to ELMER A. BENSON, state commissioner of banks, that banks in Minnesota desirous of joining the Federal Reserve System, under the recent act of congress, but lacking the required \$30,000 capital can do so by issuing preferred stock and cashing it through the Reconstruction Finance Corporation.

Mr. Peterson said that there is no Minnesota law that prevents banks from issuing preferred stock. This ruling enables State banks to obtain adequate capital funds without appealing to local stockholders.

**H.** B. CRADDICK, president of the Craddick Service, Inc., is the new president of the Better Business Bureau of Minneapolis.

Bert, as he is known to his friends, is

past president of the Advertising Club, and has been active in many civic organizations in that city.

The object of the Bureau is to see that truth in advertising is the keynote of copy used by merchants in that city.

**C.** R. GOSSETT, vice president of the Security National Bank of Sioux City, tells me that the Board of Trustees of the trust fund of the Security National Bank, have paid out a 5 per cent dividend which amounts to \$31,000.

This dividend is going to certificate holders of record, of whom there are about 1,200.

**O**NE of the cleverest questionnaires which I have seen in some time is being sent out to stockholders of the GENERAL MOTORS CORPORATION, asking them what kind of car they would like to have in 1934. This includes questions on the style of the car, the radiator, the number of cylinders, the upholstery, inside gadgets, and accessories, and should prove most interesting material for the company in the preparation of their models for next year.

As this questionnaire indicates "There is only one person qualified to say just what the motorists prefer, and that person is the motorist himself."

I wonder what kind of answers bankers would get to a questionnaire sent out to the customers asking them what kind of bank service they would like to have—at that, it wouldn't be a bad idea to ask them once in awhile.

**W**AGES TO EMPLOYEES UNDER THE N.R.A. banking code are as follows:

\$15.00 per week—	Cities of 500,000 or over.
14.50 per week—	Cities of 250,000 to 500,000.
14.00 per week—	Cities of 2,500 to 250,000.
12.00 per week—	Towns of less than 2,500.

This schedule, of course, is the minimum wage that any employe shall be paid, and certainly is not out of line with an industry as basic and fundamental as banking.

**T**HE latest gossip from Wall Street is that J. P. MORGAN & COMPANY will go out of the securities business and into the banking business. They have to decide one way or the other under the

new Glass-Steagall Bill and make this decision on or before one year from the date the law went into effect.

It is also rumored that in this new setup one or two of the larger New York banks will be combined into what will be known as the Morgan Bank, even as the Chase is known as the Rockefeller bank.

**S**ENATOR JAMES COUZENS did quite a bit of "cussin" during the Michigan banking hearing at Detroit last month.

He read primarily from National Bank Examiners and Federal Reserve Examiners Reports, and it is apparent from the reports of these examiners that they had the condition of the First National properly analyzed, but evidently their suggestions were not carried out because of what was called "political expediency" at the time.

As I analyze it, the officers and directors of this bank and its affiliated institutions sowed the wind and reaped the whirlwind.

A few of the more pertinent paragraphs in these examiners' reports I am giving herewith, and you can make your own deductions as to the situation which existed before the Michigan bank holiday.

"The first examination of the First National Bank after its consolidation was May 6 to June 3, 1932.

"It shows 256,370 shares of Detroit Bankers Co. (the controlling group) stock pledged as collateral for loans in the First National, when it is illegal for a bank to lend on its own bank stock."

"The liquidity of the bank was 28 per cent, that loans to officers and employes totaled \$3,083,000 on which a loss of \$2,000,000 was estimated."

"Reading from the reports a statement concerning \$4,000,000 in loans to employes of the bank, of which it was stated '\$2,000,000 already is a loss and more will be later,' the senator, quoted the examiner's November, 1932, report as follows:

"Most of these loans were for the purchase of Detroit Bankers Co. stock (the holding company). The fall in this stock has broken the morale of the employes and created defalcation dangers. The directors should relieve the employes of this stock. The stock has fallen from more than \$300 a share to \$9 and is the root of much of the trouble. The bank has about 256,000 shares as collateral for loans. It was a dangerous act to allow such a condition to exist."

"With two or three exceptions, the executives are weak and unqualified; fair weather bankers who do not know how

(Turn to page 26, please)



1863



1933

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

From little more than a local bank the First National has developed world-wide connections with facilities for the prompt and efficient handling of financial business.

Through the Banks and Bankers Division correspondents have an intimate personal contact with business developments, national and international.

New business is invited.

# The First National Bank of Chicago

CHARTER NUMBER EIGHT

# BANKS--- AND THE PUBLIC

By H. A. LYON  
Advertising Manager  
Bankers Trust Company, New York  
President  
Financial Advertisers Association

This Author Feels That Banks and Bankers Are Not Popular. Why? Because, He Says, "Either Banking Is Not Yet Good Enough to Warrant Confidence, Or It IS Good But People Do Not Know About It. Perhaps a Combination of the Two Reasons Comes Close to the Truth"

**B**ANKS and bankers are not popular, and the blame is surely in part upon banks themselves. I believe that by and large bankers have been honest: I doubt if, on the whole, bankers can be accused of *bad* judgment. There have been plenty of errors in judgment, to be sure, but no more than were made by other men relative to the information they possessed. It seems to me that the record of banking, so far as operations in individual banks are concerned, is not too bad. And yet bankers are unpopular, and the public lacks faith in banks. Why?

I think there can be only two reasons: either banking is not yet good enough to warrant confidence, or it *is* good but people do not know it. Perhaps a combination of the two reasons comes close to the truth. I am not qualified to speak as a bank operating man, but merely as an observer more or less acquainted with the general situation. That there is something radically wrong with a banking structure that has fallen down under every major strain put upon it seems an inevitable conclusion. A blinder man than mine have failed to agree up to now as to the remedy. It is true, of course, that each crisis has produced changes in practice, legislative or otherwise, that seem to correct certain weaknesses, yet the next crisis reveals new difficulties and witnesses the collapse of additional units in the system. My only excuse for offering a suggestion looking toward an improvement in the structure itself is that I am anxious to see a system evolved that will of itself merit public confidence. Otherwise all of our attempts to create such confidence by the usual public relations methods will be money wasted. I think it is safe to say that up to now a great deal of the public relations effort on the part of banks has done more harm than good, because the product has been oversold. This may or may not have been deliberate, but it is true none the less. So you see my interest in the quality of banking is not only legitimate—it is vital.

### *Welfare of Depositors*

One obvious suggestion for bettering the banking structure is a simple one—adopt the point of view and operating

policies looking toward the lasting welfare of the depositors. It has seemed to me that a great deal of the discussion on the banking system has been concerned with the short-sighted self interest of the bankers, rather than with the protection of depositors. I hope I am wrong, but I believe that my view is shared by a large group of laymen. Viewed from the depositors' point of view, for instance, the question of branch banking takes a different complexion. Without taking a stand either way, I see the depositors' interests served better by a branch of a strong bank in a nearby metropolis than by a weak local institution. On the other hand, if we may take commercial experience as a standard of judgment on human actions, the good local institution will be able to prosper and progress in the face of branch bank competition. This reduces the situation to the simple necessity for strength, whether the organization be local or branch. So long as both were strong, the public would be in a position to support whichever afforded the best service.

### *Strength and Soundness*

We come back inevitably to strength and soundness as fundamental necessities, whatever form banking may take. Strength and soundness would seem to imply rigid requirements for procuring and retaining a bank charter. I cannot help but feel that any bank or group which opposes the rational stiffening of these requirements forgets that its own interests are in the end identical with the interests of the public. It would also seem to me that guaranty of deposits and similar suggestions lose importance as permanent measures provided the system is so strengthened as to make them unnecessary.

The other side of the picture is this: The system may not be perfect, and yet not as bad as is painted. In other words, the public is not even aware of the present good that exists in the banking field—and there is much that is good. There is no question of the "economic illiteracy" of our people. If proof is needed, consider the legislative panaceas offered; consider the reception recently accorded President Roosevelt's radio address—par-

ticularly the commendation of his explanation that banks did not put the depositors' money in vaults, but invested the bulk of it; listen to the loose discussions on financial matters among people otherwise well informed. I hold that the banks are in part to blame for this condition. They have failed not only to do their share in educating the community in fundamentals of finance, but also in the much more pertinent job of showing the necessity for and the excellent services afforded by banking generally. They have neglected to give to the public even the information to which it is entitled, and which would have done much toward fostering the faith and confidence in our *good* banks. I am quite aware that with weaknesses in the system, and the possibility of further undermining public confidence, it has been difficult for good banks to tell their story and have it believed. Yet I submit that the public is entitled for its own protection to information which would permit discrimination in the selection of good banks. Certain standards of practice are universally considered sound; certain banking functions are fundamental, and will continue so long as there is a banking structure of any nature. These things, I think, may be explained, to the benefit of banking. Coincident with the definite betterment of the banking goes an improvement in the public concept of banking, and the responsibilities, functions and privileges of banks. It is a task not for the government, but for banks themselves.

### *Changing Times*

It is time that bankers recalled that the backbone of their success—of their very existence—is people,—plain, everyday people. If the people lack confidence in the banks, the banks suffer; if the people do not comprehend banking service they cannot use it to the advantage of themselves or of the banks.

With the changes which have characterized economic America we banks have changed mightily. With the larger units of production have come larger financial units. With national distribution has come a demand for national financing. Expansion has been rapid in commerce and finance, and with mass production

FOR more than fifty years the  
correspondent services of  
Central Hanover have been preferred  
by leading bankers.

**CENTRAL HANOVER**  
BANK AND TRUST COMPANY

NEW YORK



*Representative Offices in*  
LONDON, PARIS, BERLIN AND BUENOS AIRES



## Bankers Can Testify to This

**I**N YOUR bank reserves, note the performance of Iowa County and Municipal Bonds these last few years, compared with other types of securities.

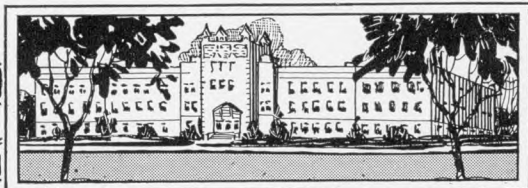
Among your bond customers, check the same comparison.

Is there any better guide to why Iowa Municipal and County issues are the best buy *today*, on any investment list?

*We specialize in Iowa County  
and Municipal Bonds for banks.  
Ask for our list.*

### CARLETON D. BEH CO. INVESTMENT SECURITIES

Twelfth Floor, Des Moines Building  
Des Moines  
Phone 4-8156



has come mass banking, with one inevitable result—an impersonal attitude. Will this continue, or shall we revert to smaller and more personal units in all fields? I do not know how my own chiefs feel about this, but for myself, I feel everywhere a revolt against impersonalism. The family physician is said to be coming back; mass educational methods are severely criticized. There is a struggle to reassert individualism. This holds a distinct suggestion for bankers, I think, in their public relations attitude.

The advertising world has a name for this—the “you attitude”. It is in effect merely the adoption of the customer point of view. Instead of telling people about yourself, you talk about things which interest them. Instead of discoursing on size or age, of capital, surplus and undivided profits, you interpret these things into what they mean to the reader or listener.

#### *Understand Each Other*

You think that I'm talking about advertising—paid space in the newspapers. I am, but only as it fits into a much larger picture. I'm talking about policy—a true policy of “public relations.” To effect that it is essential that you decide consciously, after due deliberation, just what position you want your bank to occupy in your community—what sort of personality you want it to have—what kind of customers you are going to cater to. After you have so decided you must agree on a program toward that end—and stick to it.

Such a program will have several related efforts. First, every officer and every employe who meets the public ought to be told just what you are driving at—he can do much to help, and if he is not informed he can do much to harm. One piece of discourtesy or bad judgment at the teller's window may do more damage than can be repaired in months. Remember that to the vast majority of your depositors the teller or the clerk may be the bank. Next, it is often possible to stop misunderstanding before they start. If, on opening an account a customer is thoroughly informed as to what he may expect of the bank, and if the bank gets a pretty good idea of what the customer is going to need, there will probably be little friction in that account.

#### *Value of Advertising*

A good many of you probably consider advertising of doubtful value. It is, under some circumstances. Advertising is worse than useless unless it gives a proper picture of the institution—the “friendly bank” theme suffers when it encounters a surly teller; the statement “we welcome small accounts” doesn't go well unless the bank is really interested in such accounts. Nor does advertising do much good when it is purely selfish, and published solely

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# Bonds and Investments

"In the Selection of a Portfolio for 1933 and 1934, Yield Is in a Measure Forgotten, But Marketability Is Subjected to a Close Scrutiny. Securities Selected Today Must Be of the Type Which Can be Sold Without Too Great a Gap Between Purchase and Selling Price."

## PRESENT-DAY CHANGES In the Banker's Investment Program

HOW has the American banker changed his investment program to conform to present-day financial requirements? Has there recently been an about-face in his bond purchases for secondary reserve and permanent investments? To what extent should his assets be liquid?

The answers to these questions disclose the fact that the banker of today is an entirely different individual, mentally, than he was a year or two ago. The events of the past twelve months have developed an attitude of conservatism which governs all of his transactions. It is an attitude engendered alike by the specter of "frozen assets" and a keen regard for the safety of the funds in his keeping.

American bankers have only recently adopted this policy of conservatism which has dominated the affairs of British and European financiers for a great many years. It is a policy which should have been inaugurated in the United States long before frozen assets forced us into an attitude of retrenchment.

### Not on the List

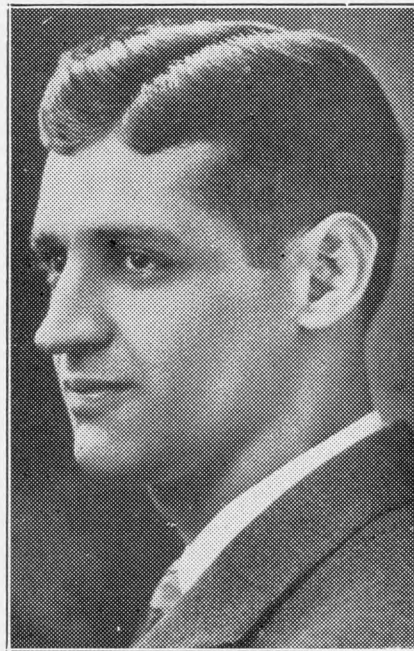
Securities which in 1930 and 1931 were considered desirable and which were readily accepted by the average banker are today on the taboo list and must find their market among private investors.

This is not necessarily a reflection upon the basic value of the securities themselves, nor a doubt as to the sponsors' ultimate ability to pay. It is a condition brought about by the demand that a bank's assets be kept sufficiently liquid to meet any financial emergency.

In the selection of a portfolio for 1933 and 1934, yield is, in a measure, forgotten, but marketability is subjected to a close scrutiny. Securities selected today must be of the type which, if the

By WINFIELD C. JACKLEY,  
*President, Jackley-Wiedman & Company,  
Des Moines*

need arises, can be sold without too great a gap between purchase and selling price. A loss of ten or fifteen points would constitute a serious menace.



WINFIELD C. JACKLEY

### Head the List

Governments, naturally, head the list in the matter of safety and liquidity. Then come municipal, road and school bonds, public utilities and high grade industrials, with general industrials and railroads bringing up a undesirable rear. Real estate bonds are definitely out of the picture, for the time being at least.

Long term bonds, other than governments, do not constitute a satisfactory secondary reserve in view of present-day requirements. For a bank's assets must be composed of highly liquid securities which will have a minimum of fluctuation.

### Secondary Reserve

The percentage of liquidity of a secondary reserve depends upon the individual requirements of a particular institution. Some bankers may find it expedient to keep their assets between 90 per cent and 100 per cent convertible, while this figure may drop to 70 per cent in another locality.

It is exactly similar to the position of a private investor who has \$100,000 at hand for the purchase of securities. The wise investor will proportion his selection in direct ratio to his probable future requirements. If he feels that there may be a time during the life of his investment when he may need all of his capital upon an hour's notice, then 100 per cent of his purchases will be of securities which can be marketed instantly at or near the price he paid for them.

Should his analysis reveal that no emergency will require more than 70 per cent of his investment at any one time, then he may place the remaining 30 per cent of his capital in securities of less marketability but a higher yield.

### Conservatism

In other words, the present-day attitude on the part of a banker is to reduce to an absolute minimum the speculative nature of his investments. The safety factor looms with paramount importance. He cannot afford to take even the slightest chance on the liquidity of a security even though the higher yield might be needed to swell the profit side of his ledger.

The attitude of conservatism is not  
*Northwestern Banker September 1933*

# YOUR LEGGS IN ONE BASKET

**D**IVERSIFICATION! The first requirement for safety in any investment program! Trite but still true!

The obligation of a small community would be satisfactory for a portion of the total bond portfolio, but no banker would invest the entire reserve of his bank in one such issue. Why restrict your investments in municipals to one state?

There are prime credits to be had in the East and West, in addition to your local issues. Financial reports are readily available. The discerning banker can still purchase excellent municipal obligations of many parts of the country, possessing the utmost in liquidity and to yield 4.20 to 4.50 per cent.

Polk-Peterson are in touch with all the leading municipal markets in the United States and are in a position to make offerings of and bids for all the leading municipal credits.

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*Northwestern Banker* September 1933

confined solely to the selection of securities. It extends also to the loans made to firms and individuals. It is a definite policy which compels the banker to often say "no" to a customer who a few years ago would have been considered a desirable and profitable risk. For if there is the slightest hint of speculation in the uses to which a loan is to be put, invariably the banker will decline the loan. There must not be the smallest doubt in his mind but that the principal will be paid or reduced at maturity.

#### *Little Too Careful*

It is possible that the careful banker leans a little too far backward in analyzing the purposes and security behind a loan, but if he does he is only following the trend toward absolute assurance that he will be able to meet every depositor's requirements if and when the emergency arises.

Although accentuated in the early months of this year, this attitude of conservatism is not a sudden decision on the part of American bankers. If placed on a chart, it would be found that the line started to ascend over a year ago and climbed steadily until February, March and April of 1933 when it took a sharper angle upward. In the last few months, however, it has leveled off and will hold its present position for an indefinite period. It will not start to decline, in fact, until the industrial conditions of the country are so stabilized that a slackening of this rigid policy is justified.

Whether this period be six months, or a year, or two years, is problematical. But this much is certain: The banker of today or the future will not revert to that state of promiscuous lending or buying which characterized much of his business a few years or a decade ago.

Increased employment, stabilized business and increased deposits may and probably will bring about a modification of the severe, present-day policy, but in the future no loans will be made which do not fulfill the utmost demands of sound business practice, nor securities purchased which do not answer satisfactorily the requirements of true safety and reasonable liquidity.

The banker's investment program has definitely entered upon a new era—an era which will fully justify the renewed confidence and faith on the part of the public in a banking structure which will prove a solid foundation for industrial prosperity.

#### **A. B. A. Convention**

(Continued from page 7)

mon Newcomb Whitney, The Chase National Bank, New York City. "Maintaining Confidence in the Savings Dollar," Orrin C. Lester, Vice President The Bowery Savings Bank, New York City. For-

um discussion. Reports of committees. Election and installation of officers.

State Bank Division, Grand Ball Room, Stevens Hotel, Wednesday, September 6th, 2:00 p. m. Call to order, President L. A. Andrew, Vice President First Bank & Trust Company, Ottumwa, Iowa. Address of the president. Appointment of committees. "The Necessity of a Sound State Banking System Outside of the Guaranty Act," Alf M. Landon, Governor of Kansas, Topeka, Kansas. "Maintaining Earning Power With Liquidity," John J. Driscoll, Jr., President Driscoll, Millet & Company, Analysts in Bank Management, Philadelphia. Forum discussion. Reports of committees. Election and installation of officers.

Trust Division, Grand Ball Room, Stevens Hotel, Monday, September 4th, 2:00 p. m. Call to order, President R. M. Sims, Vice President American Trust Company, San Francisco, California. Address of the president. "Trust Departments and the Bank Holiday," a statement by the Comptroller of the Currency of the United States. "The Real Estate Mortgage Problem," John V. McKee, President Title Guarantee and Trust Company, New York City. Reports of committees. Election and installation of officers.

State Secretaries Section. Private Dining Room No. 2, Stevens Hotel, Tuesday, September 5th, 2:00 p. m. Board of Control and general meeting. Call to order, President Wall G. Coapman, Secretary Wisconsin Bankers Association, Milwaukee. Annual report of the president. Appointment of committees. Brief committee chairmen reports: Bank Management, Theo. P. Cramer, Jr.; Banking Education, Andrew Miller; Insurance and Protection, George A. Starring; Legislation, Paul P. Brown; Public Education, C. W. Beerbower. Forum discussion, led by J. W. Brislaw, Secretary Washington Bankers Association, Seattle, Washington. Election and installation of officers.

### Three Essentials of Bank Salesmanship

(Continued from page 8)

#### *How Many?*

The woman walked down the aisle to the rig of another farmer and asked the same question. The second farmer said, "Madam, potatoes are two dollars a bushel." She immediately told him that the farmer down the aisle was selling them for a dollar and a half. Farmer number two said, "That may be, madam, but my potatoes are two dollars a bushel and I shall tell you the reason why. In the first place 'taters I raise have very small eyes in them so that when you peel them thar ain't much waste. Second, all my 'taters are sorted in two sizes, one for boilin', the

## NO. 2 OF A SERIES INTRODUCING THE MEMBERS OF OUR ORGANIZATION



THOMAS M. BOWEN, Treasurer

**G**RADUATE of Wharton School of Finance, University of Pennsylvania, is "Tom" Bowen, Treasurer of Jackley-Wiedman & Company, Des Moines bond house specializing in Iowa Municipals. A whiz at figures, accurate, methodical—his o. k. on your statement is one thousand to one odds that it is right. Treasurer of the company since it was established, "Tom" has a record of accuracy well above 99.99 per cent.

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other for bakin' so when you cook 'em you save fuel. The third reason, Lady, why my 'taters are two dollars is because they are all washed clean. You can take a bag of 'em into your parlor, shake 'em up and down and there won't be a bit of dirt come out on your floor. Madam, them's the reasons why my 'taters are two dollars a bushel. How many bushel do you want?"

And do you know that the woman bought two bushels of potatoes at two dollars a bushel instead of buying any from the other farmer at a dollar and a half. Why? In the first place this farmer knew his potatoes. In the second place this man

had the courage to sell up to a standard instead of down to a price!

Gentlemen, one of the things we need in banking today is more men with the courage of the farmer to sell up to a standard and not down to a price. We need men who have the courage to stand up and tell the public *why* it is better for them to accept 2½ per cent or 3 per cent on interest and savings accounts instead of trying to meet competition at a rate that is too high for conservative banking. We need bankers who have the courage to tell their customers the reasons why a service charge is justified on commercial accounts that do not pay their own way.

We need bankers who will train their organizations to sell up to a standard and not down to a price.

### Quantity

Equally as important as the *quality* of what we write and say and do is the *quantity*. Some people think that selling is the ability to out talk others. This is a sad error. Selling is the art of pleasing people and the thoughts which please the most are those expressed in condensed form.

In the first chapter of Genesis the story of the creation of the universe is told in six hundred words. Six hundred words to tell the story of the creation of the universe, yet you and I have heard salesmen use nearer to sixty thousand words to tell the story of the creation of a new bond issue or a new life insurance policy. I ask you which is the more important?

At the dedication of the battlefield of Gettysburg there was a gentleman who talked for two and one-half hours. What he said was a masterpiece of rhetoric, but there isn't one person in ten thousand who can tell you a word that he said, and there is not one in one thousand who can tell you who he was. Following that speaker was Abraham Lincoln. His talk consisted of approximately two hundred and fifty words. What he said became a mental endowment for the entire American nation. One of the reasons why Lincoln's thoughts have been remembered is because he expressed them in condensed form. He had them boiled down. Of course, another reason is that they stood for an ideal and that ideal was backed with the spirit of sincerity.

### Our Services

Parenthetically it may be said that one of the greatest satisfactions you and I should get from being associated with the banking business is that each of our services stand for an ideal. If we back those ideals with the spirit of sincerity in telling the people in our community what those services stand for we can make a record in banking which will be remembered.

Woodrow Wilson was once asked how long it would take him to prepare a ten minute address and he said, "Two weeks." He was then asked how long it would take him to prepare one for thirty minutes and he said, "One week." "Well," said the interviewer, scratching his head in amazement, "Two weeks for ten minutes, one week for thirty minutes, how long would it take you to prepare a talk for two hours?" Wilson smiled and replied, "I am ready right now." "Ready right now" to talk for two hours but he wanted two weeks to prepare for ten minutes. We all know that it is a big job to boil our thoughts down.

It is one thing to say that the people in a bank should be able to explain in clear and concise language the services they

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have to offer. It is another thing to teach them to do it. The solution to the problem is systematic training in the fundamentals of salesmanship as applied to bank services.

### Method of Expression

Now let us go to the base of the triangle which deals with the *Method of Expression*. I am a firm believer in the fact that there is only one-fourth in what you say and three-fourths in the way it is said. For example, take the words "good morning," which are said thousands of times every morning, but what a vast difference in their meaning. You can go into some banks and you will be greeted by a "good morning" which will actually make you feel like putting more punch into life. You can go into others and they either grunt at you or say "good morning" in such a way as to make you feel like putting more punch into them. The same words—the only difference being in the way in which they are said.

Back in New Jersey a neighbor of mine has three boys. Two of them have finished their college courses and the third one is still in college. The first two were always able to get along on their regular monthly allowance but this third fellow is always writing home for more money, more money, more money. About a month ago he sent one of these letters asking for more money. It so happened that his father was at home when the letter arrived. He opened it and read with loud and angry emphasis, "*Dear Parents: Why don't you send me some money? My board bill is due, my laundry bill is due, everything is due! How do you expect your son to make good at college without money? Won't you please send me some money?*"

The father threw the letter on the table and shouted, "Mary, if that is the way he is going to ask for it, I won't send it to him." Mary happened to be the boy's mother. That is where the old man frequently gets in Dutch. She calmly walked over to the table, adjusted her glasses, picked up the letter and read in a sweet and gentle voice, "*Dear Parents: Why don't you send me some money? My board bill is due, my laundry bill is due, everything is due. How do you expect your son to make good at college without money? Won't you please send me some money?*"

By this time the tears were trickling down the old man's cheeks and he said, "Mary, if *that* is the way he asked for it, send it to him." My friends, there is only one-fourth in what we say and three-fourths in the way we say it.

The new era in banking demands that we use a higher and finer type of bank salesmanship. The importance of the building of confidence and the development of new business is more clearly emphasized today than it has been at any time during

the last thirty years. This is a job not for one man in the bank nor for one department in the bank but a responsibility that should be shared by every one connected with the institution. One of the ways for bankers to shorten that long road back to increased profits, substantial surpluses, and increased salaries is to train everybody in the bank in the fundamentals of the new bank salesmanship.

In summary may we remind ourselves that the symbol of this new salesmanship is the equilateral triangle. One side represents the *quality* of what we write and say and do. The other side represents the *quantity* and the base represents the *Method of Expression*. There is only one-fourth in what you say and three-fourths in the way you say it. "He profits most who serves the best."

### 3 Reasons Why Banks Should Advertise

(Continued from page 10)

Some one officer within the bank's organization will be commissioned to take charge of the work. He will be chosen for his ability and qualifications to carry through a broad contacting undertaking. It calls more for leadership, tact, ability to secure cooperation and to engender interest and enthusiasm than for ability to write clever advertising copy. If he is a good mixer—makes friends easily—is more-or-less of a "joiner" and takes an active interest in local organizations and associations—all the better. But above all, he must possess ability to properly appraise both individual and group opinion.



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SERVING THE  
MAJOR INDUSTRIES  
OF THE MIDDLE  
WEST.....

With specialized ability to intelligently assist shippers, packers and out-of-town banks serving these interests.

*The*  
**LIVE STOCK**  
**NATIONAL BANK**  
**OF CHICAGO**

UNION STOCK YARDS

**SINCE 1868**

Northwestern Banker September 1933

Bank directors, once they understand the purpose and objectives, will approve and cooperate. All officers should be subject to call for active service. Every employe of the bank can be drawn into the general scheme of making the bank a hub of community interest development so that the bank will gain credit for its activities and leadership without seeming to "hog" the spot-light.

Community leadership! That is a worthy goal for which your bank must strive in the years ahead. A public relations program is one route which every bank may map out and follow.

And if you are still interested in knowing something of the set-up, I will out-

line the duties of the bank's public relations contact man in an article to follow—and point out the three divisions and methods of activities to be followed.

## News and Views

(Continued from page 16)

to cope with present conditions. About 20 key men should be fired and replaced with 12 new men."

**M**ORTIMER GOODWIN, cashier of the First National Bank in Burlington, tells me that their total deposits as of August 20th, were \$716,363.30, a gain since August 1st of \$114,159.93,

with total resources amounting to \$843,260.77.

This is a fine showing for this new institution at Burlington, and reflects the capable management of its officers and directors who are: F. Albert Klein, chairman of board; A. J. Benner, president; Charles Irving Danforth, vice president; Mortimer Goodwin, cashier; H. D. Banta, Norval Prugh, G. D. Parker, Sam Strause, John H. Witte, Jr.

**D.** R. WESSLING, president of Wessling Services, Des Moines, was in Minnesota recently and stopped to call at the First National Bank of Starbuck and parked his car in front of the bank, but before he could get out of the car he noticed a woman who came running out of the bank and down the street and was followed a moment later by a bandit with a mask over his face, an automatic in his hand and a package under his arm. The bandit ran directly toward Mr. Wessling's car and he thought that he would be required at the point of a gun to do a little chaffering for him, but the bandit ran on past and turned the corner. About a second later another bandit came out of the bank and just as he came in front of Mr. Wessling's car, dropped dead from bullets fired by the officers of the bank who had pursued the bandit into the street.

If you were sitting in the car under similar circumstances what would you have done?

Obviously the crowd seeing a car with a license from another state would think that the driver was an accomplice and would let the bullets fly in that direction.

Mr. Wessling with his usual quick and active mind averted disaster by opening the door of his car, stepping outside and raising his arms above his head. With the angry mob upon him and four or five guns pointed at his head he was marched back into the bank where he said "good morning" to E. S. Olson, cashier of the bank, who immediately recognized him. This was once when the entire banking force "welcomed" him into the bank with "open guns."

## Identified

A certain famous motor car manufacturer advertised that he had put a car together in seven minutes. The next evening he was called on the phone at dinner time and asked if it were so.

"Yes," was the reply. "Why?"

"Oh, nothing. But I believe I've got the car."

## Precocious

"Did you give our daughter that copy of 'What Every Girl Should Know?'" asked Dad.

"Yes," replied Mother, despondently, "and she's written a letter to the author suggesting a couple of dozen corrections and the addition of two new chapters."

# Financial Statement of the National Surety Corporation

VINCENT CULLEN, President

June 30th, 1933

### ASSETS

Cash		\$ 1,027,246.74
Bonds*	\$4,666,321.46	
Stocks*	1,099,212.00	5,765,533.46
Premium accounts taken Over From National Surety Company	\$2,327,079.11	
Less: Reserve originally established	727,633.62	1,599,445.49
Premiums in course of collection National Surety Corporation		1,171,367.15
First Mortgages and Real Estate		656,662.51
Accounts Receivable		349,821.12
Home Office Building		1,000,000.00
		<b>\$11,570,076.47</b>

### LIABILITIES

Reserve for Unearned Premiums	\$ 1,587,408.21
Reserve for Claims	385,279.50
Reserve for Commissions and Expenses	680,645.93
Reserve for Additional Overdue Premium Accounts	500,000.00
Reserve Paid-In for Claims and other con- tingencies	4,416,742.83
Capital	1,000,000.00
Surplus	3,000,000.00
	<b>\$11,570,076.47</b>

\*These amounts represent the actual market quotations as of June 30, 1933.

# A New Service That Bankers Appreciate

THE Des Moines Branch of the United States Fidelity and Guaranty Company has instituted a new, free service to banks and bankers in the state of Iowa. Many bankers have made no study of insurance coverage in conjunction with their actual needs, with the result that coverage is often duplicated while other needed protection is entirely overlooked. Believing that a careful survey of a bank's insurance coverage as compared to its present-day needs will be beneficial to the bank, the Des Moines branch is now prepared to make such a survey, without obligation on the part of the bank, but as a matter of service and with the primary object of satisfying the bank that needed protection is actually carried, or if not, pointing out the lack of coverage and how it can be supplied.

It can readily be seen that a survey of this nature may be of great value—certainly it can do no harm. Forms of coverage are constantly changing, rates are advancing, so that what formerly might have been ample protection may now be inadequate, or may even be available in some other form of greater advantage, at no increase in cost. Duplication of coverage is not unusual, where careful attention has not been given, nor is it uncommon to find that certain coverage which a bank has relied upon, is lacking.

With all this in mind, and with the thought that bankers would welcome a check-up or survey by someone qualified to make it, J. Dillard Hall, manager of the Des Moines office, U. S. F. & G. Co., has prepared a very comprehensive analysis chart of available coverage for banks, which has already met with much favorable comment. C. H. Stephenson, cashier, Bankers Trust Co., Des Moines, gives his opinion of the chart in the following words:

"I have just had an opportunity to examine the Bank Insurance Analysis Chart which you have prepared, and I am taking this opportunity of telling you that I think your idea is an excellent one, and that this chart will fill a long felt want on the part of banks and bankers of this state.

"Any bank which will use this chart in making an analysis of the various

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## J. Dillard Hall, Manager of the Des Moines Office of the United States Fidelity & Guaranty Company, Offers a Comprehensive Insurance Analysis Chart of Available Coverage for Banks

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types of coverage now carried by the bank with those which are available to it will undoubtedly see that in some instances they are overinsured and in other instances underinsured in certain lines. I think that this service will prove to be of outstanding value to the banks of this state.

"I commend both yourself and your company in rendering this valuable service to the banks of Iowa."

H. G. Wilson, cashier, Iowa-Des Moines National Bank & Trust Company, Des Moines, says:

"I have looked over and checked very carefully the analysis chart of bank insurance which you left with me several days ago. I am sure this chart will be a great help to bankers in handling their various kinds of robbery and burglary insurance and other insurance that the majority of the banks carry. This service which you are giving is the only service of this kind that has come to our attention and I think the U. S. F. & G. is to be complimented on developing this splendid idea."

Mr. Hall has notified the banks in Iowa that this service is available to them, and they will, undoubtedly, take advantage of it. Without endeavoring to further the business of insurance, but looking at it solely from a standpoint of practicability, it is evident that the idea of Mr. Hall as presented by this chart is well worth any banker's earnest consideration. A service of this nature is not only practical—it evidences a spirit of progressive thought and effort which is indeed commendable and which merits the support of the banks in Iowa in equal degree.

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## At Your Service At the Fair

If you "do" A Century of Progress in its entirety, you will have walked past some 82 miles of exhibits, even a portion of which is a tiresome daily stunt.

The Continental Casualty-Assurance Companies decided that here was an opportunity to perform a real service in the interests of Fair visitors' comfort. Forthwith, this multiple line insurance organization established what has been termed one of the most unusual World's Fair service and information bureaus to be found in Chicago.

These quarters are located on the ground floor level of the Standard Oil Building at 910 South Michigan Avenue, where the Continental occupies Home Office space of four floors.

A gracious hostess is in charge of the Bureau, and she has two assistants, one a trained nurse and the other a young man from the Philippine Islands. Should you acquire a blister at the Fair or pick up a stray bit of debris in your eye, the nurse will skillfully render first aid—gratis. The Filipino makes it his duty to see that you get something to read, or some writing material or a light for your smoke. If the visitor wishes, he can shift a lot of tedious tasks off onto the personnel of the Continental Bureau. They will make reservations on all forms of transportation for you—air, rail, water, Pullman, or bus. Or perhaps you'll like a new route planned for you on your trip home, in case you are driving. Say the word and in a few minutes you will be provided a map marked with proposed new routes.

This service is available through identification cards. If readers of THE NORTHWESTERN BANKER will address the office of that publication, in Des Moines, a card entitling the holder and his family to the services of the Continental Bureau will be issued to him immediately.

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## National Surety Statement

The June 30, 1933, financial statement of National Surety Corporation, made public by Vincent Cullen, president, is receiving much favorable comment in insurance and financial circles.

National Surety Corporation started business on April 29, 1933, following the appointment of George S. Van Schaick, Superintendent of Insurance of the State of New York, as rehabilitator of National Surety Company, and the June statement reflects the progress made by the corporation in its first two months. On June 30th the corporation had cash of \$1,027,246.74, an increase in two months of \$373,242.60. Bonds and stocks appreciated over \$600,000.00 in the two months, and are shown in the statement at market value of \$5,765,533.46. The corporation took over from the National Surety Company outstanding premiums of \$4,035,059.20. Some of the premiums have been collected and those uncollectible have been charged

off, reducing this item as of June 30th to \$1,599,445.49 with a reserve of \$500,000.00 carried in the liabilities against possible further shrinkage.

In commenting upon the affairs of the corporation, President Cullen pointed out that its assets were highly liquid and that 80 per cent of its portfolio consisted of bonds. He stated that during May and June the corporation had written more than \$1,500,000 in net premiums and that the volume of new and renewal business was most satisfactory. He stated that the loyal agents and brokers, nationwide, were chiefly responsible for this excellent showing, and that the corporation had been approved by the largest banks, railroads and financial institutions in the country.

## Largest Convention Party

What undoubtedly will be the largest convention party Northwestern National Life of Minneapolis has ever had will assemble in Chicago from August 22d to 25th at the Stevens Hotel and A Century of Progress for four days of instruction, inspiration, and entertainment. Final figures released last week showed more than 200 fieldmen, wives, general agents, and managers qualified to attend.

Considering the unusually difficult business conditions which existed throughout the 18 months of the convention contest, it is a remarkable showing to have so many qualify for the convention, although the qualification standards were just as high as in normal times.

The White & Odell agency of Minneapolis with 33 representatives has a larger number of fieldmen qualified than any other unit in the agency organization. Tied for second honors in this respect are the Texas State Agency, Houston, and A. W. Crary Agency, Fargo, with 10 each. H. O. Wilhelm & Co., Omaha, has eight, and the Truman H. Cummings agency, Detroit, seven.

Plans for the convention are rapidly rounding into shape and indicate that a bang-up program is in store for those who attend, with a Century of Progress adding something that no previous convention has been able to offer.

## The Cash Value of Safety

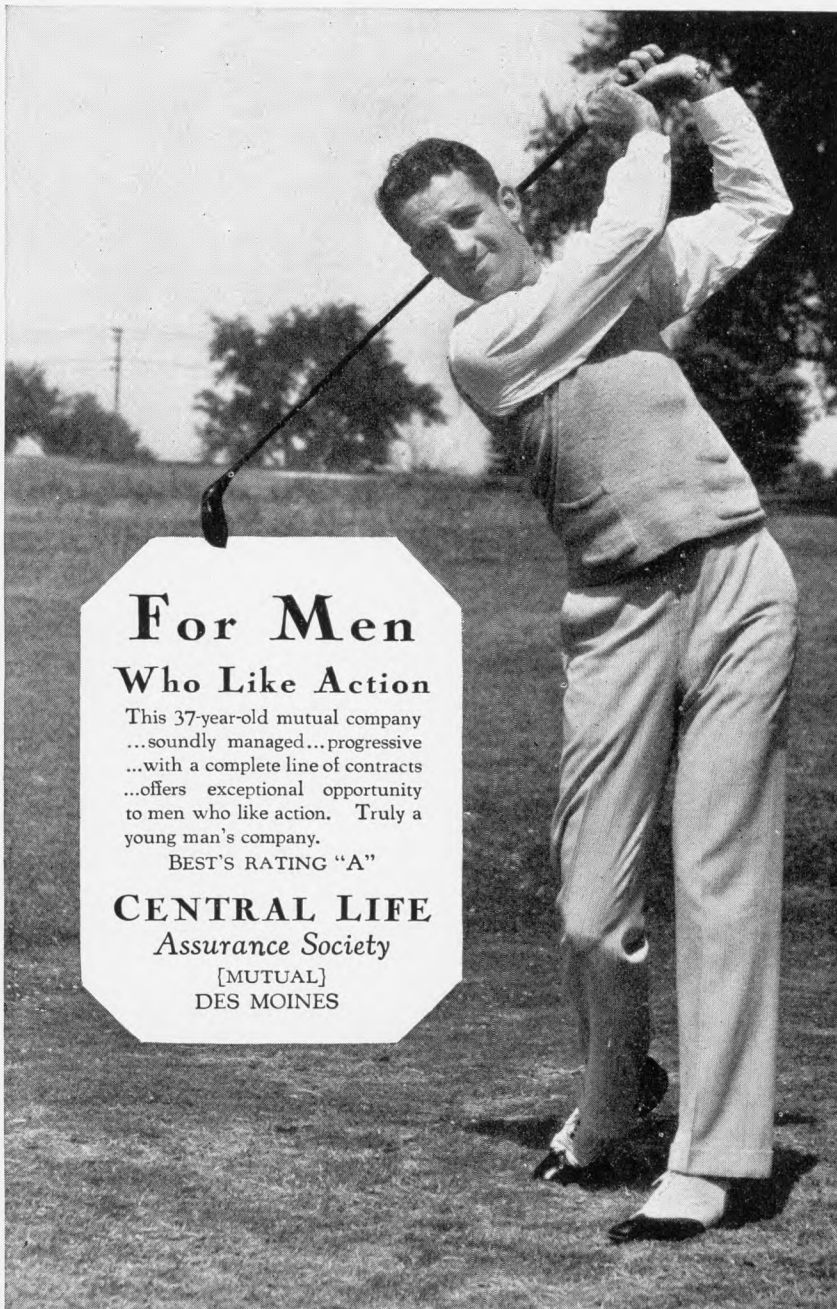
While the most important phase of the accident problem is obviously the unnecessary toll of deaths and injuries, there is another phase that should not be overlooked—the economic one.

Every accident costs money. Every accident places a burden upon the average pocketbook. And the total of costs for a year runs into many millions. Accident prevention, as a result, pays cash dividends.

In industry it has been the inevitable experience that a low accident rate is accompanied by higher efficiency. When a great many accidents occur in an industry, the morale of workers is seriously impaired. There is a distinct slowing down in their operations. There is discontent—that most potent of all disturbers. And there is very likely a red-ink showing at the end of the month or the quarter.

During the past decade industry has made fine strides in safety. The roster of major business which operate for a year at a stretch with hardly an accident of importance, is constantly growing. And those are the businesses which we know best—which are most stable, most efficient and most profitable.

In the future, safety can earn its



**For Men**  
**Who Like Action**

This 37-year-old mutual company  
...soundly managed...progressive  
...with a complete line of contracts  
...offers exceptional opportunity  
to men who like action. Truly a  
young man's company.

BEST'S RATING "A"

**CENTRAL LIFE**  
*Assurance Society*  
[MUTUAL]  
DES MOINES

greatest dividends on the highways. We complain because casualty insurance rates go up—and we overlook the fact that they went up because accidents increased in number and severity and the financial drain on insurance companies grew accordingly. Automobile rates, like home and industrial accident rates, are in the hands of the public, which increases or decreases the hazard on which the rate is based.

Every American should resolve to help alleviate tragedy and at the same time fatten his pocketbook by being a safer citizen.

## Banks — And the Public

(Continued from page 20)

for the gratification of the officers and directors. It really can be effective only when it is properly focused, is a true mirror of the bank and its services, and is coordinated with every other selling effort of the bank. Public relations must be aimed and controlled; it must be a continuing job; it must be considered as including every point at which the bank touches the public, whether it be face-to-face, letters, literature, paid advertising, or participation in some civic or trade effort. All may be turned to good account if they are considered in the light of a comprehensive policy.

"Public Relations" is just as much a business as loaning or trust administration, and requires as distinct a type of mind and as adequate training. It deals not with figures and facts, but with human beings. It is not exact—it is constantly changing. The public relations man often senses things that cannot be proven. His work is germane to every department, and yet cannot be under any department, for his is an interpretive task. His inspiration within lies in constant contact with the chief executives of the bank. The proper conception of his job is to interpret the bank's personality, its policies, and its services to the public; to interpret the attitude of the public to the officers of the bank; and to see that employees are taught how to handle the public in such a way as to maintain the impressions the bank wishes to make. This job requires an understanding of people, rather than technical banking training. The man who does it should be carefully selected, and then given as much authority in his line as the head of any other major bank activity, for it is a major consideration and a senior effort.

## For Granted

Geology Prof.: "What kind of rock is this?"

Student: "Oh I just take it for granite."

# A "ONE MAN" A. B. A.

By HARRY WILKINSON,  
Publisher, The Chicago Banker

**I**N ORDER that the General Counsel of the Association may in the future bear the same *subsidiary relationship* to the Executive Manager as the Deputy Managers and other officers and employes of the Association:

"THE words, 'a General Counsel' are stricken from the first sentence of Article VII, Section 8, of the Constitution, bearing the caption, 'Officers and Employes' so that it will then read:

"THE Executive Council at the meeting for organization provided for in Section 7 of this Article shall elect an Executive Manager and a Treasurer, who shall be a *coordinate officer*."

THE quoted paragraphs above are "lifted" from the columns of the ABA Journal, the italics being supplied to render the meaning of the constitutional amendment a little more obvious.

TOP paragraph explains the desire of the author of the amendment to place the "General Counsel" "in the same subsidiary relationship to the executive manager as the Deputy Managers and other officers and employes" of the ABA. "Subsidiary relationship" is given in Standard dic-

tionary as "assisting in an inferior capacity."

THE late Judge Paton was able to defeat all former attempts to reduce his department and his legal opinions to the rank of an inferior advisor. No dictation nor revision of his legal opinions was possible, for he was recognized in the constitution as a "coordinate" and not as an inferior advisor.

AFTER the Chicago convention the treasurer will be the only coordinate along with the executive manager, but his powers are very limited whereas the powers and functions of the executive manager require the mention of his title in the constitution and by-laws just forty-six times.

THE EM "shall have the authority to employ or remove" everybody from deputy managers down to "such officers and employes as he shall deem necessary." All, of course, to be approved by the administrative committee, mostly taken for granted.

HE shall have "charge of the property of the association," and "shall audit and approve all bills and items of expense," including expenses of "officers thereof."

## Liquidity

• • •

Dec.	}	Cash and U. S. Gov't Bonds
31,		\$5,131,177
1932		10.9% of Assets

June	}	Cash and U. S. Gov't Bonds
30,		\$6,507,004
1933		13.6% of Assets

## NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

O. J. ARNOLD, PRESIDENT

STRONG ~ Minneapolis, Minn. ~ LIBERAL

He is the "chief budget officer of the association," and "in his discretion" may "approve, disapprove or alter any item desired" by any subordinate.

THE above amendment cutting out the "General Counsel" as among the coordinates kills all the powers and independence retained with difficulty by the late Thomas B. Paton. He was "under the direction of, and shall report to, the executive council" and "make an annual report to the convention."

THE constitution gave the Judge "custody and responsibility for the documents records and property pertaining to his office," and he was guaranteed to have

"authority to employ and to remove legal and clerical assistants and to incur expenses to the limit of the appropriation."

THE Judge evidently wrote this section of the constitution himself and he acknowledged no over-authority by any except the administrative committee and the executive council itself. In the conduct of his office and in the legal opinions delivered his department rated 100 per cent. But that day is over. No real "General Council" will consent to serve as advisor "in an inferior capacity."

THE word "subsidiary" has no other use in the proposed amendment except as defined in the dictionary. "Same relation-

ship" otherwise would have meant just the same as "same subsidiary relationship." Now a word about the sole remaining coordinate except the executive manager.

"THE treasurer shall pay out moneys only upon voucher checks signed by the Executive Manager." "Before any voucher check shall be signed" it "shall be investigated and audited by the Executive Manager."

IF Francis Marion Law can find out who wrote this preposterous document, the ABA constitution, he will have an answer to his oft-repeated inquiry as to "Who runs the American Bankers Association?"

THE public relations commission was removed in practically the same way the general counsel is being obliterated. The Public Relations body was beheaded at White Sulphur without a word of warning by the administrative committee, the council concurring. That it had been pre-arranged it was noted that the spring meeting program contained no mention of public relations commission.

MAYBE there were other reasons, but note the chief function of the commission as theretofore set forth in the constitution: "It shall also have supervision of the official publication." (ABA Journal), but in one of the forty-six delegations of power the executive manager was given "direction" of the ABA Journal, "under the supervision of the Public Relations commission."

ALL of the above is indicative of the "trend of the times," but is meant to explain peculiar happenings and not to slam at any individual. If the membership of the American Bankers Association want a one-man organization one more click of the constitutional amendment device and it is done.

THE present proposed amendment, as above, will be up before the convention at Chicago, the "yes" boys having done their part at Augusta last spring. It's not so easy to tell the fellow who fixes the budget, audits and OK's the expense accounts and signs the checks just where he gets off. Read all of the above paragraphs over again lest you didn't see what is between the lines.

A tourist was enjoying the wonders of California as pointed out by a native. "What a beautiful grapefruit!" he said, as they passed through a grove of citrus trees.

"Oh, those lemons are a bit small, owing to a comparatively bad season," explained the Californian.

"And what are those enormous blossoms?" asked the tourist.

"Just a patch of dandelions," said the Californian. Presently they reached the Sacramento river.

"Ah," said the tourist, grasping the idea, "somebody's radiator must be leaking."



## Your Representative at the Stockyards

The Live Stock National Bank is your logical representative at the Sioux City stockyards because this institution is in the same building as the offices of the Commission firms, and is also adjacent to the Sioux City business district.

Because of this strategic location this institution gives prompt care and attention to the disposal of your livestock and other transactions.

Our 38 years of specialized service assures prompt and efficient handling of your livestock items.

## Live Stock National Bank

SIoux CITY, IOWA

*Affiliated with Northwest Bancorporation*

"THE BANK AT THE YARDS"

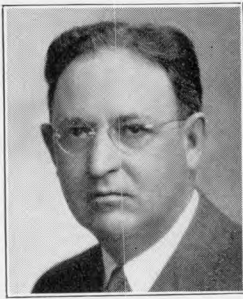
### OFFICERS

A. G. Sam, President

C. L. Fredricksen, Vice President  
W. G. Nelson, Asst. Cashier

M. A. Wilson, Cashier  
W. C. Schenk, Asst. Cashier





E. R. HEATON  
President

## South Dakota Bank News

### Officers South Dakota Bankers Association

President.....E. R. Heaton  
Yankton

Vice President.....L. M. Larsen  
Wessington Springs

Executive Manager, Geo. A. Starring  
Huron



GEORGE A. STARRING  
Executive Manager

### Reduce Cash

More than 80 per cent of South Dakota banks which are not covered by blanket robbery insurance or which do not have protective devices approved by the underwriters, have signed an agreement with the South Dakota Bankers Association that they will reduce their exposure of cash on the counters 85 per cent. These banks have been supplied with a warning card which requests customers of the banks not to expect too quick service for a request for any unusual amount of cash.

These banks are keeping most of their cash and securities with their city correspondents or with the Federal Reserve Bank and a large part of the balance is kept under time lock all day during banking hours.

This agreement is in line with new restrictions imposed by the insurance companies which provide that they will not pay losses incurred in a holdup beyond a 15 per cent exposure of cash unless the banks are equipped with tear gas or bandit barrier or unless the cash is kept under time lock and when time locks are not operating the banks must have two armed guards at open doors or keep the doors locked.

This will be a great inconvenience to the public at times but the banks are obliged to comply with the regulations. The losses from holdups this year should decrease anywhere from 50 to 75 per cent in South Dakota.

### New Bank

Banking service was again made available to the people of Sisseton with the moving to this city of the First National Bank of White Rock. The new bank is located in the Citizens Security Building and is operating under the name of the Roberts County National Bank of Sisseton.

Officers of the bank are John L. Caldwell, president; J. W. Powell, cashier, and F. H. Kouba, assistant cashier. Mr. Kouba is in active charge of the institution for the present, with the assistance of Miss LaVanche Polifka. Mr. Powell, the cashier, is in Washington,

D. C., handling some special assignments for the national banking department but he will complete his work there within a couple of weeks, when he will move to Sisseton and take over active management of the bank.

### Burglar Equipment

Holdup men will have no chance should they be foolish enough to attempt to rob the First National Bank of Parkston. It has installed holdup and burglar proof fixtures that are said to be the last word in that line. A solid steel partition across the banking room completely shuts off the bank officers from the public.

The glass panels above the fixtures are of bullet-proof glass, and sharp spikes at the top prevent the scaling of the partition from the outside or from the customer's room. Six protected loopholes allow bank officials the opportunity of shooting from the inside without injury from return shots.

### Reorganized

A deal has been completed recently for reorganization of the Farmers and Merchants State Bank, of Scotland. Paul S. Cobel, of Sioux Falls, has a controlling interest and announces plans, when reorganization is completed, to obtain a national bank charter and to operate the bank under the Federal Reserve System.

Martin Schafer, who has been associated with the Security State Bank at Delmont, is in charge of the Scotland bank now. C. Van Cura, former assistant cashier and Miss Luetta Dravis, bookkeeper of the Scotland bank, before it was closed, will continue with the new organization.

Former officers of the bank, who are retiring from the organization under the new regime, include: C. Weidenbach, president; G. C. Weidenbach, cashier; G. Hertz, director; E. J. Magstadt, director.

### New Bank

Hudson is to have a new bank. Articles of incorporation have been filed by three men to start a financial institu-

tion with \$25,000 capital. H. Loonan, Eden, and Thomas Loonan and J. Holmes of Waterloo, are the incorporators. It will be called the Sioux Valley Bank.

### New Check Law

Thirty days in jail and a fine of \$100 may be the punishment for writing bad checks in South Dakota, after 90 days. At that time the new state law, passed at the Pierre special session will go into effect, having been signed by the governor.

The law provides: "Any person, who with intent to defraud, shall, for a present consideration, make or draw or utter or deliver any check, draft or order for the payment of money upon any bank or other depository, knowing at the time of such making, drawing, uttering or delivery that the maker or drawer has not sufficient funds in or credit with such bank or other depository for the payment of such check, draft or order in full upon its presentation, shall be guilty of a misdemeanor, and upon conviction thereof, shall be fined not more than \$100, or imprisoned not more than 30 days or both.

"The making, drawing, uttering or delivery of such check, draft or order as aforesaid, shall be prima facie evidence of intent to defraud and as against the maker or drawer of knowledge of insufficient funds in or credit with such bank or other depository."

### Prevent Holdups

Bank holdups are to be discouraged by the Peoples State Bank of De Smet, through installation of an apparatus invented by a South Dakota banker, T. J. McGinity, of Lebanon.

The installation was completed recently and in use, consisting in a steel barred vestibule to the bank entrance which acts as a trap through which visitors to the bank must pass, being admitted on recognition by the clerk on duty at the window.

Strangers must use a telephone provided for that purpose and identify themselves before they are admitted. Suspicious characters can be confined in the vestibule at will of the force.

### Home Loan Branch

The Rapid City branch office of the Home Owners' Loan Corporation is now in full swing, opening in an office on the third floor of the court house.

George Crilly is manager of the branch office, which has charge of all counties west of the river except Gregory. Temporarily, his office also has charge of several counties east of the river, Hand, Potter, Walworth, Sully and Hughes.

Designed primarily to aid home owners in financial distress, about 120 applications were made at the office during the

first two days that it was open, and in addition many more application blanks have been mailed to inquiring persons.

### Cashier Resigns

W. M. Roberts, who has been cashier of the Bank of Lemmon for the past two years, has resigned his position and is accepting a position with one of the federal government agencies.

E. J. Morris, of Aberdeen, a former resident of Lemmon, has taken a position with the Bank of Lemmon. Mr. Morris has had considerable banking experience, having been an examiner for the South Dakota Banking Department for the past fourteen years.

### Good Condition

As part of a nationwide banking condition survey being conducted by the federal government, the state banking department has prepared a statement showing the financial status of all South Dakota state banks which are not members of the federal reserve system.

F. R. Strain, assistant superintendent of banks, said the report, which was requested by the ninth federal reserve bank of Minneapolis, showed South Dakota banking institutions to be generally in excellent condition. H. D. Sharratt, federal reserve bank examiner told state officials the report was one of the best in the ninth federal reserve district.

The report along with those of other states, will be used by the federal reserve board in analyzing general banking conditions throughout the country.

### No Off-Set On Checks

Wheat producers who qualify for benefit payments under the wheat acreage adjustment program will receive their checks without any off-set for governmental indebtedness, Secretary Wallace says.

The legal department of the Agricultural Adjustment Administration has advised the Secretary that governmental liens on the wheat crop do not require benefit payment checks to wheat farmers to be made jointly payable to any other governmental agency. Hence wheat checks will be issued directly to wheat farmers.

The difference in methods of handling wheat and cotton checks arises because of a legal distinction concerning governmental indebtedness in reference to benefit payments in the two cases.

In the case of cotton, part of the security of seed, feed and other loans from the Farm Credit Administration is destroyed when farmers who sign up in the cotton campaign plow under a portion of their crop. Hence checks to cotton farmers having such loans will be made jointly payable to them and the Farm Credit Administration as announced Tuesday by Governor Henry Morgenthau, Jr.

In the case of wheat, however, the contract with the Agricultural Adjustment Administration does not require farmers to destroy any portion of their crop. Hence the security of government loans in the case of the wheat farmers is not in any way disturbed by their contract.

Therefore, Secretary Wallace said, the checks to wheat farmers who qualify for benefits will be made out to them, and be sent directly to them, and not be made jointly payable to the farmers and the Farm Credit Administration.

Essentially there will be little difference in the method of payments since in both cases, so far as strictly governmental indebtedness of farmers is concerned, farmers may use the proceeds as they see fit. The Farm Credit Administration is asking that both wheat and cotton farmers apply as much of the proceeds to their debts to the government as they can. But there is no compulsion about it in either case, except that as to cotton where private interests are involved in the governmental claim, the division of the proceeds will be the subject of negotiation. The difference will be that in the case of cotton liens, the checks will be made jointly payable to farmers and the Farm Credit Administration whereas wheat payments will not.

He that cannot obey, cannot command.  
—Benjamin Franklin.

**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

## Group Two Meets in Fremont

MEMBERS of Group 2 of the Nebraska Bankers' Association, meeting in Fremont, adopted resolutions urging that the postal savings system be abolished, opposing legislation permitting the growth of branch and chain bank systems, and urging repeal of the check tax. The annual meeting was held at Hotel Pathfinder.

Officers who served during the past year were re-elected. They are P. J. Ternus, cashier of the Farmers' State Bank of Humphrey, president; F. W. Shonka, Jr., assistant cashier of the Schuyler State Bank, secretary, and M. M. Taylor, Columbus; L. R. Coufal, Howells, and R. I. Stout, Tekamah, members of the resolutions committee.

In the absence of Ternus, J. M. Sorensen, vice president of the Stephens National Bank of Fremont, presided. He introduced William Edward Johnson, of Chicago, president of the firm of Johnson, Reed and Wohlwend consulting bankers, following the address of welcome by J. D. Milliken, vice president of the Fremont National Bank.

Mr. Johnson expressed his opinion that the guaranty system enacted this year is uneconomical in that it sets no tax to collect the money, but makes provision for assessments when banks fail. When banks fail is the time others are the least able to pay, he stated. He thought a tax should be paid and that this should come from depositors, who really obtain the benefits from a guaranty system.

Wm. B. Hughes, secretary of the Nebraska Bankers' Association, was introduced and devoted some time to a discussion of the new banking legislation—both state and national—and explained the new corporation tax. He cautioned the bankers present regarding the ruling of insurance companies on burglary and robbery insurance.

Dan V. Stephens, president of the Stephens National Bank was introduced and stated that the bankers of the various communities could be of great service to their communities in cooperating with any movement concerning public works. He

said that the public works board for Nebraska would listen to any and all propositions submitted and would lend every cooperation where they thought the project was proper and beneficial.

### 40 Hour Week

Lincoln banks, through the Lincoln Clearing House Association, have adopted a 40-hour week in compliance with the national recovery act. The new program became effective August 1st.

Both banks and trust companies will be open to the public shorter hours. The banks will be open from 10 to 2 o'clock on week days, instead of from 10 to 3.

### Enlarge Space

Changes are to be made in the Hastings National Bank Building that will provide more office space and more privacy for officers, more working room for employees and at the same time enlarge the lobby and provide more door openings for patrons entering and leaving the institution.

Plumbers began work in the basement recently, but a large part of the interior work will be done during the Labor Day holiday and all will be completed by the time the bank opens on Tuesday, September 5th, the day following Labor Day.

### Date Extended

A four months' extension of the time limit hitherto set for state banks operating under restrictions in Nebraska to get back into 100 per cent operating condition, placing the date ahead from September 1st to January 1st, is announced by State Banking Director Luikart.

In order to receive the additional grace period, however, banks must show some improvement in their affairs within the period originally fixed. A half dozen or more, Luikart said, will probably be unable to do this, and these will be closed about September 1st. There will be some additional suspensions at the end of the year, but how many cannot be foretold at this time.

### Stephens Accepts

Dan V. Stephens, has had a message from President Franklin D. Roosevelt notifying him of his appointment as a member of the Nebraska advisory board of the federal public works administration and at once wired his message of acceptance.

Following is the message he sent to the President:

"Replying to your wire of July 26th, I greatly appreciate the honor and opportunity of service to you, the state and nation in accepting appointment on board of public works."

### Loan Bank Opens

The Federal Home Owners Loan Bank, Lincoln, did a "land office" business the first day of its operation. Before the office had been open more than three hours there had been 125 applications for loans of which, however, only 60 per cent were actual "distress" loans.

Don Wachter, head of the bank, said the distress loans, that is, loans to those who were in immediate danger of foreclosure, would be handled first and that others should wait until later before filing applications.

### Heads Committee

D. P. Hogan, president of the Federal Land Bank of Omaha, has accepted the chairmanship of the Chamber of Commerce agricultural committee, made vacant by the resignation of Carl R. Gray, president of the Union Pacific.

### Visit "Fed" Banks

J. J. Thomas, Nebraska member of the federal reserve board, and George R. James, another member of the board, left Washington, D. C., for a "swing around the circle" visit to reserve banks in four cities.

The two members will inquire into the work of the banks in Chicago, Kansas City, St. Louis and Dallas, confer with heads of the banks on the financial situation and generally investigate the present status of the system.

### On C. of C. Committee

Alvin E. Johnson, vice president of the Livestock National Bank, has been appointed chairman of the revenue committee of the Omaha Chamber of Commerce for the ensuing year, it was announced recently by Walter F. Cozad, chairman of the chamber's executive board.

### From Colorado

W. F. Nicholson, resident partner in Colorado Springs, Colo., of Boettcher, Newton & Co., investment banking house with headquarters in Denver, and M. R. Glaser of Rosenbaum Bros., Chicago grain

concern, were in Omaha recently for the formal opening of the new enlarged Omaha offices of Boettcher-Newton on the second floor of the Omaha National Bank Building.

## Correspondent

Dr. Leo R. Beattie has been asked by Bert Waddell, Land Bank Commissioner, to serve as his correspondent for Keya Paha county, and has accepted. Dr. Beattie will close all approved loans made in this county. The commissioner loans will be appraised by Federal Land Bank appraisers. It is expected that several new land bank appraisers will soon be appointed in north Nebraska, and the work will then rapidly go forward.

## Home Loan Attorney

F. M. Deutsch, prominent Norfolk lawyer, has been named by Charles Smrha, state manager, as attorney for the Norfolk branch of the Home Owners' Loan Corporation in Madison county. These appointments were announced Wednesday by L. P. Pasewalk, manager for the Norfolk branch.

P. E. McKillip of Albion is district counsel under the Norfolk branch.

## Investigation?

A court contest over the right of State Auditor Price to make an examination of the Nebraska banking department seems imminent.

E. H. Luikart director of the banking department said its receivership division is under court orders and a state official cannot order an investigation of it.

Price asserted he would bring a man-

damus suit if necessary to gain access to the records.

Governor Bryan backed Luikart with the statement it would be an insult to the courts which appointed the banking director as receiver to let Price look over the receivership division books.

About two years ago, attorneys for Clarence Bliss tried by a replevin action to get control of bank receivership books when he left the banking department office. He was receiver for a number of banks.

## Unrestricted

Two more Nebraska banks opened for business recently without restrictions making a total of 255 unrestricted.

They are the Elyria State Bank and the Stromsburg Bank. Both were reorganized by stockholders.

At the same time the exchange Bank of Bladen, which had been operating on a restricted basis and in process of liquidation since March 3, 1933, was taken over by the state department of banking for financial liquidation.

## Home Loan Bonds

Director Luikart of the state banking department denies that he has ordered building and loan associations not to accept bonds of the new federal home loan bank.

"That is not true," he said. "Building and loan associations have asked if they might accept home loan bank bonds in payment of loans made by them. I have told them they may do so but that the bonds must be taken at their market value and not face value. These bonds are likely to vary greatly in price from time to time and I don't see how I can arrive at any

other decision than to have them accepted at market price."

The home loan bonds, he said, are secured by mortgage and guaranteed as to interest for fifteen years but are not guaranteed as to principal.

## Condemn Postal Savings

Resolutions urging the abandonment of the postal savings system as a harmful deterrent to private banking are expected to be passed at the convention of the Nebraska Bankers Association in Omaha November 15th and 16th.

Similar resolutions have been passed by the seven district groups composing the association.

Nebraska bankers, according to the expressions from the seven districts, contend that the postal savings system is detrimental to the welfare of the banking structure of the nation, and that it is impossible for private bankers to act in the interests of their community so long as the postal savings system, is in direct competition.

## Opens in Liberty

The Liberty State Bank opened recently after having been closed since December 6, 1932.

The bank opening was brought about by faithful work of the directors. The bank commission complimented the bank upon its good standing.

Mr. Poague of Fostoria, Kansas, will be cashier and his wife assistant cashier. Mr. Poague states that it will be impossible for them to move their household goods now, as Mrs. Poague is employed in the bank at that place and is unable to move for a few weeks.

## O. F. Peters Dies

O. F. Peters, for many years a banker of Yutan, died recently at a Lincoln hospital where he had been a patient since June. Mr. Peters was born and raised in Yutan community and took an active part in activities of that vicinity. He moved to Greenwood a few years ago where he engaged in the grain business until poor health forced him to retire.

Surviving are his wife, five sons and three daughters.

## Returns From Europe

Fred Thomas, vice president of the First National Bank of Omaha, was back at his desk last month following a vacation of travel in which he and Mrs. Thomas spent a month in Europe. They visited England, France, Germany and Switzerland, spending some time in both London and Paris.

Mr. Thomas reports a most interesting trip and was particularly impressed with the gradual but steady recovery of both Germany and England. The German situation in particular being of great interest.



**FEED LOT LOANS**  
Given Special Attention

...

**LIVE STOCK NATIONAL BANK**  
OMAHA

THIS BANK HAS NO AFFILIATED COMPANIES

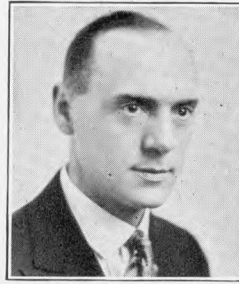


WILLIAM DUNCAN, Jr.  
President

## Minnesota Bank News

### Officers Minnesota Bankers Association

President.....William Duncan, Jr.  
Mankato  
Vice President.....D. J. Fouquette  
St. Cloud  
Treasurer.....Oluf Gandrud  
Benson  
Secretary.....George Susens  
Minneapolis



GEORGE SUSENS  
Secretary

## Independent Bankers Convene

AS THIS issue of THE NORTHWESTERN BANKER goes to press, the Independent Bankers Association of Minnesota is holding its convention in St. Paul. Ben Dubois, secretary of the association, last month sent out the following letter to members:

"It is surely a time when the Independent Bankers of the Northwest should get together for a free discussion of their affairs. New legislation confronts us. It is a changing of the ways. We must alter our course to conform with the spirit of the times. Rugged individualism has gone by the board and we are entering upon a new era. It is a time to rechart our course.

"We will hold our annual convention on Wednesday, August 30th, at St. Paul. We will maintain headquarters at the Ryan Hotel and will use their Egyptian Room for our meetings and place of banquet. A very good program has been arranged. St. Paul's eloquent Mayor Mahoney will welcome us. That very human banker, A. B. Larson, of Fari-bault, Minnesota, will respond. President Aune will appoint the committees and we will then have a round table discussion, and in this discussion, which should be very responsive, we hope to bring out clearly the viewpoint prevailing among the country bankers.

"In the afternoon session President Aune will deliver his address. Charles Sterling, a St. Paul attorney, who has been very helpful to our association, will follow with a talk on our association's objectives. Otto Bremer, chairman of the board of the American National Bank of St. Paul, will speak on the Home Loan Bank. Mr. Bremer is chairman of this government organization and the country bankers will have an opportunity to get first-hand information concerning this important institution. The Honorable Elmer A. Benson, Commissioner of Banks for Minnesota, will deliver an address. We are fortunate in having a commissioner with the country banker's viewpoint and his remarks will be very interesting. The report of the committees

will be next and that will be followed by election of officers.

"In the evening, we are having our banquet, this to start promptly at 7:30 and at 8:30 Governor Floyd B. Olson will address us. We feel that his address will be of so much importance, not only to the members of our association, but to the whole Northwest, that through the courtesy of WCCO his remarks will be broadcast."

### State to National

The stockholders of the Farmers and Merchants State Bank of St. James, have voted to surrender the state charter of the bank and to change to a national bank under the provisions of the new national banking act.

### County Meeting

P. D. Beaulieu of Austin, was elected president of the Mower County Bankers Association at a meeting last month. Howard Hill, of Brownsdale, was named vice president and B. W. Kough, of Austin, was chosen secretary-treasurer.

George Susans, secretary of the Minnesota Bankers Association, discussed the new insurance regulations covering protection in bank robberies. He also explained various phases of the Glass-Steagall bill.

### New Bank Ruling

An important step in strengthening the banking structure of Minnesota was taken when a ruling by Attorney General Harry H. Peterson opened the way for state banks with small capital to join the federal reserve system. The banking act passed by the last congress permits state banks to become reserve members by complying with the restrictions as to minimum capital and periodical examinations that are in effect as to national banks, which must belong to the reserve system.

The attorney general, in an opinion to Elmer A. Benson, state commissioner of banks, held that a state bank in Minne-

sota can increase its capital to the necessary total by borrowing money on new issues of preferred stock, just as national banks have been allowed to do under legislation passed by congress following the bank holiday of March.

The ruling followed a conference between Mr. Peterson, Mr. Benson and John N. Peyton, chairman of the board of the Federal Reserve Bank of Minneapolis. It permits state banks with insufficient capital to meet the capital requirements for entering the reserve system without calling on local stockholders for funds, Mr. Peyton explained.

### Pine County Meeting

The Pine County Bankers Association held their annual meeting at Sandstone recently with a good attendance. George Susens, secretary of the State Bankers Association, was the principal speaker and gave a fine talk. Officers for the ensuing year were elected as follows: James Hogan of Kerrick, president; R. W. Barstow of Sandstone, vice president; W. M. Englund of Bruno, secretary.

### State Report

Deposits in 498 state banks, savings banks and trust companies in Minnesota totaled \$189,964,996 as of July 1st, including deposits of 34 banks in the process of reorganization, Elmer A. Benson, state commissioner of banks, announced.

A compilation of the bank call reports show a decrease in deposits of \$59,936,000 since December 31st last. Commissioner Benson pointed out that a number of causes are responsible for the drop, including the consolidation of the First Minneapolis Trust Company, with deposits of approximately \$18,000,000, with the First National Bank of Minneapolis, causing a decrease of this amount in total deposits of state trust companies.

"Another reason is that 251 banks have gone through the process of reorganization and in nearly every case sealed their deposits down and only the deposits remaining show in the report," Benson said.

"The report shows the total deposits of \$5,294,000 in 34 banks still in the process of reorganization."

One bright feature of the first bank call since the national bank holiday is that banks had reserve on hand of \$27,784,449, or \$17,452,145 more than required by law, Commissioner Benson pointed out.

### A. I. B. Elects

Lorenz Ness is the new president of the Olmstead county chapter of the American Institute of Banking. He was elected at the meeting held in Rochester.

Miss Edna Koebke was elected vice president, Carl Frank, secretary; and

Donald Grue, treasurer. Two governors were elected for a term of three years. They were G. Skogsmark and K. W. Hagaman.

### Banks Open

The Farmers and Merchants State Bank of New Ulm, was opened by the state banking department, according to announcement of Commissioner Elmer A. Benson.

Reopening of the Goodhue State Bank, Goodhue, Minn., was announced by Elmer Benson, state banking commissioner.

Reopening of the Ellsworth State Bank was announced by Elmer A. Benson, state commissioner of banks, following completion of the bank's reorganization.

Reopening of the Altura State Bank of Altura and the Farmers' State Bank of Lake Benton, was announced. Appointment of Henry Larson of Appleton, as assistant examiner to replace H. S. Struble of Minneapolis, also was announced by Mr. Benson.

### How to Join

Thousands of telegrams from employers requesting specific information as to just what steps must be taken in order to receive the Blue Eagle, are still pouring into National Recovery Administration headquarters.

In order that these queries may be answered clearly and concisely, Gen. Thomas S. Hammond, Executive Director of the President's Re-employment Program, has laid down the exact procedure.

The statement follows:

To all employers who are not working under codes approved by the President and who ask: "How do I obtain the Blue Eagle?" the answer is, there are three methods which may be pursued.

1. Sign the President's Re-employment Agreement as is—without change or modification. Mail it to the District Office of the Department of Commerce. Put its provisions into operation. Sign the Certificate of Compliance. Hand it to your local postmaster, who will post your name on the Honor Roll and hand you your Blue Eagle.

2. If your line of business has submitted a code and the NRA has temporarily approved hours and wages to be in effect until the code itself is approved by the President, do this:

Sign the President's Re-employment Agreement. Mail it to the District Office of the Department of Commerce. Comply with its provisions as far as possible. Now, if a specific code has been submitted by your industry and its wage and hour provisions accepted by a NRA Deputy Administrator, sign the Certificate of Compliance with this endorsement: "To

the extent of NRA consent as announced, we have complied with the President's Agreement by conforming with the substituted provisions of the code submitted for the (blank) trade or industry." Hand this to your local postmaster, who will post your name on the Honor Roll and hand you the NRA Blue Eagle.

3. If neither 1 nor 2 applies and you feel you have to file a petition for relief, do this:

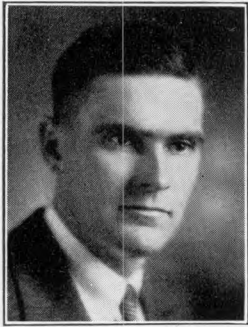
Sign the President's Re-employment Agreement, mail it to the District Office of the Department of Commerce. If you find you cannot comply with most of its provisions, then prepare a petition to the NRA asking for a stay or postponement of those provisions which would produce an "unavoidable hardship". Submit this petition to a trade association of your industry, or, if none, to your local Chamber of Commerce, or such other organization as can properly vouch for the facts. If officially accepted by one of the above, add the following to the face of your certificate:

"Except for those interim provisions regarding wages and hours which have been approved by the (blank) association or organization."

Then the postmaster will authorize you to use the NRA Blue Eagle. This last procedure may take some time and is, of course, subject to reversal.

## CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY of CHICAGO

*Commercial Banking*



D. R. GREEN

# North Dakota Bank News

## Officers North Dakota Bankers Association

President.....	D. R. Green
	Grand Forks
Vice President.....	F. D. McCartney
	Oakes
Treasurer.....	H. D. Crosby
	Fargo
Secretary.....	C. C. Wattam
	Fargo

## Open in Grand Forks

Establishment of the First National Bank in Grand Forks, to replace the present institution of similar name, likely will be accomplished soon.

This was indicated when subscriptions to the \$150,000 common stock and surplus in the bank went "over the top," and it was announced the bank will open as soon as legal and technical phases can be disposed of.

The exact opening date cannot be fixed until all the necessary preparatory details are settled.

The Reconstruction Finance Corporation has given its formal approval to the purchase of \$150,000 preferred stock in the new bank, which will give the bank a capital of \$250,000 and \$50,000 surplus.

## Home Loan Banks

Heads of three branch offices of the United States home loan banks for North Dakota were announced recently by F. W. McLean.

R. L. Taft will head the Grand Forks office with G. E. Woledge in charge at Minot, and P. E. Byrne at Bismarck. Headquarters will be at Fargo.

Offices of the Grand Forks branch will be in the Holt building on South Fourth Street in the rooms formerly occupied by the North Dakota-Montana wheat growers.

The United States immigration offices will occupy the rest of the second story of the building as soon as construction of the addition to the federal building is started, and the bank will be located in the front of the second floor of the building on South Fourth Street.

Applications for loans are now being received at the headquarters in Fargo and at the branches in Grand Forks, Minot and Bismarck.

## Two New Banks

The North Dakota State Banking Board has issued charters to two new banks, each to have capital stock of \$15,000 and surplus of \$3,000.

A charter was granted to the Cavalier County State Bank at Munich, which

succeeds the First National Bank at Munich.

The other charter went to the Bank of Marmarth in Bowman county, successor to the First National Bank of Marmarth.

## Pioneer Dies

Emil Theodore Swanson, of Chaseley, passed away in a hospital in Rochester last month. Death was caused by double pneumonia, although Mr. Swanson had not been in the best health for nearly a year.

Mr. Swanson was born in Minneapolis forty-nine years ago, and in 1902 took up a claim near Chaseley where he resided until 1918, when he moved to Gwinner and Lisbon, North Dakota. He returned to Chaseley in 1928 and from that time until his death he shouldered the responsibility of managing his several farms in that community.

During his residence at Chaseley, he was cashier of the Chaseley Bank, and also served as cashier of the Farmers State Bank in Lisbon and cashier of the Farmers Bank in Gwinner, during his residence in those cities.

G. H. GORDER has been elected cashier of the Berwick State Bank to succeed E. N. Kittelson who recently resigned to accept the position of cashier of the Citizens State Bank, Enderlin.

JOSEPH M. SHOCKMAN has accepted a position as teller and bookkeeper of the Farmers and Merchants State Bank, Berlin, succeeding Dorothy Reader who has resigned.

BARBARA SHOCKMAN has been elected a director of the Farmers and Merchants State Bank, Berlin, succeeding Mabel Waldie who has resigned.

B. E. PETERSON has accepted a position as assistant cashier of the Benson County State Bank, Minnewaukan, succeeding R. B. Foley who recently resigned to accept a position with the First National Bank, Lemmon, S. D.

LEONARD C. MACHEEL has accepted a position as bookkeeper of the Peoples State Bank, Parshall.

HARRY R. SCHULSTAD has been elected a director of the State Bank of Reynolds succeeding Julia Moen who has resigned.

THE SECRETARY OF STATE has issued a certificate renewing the term of corporate existence of the Lincoln State Bank of Glenburn, for a period of twenty-five years.

H. W. GEORGE has been elected a director of the Bank of Steele succeeding H. H. Gravseth. Martin Peterson has been elected as a vice president succeeding H. H. Gravseth.

THE SECRETARY OF STATE has issued a certificate renewing the term of corporate existence of the Deering State Bank for a period of twenty years.

THE NORTHERN & Dakota Trust Company, Fargo, has amended its articles of association and increased the number of its directors to eleven.

## Predict Success of Wheat Plan

Wheat farmers generally will accept the wheat production control program of the Agricultural Adjustment Administration, it was forecast in reports last month to Washington from 32 state agricultural extension directors.

County agricultural agents in each wheat producing state, under state extension directors, are helping farmers organize county wheat production control associations. State reports were made to Dr. C. W. Warburton, director of extension work.

Indications are that when Secretary Wallace announces on August 24th, the amount of acreage reduction which will be asked for 1934, most states will be ready for a systematic distribution of applications for contracts among farmers. Some states even plan starting their sign-up before Secretary Wallace makes his announcement.

Significant excerpts from several state reports, with the name of the state, and the state extension director, follow:

Colorado: F. A. Anderson, director. "Preliminary organization to be complete for sign-up week beginning August 21st. Sentiment generally favorable to plan."

Illinois: R. R. Hudelson, assistant to director. "All counties have planned a series of meetings for every community in the State. Community meetings now being held. All indications are for good cooperation of farmers."

Indiana: J. H. Skinner, director. "All counties have emergency wheat commit-

# The most convincing advertisement

we can produce is not so effective as the good will of a satisfied customer.

The facilities this bank places at the disposition of its correspondents, and the services we are prepared at all times to render, are based upon this fundamental truth.

We have been caring for the needs of out-of-town banks for one hundred and thirty years.

...THE...

## PHILADELPHIA NATIONAL BANK

ORGANIZED 1803

PHILADELPHIA, PA.

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

tees. Farmers generally sympathetic to plan and in light of present information inclined to give it their full support."

Iowa: R. K. Bliss, director. "Practically all wheat growers have been contacted. Expect to push signing fast. Attitude toward plan most encouraging."

Minnesota: W. C. Coffey, director. "Educational meetings being held in all wheat counties. Twenty-one counties ready for presentations of applications."

Missouri: R. R. Thomasson, director. "Plan to start signing applications in most counties not later than week of August 20th. Wheat growers showing receptive and friendly attitude."

Nebraska: W. H. Brokaw, director. "Seventy-five per cent of precinct meetings over. Plan favorably received by those eligible to sign."

North Dakota: C. F. Monroe, director. "All educational committees selected in county agent counties. Wheat plan in general meeting very favorable reception."

South Dakota: A. M. Eberle, director. "Last series of meetings expected to be completed August 20th."

### Renewed Strength

The first report on the condition of the national banking system since the holiday of March discloses it has emerged from the troublous period with renewed strength and had total resources of \$20,860,491,000 as of June 30.

This figure, announced by J. F. T. O'Connor, comptroller of the currency, on the basis of the first bank call since last December, compared with total resources at the end of last year of \$23,310,974,000.

The December total was reported by 6,016 banks, however, while the June figure represented the assets of 4,902 institutions.

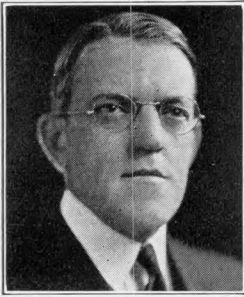
At the end of June, 985 national banks were unlicensed and operating under restrictions or not at all. They had aggregate resources of \$1,441,436,000, making a grand total for licensed and unlicensed institutions of \$22,301,927,000 or a shrinkage of \$999,947,000 in value and 129 in number.

The June 30 resources compared with \$22,367,711,000 for 6,150 national banks on June 30, 1932.

At the end of June, the licensed national banks had total deposits of \$16,774,115,000, a decrease of \$1,743,992,000 since December and a drop of \$686,798,000 in the year. But the unlicensed banks had deposits of \$1,028,347,000.

Deposits in the licensed institutions included demand deposits of \$7,894,127,000 and time deposits of \$6,216,917,000. The latter figure included savings deposits of \$4,821,521,000 and represented 12,023,986 accounts.

The strength one can eke from little, who knows till he has been subjected to the trial?—Lew Wallace.



B. F. KAUFFMAN  
President

## Iowa Bank News

### Officers Iowa Bankers Association

President.....B. F. Kauffman  
Des Moines  
Vice President.....C. R. Gossett  
Sioux City  
Treasurer.....C. S. Rye  
Manly  
Secretary.....Frank Warner  
Des Moines



FRANK WARNER  
Secretary

## I. B. A. Committee Appointments

**B.** F. KAUFFMAN of Des Moines, president of the Iowa Bankers Association, last month announced personnel of 13 committees which will assist him in carrying on the association program for the coming year.

The agricultural committee is headed by C. S. Rye, cashier, Manly State Bank, Manly. Members are:

W. M. Rosen, president, City State Bank, Ogden; C. J. Obrecht, cashier, Holstein State Bank, Holstein; H. J. Richards, cashier, Security State Bank, Allerton; A. J. Roberts, president, First Iowa State Bank, Albia; F. L. Pearson, cashier, West Branch State Bank, West Branch; J. J. Matthews, vice president, Union Bank and Trust Co., Strawberry Point; J. H. Pullman, cashier, Fremont County Savings Bank, Sidney; J. L. Deland, cashier, Commercial Trust and Savings Bank, Storm Lake; Thomas L. Evans, president, Farmers Savings Bank, Beaman; W. L. Graves, cashier, Washington National Bank, Washington.

Other committees are:

### Auditing

Auditing—W. L. Crumley, cashier, Dallas County Savings Bank, Minburn, chairman; Ivan O. Hasbrouck, cashier, Iowa State Bank, Jefferson; H. C. Lovett, cashier, Decatur County State Bank, Leon.

Banking Analysis—D. V. Farris, cashier, First National Bank, Diagonal; J. P. Jones, cashier, Citizens Savings Bank, Sac City; Fred S. Barlow, vice president, First National Bank, Spirit Lake; F. P. Walker, cashier, First National Bank, Clear Lake; H. T. Orr, vice president, Union State Bank, Monona; J. W. Miller, Jr., president, Commercial State Bank, Denison; C. H. Stephenson, cashier, Bankers Trust Co., Des Moines; Keith Vawter, president, Center Point-Walker Bank and Trust Co., Center Point; H. G. Kramer, vice president, City National Bank, Clinton; Max Von Schrader, cashier, Union Bank and Trust Co., Ottumwa; John Dunlap, president, Keokuk National Bank, Keokuk; D. W. Bates, state banking

superintendent, Des Moines, advisory member.

### Taxation Committee

Bank Taxation—George J. Schaller, president, Citizens First National Bank, Storm Lake, chairman; E. D. Huxford, president, Cherokee State Bank, Cherokee; H. C. Bruns, vice president, Auburn Savings Bank, Auburn; J. F. Kennedy, cashier, New First National Bank, New Hampton; Grant McPherrin, president, Central National Bank and Trust Co., Des Moines; R. B. Figge, assistant cashier, Iowa State Bank, Calmar; H. N. Boyson, vice president, Merchants National Bank, Cedar Rapids; J. P. Thomson, cashier, Cresco Union Savings Bank, Cresco; R. D. Swartzlander, cashier, Tipton State Bank, Tipton.

Educational—M. E. Tate, vice president, Security State Bank, Keokuk, chairman; C. O. Wilkinson, president, Northwest Savings Bank, Mason City; B. B. Vorse, vice president, Bankers Trust Co., Des Moines; H. C. Steele, president, Steele's State Bank, Cherokee; C. E. Watts, cashier, Commercial State Bank, Pocahontas; E. E. Bloom, cashier, Central State Bank, Muscatine; L. J. Derflinger, executive vice president, Clinton National Bank, Clinton; F. J. Miller, vice president, Manning Trust and Savings Bank, Manning; W. R. Goodman, cashier, Adair County Bank, Greenfield; Clarence J. Adams, cashier, Dyersville National Bank, Dyersville; C. E. Baylor, president, First Trust and Union Savings Bank, Sigourney.

### Federal Reserve

Federal Reserve—E. C. Fishbaugh, president, Security Trust and Savings Bank, Shenandoah, chairman; A. M. Lowry, cashier, Fort Madison Savings Bank, Fort Madison; Frank Ricksher, president, Iowa State Savings Bank, Fairfield; Harry Schaller, vice president, Citizens First National Bank, Storm Lake; H. M. Carpenter, Jr., cashier, Monticello State Bank, Monticello; J. E. Ashton, cashier, Farmers and Merchants State

Bank, Lone Tree; C. A. Diehl, vice president, Iowa-Des Moines National Bank and Trust Co., Des Moines.

Insurance—Howard F. Sones, cashier, Nevada State Bank, Nevada, chairman; G. M. Butts, cashier, Exchange State Bank, Wesley; Irvin B. Bleeker, cashier, Rath State Exchange Bank, Ackley; John F. Gutz, president, Pomeroy State Bank, Pomeroy; L. A. Witter, vice president, Farmers Trust and Savings Bank, Spencer.

### Legislative Group

Legislative, state and national—A. W. Jones, president, Sac City State Bank, Sac City, chairman; Oscar Otto, vice president, Whitney Loan and Trust Co., Atlantic; C. L. Rigby, president, Union Trust and Savings Bank, Stanwood; Wayne C. Currell, president, Emmet County State Bank; Estherville, (representing committee on trust business); V. O. Figge, executive vice president, Davenport Bank and Trust Co., Davenport; V. D. Koons, president, First State Bank, Britt; H. R. Young, cashier, American National Bank, Arlington; F. C. Welch, president, Peoples Savings Bank, Cedar Rapids; H. L. Tinley, cashier, State Savings Bank, Council Bluffs; Frank Williams, cashier, Capital National Bank, Iowa City.

### Banking Act

Special committee on Glass-Steagall banking act of 1933—L. A. Andrew, president, state bank section, American Bankers Association, Des Moines, chairman; Fred J. Figge, president, Ossian State Bank, Ossian; F. E. Boyd, president, First National Bank, Colfax; D. W. Bates, state superintendent of banking, Des Moines.

Rivers development and warehousing—William Lawther, Jr., president, First National Bank, Dubuque, chairman; B. L. McKee, cashier, Muscatine Bank and Trust Co., Muscatine; O. P. Petty, vice president, City National Bank, Clinton; C. I. Danforth, vice president, First National Bank, Burlington; O. S. Stanbro, cashier, Keokuk Savings Bank and Trust Co., Keokuk; F. R. Jones, vice president, First National Bank, Sioux City; B. A. Gronstal, vice president, Council Bluffs Savings Bank, Council Bluffs; Rolfe O. Wagner, president, Capital City State Bank, Des Moines; E. R. Haines, cashier, Decorah State Bank, Decorah.

### Time Lock

Time Lock—J. B. Gray, cashier, Exchange State Bank, Lime Springs, chairman; Clay W. Stafford, cashier, Ames Trust and Savings Bank, Ames; A. J. Miller, cashier, Citizens State Bank, Hopkinton; A. L. Kout, vice president, First Nashua State Bank, Nashua; W. W. Matthews, cashier, Farmers and Merchants Savings Bank, Manchester; F. C. Moeller, cashier, Fort Dodge National Bank, Fort

Dodge; O. G. Uhr, cashier, Security Savings Bank, Eagle Grove.

Trust Business—J. J. Miller, cashier, Waterloo Savings Bank, Waterloo, chairman; Clyde Doolittle, trust officer, Iowa-Des Moines National Bank and Trust Co., Des Moines; Carl Fredericksen, vice president, Live Stock National Bank, Sioux City; C. F. Harris, cashier, State Bank, Gladbrook; G. O. Van Derveer, cashier, State Bank of Waverly, Waverly; Wayne C. Currell, president, Emmet County State Bank, Estherville; R. S. Howard, vice president, Mahaska County State Bank, Oskaloosa; L. B. Bartholomew, vice president and trust officer, Bankers Trust Co., Des Moines; Charles Burdick, president, State Savings Bank, Baxter.

### Credit Facilities

Banking and Agricultural Credit Facilities—W. T. Robinson, vice president, Citizens National Bank, Hampton, chairman; H. L. Horton, vice president, Iowa-Des Moines National Bank and Trust Co., Des Moines, vice chairman; William J. Lewis, president, Harlan National Bank, Harlan; W. N. Grant, vice president, Peoples Trust and Savings Bank, Indianola; E. S. Van Gorder, president, First State Bank, Audubon; F. F. Everest, president, First National Bank, Council Bluffs; R. B. Dalton, cashier, First National Bank, Le Mars; H. C. Stieglitz, cashier, Home Savings Bank, Des Moines; S. E. Coquillette, vice president, Merchants National Bank, Cedar Rapids.

### A Correction

In the August issue of THE NORTHWESTERN BANKER was published a list of Iowa State and National banks which were operating on an unrestricted basis. Through an error, the name of The First National Bank of Creston was omitted. We regret exceedingly this omission, and hasten to advise our readers that the First National Bank of Creston has been operating without restriction of any nature since May 12, this year.

### Named Director

J. B. Elliott, of Independence, has recently been appointed a director in the Farmers State Savings Bank to fill the vacancy caused by the death of Albert Israel who has been a valuable director of this bank since organization in 1921.

### Annual Meeting

The annual meeting of the stockholders of the First Trust & Savings Bank of Anthon was held recently with a full attendance of stockholders, including James F. Toy and James T. Van Dyke of the Toy National Bank, Sioux City.

Business transacted by the institution during the year closed June 30, 1933, was reviewed, and was considered very satisfactory considering economic conditions. An increase of approximately \$40,000 in deposits since the national banking holiday in March elicited much satisfaction among stockholders. The local bank has a large amount of cash and cash securities available for investment in amply secured, responsive loans, which will be made at reduced rates of interest.

Officers were re-elected as follows: James F. Toy, president; Frank Hladik, vice president; Homer M. Boyd, cashier; James T. Van Dyke, Arnold Petersen, J. M. Paulsen, James F. Toy, Frank Hladik and Homer M. Boyd, directors.

A general feeling of optimism was noticeable among the directors, who consider the outlook for the future much brighter.

### Dies in California

W. J. Davis, for many years president of the First National Bank of Hartley, died at Long Beach, Calif., August 6th. Mr. Davis was 60 years old and died after a several months sickness of cancer. For 25 years Mr. Davis was a spectacular figure in northwest Iowa, removing to California six years ago. He is survived by his widow and one daughter, Mrs. Genevieve Searle of Denver.

### On Code Committee

L. A. Andrew, Des Moines, president of the state bank division of the American Bankers Association, has been named on the national bankers NRA code committee.



# The Omaha National Bank

*Complete Banking Service*



The appointment was made by Francis Sisson, president of the American Bankers Association.

Notification was forwarded by F. N. Shepherd, executive manager of the association.

### Whittemore Cashier

J. P. Uhlenhake and family have moved their household effects to Whittemore where they will take up a permanent residence. Mr. Uhlenhake has accepted the position of cashier of the Whittemore State Bank. This work is not new, as he held a like position with the Stockholm, Wisconsin, State Bank for a number of years.

### Reorganized

Reorganization of the Benton County State Bank of Blairstown, was under way after the formation of a new board of directors.

Members of the new board include Fred Terman, Henry Frantzman, Robert Sayers, J. D. Moeller, Henry Schultz, Charles Bruch and Henry J. Grunewald.

### With Financial Division

Luther L. Hill, on leave of absence from McMurray-Hill & Co., investment bank in Des Moines, has been loaned by the Reconstruction Finance Corp. to the federal emergency administration of public works.

Mr. Hill will be connected with the financial division of the administration in Washington, D. C.

In January he was named to the staff of the Reconstruction Corp. in the self-liquidation department.

His work with the public works administration will be to help with the organization and enlargement of the financial division.

### Cashier Resigns

W. J. Sandberg, cashier of the Kiron State Bank, has resigned the position, and is retiring from active connection with the bank due to the condition of his health. He has served as cashier of the institution for more than thirty-three years. C. E. Dahl, one of the board of directors, was elected to the position.

### Fifty Years

Congratulations were being extended recently to the First National Bank of Perry, "The Old Reliable" on the event of the fiftieth anniversary of the granting of the national charter. This charter was granted on August 14, 1883. The bank has operated as a national bank continuously since that time.

The First National Bank was given that title of "The Old Reliable" back in the days of the panic of 1893 when an editorial spoke of it as "Old Reliable

First National Bank Solid as the Rock of Ages," and that name has remained since that time. Now under the direction of Brenton Brothers, who have been operating banks in Dallas county for 61 years it is considered one of the strongest banks in this section of the state.

### New Hours

New banking hours, effective Saturday, August 19th, went into effect in Spencer, and now local banks, operating on the NRA code will open at nine o'clock in the morning and will close their doors at three o'clock every afternoon including Saturday.

Both the Clay County National and Farmers Trust and Savings banks are operating on the new hour schedule.

### Dies in St. Benedict

Joseph Rahm, St. Benedict, long one of southeast Kossuth's best known citizens, died recently at his home, following a long sickness with diabetes. He had been bedfast four weeks.

Mr. Rahm was born in Bavaria, Germany, March 2, 1853, and came to the United States in the early 60's with his parents. In 1875 he settled in Prairie township, on wild prairie land, building a barn and small shanty, later developing

**THE** Bankers Trust Company, a commercial bank with ample resources and long experience in meeting the requirements of modern business and of correspondent banks, places at the disposal of its customers an organization ably equipped to render every variety of banking and trust service.

## BANKERS TRUST CO. BANK

MEMBER FEDERAL RESERVE SYSTEM

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

**DIRECTORS**

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<b>PAUL BEER</b> <i>President, The Flynn Dairy Co.</i>	<b>F. W. HUBBELL</b> <i>Vice Pres. - Treas., Equitable Life Ins. Company of Iowa</i>	<b>L. B. MATTAG</b> <i>Capitalist</i>
<b>DR. O. J. FAY</b> <i>Surgeon</i>	<b>HENRY FRANKEL</b> <i>Treas., Younker Bros.</i>	<b>S. L. SHEUERMAN</b> <i>President, Sheuerman Brothers, Inc.</i>
<b>J. G. GAMBLE</b> <i>Attorney</i>	<b>J. W. HUBBELL</b> <i>Vice President, F. M. Hubbell Son &amp; Co.</i>	<b>B. B. VORSE</b> <i>Vice President</i>

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 deral Reserve Bank of St. Louis

the place into one of the best improved farms in Kossuth.

Mr. Rahm continued to farm till 1901, when he retired to St. Benedict, where he has since lived. He was one of the first directors of the People's Savings Bank, and for many years was vice president.

## Unrestricted

Elma's bank is now operating without restrictions. Since March 4th, when all the banks of the country were closed by presidential proclamation, the Peoples Savings Bank has been operating under Senate File No. 111.

On Tuesday, August 15th, officials of

the bank received word from D. W. Bates that the Peoples Savings Bank had been released from the management of the superintendent of banking, effective at the close of business August 15, 1933.

## Debits Increase

An encouraging sign of business recovery in Sioux City is given by the bank debits for July, 1933, as compared with the debits for July, 1932.

Figures released by R. W. Taakaberry, secretary of the chamber of commerce, showed that the debits for July this year amounted to \$28,945,438, whereas the debits for July, 1932, were \$22,811,474.

Thus it may be seen that there was

a total of \$6,134,000 more in circulation in July than the corresponding month of last year. The gain was slightly more than 22 per cent, an excellent indication of improving business conditions not only in Sioux City but in the surrounding territory.

## Released

The First National Bank of Valley Junction was released from operating under terms of the national banking holiday, on August 22d, it was announced by W. A. Kinnaird, president.

Clarence M. Cornwell, vice president, who has been acting as federal conservator of the bank, said the new license will permit the bank to pay out immediately \$180,000, or 50 per cent of the deposits on hand March 4th.

The remaining 50 per cent of deposits, covered by depositors' waivers, will be released later as frozen assets are liquidated, Mr. Cornwell said.

## To Organize

Possibility of organizing a new bank at Lenox is being discussed. A plan has been worked out and submitted for approval of the banking department at Washington.

A meeting of depositors in the Lenox First National Bank is to be called, and a speaker will acquaint them with the banking situation as it exists there.

## Released

The Emerson State Bank was released from restrictions of Senate File No. 111 and is again doing business as usual.

The institution closed February 4th and opened later as a restricted bank under Senate File No. 111. Depositors signed waivers on a 50-50 basis.

Fifty per cent of their deposits are available and the balance is held in a trust fund for the next three years and will be paid to depositors as funds are available after collecting bank loans.

## Named Cashier

Alfred Hansen, who for some time was connected with the First National and Farmers Savings Banks of Sibley, recently accepted the position as cashier of the Security State of that city.

## Next June

B. Frank Kauffman, president of the Iowa Bankers Association, says Friday the association's council of administration has set next June 18, 19 and 20 as dates for the forty-eighth annual convention of the association.

President Kauffman said the place of the convention will not be determined until the midwinter meeting of the council in December.

1889



1933

**T**HROUGHOUT the years THE NORTHERN TRUST COMPANY has held to the simple, time-test concepts upon which the bank was founded. The circle of its friends has widened. The scope of its service has become broader. More people than in the past now bring their problems here.

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

# THE NORTHERN TRUST COMPANY

Northwest Corner  
La Salle and Monroe Streets  
CHICAGO



Northwestern Banker September 1933



## To Depositors

Payments to depositors in the course of liquidation of Iowa receivership banks amounted to more than one million dollars during July, State Banking Superintendent D. W. Bates announced.

The exact total was reported as \$1,092,399.93, with 20 banks involved. Final payments were reported in five cases.

## Dies in Fort Dodge

Charles Stayman, 63, vice president of the Fort Dodge National Bank and long prominent in Fort Dodge business circles, died recently after a short illness with heart disease. He is survived by his widow.

Funeral services were held with burial in Urbana, Ill.

## Named Cashier

At the last meeting of the Wayland State Bank Melvin G. Roth was elected cashier to succeed C. L. Graber who resigned, effective September 1st, to return to Goshen, Indiana, to become financial director of Goshen college.

Mr. Graber came from Goshen in April, 1932, to organize the Wayland State Bank which opened its doors May 12, 1932.

Mr. Graber will retain a connection with the bank and has been elected second vice president.

## Released in Ottumwa

Ottumwa bankers gathered last month for a banquet marking the release of three banks which had been operating under Senate File No. 111 since the close of the banking holiday.

D. W. Bates, state superintendent of banking, congratulated the banks in an address which was broadcast over radio station WIAS.

The three banks released from the provisions of Senate File No. 111 are the First Bank and Trust Co., the South Ottumwa Savings Bank and the Farmers and Merchants Bank.

The Farmers and Merchants Bank opened without restrictions on any deposits.

The First Bank and Trust Co., and the South Ottumwa Savings Bank operate with restriction on old deposits, but new deposits made under Senate File No. 111 are unrestricted.

It is expected that these two banks will release parts of their old deposits within three months.

The Union Bank and Trust Co., a member of the federal reserve, has been open on an unrestricted basis since March 8th, four days after all the banks in the country were closed.

## Will Soon Open

President Crawford, of the Valley Savings Bank, Des Moines, which has been

operating for several months, under the restrictions of Senate File 111, adopted by the Forty-fifth General Assembly, declares the requirements of the state banking department and the state laws, necessary to the reopening of the institution for a general banking business, are nearing completion, and that the bank will receive its authority at an early date.

For several weeks the bank has been canvassing its depositors for signatures to a waiver plan, by which 45 per cent of the deposits of the institution is set aside as a trust fund, for future liquidation, and 55 per cent of the deposits waived for a term not exceeding three years. In

complying with these requirements of the department the bank must secure waivers totaling in number more than 50 per cent of all its depositors, and in amount not less than 75 per cent of all deposits.

## New Cashier

Frank Woods, formerly of Everly, but who recently has been employed at Worthington, Minn., has been retained as the cashier of the Gillett Grove Savings Bank to succeed George W. Hargrave of Spencer. Mr. Hargrave recently resigned.

Mr. Woods is now in charge of his new duties and is rapidly becoming known



## Financing the Forward March of Business

Now, as in the past, we are making loans for sound commercial purposes, helping to finance the forward march of business. We consider this an important part of our cooperation in the National Recovery Program.

In meeting the increasing banking needs of business firms, and individuals as well, we offer every service consistent with tested banking principles.

We protect the funds of our depositors and correspondents by maintaining ample liquid resources and by adhering to sound, conservative policies at all times.

Large and small accounts alike are assured uniformly dependable and interested service.

GRANT McPHERRIN  
President

LYNN FULLER  
Vice Pres. and Cashier

The Old Reliable  
**CENTRAL NATIONAL  
BANK & TRUST COMPANY**

Fifth Ave. Between Walnut and Locust  
**Des Moines, Iowa**

and popular throughout the community. He is to make his residence in Gillett Grove.

## To Reorganize

J. M. Boots, conservator for the Citizens National Bank of Hampton, has announced that the reorganization plan of the bank has been approved in Washington, D. C., and that definite plans are under way for its reorganization. The bank has been operating under the waiver plan since March 4th.

The plan provides that 55 per cent of all old deposits, \$300,000, will be taken into the new bank and released on an unrestricted basis.

# Code of Fair Competition of the Bankers of the United States

**T**HE declared purpose of this Code is to effectuate the policy of Title 1 of the National Industrial Recovery Act during the period of emergency.

## DEFINITION

The American Bankers Association affirms that it imposes no inequitable restrictions on its membership, and participation in its activities, and it is truly representative as a National Association consisting of National, State, savings, mutual

and stock banks, trust companies and investment bankers.

### 1. Labor Provisions

As required by Section 7 (a) of Title 1 of the National Industrial Recovery Act, the following provisions are conditions of this Code:

1. Employes shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection;

2. No employe and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; and

3. Employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President.

### 2. Child Labor

After August 31, 1933, no person under 16 years of age shall be employed, except that persons between 14 and 16 years of age may be employed, for not to exceed 3 hours per day and those hours between 7 a. m. and 7 p. m. in such work as will not interfere with hours of day school.

### 3. Hours of Employment

(A) No banking employe shall work in any bank for more than 40 hours in any one week on an average of a 5-week period (such average being necessary owing to the periodic settlements, payments or emergencies in serving the public, over all of which the bank has no control). The hours of any banking operations shall not be reduced below the hours now obtaining in each individual bank.

(B) This provision for working hours shall not apply to guards and watchmen employed to safeguard the assets of the bank who cannot be shifted or changed during the night period.

(C) The maximum hours fixed in the foregoing paragraphs shall not apply to employes in banking establishments employing less than two persons in towns of less than 2,500 population, which towns are not part of a larger trade area; nor to employes in a managerial or executive capacity or in any other capacity of distinction or sole responsibility who now receive more than \$35 per week. Population for the purposes of this agreement



## IN CHICAGO . .

Drovers service is reaching an ever increasing number of conservative individuals and firms. More new accounts were started in the first six months of 1933 than any similar period in Drovers history.

This is not news to our Correspondent Banks for they, too, like Drovers genuine personal service.



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

1933-Century of Progress Exposition in Chicago

shall be determined by reference to the 1930 federal census.

#### 4. Wages

No employe shall be paid:

(A) Less than \$15.00 per week in any city of over 500,000 population, or in the immediate trade area of such city;

(B) Less than \$14.50 per week in any city between 250,000 and 500,000 population, or in the immediate trade area of such city;

(C) Less than \$14.00 per week in any city between 2,500 and 250,000 population or in the immediate trade area of such city, and

(D) In towns of less than 2,500 population all wages shall be increased by not less than 20 per cent, provided that this shall not require wages in excess of \$12.00.

#### 5. Administration

Such of the provisions of this Code as are not required to be included therein by the National Industrial Recovery Act may, with the approval of the President, be modified or eliminated as changes in circumstances or experience may indicate.

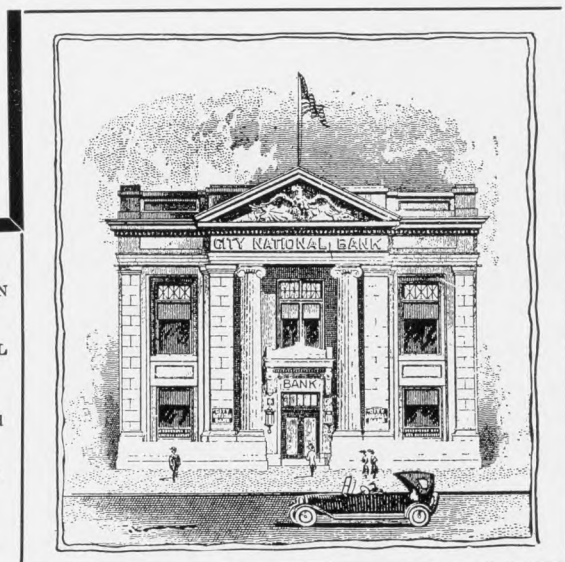
This Code shall become effective when approved.

### Rawson Retires

Frederick H. Rawson, chairman of the board of directors of the First National Bank of Chicago, announced his retirement from that position at a recent board meeting. Mr. Rawson's retirement as an executive officer of the bank is due to his desire to conserve his health after an absence of a year on that account. This, though much improved, prevents him from taking an active part in the bank's affairs, but he will continue as a director.

Mr. Rawson has been a leading figure in Chicago business and finance for nearly forty years. He is a director of the Baltimore & Ohio and the C. B. & Q. railways and a number of business organizations, but his principal activities have always been in banking. Graduated from Yale in 1895, he entered the Union Trust Company as a clerk and advanced rapidly through various positions until 1905 when he became president. In 1923 he became chairman of the board, which position he held when the Union Trust Company was consolidated with the First National Bank of Chicago in 1929. He was elected co-chairman with the late Frank O. Wetmore and since 1930 has been chairman of the board. Mr. Rawson has served as president of the Chicago Clearing House Association and also as a member of the Clearing House Committee.

Mr. Rawson has contributed largely of his time and means to charitable and cultural organizations. He is particularly active in those devoted to medical research and the care of the afflicted; per-



**OFFICERS**  
**W. A. ANDERSON**  
 President  
**MILO J. GABRIEL**  
 Vice President  
**O. P. PETTY**  
 Vice President and  
 Trust Officer  
**H. G. KRAMER**  
 Vice President  
**A. R. THURN**  
 Vice President

**OFFICERS**  
**J. H. NISSEN**  
 Cashier & Assistant  
 Trust Officer  
**M. E. McCRABB**  
 Assistant Cashier  
**E. JOHANNSEN**  
 Assistant Cashier  
**H. M. OLNEY**  
 Assistant Cashier  
**F. E. CONOVER**  
 Assistant Cashier  
**F. H. HAMANN**  
 Assistant Cashier  
**R. A. W. LATIMER**  
 Auditor

*Clinton County's Largest Bank*

## Qualified to Serve

Back of this institution is an active management, whose policies are solidly based on prudent banking. Back of it, too, is a staff of officers thoroughly familiar with your own particular problems.

These are the qualifications which the City National Bank of Clinton offers to banks and their customers through its correspondent service.

## THE CITY NATIONAL BANK CLINTON, IOWA

#### DIRECTORS

<b>W. A. ANDERSON</b> President	<b>E. J. CURTIS</b> Vice President Curtis Bros. & Co.	<b>E. L. MILLER</b> Attorney
<b>C. A. ARMSTRONG</b> President C. F. Curtis Company, Inc.	<b>G. L. CURTIS</b> President Curtis Companies, Inc.	<b>J. PETERSON</b> O. P. PETTY, Vice President
<b>A. A. BENTLEY</b> President Fidelity Life Association	<b>G. W. DULANY, JR.</b> President Eclipse Lumber Co. Chairman Chmax Engineering Co.	<b>H. W. SEAMAN</b> J. O. SHAFF Farmer and Live Stock Dealer
<b>A. P. BRYANT</b> Vice President Clinton Corn Syrup Refining Co.	<b>MILO J. GABRIEL</b> Vice President President Gabriel Lumber & Fuel Co.	<b>F. H. VAN ALLEN</b> , President J. D. Van Allen & Son, Inc.
<b>O. D. COLLIS</b> President The Collis Co.	<b>B. M. JACOBSEN</b> Congressman Second Iowa District	<b>F. J. WARD</b> Vice President and General Manager Eclipse Lumber Co.
<b>W. H. ITEN</b> Iten Bros.		<b>G. E. WILSON</b> Pres. Clinton Bridge Works



FREDERICK H. RAWSON

haps the best known of his philanthropies being the gift of the Rawson Laboratory to the Rush Post Graduate School of Medicine of the University of Chicago. He holds a number of club memberships and is an enthusiast on baseball and sailing, and looks forward to having more time for recreation.

No successor to Mr. Rawson as chairman of the board of the First National was elected.

## Remedy This Abuse

There is on indefensible form of taxation which affects every citizen, and which deserves wider attention than it has received.

That is the special taxation of fire insurance companies. During 1932, companies with membership in the National Board of Fire Underwriters, paid 4.08 per cent of their net premiums in taxes. And these taxes are not all of the sort that are borne by all businesses. The special insurance tax was originally adopted by the states to pay for the expense of supervising departments. That was well and good. But in recent years the amount of the tax has totaled infinitely more than the departments require—the merest fraction is used for supervising and the balance goes to the general fund.

What this amounts to is to make the fire insurance policyholder pay a double tax because of his thrift—an appreciable item in every premium. Unless there is definite public opposition, there is always the danger that this burden will be increased.

Fire insurance is one of those industries on which America depends. In maintaining credit, in providing protection to the property or individuals and industries, it has earned a place as a genuinely essential business. All classes

of citizens are among its customers. It certainly deserves equitable tax treatment.

## Pacific Coast Trust Conference

The Eleventh Regional Trust Conference of the Pacific Coast and Rocky Mountain states will be held in San Francisco October 26th and 27th, it is announced by R. M. Sims, president of the Trust Division of the American Bankers Association and vice president of the American Trust Company, San Francisco. The St. Francis Hotel will be conference headquarters.

Frank H. Lougher, trust officer Anglo California National Bank, San Francisco, it is announced, is general chairman of the conference committee. The conference region embraces the states of Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah Washington and Wyoming.

## Heads Legion Post

Charles C. Greene account executive of Carroll Dean Murphy, Inc., has been elected Commander of Advertising Men's Post of the American Legion for the coming year. John W. Schaeffe, vice president of Baird & Warner, has been made first vice commander.

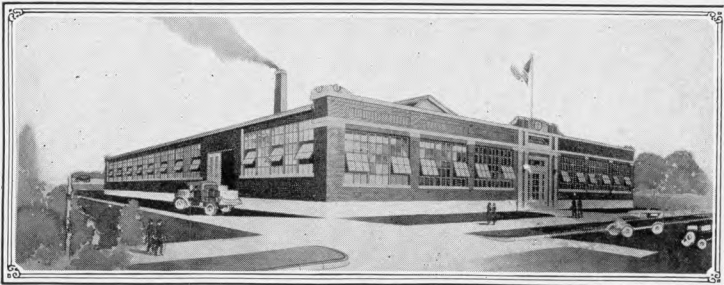
## To Address Conference

Norval A. Hawkins, vice president of the Glen Buck Company, Chicago, international authority on selling, former general sales manager of the Ford Motor Company, former director of sales, advertising and service for General Motors Corporation, one time highest salaried sales executive in the world, and author of the widely distributed "The Selling Process," will speak on selling from the idealistic point of view at the trust development session to be conducted as a departmental section of the public relations conference of the Financial Advertisers Association in New York this month, it is announced by Walter V. Tresekow, chairman of the program committee.


The conference will be held at the Waldorf-Astoria Hotel, September 11th to 14th.

Elton Bragg, manager of the Guardian Life Insurance Company, New York, and director of the Life Insurance Training Course of New York University, nationally known lecturer on insurance subjects, will speak on methods trust companies might adopt to improve selling technique in the light of experience gained by life insurance underwriters.

Harvey Weeks, assistant vice president of the Central Hanover Bank and Trust



**Iowa Lithographing Company**  
515 TWENTY EIGHTH STREET  
**Des Moines**



Founded by  
**GEORGE H. RAGSDALE**  
**EDWIN G. RAGSDALE**  
SECRETARY

Company, New York, is scheduled to speak on the merchandising of trust services. Mr. Weeks, formerly general agent of the Provident Mutual Life Insurance Company at Buffalo, is well known throughout the country for his talks on fundamentals of salesmanship before both insurance and trust groups.

Samuel Witting, second vice president of the Continental Illinois Bank and Trust Company, Chicago, is scheduled to speak on uncertainties overhanging trust new business activities, his title being, "Removing the Cloud of Uncertainty from the Value of New Trust Business." He has made an exhaustive study of his subject extending over a period of many months and is expected to reveal numerous illuminating pointers.

John W. Remington, vice president of the Lincoln-Alliance Bank and Trust Company, Rochester, will speak on the training of trust solicitors.

Sheldon L. Stirling, assistant treasurer of the Union and New Haven Trust Company, New Haven, will discuss the use of direct mail in promoting the sale of trust services.

"The exceptional calibre of the speakers," Mr. Tresckow states, "promises unusually valuable sessions. Discussion periods will follow each address and an opportunity will be afforded each present to discuss troublesome selling problems intimately with recognized leaders of their fields."

### So Far, No Substitute Offered

All forms of transportation have their uses and advantages—but when, in time of emergency or otherwise, we need fast and certain facilities for mass movement of men and materials, we invariably turn to the railroads.

We have witnessed an example this year, in the case of the Civilian Conservation Corps. During April, May and June, the rails carried 400,000 of these men without interrupting regular service, and without a hitch. At one time, at Camp Knox, Kentucky, a train left every two hours, bound for points as far distant as Vancouver, Washington.

During late years, there has been a good deal of talk to the effect that the rails are outliving their usefulness, but there has been no convincing evidence. The question, "What will replace them?" is unanswered. Not airplanes—they are expensive and can handle the merest fraction of passengers and freight. Not buses and trucks, which are unable to meet railroad service in long-haul business. Not waterways, which are tremendously localized in the territories they can serve and are dependent on climatic conditions. The railroad has innate advantages which none of its competitors can duplicate.

## Over 60 years of Service to Iowa Banks and Bankers





# First National Bank

## Mason City, Iowa

Affiliated with Northwest Bancorporation

## All Business Should Pay Taxes

Whatever one may think of public ownership of service utilities, there is no good reason why these utilities should not pay their fair share of taxes to the support of the state government.

Advocates of publicly owned utilities claim certain basic advantages over privately owned utilities; money on the credit of a city can (or could) be obtained at a lower rate and the matter of private return is eliminated. That ought to be a sufficient advantage. And yet cities maintaining their own service utilities

have always reneged on paying their taxes, thereby sponging on other cities and counties of the state for the support of their state government. As a bludgeon to force cities to go in for public ownership, it is a form of blackmail. Or does the political management of publicly owned utilities demand for their operation not only cheaper money and elimination of private profit, but also a runout on taxes? It looks as if public ownership advocates are suffering from an inferiority complex—or they know the extravagance of political management.

It is obvious that when a government goes into business it is engaging in business and not in government. The users of municipal service should be ashamed to place themselves in the tax evasion class.—Stockton, California, *Independent*.

## Spend and Save Now

A recent Dun & Bradstreet report accentuated a fact of the utmost importance:

For a number of months business recovery has continued without recession, and present signs do not indicate that any recession will occur in the near future.

In other words, we are not having a "rise in the depression" now. We are actually throwing off depression. The wise property owner will do well to think that over. It means that the country is through with bargain prices for commodities and services, that the terrific oversupply of goods and labor isn't going to last much longer. It means higher prices. It means that if we put off fixing our houses and business property or rebuilding the tottering garage for another few months, we are going to pay a lot more for what we get.

Yes, it's time to build, to improve, to repair. It will put money in your pocket, save valuable property from going to pieces—and demonstrate your faith in the maxim that investment and employment are cheaper and better than charity.

## The Industrial Turnip

Industry is beginning to show operating profits again, after three long years of financial drought.

That will come as good news to investors, workers and the general public. But the road ahead isn't entirely strewn with roses. There is an obstacle in the way of dividends, jobs and progress. That obstacle is taxation.

Anyone who reads the annual reports of the larger American corporations cannot help being impressed by their tax payments. In various instances—such as utilities—tax increases and new special taxes have been sufficient to more than offset any rise in earning power. The investor—which means the individual who has saved a few dollars and put them into productive enterprise where they work for

the benefit of the entire country—has never been so heavily penalized for his thrift. Management has never had so poor a chance to produce results from efficiency and far-sightedness.

At the moment the country is enthusiastically endorsing the NRA plan for putting men back to work. Business has responded gratifyingly. But it must be realized that the best of intentions are useless unless one has the means with which to carry them out. Employers want to raise wages and lower working hours—but they can't pick money from the air. And the tax collector is making it increasingly difficult to operate or make a profit.

High taxes, unemployment and industrial torpor go hand in hand. The old saying that you can't get blood out of a turnip was never truer than now.

In conjunction with other relief measures, why not inaugurate an actual reduction in the aggregate tax collected from citizens and industry?

## Start Toward Silver Solution

Government treasuries have been principally responsible for the depressed price of silver during the past few years. Some of the major silver countries have either eliminated new coinage of the metal altogether, or have reduced the silver content of each unit of money. In this way tremendous surpluses have been created, much of which has been thrown into the open market. Mined silver has been forced to compete with these surpluses, and the constant oversupply has made hope of price recovery all but futile.

The silver agreement signed at London should do away with this kind of competition. The silver holding countries, of which India and Spain are the most important, have agreed to rigidly limit sales. The silver producing countries—Mexico, the United States, Peru, Canada and Australia—have agreed to withdraw 35,000,000 ounces a year from the market for four years.

So the silver plan is essentially the same as the U. S. Government's present cotton plan—to balance production and consumption. Price strengthening is inevitable if the agreement is kept. How far such strengthening will go is still a question, but there has been a good start made toward solving one of the most perplexing and difficult of international problems.

We are told that utility rates have not come down in proportion to the fall of commodity prices since 1929. The reply is that they have not come down because they never went up.—George B. Cortelyou, President, Edison Electric Institute.



## Modified Rates on All Classes of Rooms

400  
ROOMS \$ 2.50  
WITH  
BATH from 2

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

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

Operated by EPPLEY HOTELS CO.



## Advertising Exhibit

The Financial Advertisers Association's Public Relations Conference in New York this month will have a unique and up to the minute advertising exhibit, it is announced by H. A. Lyon, president of the association. The conference will be held at the Waldorf-Astoria Hotel September 11th to 14th.

This year, the exhibits are to be grouped by types of advertising campaigns, such as trust services, safe deposit, investments, savings, and commercial banking, Mr. Lyon states. The new arrangement will enable those interested to see at a glance how banks throughout the country are advertising to meet the unprecedented problems of the times.

In addition to the group exhibits, individual displays will be shown by most of the member banks. Explanatory messages, outlining the purpose, reaction and success of each display, are to be included.

In addition the exhibits will be reproduced in book form to enable convention attendants to retain a permanent record.

Throughout the convention period, certain hours will be designated for all to gather in the exhibit room for the purpose of obtaining specific information from exhibitors and of personally exchanging experiences and ideas.

## Nothing to Worry About

Mr. Roosevelt's inflationary powers have aroused bitter dispute—to some they mean a quick and decisive victory over depression, to others they foreshadow the potential collapse of the country's monetary system, in the manner of post-war Germany, when a box of matches cost a thousand marks one day, ten thousand the next. The president has said little, moved cautiously and sought opinions, facts and advice.

Recently the inflationary movement got underway. The president ordered the federal reserve to go into the market to purchase federal securities. Under the new law, it may buy up to \$3,000,000,000 at the option of the president—in the first week of operation, it bought but \$25,000,000, and there is every evidence that it will go slowly. This type of buying is instigated to expand commercial credit.

A financial advisor to the government has been appointed, with the title of Executive Assistant to the Secretary of the Treasury. This official, Oliver M. W. Sprague, was formerly economic advisor to the Bank of England, and will be a much consulted member of a department which is short on banking authorities.

Finally the president asked Congress to repeal the gold payment clause in debt contracts. This will simply make theory and practice jibe—ever since the banking moratorium the treasury has refused to pay in gold coin. A battle at once started in the Congress between those who viewed

with alarm and those who pointed with pride to the administration position. Examples: Said Representative Sprague, democrat, Alabama, "It is a declaration of economic independence. It will restore prosperity." Said Senator Reed, republican, Pennsylvania, "This is terrible—a blow to American good faith which will be felt for over 100 years." To most dispassionate observers, and to the general public, the truth lies somewhere between those extremes of partisan sentiment. Gold moratorium is undoubtedly a breach of contract—on the other hand, in times of crisis, governments, as well as individuals, have usually taken the expedient, as distinct from the completely ethical course.

To those who have been frightened by the specter of inflation, it may be said that every indication is that the president will withhold his power to the greatest possible degree consistent with his program; that there is no intention of flooding the country with unsecured, printing-press currency.

Many have genius, but, wanting art, are forever dumb. The two must go together to form the great poet, painter, or sculptor.—*Longfellow.*

Curiosity is one of the permanent and certain characteristics of a vigorous intellect.—*Johnson.*

# A Badge of Honor

**I**N WAR, in the gloom of night attack, soldiers wear a bright badge on their shoulders to make sure that comrades do not fire on comrades.

On that principle, those who cooperate in this program must know one another at a glance.

That is why we have provided a badge of honor for that purpose; a simple design with a legend, "We Do Our Part," and I ask that all those who join with me shall display that badge prominently.

It is essential to our purpose.

—*President Roosevelt.*

**IT IS NOT ENOUGH TO DISPLAY THE N. R. A. EMBLEM ONLY IN YOUR BANKING ROOM**

Show your colors where the entire community may see and know that you are loyal—that you are doing your part.

The Roosevelt R. M. A. hanger is an indoor billboard which will carry your message of loyalty and patriotism to the wall of every store, office and other public place in your community.

*Ask to See a Copy—No Obligation*

**The Gerlach-Barklow Co.**

Joliet, Illinois

### Measure for Measure

An Idaho man was fishing in Lake Crescent recently. He caught a big northern pike, the biggest he had ever landed in his long and busy life. He was crazed with joy, and he telegraphed his wife: "I've got one, weighs seven pounds and it is a beauty."

The following was the answer he got: "So have I; weighs 10 pounds. Not a beauty—looks like you. Come home."

### Preface to Morals

Lady (to little boy): "My dear, does your mother know you smoke?"

Small Boy: "Madam, does your husband know you speak to strange men?"

He's gone, and forgot nothing but to say farewell to his creditors.—*Benjamin Franklin.*

## 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.

**Position Wanted**—Bookkeeper, teller or assistant cashier. Young man, age 21, single. Two years general banking experience. Will work for small salary. Best of references. Address the Northwestern Banker, No. 3212. 9

**Position Wanted**—Cashier in small bank or teller in larger bank. Married. Age 42. Eighteen years of experience. Address the Northwestern Banker, No. 3211. 8-9-10.

**Position Wanted**—Young man desires place as bank teller or assistant cashier. Experience and references. Address the Northwestern Banker, No. 3213. 9

**the CURTIS HOTEL MINNEAPOLIS**

Now—  
A room with private bath  
**\$2.50**  
in the city's finest hotel.



### New to Him

The attorney shook his head. "My dear man," he said, "there are hundreds of ways of making money, but only one that's honest."

The banker looked puzzled. "What's that?" he asked. "Ah," smiled the other, "I thought you wouldn't know."

### Six to the Gallon

Rev. (at baptism): "His name?"  
Mother: "Algernon Phillip Percival Reginald Mortimer Duckworth."  
Rev. (to assistant): "A little more water, please."

### Design for Lunching

Customer: "Have you any good pork?"  
Butcher: "Good pork? Lady, my pork will make better chicken salad than any lamb you could buy."

The man is free who is protected from injury.—*Daniel Webster.*

### Easy

A passer-by stopped to watch an old man in his garden weeding. "Which weeds do you consider the easiest to kill?" he asked. "Widow's weeds," answered the old man. "All you have to say is 'wilt thou,' and they wilt."

### How Would You Say It?

Strong Man: "I hear that John, the half-man and half-woman, is sick."  
Long Man: "Yes, I know she hasn't been feeling himself lately."

### Sad Story

When he was very young he thought that every woman could be bought; and so he started as a joke to prove his views—and now he's broke.

### I Wonder

Will I ever scrubbing floors be  
Just because a man adores me?

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*The*  
**PUBLIC RELATIONS JOB**  
*is more than Advertising*

Banks everywhere have been faced with a loss of public confidence. They have found that their fate individually and collectively is in the hands of their millions of depositors. Today, the re-building of this faith is a major problem. Can it be done? How?

To every bank officer this question of public relations is a vital, individual problem. Perhaps for the first time, public relations is universally acknowledged to be an integral part of every bank's activity.

The first opportunity for a comprehensive discussion of the question of Public Relations will be the Convention of the Financial Advertisers Association, to be held in New York at the Waldorf-Astoria, September 11, 12, 13, 14. The speakers are men recognized as leaders, thoroughly qualified by experience and achievement. The program gives a complete picture of the task and practical means of accomplishing objectives.

Every active banker is invited to attend. Just now there can be no more advantageous expenditure of time for the bank executive. Shape your summer plans so that you can surely be at the Waldorf in September.

**Some of the  
Speakers on the General Program**

**FRANCIS H. SISSON**, *President of the American Bankers Association, Vice-President of the Guaranty Trust Company of New York*, will preside at the banquet.

**Colonel ALLAN M. POPE**, *former President of the Investment Bankers Association, President of The First of Boston Corporation*. Subject: "The Obligation of the Investment House to the Public."

**JOHN H. PUELICHER**, *former President of the American Bankers Association, President of the Marshall and Ilsley Bank, Milwaukee*. Subject: "Place of the Employee in Public Relations Work."

**BAYARD F. POPE**, *Chairman Advisory Committee of the Marine Midland Trust Company*. Subject: "What the Alert Banker Should Expect of His Public Relations Man."

**HENRY BRUÈRE**, *President of the Bowery Savings Bank*. Subject: "A Business Man Comes Into Banking."

**JAMES L. WALSH**, *Vice-President, The National Bank of Detroit*. Subject: "Facing the Facts of Public Distrust."

**T. R. PRESTON**, *President of the American National Bank, Chattanooga, formerly President of the American Bankers Association*. Subject: "The Public's Obligation to the Banks."

**GEORGE W. DAVISON**, *Chairman of the Board of the Central Hanover Bank and Trust Company, New York*. Subject: "The Need for Cooperation."

**GUY EMERSON**, *Vice-President of Bankers Trust Company, New York, formerly President Reserve City Bankers Association*.

**Governor HERBERT H. LEHMAN** of New York, *formerly a partner of Lehman Brothers, investment bankers*, will make an earnest effort to be present. His active interest in politics and successful public record indicate a firm grasp of the important task of public relations.

It is expected that two or three other speakers, also of national prominence, will address the group.

*Departmental Discussions*—Departmental discussions will get down to brass tacks on practical details of *trust, savings, commercial banking, investment and public relations programs*.

*The Exhibits*—Outstanding advertisements of the year will be on display. Opportunity will be afforded for discussion with those responsible for the creation of this material.

*The Waldorf-Astoria*—The new Waldorf is one of the world's fine hotels, an experience in itself. Special rates: single rooms, \$4.50 and \$5.25 per day; double rooms \$7.00 and \$7.50. The Waldorf is located on Park Avenue at Fiftieth Street.

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