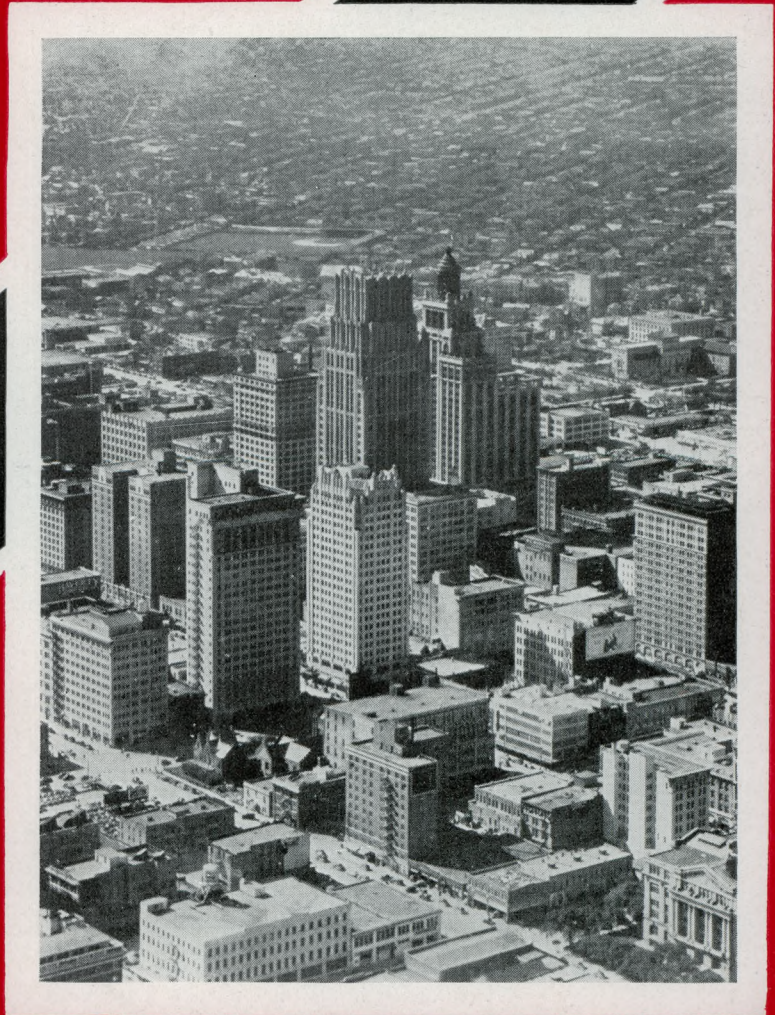


NORTHWESTERN

Banker

NOVEMBER
1938



DOWNTOWN HOUSTON

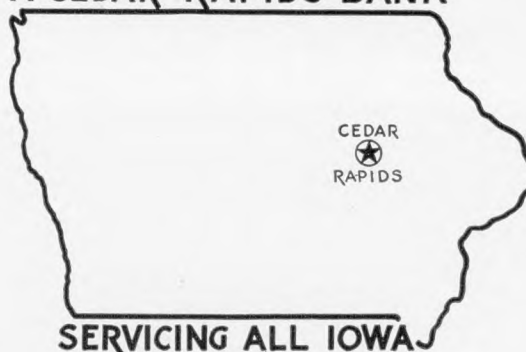
The American Bankers Association holds its Sixty-fourth Annual Convention in Houston on November 14th-17th

THE A. B. A. CONVENTION

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A CEDAR RAPIDS BANK



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At the Merchants National Bank we constantly study new banking methods and equipment. Our many Iowa correspondent banks likewise tell us about their new ideas on improved banking service.

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Cedar Rapids

Iowa

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+ ON-THE-GROUND
SERVICE**

**A GOOD INSURANCE
COMPANY OFFERS
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FIRE — AUTOMOBILE — MARINE and ALLIED LINES OF INSURANCE



Northwestern Banker November 1938

THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

Statement of Condition, September 30, 1938

RESOURCES

CASH AND DUE FROM BANKS	\$ 986,341,323.24
BULLION ABROAD AND IN TRANSIT	37,050,975.81
U. S. GOVERNMENT OBLIGATIONS, DIRECT AND FULLY GUARANTEED	661,918,043.40
STATE AND MUNICIPAL SECURITIES	108,747,143.17
OTHER BONDS AND SECURITIES	174,451,571.41
LOANS, DISCOUNTS AND BANKERS' ACCEPTANCES	620,196,819.77
BANKING HOUSES	34,865,058.10
OTHER REAL ESTATE	6,835,051.92
MORTGAGES	11,297,190.31
CUSTOMERS' ACCEPTANCE LIABILITY	22,003,055.08
OTHER ASSETS	6,416,425.19
	\$2,670,122,657.40

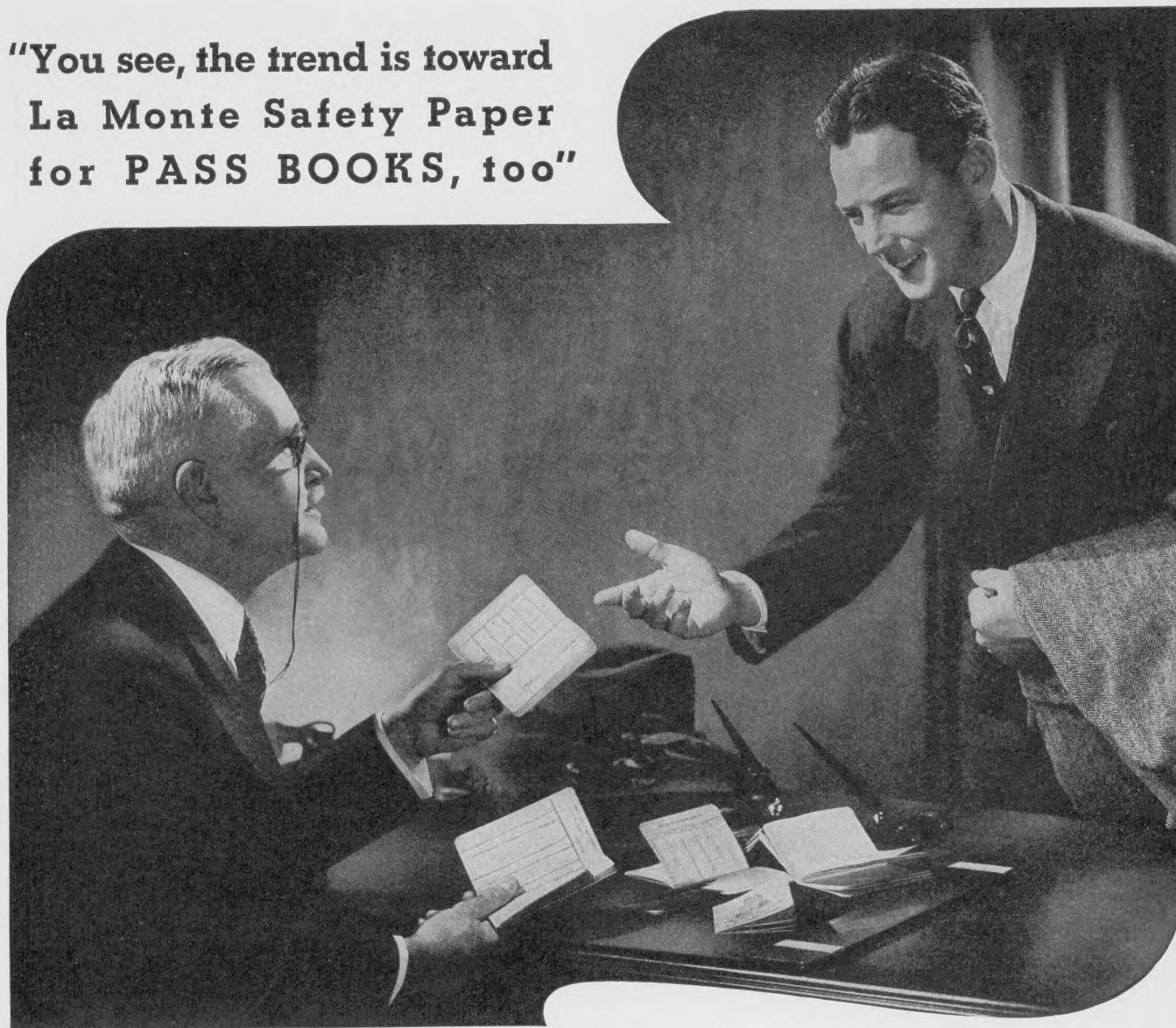
LIABILITIES

CAPITAL FUNDS:	
CAPITAL STOCK	\$100,270,000.00
SURPLUS	100,270,000.00
UNDIVIDED PROFITS	31,136,343.12
	\$ 231,676,343.12
RESERVE FOR CONTINGENCIES	16,867,007.26
RESERVE FOR TAXES, INTEREST, ETC.	1,700,804.22
DEPOSITS	2,376,974,193.01
ACCEPTANCES OUTSTANDING	22,779,871.31
LIABILITY AS ENDORSER ON ACCEPTANCES AND FOREIGN BILLS	12,169,784.94
OTHER LIABILITIES	7,954,653.54
	\$2,670,122,657.40

United States Government and other securities carried at \$134,108,067.90 are pledged to secure public and trust deposits and for other purposes as required or permitted by law.

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Nutley New Jersey

Northwestern Banker November 1938

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AND TRUST COMPANY • DES MOINES**

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NORTHWESTERN *Banker* DES MOINES

FORTY-THIRD YEAR

NUMBER 616

*The Northwestern Banker, Oldest Financial Journal
west of the Mississippi River.*

IN THIS NOVEMBER, 1938, ISSUE

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Across the Desk from the Publisher

By Clifford DePuy

Farmers Revolt

Neither Secretary Henry A. Wallace nor any of his associates have worked out a satisfactory agricultural program which meets with the approval of all the various farm groups.

Wheat farmers seem to be revolting against the new farm act and yet wheat farmers, along with all the others, are still perfectly willing to receive government checks for doing nothing.

Eventually this "joy-ride" must be paid for by every taxpayer in the country, and that includes the farmer.

One financial writer who has been visiting through the middle west puts it this way:

"Despite the propaganda for the new farm act, a decided revolt is apparent among the wheat farmers. They are signing protests and organizing, while at the same time they are refusing to cut their acreage in many instances. The crop reports indicate another surplus and little prospect of higher prices. However, if the allotment grants to farmers are taken away a real uprising would result. They are so accustomed to receiving checks for doing nothing that they have come to depend on this income for extras."

The one fundamental law which eventually must operate is the law of supply and demand, and when that is again given a chance I think that many of the agricultural problems will solve themselves.

How Much Government Can We Pay For

With the government spending \$9,000,000,000 for the fiscal year which ended June 30th, this being the largest peace time expenditure on record, shouldn't some consideration be given to the question of how much government we can pay for?

This question was discussed by Fred H. Clausen,

chairman of the United States Chamber of Commerce Finance Committee, when he said:

"Isn't it high time that men charged with business management should take some active and detailed interest in the financial condition of a government institution that can break the enterprises committed to their charge?"

"I insist that the obligation to pay for and maintain them should not impose such burdens on those called upon to support them as will restrict employment by private industry and capital."

The question which constantly comes to my mind, looking at it from the New Deal point of view, is that if more money is to be obtained by Congress, that the only way that this can be secured is by taxation, and taxes can only be levied and imposed upon individuals and corporations who are successful and making money.

But in order that corporations may succeed government restrictions and government competition must be reduced.

I do not know how much government we can pay for, but I do know that we may very shortly reach the point where the Federal government will be so competitive in its own activities that private industry cannot succeed in making a profit, and if no profits are made no taxes can be collected.

Eliminate Tax-Exempt Securities

The total amount of tax-exempt securities in the United States is approximately \$50,500,000,000, including Federal, state and other governmental obligations.

There is no reason as I see it why these securities should be tax free at a time when increased revenues are needed.

The government should, however, make a definite decision either for or against tax-exempt obli-

gations so that investors may know what to expect.

This uncertainty on the part of the government was voiced recently by Thomas I. Parkinson, president of the Equitable Life Assurance Society, when he said:

"How are the institutions which invest the people's money, such as the life insurance companies, to feel about buying tax-exempt obligations of the government when it is very possible that the exemption may be voided at any minute and when the institutions have been notified of the government's intention of taking away the very thing it offers to make its securities attractive, tax exemption? It is the duty of the government rather to clear up the tax exemption question at once and for all through constitutional amendment than to endeavor to outsmart the nation's business men."

The question of tax exempt securities has been discussed and debated in and out of Congress for years, and it would be most helpful for all concerned if the coming session of Congress would settle this important problem.

British Prestige

While war has been prevented in Europe, at least for the time being, British prestige has suffered tremendously.

No one wants war and no one favors bloodshed, but the price which the British and French democracies paid to stop Hitler's war program may be very costly.

At the moment both Great Britain and France need to re-establish their prestige in the minds of their own citizens.

One well-known political writer puts it this way:

"It has often been said that dictators need prestige in order to survive. That is true. But it is also true that democracies, and particularly democracies that govern empires, need prestige in order to impress their enemies and to unite and invigorate themselves. In the long ordeal which they have to face the British will need many things, an army, airplanes, allies. But what they need first in order to get the other things they will ultimately need is a recovery of prestige which will impress upon their own people and upon the outer world their will to survive."

I do not agree with some that the British empire is gradually disintegrating, but I do believe

that they must re-establish themselves in the minds of their own people if the empire is to again take its rightful place among the nations of the world.

"Ezeemunny Certificate"

There has been no crazier idea in all the history of American politics than the "Thirty Dollars Every Thursday" scheme which was promoted by Sheridan Downey, who defeated Senator McAdoo for the Democratic nomination for senator from California.

One of my banker friends from Los Angeles has just sent me an "Ezeemunny Certificate," which ridicules the whole impossible plan.

On the front of the certificate is a picture of Santa Claus and a pot of gold. In the background is a beautiful rainbow on which is printed "E Pluribus Kiddem—30 Thursday."

At the top of this certificate, which is called an "IOU," it says "This certifies that there is on deposit in the pot at the end of the rainbow twenty wooden nickels."

The name of the comptroller is Pass De Buck, and the treasurer's name is Ham N. Eggs.

On the back of the certificate it says, "The state of confusion—for use in bankrupting state treasury, state employes, county treasurer, county employes, city treasurer, city employes, publicly owned utilities, bay bridge, school teachers, school districts, you, me, everyone else. Scrambled eggs for California."

It seems impossible that such an idea as Mr. Downey has proposed would carry him into the United States Senate. He is opposed by Phillip Bancroft, who is a man of fine character and unquestioned ability. It is to be hoped that he will put Mr. Downey down and out, and do away once and for all with such a fantastic and idiotic program as Mr. Downey proposes.

Borrowers Needed

The real problem for bankers today is to find suitable borrowers to whom they can make satisfactory loans.

In a recent analysis made by Federal Reserve statisticians they estimated that the lendable portion of deposits in the United States was about \$3,280,000,000 compared with normal needs of \$500,000,000.

What the banks of America need today is more borrowers, and they will get these in increasing numbers just as fast as confidence returns.



MADE IN U. S. A.

AWAITING THE CALL

Northwestern Banker November 1938

64th
 Annual Convention
 AMERICAN
 BANKERS
 ASSOCIATION
 HOUSTON

November 14 to 17

The Program



ORVAL W. ADAMS
 President, American Bankers Association

COMPLETION of the program for the sixty-fourth annual convention of the American Bankers Association which will be held at Houston, Texas, November 14th to 17th, has been announced by Orval W. Adams, president of the association and executive vice president of the Utah State National Bank of Salt Lake City, Utah.

The convention will have three general sessions, five divisional sessions, a bank management round table conference at which intermediate credit will be discussed, a public relations clinic, and a public relations laboratory.

The public relations features of the program will include a laboratory in which will be shown to the delegates what the association is doing in the field of advertising, publicity and radio and what the association and banks are doing in the field of moving pictures.

Delegates from the northern states are advised to wear normal fall clothing. The Houston weather authorities state that the average temperature during November in Houston over a long period of years has been 61.5 degrees.

The general sessions will be addressed by national leaders including Jesse H.

Jones, chairman of the Reconstruction Finance Corporation; W. J. Cameron of the Ford Motor Company; Dr. Adam S. Bennion, assistant to the president of the Utah Power and Light Company of Salt Lake City, Utah; J. Reuben Clark, Jr., chairman of the Foreign Bondholders Protective Council, Inc., of New York City; Dr. Karl T. Compton, president, Massachusetts Institute of Technology, Cambridge, Massachusetts; and Bishop James T. Freeman, Episcopal Bishop of Washington, D. C.

Election of officers will be held at the second general session, Wednesday morning, November 16th, and the inaugural ceremony for new officers will be held Thursday evening at which the Houston glee club and Mario Chamlee, New York Metropolitan Opera star, will sing.

The complete program is as follows:

General Convention Sessions

First General Session, Tuesday, November 15th: "Industrial Freedom" by W. J. Cameron, Ford Motor Company, and address by Jesse H. Jones, chairman, Reconstruction Finance Corporation.

Second General Session, Wednesday, November 16: "When Two Generations

Meet," by Dr. Adam S. Bennion, assistant to the president, Utah Power and Light Company, Salt Lake City, Utah, and "Constitutional Liberties," by J. Reuben Clark, Jr., chairman, Foreign Bondholders Protective Council, Inc., New York City, and former ambassador to Mexico.

Third General Session, Thursday, November 17: "Science Employment and Profits," by Dr. Karl T. Compton, president, Massachusetts Institute of Technology, Cambridge, Massachusetts, and "Maintaining Spiritual Values in American Life," by Bishop James T. Freeman, Episcopal Bishop of Washington, D. C.

Inaugural Ceremony, Thursday Night, November 17: Houston Glee Club under the direction of Walter R. Jenkins. Mario Chamlee, leading tenor, Metropolitan Opera Company, New York City.

Divisional Meetings

State Bank Division Meeting, Monday, November 14: "What State Banks Can Do," by C. B. Axford, editor, *American Banker*, New York City; and "An Examination of the New Economics," by William A. Irwin, assistant educational

Northwestern Banker November 1938

director, American Institute of Banking, New York City.

National Bank Division Meeting, Mon., November 14: "Bank Taxation," by J. N. Quinn, cashier, First National Bank, Hugo, Colorado; "The Banker in the Business Life of the Community," by Dunlap C. Clark, president, American National Bank, Kalamazoo, Michigan; and "Pensions Preferred," by Dr. Paul F. Cadman, consulting economist, San Francisco, Calif.

Trust Division Meeting, Tuesday, November 15: "Advantages of the Corporate Executor and Trustee," by Hon. James V. Allred, Governor of the State of Texas; and "Phases of the Trust Business," by Lindsay Bradford, president, City Bank Farmers Trust Company of New York.

Savings Division Meeting, Wednesday, November 16: "The Savings Bank and the Railroads," by Fairman R. Dick, Dick & Merle-Smith, Investments, New York City; "Savings Deposits a Growing Responsibility," by Hon. William R. White, Superintendent of Banks, New York City; and "Something for Nothing," by Philip A. Benson, vice president, American Bankers Association and president, Dime Savings Bank, Brooklyn, N. Y.

State Secretaries Meeting, Tuesday, November 15: Reports of Committee: "Investment Portfolios," by Don E. Warrick, secretary, Indiana Bankers Association, Indianapolis, Ind.; "State Bankers Association Management," by David M. Auch, secretary, Ohio Bankers Association, Columbus, Ohio; "State Legislation," by C. C. Wattam, secretary, North Dakota Bankers Association, Fargo, North Dakota; and "Pension Plans—State Bankers Association," by M. A. Graettinger, executive vice presi-

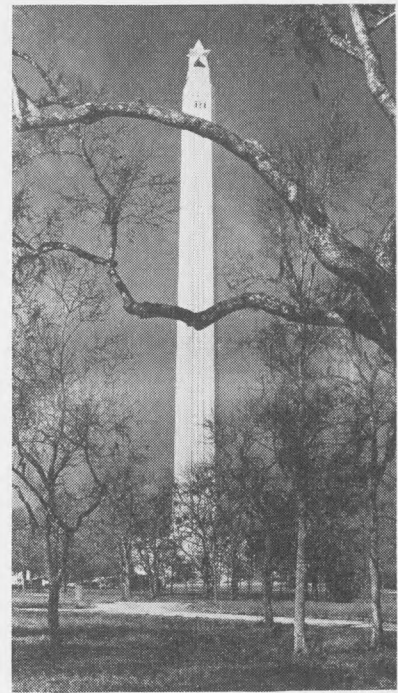
dent, Illinois Bankers Association, Chicago, Illinois. Addresses: "A. I. B. and the State Bankers Associations," by Milton F. Barlow, president, American Institute of Banking, cashier, National Citizens Bank, Mankato, Minnesota; and "Recent Federal Legislation," by D. J. Needham, general counsel, American Bankers Association.

Other Meetings

Bank Management Round Table Conference, Thursday, November 17: "Intermediate Credit for Industry," by E. N. Dekker, assistant vice president, National City Bank, Cleveland, Ohio; "Real Estate Loans—Values and Appraisals," by D. Howard Doane, president, American Society of Farm Managers and Rural Appraisers, St. Louis, Missouri; and "Instalment Financing and Personal Loans," by Elmo Thompson, vice president, First National Bank and Trust Company, Tulsa, Oklahoma.

Constructive Customer Relations Clinic, Tuesday, November 15: Series of interviews conducted by William A. Irwin, assistant educational director, American Institute of Banking on Public Education, Customer Relations, Institute Work with B. J. Schwoeffermann, president, The Citizens National Bank, Chicago Heights, Illinois; Claude L. Stout, executive vice president, Poudre Valley National Bank, Fort Collins, Colorado; Milton F. Barlow, president, American Institute of Banking and cashier, The National Citizens Bank, Mankato, Minnesota. "Another Step in Customer Relations," by Dr. Harold Stonier, executive manager, American Bankers Association. Motion picture with George E. Forman, commentator.

Aptly described as one of the nation's



San Jacinto Shaft at San Jacinto Battleground, near Houston, Texas, marking the spot where the Texas army under General Sam Houston defeated the Mexicans under Santa Anna and won independence for Texas.

real bright spots, Houston is ready for one of the most important conventions in its history, namely; the sixty-third annual convention of the American Bankers Association. Numerous committees under the general chairman, F. M. Law, president of the First National Bank, have for many months been exerting every effort to make the Houston convention one of the greatest ever held.

Serving with Mr. Law as chairman of various committees are: P. B. Timpson, president, Houston Land Trust Company, finance committee; T. J. Caldwell, vice president, Union National Bank, entertainment committee; Allen H. King, vice president, State National Bank, hotel committee; S. Marcus Greer, vice president, City National Bank, personnel committee; W. N. Greer, vice president, Citizens State Bank, information committee; Melvin Rouff, vice president, Houston National Bank, registration committee; E. F. Gossett, vice president, Second National Bank, transportation committee; C. M. Malone, president, Guardian Trust Company, ball committee; Leslie Coleman, vice president, San Jacinto National Bank, coliseum committee; Mrs. S. M. McAshan, ladies committee, and A. D. Simpson, president, National Bank of Commerce, publicity committee.

A poll of these committee chairmen reveal that all plans for this convention have been perfected. A city of more than

(Turn to page 33, please)



One of Houston's valuable assets has been her waterway. More than \$42,000,000 has been spent by the Federal government and the citizens of Houston for port improvement work. A portion of the waterway is shown above.

The Nebraska Convention

Good Attendance at Forty-first Annual Meeting of the Nebraska Bankers Association

CELEBRATING the forty-first annual meeting of the organization, Nebraska bankers from all parts of the state gathered in Omaha on October 11 and 12 for the 1938 conclave of the **Nebraska Bankers Association**. Including bankers from New York, Chicago, and from the larger cities in surrounding states, the registration totaled 700, which we understand is about the average attendance for such occasions.

E. S. Holcomb, president of the Nebraska State Bank, Broken Bow, was chosen to head the Association for the next twelve months, and **M. M. Taylor**, vice president of the Central National Bank of Columbus, was named chairman of the executive committee. **Fred Thomas**, vice president of the First National Bank, Omaha, was elected treasurer, succeeding **Perry Hendricks**, vice president of the United States National, of Omaha, and of course **William B. "Billy" Hughes** was re-elected to the post of secretary. The new president, Mr. Holcomb, has been in the banking business at Broken Bow for the past 25 years, and is now holding his first office in the Association.

Mr. Taylor, Columbus, was elected Nebraska vice president of the American Bankers Association. **Otto Kotouc**, Hum-



M. M. TAYLOR
Chairman Executive Committee

boldt, was named member of the nominating committee for the A. B. A., with **H. A. Schneider**, Plattsmouth, as alternate. Vice presidents of the several divisions of the American Bankers Association were elected as follows: State bank division, **J. V. Johnson**, Tecumseh; National bank division, **Rollie W. Ley**, Wayne; Trust company division, **Sam Waugh**, Lincoln; and Savings bank division, **A. J. Hallas**, Omaha.

Alvin E. Johnson, president of the Live Stock National Bank of Omaha, made a very nice speech of welcome as president of the Omaha Clearing House Association. Mr. Johnson welcomed out of town Nebraska bankers with the thought that "Omaha is your town; it does not belong to Omaha, for it belongs to all Nebraska."

The buffet dinner served to all convention delegates the night of the first day's session went along in great shape under the experienced guidance of **J. F. McDermott**, vice president of the First National Bank of Omaha, who was chairman of the buffet dinner committee. Mr. McDermott, incidentally, has been quite busy during recent weeks on similar work. Just prior to the State Convention he had attended American Legion Convention, and a short time ago was in charge of the Omaha arrangements for the premier showing of "Boys' Town", the current movie hit which was filmed at Father Flanagan's Home outside of Omaha.

Stanley Maly, vice president of the First National Bank of Lincoln, who attended the Nebraska Convention along with most of the other officers of the First National Bank, was planning to attend the Reserve City Bankers' Round Table meeting at Chicago. From Chicago Mr. Maly had in mind going to Culver Military Academy to see his son, Stanley, Jr., age 16, who is now in his first year at Culver. The military training habit runs through the Maly family, since Stanley is a veteran of the Spanish-American War, serving at the tender age of 17.

J. F. Ringland, now president of the Stock Yards National Bank of St. Paul, Minnesota, was present at the Nebraska Convention. Joe is well known through the state of Nebraska from his several



E. S. HOLCOMB
President Nebraska Bankers Association

years' connection with the United States National Bank of Omaha.

The **United States National Bank of Omaha** did a very fine bit of convention work in preparing and distributing complete lists of convention delegates each day of the Nebraska meeting. This is actually a big job, as officers **Hendricks, Moser, Rogers, Caldwell, Murphy** and others of the bank will testify, since the lists gave not only names but where the delegates were from, their banks and the name of their hotel.

California sun tan was noted on two former bankers from Iowa and Nebraska who were present at the Omaha Convention. These included **A. G. Sam**, former president of the Live Stock National Bank of Sioux City, who had just returned from several months in California; also **Willard Dressler**, former cashier of the Stock Yards National Bank of Omaha, who is now making his home in California.

The election of Nebraska officers of the American Bankers Association, which was the first thing on the second day's program, was conducted in a breezy fashion and along the lines of the old-fashioned steam roller by that energetic fashioning officer, **H. A. Schneider** of

Northwestern Banker November 1938

Plattsmouth, state vice president of the A. B. A. in Nebraska. This was one of the snappiest portions of the convention.

Laird Dean, well-known banker from Topeka, Kansas, who is a candidate for the second vice president of the A. B. A., subject to the Houston convention, re-

ceived the endorsement of the Nebraska Association, but, under the terms of the resolution, the Nebraska delegates to the Houston Convention are not actually tied up by the endorsement and are free to use their own best judgment at the election. The resolution to that effect was offered by **J. M. Sorensen**, vice president

of the Stephens National Bank of Fremont, and former president of the Nebraska Association.

Nebraska bankers have been conducting a quiet but efficient campaign for the elimination of the double liability on
(Turn to page 33, please)

At the Nebraska Convention



Reading from left to right: 1—Ray Ridge, vice president Omaha National Bank; John Changstrom, vice president Omaha National Bank; and Edward Neale, assistant cashier Omaha National. 2—Around the table are, seated, R. L. Rice, Creighton, Nebraska; Mrs. John F. Davis, Omaha; John F. Davis, Omaha; Mrs. L. J. Hallas, Shelton; Miss Hallas; L. J. Hallas, president First State Bank, Shelton; Mrs. R. L. Rice; and J. O. Peck, cashier American National Bank, Creighton. 3—E. E. Landstrum, assistant cashier, and Harry E. Rogers, cashier U. S. National Bank, Omaha; G. E. Nelson, vice president and cashier Farmers State Bank, Millard; Perry Hendricks, vice president U. S. National, Omaha; and Richard H. Larson, Lincoln. 4—Around the table, F. J. Patton, cashier Blue Springs State Bank; Fred Aldrich and W. S. Battey, vice presidents Continental National Bank, Lincoln; L. W. Ross, assistant cashier Live Stock National, Sioux City, Iowa; Henry Bodendieck, associate publisher Bank News, Kansas City; William B. Whitman, assistant secretary, and R. A. Lockwood, vice president Manufacturers Trust Company, New York; and R. R. Calkins, vice president American National Bank, St. Joseph, Missouri. 5—Mrs. Calvin C. Burnes, and Mr. Burnes, president Burnes National Bank, St. Joseph, Missouri. 6—J. F. McDermott, vice president First National Bank, Omaha; and Elmer Hallstrom, cashier Farmers State Bank, Avoca, Nebraska. 7—A. L. Campbell, Recordak Company, Chicago; and Fred B. Brady, vice president Commerce Trust Company, Kansas City. 8—J. F. Coad, chairman Packers National Bank, Omaha; William B. "Billy" Hughes, secretary Nebraska Bankers Association, Omaha; and F. E. Holt, Packers National, Omaha. 9—I. R. Alter, executive vice president First National Bank, Grand Island; and Charles C. Kuning, assistant vice president American National Bank & Trust Company, Chicago. 10—H. O. Wilson, vice president Live Stock National, Omaha; and Paul H. Kanno, vice president and cashier Fort Kearney State Bank, Kearney. 11—Roland Irvine, second vice president Chase National Bank, New York; and Phil Easterday, executive vice president First National Bank, Lincoln.

At the Nebraska Convention



Reading from left to right: 1—M. E. Schreiber, president First National Bank, Wisner, Nebraska; R. H. Kroeger, cashier Live Stock National Bank, Omaha; Glen C. Hampton, vice president and cashier Gothenburg State Bank; H. C. Karpf, vice president Live Stock National, Omaha; and W. F. Wenke, cashier Pender State Bank. 2—Fritz Fritzon, vice president and cashier First National Bank, Sioux City, Iowa. 3—Carl D. Ganz, cashier Farmers & Merchants Bank, Alvo; Wm. Kittenbrink, president First State Bank, Gothenburg; C. V. Evans, cashier Citizens State Bank, Arapahoe; George W. Holmes, president First National Bank, Lincoln; and H. A. Schneider, president Plattsmouth State Bank. 4.—T. L. Davis, president First National Bank, Omaha; and Erwin Wright, Chicago, national bank examiner, Tenth District. 5—Homer Peterson, Frank Peck, Harold Peterson, Howard A. Miller, Austin King, and Ed Peck, all of the U. S. Check Book Company, Omaha. 6—Carl Fredricksen, president Live Stock National Bank, Sioux City, Iowa; E. F. Jepsen, assistant cashier First National Bank, Omaha; E. T. Monroe, Omaha; Geo. O. Unruh, First National, Omaha; and M. J. Cox, cashier Stockmens Bank, Seneca, Nebraska. 7—H. A. Arnsberger, First National Bank, Omaha; and Edgar McBride, president Commercial Bank, Blue Hill. 8—George W. Boettner, Rockport, Missouri; and Alvin Johnson, president Live Stock National Bank, Omaha. 9—Seated around the table are Verne Bartling, assistant cashier First National Bank, Chicago; C. R. Gossett, president Security National Bank, Sioux City, Iowa; Victor B. Smith, vice president Omaha National Bank; Fred L. Chapman, Federal Housing Administration, Washington; and Emil Stake, vice president First National Bank, Chicago. 10—E. S. Holcomb, president Nebraska State Bank, Broken Bow, and new president Nebraska Bankers Association; Andrew Jensen, vice president Minden Exchange National Bank; Paul Brinkman, U. S. National Bank, Omaha; L. J. Hallas, president First State Bank, Shelton; and O. J. Irwin, cashier Genoa National Bank.

Government Criticism—Public Relations—

Loans and Legislatures

A. J. Jorgenson, Retiring President of the Nebraska Bankers Association,
Comments on Current Banking Problems and Highlights of His Administration in President's Annual Message to Members

I HEARD, on several occasions at other banker meetings, some well-delivered speeches containing some pretty sharp criticisms of government activities, especially of those activities that are in direct competition with the banking business. I could, of course, offer some criticisms along that line, and perhaps make quite a speech on that subject, but I really prefer to make such criticisms privately, or at least on a small scale. Furthermore, government criticism, aside from being a subject that makes a part of the audience feel good, when they hear the other side get hell, and the other part of the audience, feel more or less resentful, I doubt the value of criticisms so far as producing any benefits or changing the situation in the least. Anyway, since hearing those well meant criticisms of government activities, I can see no noticeable change in the trend.

I did think of joining the chorus of criticisms against Mr. Jesse Jones' suggestion that, banks modify to some extent, their old rules for judging certain kinds of credit risks. However after thinking over his suggestions, I came to the conclusion, there might be some merit in his remarks. That since the examining authorities have changed from lettered or alphabetical classifications to classifying by numerals, and have decided that slow loans, if eventually paid, were all right after all, I concluded we might as well take on some loans that we had always considered all right, but had passed up because of probable criticism by the examiner. We picked up a few nice loans that we set up on a monthly payment basis, secured them as best we could, and it looks now as though they will be entirely liquidated ahead of some of our highly liquid loans. So, it begins to look like Mr. Jones may have given us a good idea after all.

There is also the subject of Public Relations that is so prominent nowadays. However, I suspect you, like myself, are getting fed up with those two words, public relations, wish someone could coin a new phrase. Of course, we all know

the value of making friends in place of making enemies, and it looks like bankers are making a good deal of headway along that line. Most of us now realize there are social problems as well as economic problems, and that it is just as important to solve one set of problems as the other. Furthermore, most bankers have had their ears knocked down so often and for so long a time, that few of them are "haughty and proud" as they once were. Most people now call their banker, Bill or John, instead of Mr. So and So. Also looks like most people are beginning to take the demagogue's lambasting of bankers with several grains of salt. People are finding out that bankers and businessmen furnish jobs, while politicians just talk about jobs.

Loans

It might be in order for me to say something about the most discussed subject of more loans to businessmen—I believe they are usually referred to as little businessmen.

I have no doubt there is some truth in the assertion that some worthy businessmen who have been unfortunate in losing part of their capital, and most of their former volume of business, are finding some difficulty in getting loans from banks. However, I feel sure, especially since loans that were formerly classed as capital loans, are now looked on with some favor by examiners, that businessmen, whether little or big, who are operating on a safe and profitable basis, will be pretty well taken care of by the banks, from here on.

However, the public, and especially those who talk so glibly about "getting financed" and "lines of credit," must realize that banks or any other lending agencies, including government lending agencies, cannot loan money for operating and living expenses. They must realize that a loan is not, and never can be, a substitute for profits. I personally believe that a very large per cent of businessmen who claim to be in need of loans, are really in need of more business and

more profit. A loan won't solve the problem of excessive overhead, inattention to business, poor judgment, nor a lack of business volume. In such cases, borrowed money only prolongs a hopeless situation.

I thought once of criticising government lending agencies for their slowness of action; for being so tied up with red tape that they usually move along with about the same speed a fly does when emerging from a sticky flypaper. I have learned from such experience that government lending agencies can seldom if ever be hurried along much. However, I can see there are usually pretty good reasons for their slowness of motion. They deal with things and not with people. I mean by that, the borrower himself is generally not known very well if at all, to the lending agent. They cannot rely very much on the "moral risk" feature of their loans. They must depend almost entirely on security. The local banker thus has a great advantage over the non-resident lender. It occurs to me therefore, that we should not criticise those agencies for their inefficiency due largely to red tape, for those handicaps are really in our favor. If one of our customers needs \$50 or \$100 or any ordinary amount of loan, we can give him quick action, and when a man wants a loan, action is really appreciated.

Legislative

While talking with our old friend, Dan Riley, sometime ago, and learning something about the important work done by his legislative committee, I thought his activities might furnish a good topic for a speech. I still believe such is the case. During this conversation with Dan and hearing of some of the crazy legislation that had been proposed in the past, it seemed to me the legislative committee had really performed as important service for the public welfare as for the banks. Generally speaking, legislation that is detrimental to banking, is equally detrimental to the public. Dan tells me he spends very little time promoting legis-

lation for banks, but spends a great deal of time, not only during legislative sessions, but most all of the time, pointing out fallacies in proposed legislation to legislators who are not so familiar with economics and banking as Dan is. His advice on certain proposed legislation is often sought, and Dan has the reputation of being scrupulously honest.

There are, of course, many other as-

sociation committees constantly at work. I can't begin to tell you about their activities. At this time there are 19 different committees engaged in as many varieties of endeavor in the interests of banking in our state. At this particular time the committee for elimination of state bank double liability is extremely active. I am advised this committee is getting a lot of support from National

bankers as well as the state bankers themselves. I hope the good people of our state will vote "FOR" enough times to pass the amendment that will relieve stockholders of the state banks of the handicap of double liability. The people of this state need state banks, and the state banks need every possible legitimate advantage if they are to be successful and sound. (Turn to page 72, please)

Employers Mutual Casualty In New Home

THE Employers Mutual Casualty Company, Des Moines, founded in 1911, last month held open house in its new quarters at 210 Seventh Street. The visitor enters a spacious foyer directly from the street, which allows access to all departments and executive offices from this central room. Offices of J. A. Gunn, president and treasurer, J. W. Gunn, vice president, and John F. Hynes, secretary, all beautifully paneled in walnut, are located at the front of the building on either side of the entrance. The well-appointed directors room is located close to the office of President Gunn.

The large central space on the ground floor is devoted to general office detail of the Company, and is flanked on either side by private offices. At the rear of the general office is a balcony upon which further clerical details are handled. The lighting system throughout, installed by Louise A. Weston Lighting Studio, is the last word in efficiency. The indirect fixtures prevent glare, and at the same time no shadow is cast on the desk of any worker. The basement of the building

houses a recreation room and heating plant, and the building is of course completely air conditioned.

In addition to the officers named above, directors of the Employers Mutual Casualty Company are Dr. L. E. Kelley, George E. Patterson, W. Z. Proctor, and Anselm Frankel, Des Moines; Thomas H. Turk Omaha; O. B. McKinney, Denver; H. L. Hjermstad, Red Wing, Minnesota; and M. J. Wilkinson, Wichita.

Assets of the Employers Mutual Casualty Company are invested almost en-

tirely in Government, municipal and school bonds of prosperous communities. All are high class securities capable of conversion into cash upon short notice, and none is delinquent as to interest or principal. In its twenty-seven years of operation, the Employers Mutual Casualty Company has never had a default on any bond, which is indeed a tribute to the careful management of its officers.

In its financial statement as of June 30, 1938, the company lists bonds at their market value of \$2,193,758, cash on hand of \$417,242, premiums in course of collection but not due of \$723,551, with total admitted assets of \$3,422,480. Reserves of the company total \$2,829,676, with surplus over all liabilities of \$612,804. The Employers Mutual Casualty Company has an agency force of more than 1800 agents and brokers, writes automobile, workmen's compensation, general liability, plate glass and elevator insurance, and operates in the states of Iowa, Illinois, Nebraska, Minnesota, Kansas, North Dakota, South Dakota, Colorado, Missouri, and Mississippi.



Centered above is John A. Gunn, president and treasurer of the Employers Mutual Casualty Company, seated at his desk. At the left of the two lower pictures is John F. Hynes, secretary of the Company, and John W. Gunn, vice president. The picture at the right was taken from the balcony at the rear of the building, and shows the ample space devoted to the general business detail of the organization.

NEWS AND VIEWS

OF THE BANKING WORLD

By Clifford De Puy

IN THE New York Produce Exchange Building there is still in operation the original Otis elevator which was installed in 1862. The operator starts and stops the elevator by a cable which he pulls up or down as he desires. **Joseph H. Mathews**, manager of Lamson Bros. & Company, 50 Broadway, took me to lunch in this building at the New York Produce Exchange Club.

Baseball seems to still be a good business as each of the Yankee players received \$5,815 during the World's Series, and each of the Cubs were paid \$4,674. The total for the four games was \$81,166, this being the first time in five years that the World's Series "gate" fell short of \$1,000,000. Even if the Cubs did lose, **P. K. Wrigley**, their owner, needn't worry because we will still chew gum as much as ever.

With all of the Congressional conversation about silver production in the United States, it is less than the annual peanut crop in our forty-eight states.

In Connecticut, if you have not had any accidents with your automobile, you can have your own initials put on your license plates. This is a permanent plate so long as your record remains good, and the only part which is changed on the plate is the year.

O. Howard Wolfe, cashier of the Philadelphia National Bank, may not be able to attend the American Bankers' Convention at Houston, Texas, November 14 to 17, because he is chairman of the Membership Roll Campaign of South-eastern Pennsylvania, which includes Philadelphia and the surrounding counties, for the American Red Cross. The quota for the campaign is \$275,000.

Knowing Howard as I do, I am sure that he will reach his goal by the time the campaign is over, but his many banking friends throughout the United States will miss seeing him at Houston.

The White Turkey Inn of Danbury, Connecticut, was built in 1760, and is situated among the beautiful hills of the lower Berkshires. **Mrs. DePuy** and I dined there on Columbus Day with **Mr. and Mrs. Malcolm A. Sedgwick**. On their menu is this descriptive paragraph:

"The old Stairways, the hand-cut

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Beams, the four-poster Beds and fine old Prints, all highly prized, create Surroundings giving a Feeling of Leisure and Repose."

On the back of the seats at the Radio City Music Hall are small electric lights which you can turn on and off in order to read your program or see what time it is.

The International Casino, which had to close last year because of the depression, is now going full blast again. The Casino seats 1,400, this being the largest dinner-theatre place in the world. The minimum price on week-days is \$2.50 and on Saturdays and Sundays it is \$3.00, which does not take into account any extras for cocktails or tips. Evidently the "recession" is over.

In New York City there are about 12,000 taxis, 7,000 of which are company owned and 5,000 individually owned. There have been several requests by various corporations to put additional taxis on the streets during the World's Fair, but **Mayor LaGuardia** has said there were enough already to take care of the increased crowd which is expected.

Admiral Byrd is writing a new book which is soon to be published entitled "ALONE." **Earl Balch**, president of Putnam & Sons, will be the publisher and he told me some of the very interesting episodes which will be described in this volume.

Walter Von Tresckow, president of Young & Ottley, Inc., New York City, says he believes that any genuine and lasting recovery must of necessity be slow and orderly. He told me that while there have been sudden rises from a low level in the Federal Reserve Index in the past, except where they followed a preliminary period of slow business improvement, they have not lasted more than a few months.

At one of the meetings of the New York City Rotary Club, which I attended, the guest of honor was **Sabu**, the Indian elephant boy, who is featured in the motion picture "Drums," and whose previous picture was "Elephant Boy." He is a most unassuming young man and, of course, as you know if you have seen any of his pictures, speaks excellent English.

Dr. Katherine Blunt, president of The Connecticut College for Women, at New London, told me that they had 800 applications for their freshman class this year but only accepted 233. Dr. Blunt was a classmate at Vassar of **Mrs. Harry H. Polk**, wife of the president of the Polk-Peterson Corporation, Des Moines.

While in New London I met **Joseph A. Stanners**, cashier and trust officer of The Union Bank and Trust Company of New London, which is the oldest bank in Connecticut, and the fourth oldest in the United States, having been incorporated in 1792. The growth of the bank and its standing in the community has been accomplished without its membership in either the Federal Reserve System or the Federal Deposit Insurance Corporation.

Arthur M. DeBebian, second vice president of the Chase National Bank, said their bank statement, as of September 28, was the second largest in the history of the bank, and, of course, he, as well as the other officers of the bank, was proud of this fine showing.

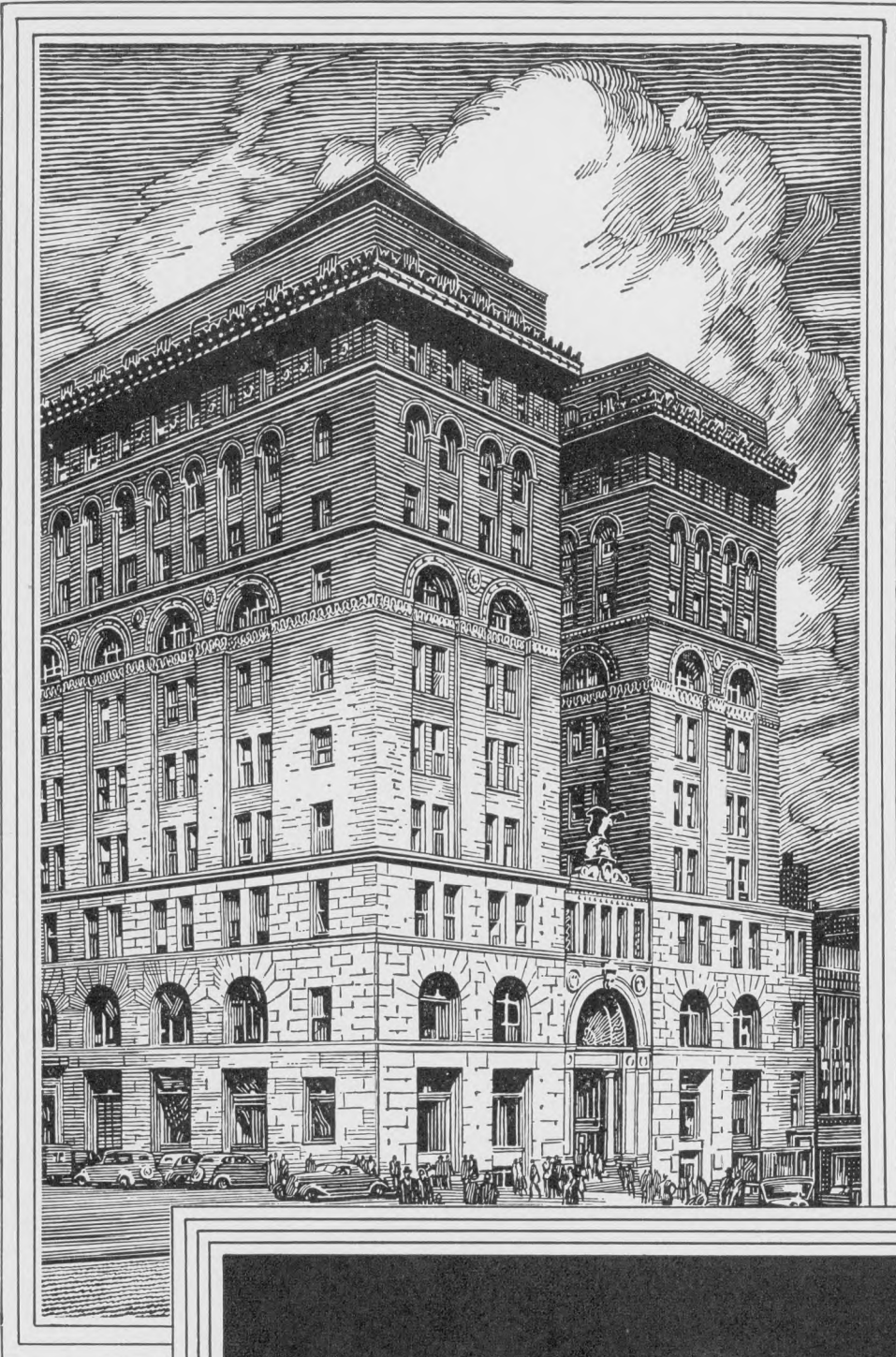
W. P. A.—We putter along!

At a News Reel Theatre at 44th St. and Broadway, **Prime Minister Chamberlain's** picture was hissed, and the same news reel picture at the Radio City Music Hall was applauded, indicating that there is quite a different sentiment existing between the class and character of the individuals who attend these two theatres.

Of the 120 Woolworth Stores in New York City, there is only one that is open at night and that is located at 1516 Boardway.

W. J. Pickering, president of the Allen Wales Adding Machine Corporation, is a royal host. **Mrs. De Puy** and I enjoyed his hospitality one night by first having cocktails in his apartment at The Barclay, and then enjoying dinner and the Ice Show in the Terrace Room of the Hotel New Yorker. **Walter N. Brand**, vice president of the company and in charge of their plant at Ithaca, N. Y., together with **Mrs. Brand**, were also among the guests. **Mr. Pickering** came originally from Iowa, where he represented the Remington Typewriter Company, of which he later became vice president and general sales manager for the United States and foreign countries. He has been in every country in the world and has made twenty-four trips to Europe.

J. Fletcher Farrell, vice president and
(Turn to page 37, please)



MEMBER
 FEDERAL
 DEPOSIT
 INSURANCE
 CORPORATION

The Omaha National Bank

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Are Future Purchases Affected by Chattel Mortgage Leins?

QUESTION: A South Dakota bank made a loan to a farmer in that state of certain funds. As security, the farmer gave the bank a chattel mortgage covering all the horses he owned at the time or that he might thereafter acquire. After he signed the mortgage he acquired certain horses. Did the lien of the mortgage extend to those horses so acquired?

YES. It has been consistently held in South Dakota that a chattel mortgage given on property to which the mortgagor has not yet acquired title is an agreement to create a lien and that the contemplated lien attaches as soon as the mortgagor acquires the property. This holding is not followed in all states, but it is what is termed the equity rule and it is generally followed where mortgages are held to be liens and not transfers of title.

QUESTION: An Iowa bank, somewhat like the South Dakota bank mentioned in the preceding question, made a loan to a farmer in Iowa of certain funds. As security, the farmer gave the bank a chattel mortgage covering all machinery, produce and stock located in his farm together with all future acquisitions of machinery and produce. After the farmer signed the mortgage he acquired certain hogs. Did the lien of the mortgage extend to those hogs?

NO. The answer to this question rests in the wording of the mortgage. It covered all machinery, produce and stock together with all future acquisitions of machinery and produce but it did not cover all future acquisitions of stock. Since the hogs were acquisitions of the stock after the execution of the mortgage the lien of that instrument did not extend to them.

QUESTION: It is a well known rule of law that communications between an attorney and his client are privileged and that a disclosure of them cannot be compelled. Is this rule so all inclusive that an attorney cannot be compelled to disclose the fact of his employment, the name of the person em-

This, and Other Timely Legal Questions Are Answered

By the
LEGAL DEPARTMENT

ploying him, and the address of that person?

NO. The rule making communications between an attorney and client privileged from disclosure ordinarily does not apply where the inquiry is confined to the fact of the attorney's employment, the name of the person employing him, and the address of that person. The privilege from disclosure presupposes the relationship of attorney and client and does not attach to inquiries regarding the creation of that relationship.

QUESTION: The owner of a butcher shop in North Dakota mortgaged certain personal property in the shop to a banker there. The owner became involved financially and did not pay the mortgage when it fell due. The holder of the mortgage, instead of foreclosing, went into the business of operating a butcher shop at the location formerly occupied by the mortgagor and used the property upon which he held the mortgage as his own for approximately two years. Did he, by such action, cause the lien of his mortgage to be extinguished?

YES. A mortgagee of personal property who takes possession thereof must proceed to foreclosure without unreasonable delay or the lien of his mortgage will be extinguished. The two year period involved in this case was unreasonable and the banker lost his lien by his failure to act promptly and foreclose.

QUESTION: O'Malley conveyed certain property to Andrews to defraud his creditors. Andrews insured the property against loss by fire. The property burned before the conveyance to Andrews was set aside by O'Malley's creditors. The creditors sought to have

the insurance proceeds paid to them. Can they do so?

NO. In each of the few cases in which the point has been involved, it has been held that insurance effected on property conveyed in fraud of creditors does not take the place of the property after its destruction by fire. Accordingly, the proceeds of such insurance are not subject to the claims of the grantor's creditors.

QUESTION: A Nebraska banker verbally agreed with his niece that if she would keep house and provide a home for him as long as he lived he would will her all his property. This she did. Upon his death it was discovered that he had not made the will. Could the niece enforce the agreement?

YES. In this case a court of equity would grant specific performance of the verbal agreement to will the decedent's property to his niece, for there was no question regarding the existence of the agreement and its terms and the niece had fully performed her obligations thereunder. To fail to do so would amount to fraud on the niece.

QUESTION: As evidence of and as security for the indebtedness Soristean became indebted to Brown in Minnesota. He delivered to Brown a promissory note and mortgage, both duly signed by him and his wife. Brown negotiated for value and before maturity the note and mortgage to a bank in that state. The bank had no knowledge that the wife claimed she did not receive any consideration for the note and that she signed it only to bind the real estate and not to be personally liable therein at the time it took the instruments, but, later, when the note was not paid on its due date, it found that such a contention was being made. The bank acted in good faith at all times in the matter. Can the wife's contention prevail?

NO. The bank took the note in good faith, for value, and without notice of any alleged defect before maturity. It was a holder in due course. Soristean's wife was liable to the bank by reason of

(Turn to page 29, please)



One of the highlights of the Northwestern National Bank and Trust Company's new proof department operation is their method of proving deposits. This group of electric duplex calculators, which accumulate individual totals and a grand total at the same time, makes it a fast, simple routine.



Control totals for the various classifications are quickly summarized here, thus providing a media for accumulating total deposits for general ledger purposes. On these machines, ciphers print automatically, and entire amounts can be written with one motion of the hand—two important factors which contribute much to the speed with which work is done.

Proof Department Problem Solved

THE logical solution to most proof department problems lies in simplification of routine. At least that has been the experience of the Northwestern National Bank and Trust Company, Minneapolis, Minnesota, after operating a simplified plan for the past two years with marked success.

As put into practice by this bank, the plan has provided fast item flow, preferred handling of "rush" items, a uniform working day, close control over items at all stages, and quick localization of errors. Equally important, all equipment now used is simple to operate and low in cost.

W. O. Johnson, assistant cashier, pointed out that this simplified routine has still another advantage, one which the Northwestern National Bank considers of vital importance.

"We have an effective answer to the problem of obtaining and developing the right type of employe," he said, "for, in addition to improving the handling of items, our present proof plan actually facilitates the training of new employes.

"Few ambitious young men today are willing to follow the old—and traditionally long—route in banks to executive positions. We are overcoming this objection by teaching these people banking fundamentals as rapidly as it can be thoroughly done, by reducing the amount of time which they must spend on clerical routine, and by advancing them into po-

sitions of responsibility as soon as is practical.

New Employes

"The proof department is generally recognized as the ideal place to start new employes because in this one place new employes can learn a good deal about banking procedure," Mr. Johnson continued. "In the past, it has not been practical to train individuals here because operation has been so highly specialized that the services of permanent, trained workers have been required."

Under the plan adopted by the Northwestern National Bank and Trust Company, most of the jobs in the department have been so simplified that they can be learned in a comparatively short time.

"We employ mostly girls," said Mr. Johnson, "but men, ultimately intended for other positions, are put into the department for training. When they have acquired a knowledge of operations, it has been our experience that replacing them is no problem and that the replacements do not weaken the department."

It is also claimed that the present method of operation has built a better all-around department. The employes are rotated among the various jobs so that they acquire a working knowledge of each—a procedure which has obvious advantages of sickness, vacations, or departures. The versatility also means

that, if necessary at any time, the workers can be marshalled at the point of greatest stress. With this emergency measure always available, "jamming up" of work is unknown.

Underlying the entire structure is simplicity—a quality which makes possible fast item flow, flexibility, low cost, and the other advantages. Most of the item sorts can be learned quickly by a person having no previous experience whatever. The calculating and adding machines used are of a simple type, and can be operated efficiently with little training.

How has the plan worked in practical, every day use? Mr. Johnson had very definite feelings on that subject. "We put it to a severe test during 1937, which was a record year for us in volume of items," he said, "and it measured up to our hopes in every way. In my opinion, it has proven to be one of the most beneficial moves we have ever made."

Simplicity

Following items through the proof department in this large Minnesota bank supplies convincing evidence that claims for an efficient operation have sound foundation. From beginning to end, there is a simplicity and smoothness of routine which makes it easy to understand why the Northwestern National Bank is pleased with its simplified proof plan.

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Both deposits and incoming mail items are first divided into two classes—"large" (those containing six checks or more) and "small" (those with five checks or less).

The items in each large deposit are

sorted into three classifications—*transit*, *clearings*, and *on us* — *miscellaneous*. Guide cards of three colors are used to separate, and identify those classifications within each deposit. Blue represents transit items, white is clearings,

and yellow is on us—miscellaneous.

"Nothing could be simpler than this operation," Mr. Johnson commented. "All that the sorter need know is whether a check is drawn on an out-of-town bank, (Turn to page 34, please)

Good News IN THE HEADLINES

\$5,000,000,000 RISE IN INCOME FORECAST IN LAST HALF

Business is gaining momentum at a pace which indicates that national income for the final six months of this year will be about \$5,000,000,000 more than in the first half, according to a survey by the United Press. That would be the largest second half expansion in more than a decade.

All major lines of business have improved substantially from the year's lows and economists and businessmen estimated that the final three months would be marked by further recovery.

CARLOADING REACH NEW HIGH FOR YEAR

Railroad freight loadings for the week ended October 1, totaled 697,938 cars, a new peak for the year, it was announced by the Association of American Railroads.

The 697,938 total constituted an increase of 22,235 cars or 3.3 per cent, compared with the preceding week.

CHRYSLER REHIRES 34,000 WORKERS

President K. T. Keller of Chrysler Corporation announced that the company had recalled 34,000 employes and predicted that more men would be hired as production on 1939 models gets into full swing.

MEMBER BANKS' BUSINESS LOANS UP 28 MILLION

Business loans of federal reserve member banks in 101 leading cities, expanded \$28,000,000 in the week ended October 12, the largest weekly gain in "commercial" borrowing this year, the combined statement of these institutions disclosed.

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Commercial, industrial and agricultural loans were shown to total \$3,924,000,000 at October 12, their highest level since June 29, when the total was \$3,936,000,000.

BETTER SENTIMENT IS NOTED BY JONES

The "operation of human nature" in meeting the necessities for living, working and gathering crops was credited by Chairman Jesse H. Jones, of the Reconstruction Finance Corporation, with drawing the United States back to business recovery.

"Everybody I see or hear from," he said, "is hopeful. Business is better. Railroads are showing more movement."

RESIDENTIAL BUILDING UP 52 PER CENT

Residential building contracts awarded in September had a value 52 per cent greater than those awarded in the corresponding month of 1937, according to the compilation of F. W. Dodge Corporation.

Contracts awarded for dwelling accommodations of all kinds in the thirty-seven states east of the Rocky Mountains amounted to \$99,574,000, compared with \$99,732,000 in August of this year and \$65,590,000 in September, 1937.

RURAL RETAIL SALES HEAVY

Farmers played a cheerful tune on the cash registers of retail shops in agricultural areas during September, ringing up the largest volume of sales for the year to date.

After allowance for seasonal factors, a recent survey by the department of commerce stated, rural retail sales were only seven per cent behind the comparable period a year ago.

The adjusted total for the first nine months was a bare eight per cent behind the 1937 level.

LIFT SCHEDULE OF PRODUCTION

Chairman Alfred P. Sloan, jr., has announced that General Motors is revising its production schedules upward and will employ about 35,000 additional men.

He also announced that salaries will be restored to the levels that existed prior to a reduction that was made last February 28.

RESERVE INDEX HITS 90

Increased business activity that has been under way since early summer pushed the seasonally adjusted index of the Federal Reserve Board for September up to 90, the first time that such a high level has been reached since October last year, it was announced in the board's October bulletin.

COMMODITIES SPURT UPWARD

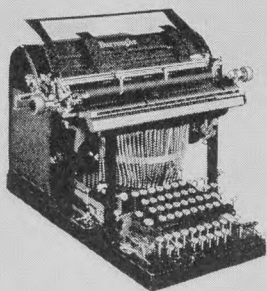
Industrial raw material prices forged ahead in October in one of the broadest advances of recent months. Sharp gains were scored in such futures markets as cotton, rubber, hides and raw silk. Copper prices were advanced one-eighth of a cent per pound.

WARD SALES SET RECORD

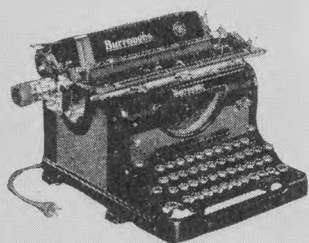
Advancing 2.9 per cent over the like 1937 month, September sales of Montgomery Ward and Company established a new record for that period in the company's history. September sales totaled \$38,555,611, against \$37,458,815 a year earlier, the former peak, the company's monthly report showed.

This was the second consecutive month that sales have gained over a year ago and reached new high ground.

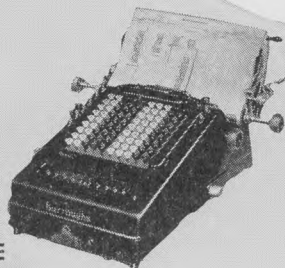
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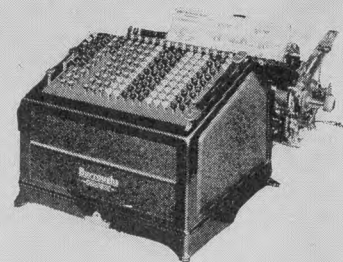
BURROUGHS ELECTRIC
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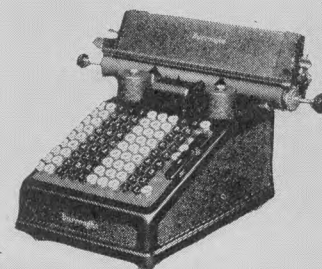
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For many years Burroughs has carried on an intensive study of bank accounting in all its phases, and has developed a wide range of machines and features to meet practically every requirement of modern banking. Your local Burroughs representative is fully qualified to discuss your machine equipment needs, and to show you how new Burroughs improvements and developments are helping banks everywhere to do their accounting work with greater speed, ease and simplicity.

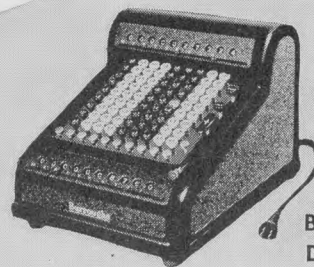
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Burroughs

Visit the Burroughs Exhibit at the American Bankers Association Convention
in Houston, Texas, November 14th—17th

Public Relations

Inside and Outside the Bank

PUBLIC Relations has perhaps received more attention at bankers' meetings and in banking journals during the past few years than any other single subject.

Leaders in the American Bankers Association have stressed its importance, and last year set up a new advisory group,—the Public Relations Council. Most state bankers organizations have standing committees in the field, and the Wisconsin Association two years ago added to its staff, on a full time basis, a Director of Public Relations.

Public Relations has been approached in most instances as though it constituted a specialized field. Activities along the line have been regarded as an adjunct to desirable banking practice—much like a new model "trailer" to be hitched on the back of a vehicle. To me this seems a misconception. Public Relations is as integral a part of a well managed bank as is the very motor or transmission in an automobile.

It would not be an exaggeration to say that a sound public relations policy is sound bank management. The two are inseparable. Institutions which grew and prospered in by-gone years, before we became "public relations" conscious, and served their communities ably, were blessed with managements which followed such policies intelligently, perhaps without realizing them, or at least without defining them in modern terminology.

The elements have always been present in progressive banks—they have through recent study been discovered rather than invented. And through analysis they have been brought prominently to our attention.

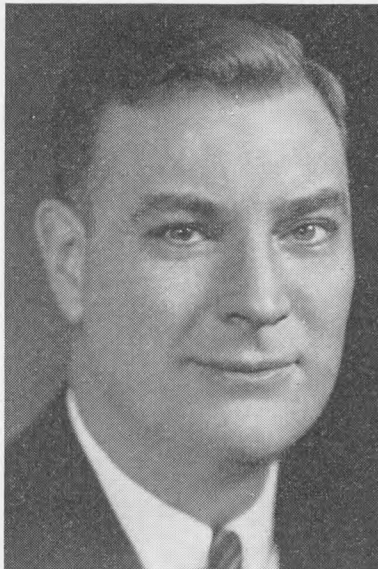
In common with all business, banking has been made the target of unwarranted attacks and criticism. Unlike many others, however banking of necessity comes into intimate contact with almost everyone, large or small, in every community of consequence. It is a direct retail business, dependent for its existence upon the goodwill of its public. Confidence is the essential element. Confidence is based upon understanding. We bankers therefore have a definite "selling" job—to create that understanding of mutual problems—what a bank owes its community, and what, in turn, the community owes its bank. And let us not forget that the bank holiday is but five short years behind us,

Northwestern Banker November 1938

By **DUNLAP C. CLARK**

*President, American National Bank
Kalamazoo, Michigan*

This address by Mr. Clark was made before the recent annual meeting of the Nebraska Bankers Association in Omaha



DUNLAP C. CLARK

leaving special prejudices which augment our problem. It is from that angle that the general subject is approached, and the specific topic defined as "*Public Relations Inside and Outside the Bank.*"

Begin at Home

"*Public Relations Inside and Outside the Bank.*" The former, "Inside the bank," refers to the education of the staff itself; the latter, "outside the bank," to contact with the public at large, customers and non-customers.

Like charity, good public relations begin at home. It is the province of the staff to provide the service upon which the bank prides itself. The brunt of daily customer contact, at least 90 per cent, falls upon the operating group, particularly the tellers. Obviously their knowledge of

the bank's policies and condition is of utmost importance, and proper personnel training the first step. In our own case, weekly staff meetings have been held since our inception. Our cashier and I, the only officers at the start, came to Kalamazoo from outside, and the personnel was almost entirely recruited from the closed bank in whose quarters we operate. All employees were strangers to us and many had the "defeatist" attitude engendered by the few years prior to the holiday. Not only did they have many slipshod methods which had to be corrected as a matter of sound practice, but their very psychology required changing. Errors were noted and discussed in "case method," and the staff encouraged to refer them to the officers for general discussion for the benefit of all.

These were taken up in a cordial, friendly attitude and the staff came to realize that we are all working together for a common "boss"—our Board of Directors. In addition, of course, general policies were discussed as well. Everyone was encouraged to present his own views, and I believe it would be difficult to find a more harmonious group of 31 than ours now. We have no spirit of false dignity within the institution, and I think that no member of our staff hesitates to approach officers on any matter. Although we have reduced to a minimum the necessary line of distinction between officers and employees, there has been no imposition by our personnel or lack of respectful attitude.

Every other week in the meetings the A. B. A. booklet, "Customer Relations," was used as the textbook, until we completed it, with discussions centering around the material provided, rotating the leadership among seniors of the staff. These gatherings supplement the educational activities of the local A. I. B. Chapter, participation in which we encourage through reimbursing half the tuition to those who complete the courses.

Talk Things Over

At our gatherings, affairs of the bank are talked over intimately, far more intimately, I am sure, than even with the "official family" of many institutions. The staff understands that, having no "secrets" from the customers, we desire to go even

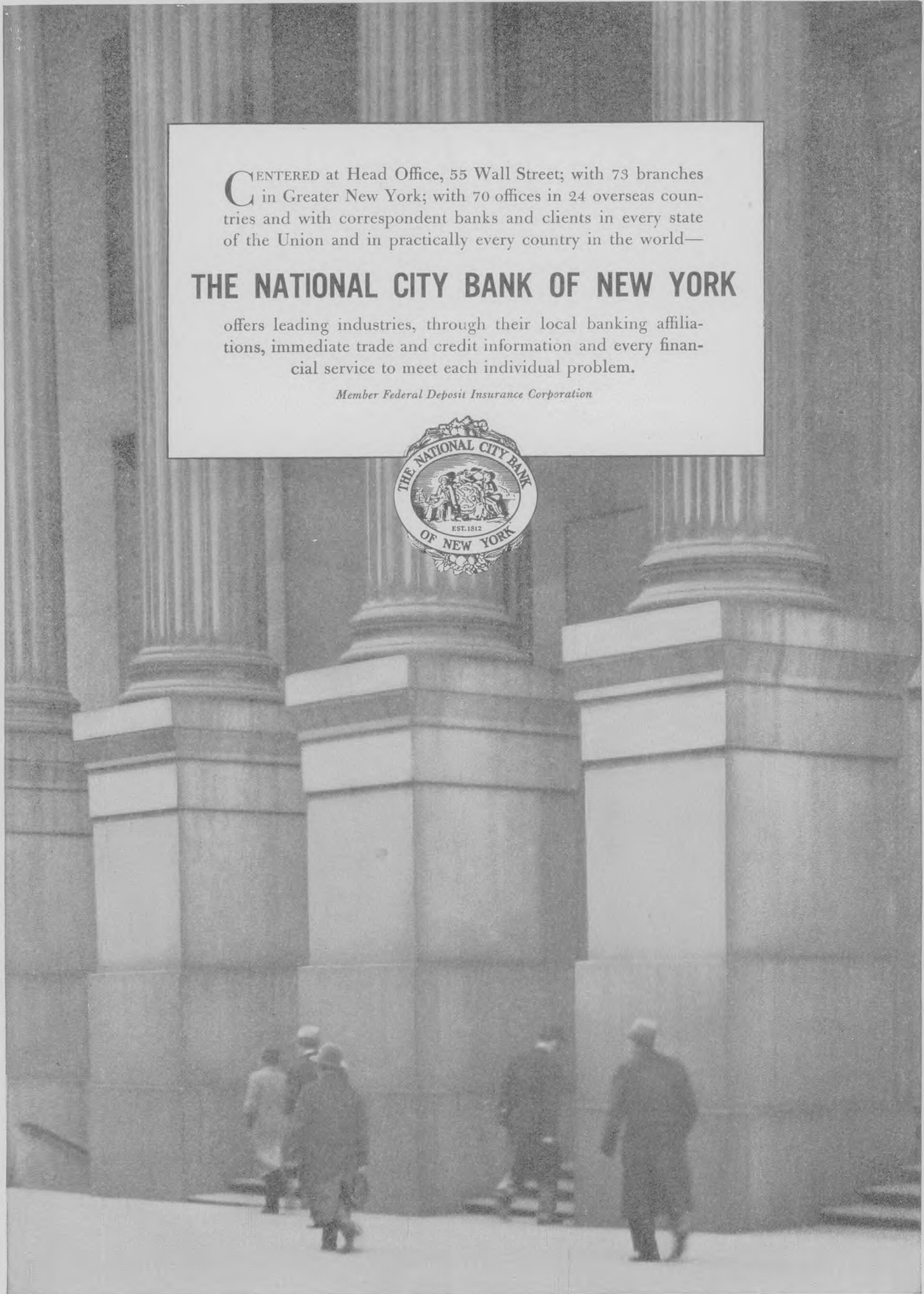
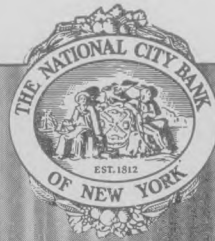
(Turn to page 29, please)

CENTERED at Head Office, 55 Wall Street; with 73 branches in Greater New York; with 70 offices in 24 overseas countries and with correspondent banks and clients in every state of the Union and in practically every country in the world—

THE NATIONAL CITY BANK OF NEW YORK

offers leading industries, through their local banking affiliations, immediate trade and credit information and every financial service to meet each individual problem.

Member Federal Deposit Insurance Corporation



Northwestern Banker November 1938

Investment Needed to Restore Prosperity

THE greatest single need for a restoration of prosperity in this country and improvement of living standards is a resumption of private investment, Dr. Harold G. Moulton, president of the Brookings Institution, told members of the Mortgage Bankers Association of America in Annual Convention.

Dr. Moulton berated those who contended that there is a permanent dearth of investment opportunities because railroad mileage is contracting rather than expanding, because the public utilities industry has passed its "mushroom" expansion and that our great industries have already become highly developed. He said, "We do not need any new industries to lead us from depression to prosperity or to provide productive outlets for the savings of the American people. All that we require is an economic and political situation favorable to the resumption of capital replacement and expansion in existing industries." And then added: "The American people need additional quantities of existing types of commodities much more than they need new types of consumption goods and services. We need more and better houses, more and better household furnishings, more and better commodities of practically every type that enter into current consumption. The expansion of capital required to replace depreciated and obsolescent plant and equipment, and to raise standards of living even back to the 1929 level, is sufficient not only to provide outlets for available money savings but also to absorb all of our unemployment."

No Capital Growth

Dr. Moulton declared that the recovery from 1933 to 1937 differed from all other similar periods in one vitally important respect: There was no considerable expansion in the growth of productive capital. "In former times a striking characteristic of the upswing of a business cycle has been the rapid expansion of productive capacity; but in the period from 1933 to 1937 it was only the consumer goods industries which showed notable recovery. In consequence, the recovery itself was spotty and incomplete. The fact is that, although the recovery movement continued for over four years, the former levels of production and employment were never reached.

Northwestern Banker November 1938

President of Brookings Institution states that "We do not need any new industries to lead us from depression to prosperity or to provide productive outlets for savings. All that we require is an economic and political situation favorable to the resumption of capital replacement and expansion in existing industries."

"At the peak of the recovery movement the physical volume of production in the United States was equal to only about 90 per cent of that of 1929. This was despite an increase of over 5 per cent in the total population and over 8 per cent in the population of working age. In consequence the per capita income of the American people in 1936 and 1937 was only about 85 per cent as high as it had been seven years earlier. While the output of consumption goods, on a per capita basis, was above 90 per cent that of 1929, the output in the field of capital goods and the construction of houses remained far below the level of former times. Housing construction was less than half that of the late twenties and a similar situation prevailed in many of our basic industries."

We have been living on past capital accumulations, Dr. Moulton declared, and it is a catastrophe of major proportions that we entered the depression of 1937 at a level of production much below that prevailing at the beginning of the depression in 1929.

Low Interest Rates

"The most striking financial phenomenon of recent years has been the extraordinarily low level of interest rates on Government issues and in the money market generally. It would seem as though

the credit of the Government is in inverse ratio to the size of the Treasury deficits and the magnitude of the public debt—for the rates at which the Government has been able to borrow have steadily declined since 1938. This phenomenon has been a source of endless confusion, and has beguiled many into the belief not only that the financial position of the Government is as sound as the proverbial rock, but that the wells of public credit are endlessly deep. The fundamental explanation of this phenomenon is the extraordinary volume of loanable funds, on the one hand, and the lack of normal demand on the other.

"It has often been said that the low interest rates are wholly artificial, resulting simply from the Treasury policy of borrowing from the banks funds which, after they are disbursed through the agencies to which they are allocated, promptly give rise to new bank deposits. Such an explanation does not appear to be an adequate one."

Dr. Moulton said that low interest rates, both on long-term and short-term securities, will continue as long as business demands remain at the low present day levels and that in view of the enormous credit resources of the banks at the present time, relatively low interest rates may well prevail for some years to come.

Dr. Moulton declared that control of the country's economic life has passed from private to public hands and that Government control by grants and subsidies is made even more stringent because of the ever present implied threat of potential competition and coercion.

"Beyond question—for good or for ill—control of the character of the economic life of the nation has in substantial measure been transferred from private to public hands. Government officials rather than directors of private banking corporations now occupy the positions of dominant importance in directing the flow of national income and thus allocating the productive energy of society. We are not referring so much to the supervisory and policing activities of Government regulatory agencies as to the direct power which lies in control of the purse, and especially of the reservoirs of credit, whence flow the funds which continuously replenish the exchequers of Government credit agencies.

"Control and influence are exerted, not only directly by means of grants and subsidies, but, more subtly, by the threat of potential competition and coercion."

Government Responsible

Responsibility for the country's present economic condition was laid squarely at the door of the federal government by Fred H. Clausen of the United States Chamber of Commerce Finance Committee when he said: "If you are seeking for the cause of the resistance to economic recovery look to the expenditures of governments and the tax load productive enterprise is required to carry."

Mr. Clausen spoke on "How Much Government Can We Pay For?" He said that for the ninth consecutive year the Federal Treasury is confronted with a deficit, this year four billion dollars. For the fiscal year ending June 30th the government will spend nine billion dollars, the largest peace time expenditure.

"As business men, endowed with some degree of common sense, developed through long years of practical experience, you are certain in your own minds that the institution you are dealing with is 'going down hill' and you are convinced that this cannot be allowed to go on indefinitely if disaster is to be avoided.

"Isn't it high time that men charged with business management should take some active and detailed interest in the financial condition of a government institution that can break the enterprises committed to their charge?"

Mr. Clausen said that he had no quarrel with the great common desire for social improvement and social betterment, but declared that: "I insist that the obligation to pay for and maintain them should not impose such burdens on those called upon to support them as will restrict employment by private industry and capital."

He added: "A persistent characteristic of government spending is the inability or unwillingness of those in authority to dispense with or curb public services once they are established. A decline in national income does not carry with it any substantial decline in government outgo for so-called 'ordinary' public expenditures. Agencies created by government immediately assume the role of permanent institutions with vested rights to the officeholders which the people should not disturb. Thus we go from bad to worse unless the increase in national income offsets the tolls of government. We know such has not been the case. Therein lies the danger now confronting us."

"With the trend towards government, state and municipal ownership and tax exemptions granted to publicly owned industries, how far can we go before the fountain of tax moneys created by private industry diminishes or runs dry?"

MUNICIPAL BONDS

We Own and Offer the Following Municipal Bonds

3% ARTHUR, IA., School Bldg.	11/1/50	2.50%
	51	2.60%
(Ida County)	52	2.60%
A. V. all property \$455,532	53	2.70%
Bonded Debt 12,000	54	2.70%
	55	2.75%
Legal Op: Chapman & Cutler	56	2.75%
3% ANTHON, IA., School Bldg.	11/1/44	2.10%
	45	2.20%
(Woodbury County)	47	2.30%
A. V. all property \$649,074	48	2.35%
Bonded Debt 28,500	49	2.40%
Legal Op: H. H. Stipp	50	2.45%
	51	2.50%
	52	2.50%
	53	2.60%
	54	2.70%
3% DALLAS, IA., Sch'l Refund'g	11/1/49	2.50%
(Marion County)		
A. V. all property \$622,104		
Bonded Debt 18,500		
Legal Op: Chapman & Cutler		
3¾% LAKE MILLS, IA., Sewage Disposal		
Plant Bonds	5/1/47	2.30%
(Winnebago County)	48	2.35%
A. V. all property \$962,755	49	2.40%
Bonded Debt 21,500	54	2.70% to op.—5/1/49
		& 3.25% thereafter
3¾% LANCASTER, MO., Gen. Obl.		
	10/15/40	1.50%
(Schuyler Co.)	43	2.25%
Legal Op: Chapman & Cutler	44	2.40%
	45	2.50%
A. V. all property \$492,328	46	2.60%
Total Bonded debt		
including this issue 40,000	47	2.70%
	48	2.80%
(Debt limit in Missouri for	49	2.85%
waterworks system is 10%)	50	2.90%
	51	2.95%
Only \$2,000 overlapping	52	3.00%
school debt.	53	3.05%
	54	3.10%
	55	3.15%
	56	3.20%
	57	3.25%
	58	3.30%

Descriptive Circulars on Request

JACKLEY & COMPANY

INVESTMENT SECURITIES

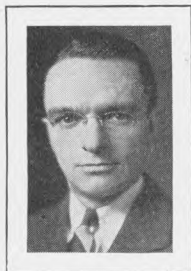
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DES MOINES

The Month's Market Maneuvers

Prepared for THE NORTHWESTERN BANKER by JAMES H. CLARKE,
Assistant Vice President, American National Bank & Trust Company, Chicago



JAMES H. CLARKE

THE passing of the war scare in Europe—late in September—was a time bomb which blew our markets sky high. When we wrote our last article on September 26th, the Dow-Jones Industrial Averages were off three points for the day and that was after a series of bad breaks—war was drawing the market charts and the zig-zag course was downward. But on September 27th the upturn started. By the twenty-eighth security buyers were

fighting to get into the markets—and the same market which would have fallen the week before if a cap pistol had been fired, now fell over itself to buy as prices rose rapidly.

JUST a few figures will show its strength. Since September 26th there have been twenty-six trading days (this is written on October 27th); on eighteen days advances have been recorded and on eight days declines. Declines were not severe, mostly technical in nature resulting from an over-bought condition, the worst decline being registered on October 19th—2.07 points off the average. Within two days this was recovered with plenty to spare. October was definitely an “up” market—the recovery from September 26th in the averages being somewhat better than twenty-three points as we write this, after two hours of trading this Thursday morning. In short, averages which were 129.91 are now 153.20. To get the full effect of this rise, compare 153.20 with the low of the year—98.95 on March 31st. A climb of fifty-four points in a market in six months, in the face of continuing bad earnings reports, is not usual—probably can be largely attributed to the plethora of investment funds, lower money rates, and an upward trend in gross—but not net—earnings in many industries.

LOOK at some of the business figures which provide a background for the rise in security values, is of interest. The preliminary figure for the Federal Reserve Board's Index of Industrial Production for August was 85 to 86—the actual final compilation showed it to be 88. The September figure will be released before this article is published—probably around 90 to 91—as improvement continued that month. Steel production is improving—operations are now around 51.5 to 54 per cent of capacity, depending on whose estimate you use.

The reception accorded new cars has been better than earlier expectations. The used car situation is better—the building picture remains good. The New York Times Weekly Index of Business Activity reached a new high for the year of 1938 in the week of October

15th—the figure being 87.7. Of course it is still below the figure of 99.8 of a year ago this time, but well above the 1938 low of around 75.

SOME of the same forces which caused the rebound in stocks brought a sharp recovery in bond prices. The new offering of United States Treasury 2½s of 1950-52—which sold as low as 100.4 in the last week of September—has climbed to approximately 102.20. The government market, throughout, has been sharply higher—and it may be said that all the bankers have a profit. And some of them are a bit restless at these levels.

The municipal issues shared the strength of the Governments, while corporate bonds followed the stock market trend—especially in the second grades. For instance, Northern Pacific 4s recovered about nine points in a month, while Southern Pacific 3¾s rose from 54⅞ a month ago to 67 today. The real skyrocket of the month was Nickel Plate 6s—selling at 41½ about thirty days ago, hit 95½ on a trade yesterday. But, of course, that is a special situation.

THE strength in all markets was reflected also in the financing which appeared in October—refunding at lower coupons for the most part, but substantial in amount and well received. Thirty-seven million five hundred thousand dollars Virginia Electric and Power company 1st 3½s of 1968 started the month off—were priced at 103½, went to a premium immediately, and are now quoted around 105. The largest offering of the month was \$80,000,000 Public Service of Northern Illinois 3½s of 1968—priced at 103 and much sought after—present market 104⅞ to 104¾. Other important issues which went out the window on offering day were \$55,000,000 Ohio Power 3¼s of 1968, priced at 101½ and now quoted at 102½ and 102¾; and \$50,000,000 Firestone Tire and Rubber Company ten year 3½ per cent debentures which were priced at 99½ and today are around 102 to 102¼. Firestone was probably the fastest moving issue of the month. Fifty-five million dollars of Wisconsin Electric Power Corporation bonds were sold at 103½—are now slightly above that—while prices on the \$34,000,000 of Michigan Consolidated Gas first 4s today are a bit below the offering price of 97½.

THERE is not much in registration with the S. E. C. now. Probably just a lull, as much new financing is expected. Our old friend, the \$25,000,000 issue of Argentine 4½s of 1948 is still in registration and may possibly be offered on November 3rd. There is talk of an offering by Anaconda of \$50,000,000 bonds to refund the outstanding 4¼s and pay off bank loans. And with the markets in a receptive mood, more will develop.

(Turn to next page, please)

THE MONTH'S MARKET MANEUVERS

(Continued from page 28)

THE third quarter and nine month statements which have appeared to date have not been good. The uptrend in business, which is so noticeable now, certainly should help gross earnings—but higher labor costs, increased material costs, and a heavier tax burden make actual net figures—those you carry through to “per share earnings”—still questionable. In the long run market values—particularly of stocks—are a reflection of net, but with money plentiful and business trends in terms of gross, better, we may find later that short and long trends in this market will be contradictory.

LEGAL QUESTIONS

(Continued from page 20)

such circumstances even though no consideration was paid to her for making and delivering the note.

QUESTION: When a person dies, what is the general rule regarding who may vote stock standing in his name on the books of a corporation at the time of his death?

In general, an executor or administrator of a stockholder has a right to vote stock standing on the corporate books in the name of the stockholder at the time of his death.

QUESTION: The rule is laid down by statute in many states that a will must be signed or subscribed by the testator. Is such rule satisfied if the signature is made by the testator's mark?

In most states a statute requiring a will to be signed or subscribed by the testator is satisfied if the signature is made by the testator's mark.

PUBLIC RELATIONS

(Continued from page 24)

further with them. This accentuates their pride in the institution and confidence in the officers, making them better able to “sell” the bank to the public both in the business day and in their own personal, social contacts. They are encouraged in a public relations frame of mind and many voluntarily make calls on their friends in stores and smaller business houses after banking hours.

A loyal staff, well educated in the principles and standards of the bank, is the first step in the formulation of a public relations program.

“YOU HAVE SAVED US MANY PREMIUM DOLLARS”

A. J. KOENIGSMARK, President
DR. E. F. STALLMAN, Vice President
J. F. SCHMIDT, Vice President

LOUIS BODE, Cashier
RUSSELL R. GREGSON, Asst. Cashier
S. J. SCHROEDER, Asst. Cashier

STATE BANK OF WATERLOO WATERLOO, ILLINOIS

Mr. Henry Scarborough, Jr.,
Scarborough & Co.,
First National Bank Bldg.,
Chicago.

Dear Mr. Scarborough:

This will acknowledge with thanks your nice letter of the 6th informing us that the cost of our insurance will be further reduced at the anniversary date of our blanket bond.

We realize fully that you have saved the bankers of Illinois many premium dollars and our bank is well pleased with your contract. You can count on our continued support and cooperation.

Very truly yours,



Executive Vice President

(Former President
Illinois Bankers
Association)

Let us analyze your insurance problems and tell you how we can also save your bank “premium dollars.”

SCARBOROUGH & CO.

Insurance Counselors to Banks

FIRST NATIONAL BANK BUILDING
CHICAGO

BLANKET BONDS

ALL RISK FORGERY

SAFE DEPOSIT INSURANCE

What Their Statements Show

Figures Reported by Chicago and New York Banks According to Their Statements
of Sept. 28, 1938

TOWN	BANK	Capital	Surplus and Profits	Loans and Discounts	Bonds and Securities	Cash and Due From Banks	Deposits
Chicago	American National Bank & Trust	\$ 1,600,000	\$ 1,117,153	\$ 11,818,126	\$ 25,011,051	\$ 18,581,495	\$ 52,038,488
Chicago	City National Bank & Trust	4,000,000	2,831,742	29,924,878	39,444,453	60,377,993	122,425,419
Chicago	Continental Illinois Bank	75,000,000	29,073,334	156,074,304	574,373,721	510,138,222	1,139,197,293
Chicago	Drovers National Bank	1,000,000	967,623	4,883,196	9,730,217	13,819,388	26,014,727
Chicago	First National Bank	30,000,000	35,420,887	222,992,663	400,564,148	358,175,340	926,660,505
Chicago	Live Stock National Bank	1,000,000	1,510,591	4,720,272	7,822,269	13,509,234	24,095,050
Chicago	Northern Trust Company	3,000,000	10,111,075	33,191,745	178,835,890	134,950,355	326,895,993
New York	Central Hanover Bank & Trust	21,000,000	71,133,647	163,466,432	228,438,216	586,751,188	902,148,549
New York	Chase National Bank	100,270,000	131,406,343	620,196,819	945,156,757	986,341,323	2,376,974,193
New York	Chemical Bank & Trust Company	20,000,000	55,282,689	112,356,851	253,359,308	260,883,226	555,717,316
New York	Guaranty Trust Company	90,000,000	172,041,182	514,134,594	610,835,092	700,989,773	1,535,019,694
New York	Manufacturers Trust Company	42,304,960	45,129,356	232,369,224	262,774,310	206,617,807	645,093,134

GMAC

GENERAL MOTORS ACCEPTANCE CORPORATION

is engaged primarily in facilitating wholesale distribution and retail sales of the following products of General Motors Corporation and its world-wide affiliates: CADILLAC, LA SALLE, BUICK, OLDSMOBILE, PONTIAC, CHEVROLET automobiles; FRIGIDAIRE appliances for refrigeration and air conditioning; DELCO lighting, power and heating equipment; GMC trucks; BEDFORD, VAUXHALL, OPEL, BLITZ — foreign made automotive vehicles.

The business consists of investments in self-liquidating credits, widely diversified as to region and enterprise, capital employed being in excess of \$80,000,000.

In obtaining short term accommodation, GMAC issues one standard form of note. This obligation it offers to banks and institutions, in convenient maturities and denominations at current discount rates.

GENERAL
MOTORS
INSTALMENT
PLAN

These NOTES are available, in limited amounts, upon request.

EXECUTIVE OFFICE NEW YORK - BRANCHES IN PRINCIPAL CITIES

Personal Contact

Public Relations Outside the Bank which then follows, may be divided into personal contact work and general publicity.

In considering the personal contact angle, the most important phase is likely to be overlooked, probably because, being so routine, it is taken for granted—that is, the reception accorded customers in the bank, and the atmosphere of the institution. Personal calls on clients in their offices are distinctly valuable, and we have capitalized on them. But only a few can be made in a day compared to the number of visitors who are cared for in the bank.

The friendly mien and sincerely cordial greeting by officers and tellers should be too obviously desirable for comment, but at how many desks presides "The Great Stone Face?" After all, no one has to do business with a certain bank. His patronage should be as obviously appreciated as it is in the drug or grocery store. And at the other extreme, equally to be decried, is the surface over-cordiality sometimes affected, which because of its patent insincerity, is likely to cause the opposite reaction to that anticipated.

Availability of the officers to customers is an important feature, especially in smaller centers, where the public is accustomed to see the owner or manager of mercantile establishments which they patronize. In our bank we eliminated the use of the private offices in the quarters we took over, employing them merely as conference rooms. All the officers are seated upon the open platform, easily accessible.

Nor is the customer always right. We know that a bank "run by its customers," as we used to say, is doomed to difficulty. There are certain standards to which sound banks must adhere, in matters of loaning policy and reasonable compensation for services rendered. It is these differences of opinion which present the real challenge in our customer relations. We must persuade our public to do things in our way and "make them like it." That is salesmanship with a capital "S." It is easy to

refuse a loan or make a service charge "stick," but to maintain good will at the same time requires an alert attitude of mind.

And above all, let us be honest with our customers. Instead of hiding behind a discount committee or worse yet, the bank examiner, in declining a loan, let us explain how it can properly be made, if possible, or if this cannot be done, show a fully sympathetic and constructive attitude. I believe that this would go far to refute much of the criticism against bankers, for we all know that never were banks more sincerely seeking sound outlets for their mounting funds. True, this takes time, but results prove its desirability.

Reference was made to calls upon our customers. We are strong believers in visiting with our friends in their offices. Our officers, usually after banking hours, contact the officials of our larger accounts with fair frequency and most of our other depositors at least once a year. The latter activity is based upon periodic reviews of balance cards and assignment of names among our officers, who record the context of their visits in the credit files. In many cases, in addition to tying in the accounts more closely, these conversations develop attractive loans either at the time or subsequently.

New Business

Solicitation of new business is more difficult than cultivation of present accounts. To the average banker, his institution is well known and policies understood. He does not seem to realize that many otherwise intelligent business men have an inadequate conception of banking facilities which are at their disposal.

Besides these individual visits, group contact work has been found beneficial—that is, addressing various bodies on banking matters. Talks have been made before the service clubs, trade associations and high school and college classes. The subject, "How to Analyze a Bank Statement," presented in forty minutes, using an enlarged exact reproduction of the latest called statement, has proven the most popular. It has been given 32 times, on several occasions outside of Kalamazoo. This presents an unusual opportunity to discuss banking policies and ordinarily provokes questions. Other topics of interest have been "Federal Deposit Insurance," "Loan Policies," and "FHA Titles I and II."

In "General Publicity," advertisements in local newspapers might be briefly touched upon. Our advertisements run regularly each Sunday. The policy of "white space" is followed, with one thought tersely expressed, presented over our logotype or tailpiece, that "he who runs may read." From observation and inquiry, we feel that lengthy ads, overburdened with copy, are less effective. Our standard size is two columns five inches, save when some

MANUFACTURERS TRUST COMPANY

Condensed Statement of Condition as at close of business
September 30, 1938

RESOURCES

Cash and Due from Banks	\$206,617,807.38
U. S. Government Securities	183,374,045.18
State and Municipal Bonds	21,925,790.38
Stock of Federal Reserve Bank	2,260,650.00
Other Securities	57,474,475.24
Loans, Bills Purchased and Bankers' Acceptances	232,369,224.48
Mortgages	22,160,397.58
Banking Houses	13,156,595.52
Other Real Estate Equities	4,716,468.66
Customers' Liability for Acceptances	17,086,250.69
Accrued Interest and Other Resources	2,407,936.29
	<u>\$763,549,641.40</u>

LIABILITIES

Preferred Stock	\$ 9,306,520.00
Common Stock	32,998,440.00
Surplus and Undivided Profits	45,129,356.66
Reserves	7,090,580.72
Common Stock Dividend (Payable October 1, 1938)	824,958.50
Preferred Stock Dividend (Payable October 15, 1938)	232,663.00
Outstanding Acceptances	17,481,741.74
Liability as Endorser on Acceptances and Foreign Bills	5,392,246.49
Deposits	645,093,134.29
	<u>\$763,549,641.40</u>

Principal Office: 55 Broad Street, New York City

64 BANKING OFFICES IN GREATER NEW YORK

European Representative Office: 1, Cornhill, London, E. C. 3

Member Federal Reserve System
Member New York Clearing House Association
Member Federal Deposit Insurance Corporation

Both Common and Preferred shares have a par value of \$20 each.
The Preferred is convertible into and has a preference over the
Common to the extent of \$50 per share and accrued dividends.

DIRECTORS

EDWIN M. ALLEN President, Mathieson Alkali Works, Inc.	PAOLINO GERLI Vice-President, E. Gerli & Co., Inc.	JOHN P. MAGUIRE President, John P. Maguire & Co., Inc.
CHARLES K. BEEKMAN Beekman, Bogue, Leake, Stephens & Black	HARVEY D. GIBSON President	HAYWARD NIEDRINGHAUS President, Granite City Steel Company
EDWIN J. BEINECKE Chairman, Sperry & Hutchinson Co.	CHARLES L. HOGAN President, Lone Star Cement Corporation	C. R. PALMER President, Cluett, Peabody & Co., Inc.
EDGAR S. BLOOM President, Western Electric Co., Inc.	JOHN L. JOHNSTON President, Lambert Company	GEORGE J. PATTERSON President, Scranton & Lehigh Coal Co.
CHARLES A. DANA President, Spicer Manufacturing Corp.	OSWALD L. JOHNSTON Simpson Thatcher & Bartlett	HAROLD C. RICHARD New York City
ELLIS P. EARLE President, Nipissing Mines Co.	CHARLES L. JONES Executive Vice-President, National Distillers Products Corp.	HAROLD V. SMITH President, Home Insurance Co.
HORACE C. FLANIGAN Vice-President	GEORGE MACDONALD Capitalist	GUY W. VAUGHAN President, Curtiss-Wright Corporation
CHARLES FROEB President, Lincoln Savings Bank	SAMUEL McROBERTS New York City	HENRY C. VON ELM Vice-Chairman

COMMERCIAL INVESTMENT TRUST INCORPORATED



COMMERCIAL INVESTMENT TRUST Incorporated, with capital and surplus in excess of \$67,000,000, provides a nation-wide sales finance service through subsidiary companies with a network of branch offices throughout the United States. This service, which consists of purchasing self-liquidating accounts, extends to automobile dealers, household appliance dealers, and to manufacturers and dealers in many lines of industrial, commercial and professional equipment, including the heavy goods industries.

C. I. T. offers its standard notes for short term accommodation in varying amounts from \$1,000 to \$100,000, in maturities from 60 to 270 days and at current discount rates. These notes are payable at any of our 279 depository banks located in principal cities throughout the country.

Latest published financial statement and list of depository banks will be mailed upon request.

ADDRESS

Treasurer,
**Commercial Investment
Trust Incorporated**
1 Park Ave., New York, N. Y.

particular feature needs additional space.

While admittedly it is difficult to trace returns from advertising, voluntary comments make us feel that our presentations are read and some customers claim that they came to us because of the attitude reflected.

In the building lobby, just outside the entrance to the bank, a bulletin board is maintained into which is inserted weekly an informal letter, dealing with current topics of interest in the banking field. Illuminated from behind, the letter is easily read and attracts gratifying attention, reaching those who come into the building, even though they do not enter the bank. This has been in use over forty years, virtually without expense. The letters are often correlated with newspaper advertisements when featuring some special topic.

At each call date we circulate not a "condensed statement," to supplement the prescribed official form, but rather an elaborated type, in which the content of principal items is explained. The fly-leaf is utilized for discussion of important trends in the figures or other matters of interest to customers. It is gratifying that other banks, to which we have supplied copies at their request, have found the style worthy of adaptation to their use.

This subject has been presented largely subjectively, and from the standpoint of a bank in a city the size of Kalamazoo, about 60,000 population. To be fully effective a public relations policy must be "tailor-made" with the details fitting the needs of the individual community. The general principles, however, should be applicable anywhere.

Most bankers agree to the desirability of such activities, but how many direct to them the necessary amount of thought and effort? I present the challenge, "Are we

bankers lazy?" I think, by and large, we are. We must be constantly on the job, with consistent consideration of the customer, personal contact and cultivation of friendships.

And, perhaps, though we profess otherwise, we still have too deeply inculcated the old "pedestal complex," that business should come to us. We must realize that we are merchandisers of a commodity—CREDIT. As this commodity is an intangible, it is the most difficult type to sell. Our money is no better or more desirable than another bank's. We cannot compete on a quality basis, therefore, and should not, save perhaps in rare instances, attempt to do so on a price basis, that is, undercutting rates. We cannot build our banks by sitting serenely at our desks and hoping desirable business will seek admittance. We must keep step with the times.

The consistent manner can be observed, I believe, in which we attempt to follow out our expressed policy of public education—of making our friends know that we want to deal with them frankly—that unless we understand them and they understand us, we cannot fill our proper place in the community.

If they progress with us step by step in these times of increasing deposits and fair earnings, is it not likely that they will have greater confidence in us and be more appreciative of our problems when conditions again reverse themselves—as they are bound to do? If banks generally would follow the practice, would it not go far to avert another such debacle as the too-recent "banking holiday," which we know was not precipitated by the bankers but by the public because of loss of confidence? Is this not the most potent proof of constructive customer relations—of sound bank management?

BONDS

Municipal
Public Utility
Industrial

A.C. ALLYN AND COMPANY

Incorporated

100 West Monroe Street, Chicago—Tel. Franklin 8400
New York Philadelphia Detroit Milwaukee Omaha

A. B. A. ANNUAL CONVENTION

(Continued from page 12)

450,000 population, Houston has convention facilities comparable to a city many times its size.

Houston is Texas' largest city and in recent years has rapidly advanced to the rank of the South's second metropolis. Houston's development as a port has been equally interesting. Though geographically an inland city, Houston is today one of the major ports of the world with a national rank of fourth in total tonnage and third in exports.

Mexican Tours

Eastern bankers planning to attend the convention are being offered two special tours by the New York Central System and the Pennsylvania Railroad. The New York Central System is offering a pre-convention tour to Mexico, leaving New York October 30, and returning November 20, and the Pennsylvania Railroad, a post-convention tour, leaving New York November 10, and returning November 28. Both trips are planned to give members of the Association and their friends as wide and varied an itinerary as is possible in the time available.

The New York Central System is also providing a special direct train to the convention, leaving New York and Boston the evening of Friday, November 11 and leaving Houston the afternoon of Friday, November 18.

All New England and New York State connections with the Pennsylvania tours will be made at New York, and two special trains, carrying both the party which will make the Mexican trip and the party which will return directly from the convention, will leave Pennsylvania Station at 3:55 p. m. Thursday, November 10. Both groups will make their first stop at Coal Creek, Tennessee, the next afternoon, where motor buses will be awaiting to carry them on an inspection trip to Norris Dam and to Norris, the TVA laboratory community, then on to Knoxville where they will board their train. Saturday will be spent in New Orleans, where arrangements have been made for a Creole luncheon at Patio Royal, a sightseeing tour of the city, and dinner at Antoine's, one of America's most famous restaurants. Arrival in Houston is planned for 8:35 a. m., Sunday, November 13.

Leaving Houston Thursday, November 1, the Pennsylvania Railroad's Mexico tour schedules a day of sightseeing in San Antonio and arrival in Mexico City early Sunday morning. Five days are planned for viewing the wonders of the city itself and of the towns and villages in its neighborhood—their ancient churches and colorful market places. Leaving Mexico City on Thursday, November 24, the train will return to New York over a direct

route, arriving at Pennsylvania Station at 7:30 a. m. Monday morning, November 28.

Both railroads will, of course, provide their regular connecting service to Houston. Details concerning rates and exact schedules may be obtained from their representatives, as may information concerning reservations for any of the special tours.

NEBRASKA CONVENTION

(Continued from page 14)

state banks, which will be voted on as a constitutional amendment in the November 8th election. In order to repeal this measure a favorable vote on the amendment must equal 35 per cent of all the votes cast at the election, which is always difficult on a subject in which the average voter is not well versed. The State Asso-

ciation has gotten out a neat folder on this subject, urging the repeal of the double liability, pointing out that only 13 states now have double liability. The other thirty-five states have either repealed this act or never had such a law on their books.

Pointing to increasing government control, **Robert H. Myers**, Muncie, Indiana, president of the Indiana Bankers Association, declared that responsibility for management of banks ought to remain vested in their boards of directors and officers.

"Their record, in depression or any other time, will shine by contrast with the record of government money managers, past or present, domestic or foreign, who would 'engineer' things for us," he said.

Mr. Myers said it was the duty of the bankers to give the 50 million depositors of the country a more complete under-

V. W. BREWER CO. MUNICIPAL BONDS

Because the state receives the earnings from large foundation funds, the demands of ordinary governmental functions upon the proceeds of ad valorem taxes are unusually low in North Dakota as compared with other states

FIRST NAT - SOO LINE BLDG.
MINNEAPOLIS

Federal Discount Corporation

Dubuque, Iowa

Automobile Finance

Time Payment Plans for
Automobile Purchasers

■ ■ ■

Capital, Surplus and Undivided Profits

over

ONE MILLION DOLLARS

■ ■ ■

Branches in Iowa — Illinois — Wisconsin — Minnesota

■ ■ ■

Short Term Collateral Trust Notes

standing of how government policies affect bank deposits.

"Whether we like it or not, we're going to find it necessary to combat some of the ideas on money and banking that are being presented as 'scientific,'" he said.

Walter L. Pierpoint, president of the Association of Omaha Taxpayers, hit at \$30-per-month old age pensions and homestead tax exemption, and appealed to bankers to help reduce governmental costs.

"If waste were eliminated," he said, "needed governmental services could be supplied and present costs of government reduced instead of adding new taxes."

Adoption of either the \$30 a month old age pension plan or the five thousand dollar homestead tax exemption proposal, he asserted, would require increases in present taxes and new forms of taxation. The proposals, he said, "are only other names for income, sales and service taxes and higher general property levies."

Carl L. Fredericksen, president of the Live Stock National Bank of Sioux City, as usual attended the Nebraska Convention, greeting his many friends from "Cornhusker Land." Carl is planning to attend the A. B. A. meeting at Houston with Mrs. Fredericksen, and they then plan to proceed by motor to Mexico City for a short vacation.

Pictures of many of those attending the convention are shown on other pages of this issue of THE NORTHWESTERN BANKER. From the broad smiles displayed, one could conceive that, thanks to Billy Hughes, the Nebraska convention this year was another huge success.

PROOF DEPARTMENT

(Continued from page 22)

on a local bank other than the Northwestern, or on the Northwestern itself. Knowing the color guide for each of these three classifications, the clerk simply sorts the checks on piles of the correct colored cards. When one deposit is sorted, a sort is made of the next deposit, etc."

This guide-card method of sorting is fast and simple and has the further advantage of eliminating rubber-banding and pinning of items.

Deposits are proven on fast, electric calculators. In proving each large deposit, totals of transit, clearings and on us are established, and, at the same time, a grand total of these three classifications is automatically accumulated by the machine to prove against the customer's total on the face of the deposit ticket.

Small deposits are proven in groups, and, when a group of sufficient size has been accumulated, all deposit tickets in the group are replaced by a substitute slip.

This release of small deposit tickets, after proof, gives the bookkeeping department access to them within a few minutes after they have been received in the proof department. Since 60 per cent of the deposits classify as "small," rapid flow of deposit tickets to the bookkeepers results. Also, the small deposits require the most reference for overdrafts, etc., so that it is desirable to handle them as early as possible.

"Our calculator proof is another good example of simplification," said Mr. Johnson. "It is unnecessary for the operator to know anything about the items, except that all those with blue guide cards and transit items, those with white cards are clearings, etc."

Control Totals

Control totals are summarized for the various classifications in each large deposit and in each group of small deposits. This operation also verifies the fact that the correct control totals were provided by the calculator operators and supplies a media for accumulating total deposits for general ledger purposes.

The control machine operator works only with the proven figures which have been established by the calculator operators. Thus, in listing to the control sheet, it is unnecessary for the individual items to be handled.

Errors made by the calculator operators, if any, will be revealed here," stated Mr. Johnson. "This localization makes tracing errors an easy matter and is typical of the close control we have all along the line."

Since it is desired to split transit items eleven ways, clearing items forty-five ways, and on us items eleven ways before sending them to the listing section, 1,000 to 2,000 items in each of these classifications are normally allowed to accumulate before a total is taken on the control machine for that classification.

Handling items in these large groups makes possible a much higher listing production than with small groups because much of the repetition of aligning, totaling, etc., is eliminated. For example, listing 1,000 items eleven ways in 200 item batches would involve taking 55 totals, but handling these items in one batch of 1,000 requires only eleven totals. Large batches are practical in this case since the figures being used have already been proven and customers' errors eliminated.

Each classification is balanced independently on the control machine. In the morning, out clearings are the most urgently needed group, and so items in this class are taken and listed as fast as groups are accumulated. In the afternoon the condition is reversed as transit and on us items are most urgently needed.

"We handle items in the most logical, most efficient manner," declared Mr. John-

Commercial CREDIT COMPANY

CAPITAL AND SURPLUS OVER

\$64,000,000

FOUNDED in 1912, with \$300,000 capital, Commercial Credit Company is today one of the largest institutions of its kind. It operates through more than 4,000 employees in more than 186 offices in the United States and Canada, and is owned by more than 20,000 stockholders.

**BANK
RELATIONS
DEPARTMENT**

100 E. 42nd Street
New York

SHORT TERM NOTES

available in limited amounts upon request, at current discount rates.

son. "This would be impossible under a complicated, inflexible system. Our plan of giving 'rush' items preferred attention and handling other items during slack periods produces a more uniform working day, without the tremendous 'peaks' which characterize some proof operations."

In the listing section of the proof department are electrically-operated full-keyboard adding machines, on which entire amounts can be written in one motion of the hand, and all ciphers are printed automatically—advantages which permit high-speed listing of items. The totals obtained must agree with those previously established on the control machines. Two records of the items are obtained in one operation—a sheet which the bank retains as a permanent record and a tape which accompanies the items to their final destination.

A simple schedule is maintained of the progress of the items through the listing section, so that the bookkeeping and transit departments, as well as the proof departments, are fully informed at all times.

"Items received in the mail are always cleared on the day of receipt, and without overtime work," Mr. Johnson explained. "We have no trouble in maintaining a forty hour week, and on an average day, between 85,000 and 90,000 items go through the department. Even the peaks of days after-a-holiday are no longer a problem."

Such is the answer found by the Northwestern National Bank and Trust Company to common operating and personnel problems which confront many banks. Paradoxically, they found *one* answer to the seemingly divergent goals of more efficient item handling and of developing new employes through the proof department.

Heads Association

At the October meeting of the Corporate Fiduciaries Association of Minnesota, held recently in Minneapolis, Paul Reyerson, assistant secretary and assistant trust officer of First National Bank and Trust Company of Minneapolis, was elected president for the ensuing year. Other officers elected are O. H. Odin, vice president and trust officer of the Marquette National Bank, Minneapolis, and A. B. Miller, vice president and trust officer of the Northern National Bank, Duluth, vice presidents; C. A. Maley, assistant cashier of the American National Bank, St. Paul, secretary-treasurer.

The Corporate Fiduciaries Association, formerly known as the Trust Officers Association of Minnesota, was organized some twenty years ago by Minnesota bankers engaged in the administration of trusts. Purposes of the organization are mutual education of members, discussion and solution of common prob-

\$100 Worth

of Insurance, please..."

THAT'S the way thousands of men buy insurance. Sounds simple, doesn't it? But insurance against what? How will it be paid?

There is one man who reads insurance policies with interest and understanding. He is the experienced insurance agent. He knows exactly what he is buying for you. Insurance against what—and when and how it will be paid. And when a loss occurs, he is your representative.

Insurance that minimizes the agent's function may lessen your protection, your service. Insurance is dollar protection. There are no cut-rate dollars for sale.

Let an experienced agent take a look at your business from an insurance point of view. Like a check-up by your family doctor, it can do no harm—may save your business life.

NATIONAL SURETY CORPORATION

VINCENT CULLEN, *President*

lems and the development of uniform procedure in the interests of the public. Members include representatives of all Minnesota trust companies and banks operating trust departments. The organization meets monthly throughout the year except during the summer months.

The anxiously expectant father had been pacing the room nervously, biting his nails, when the nurse appeared with the news that he had a baby daughter.

"Thank God, it's a girl," said the father. "She'll never have to go through what I have!"

Allen Wales Makes Rapid Progress

W. J. Pickering, president of the Allen Wales Adding Machine Corporation, 515 Madison Avenue, New York City, was born in Iowa City and later on lived in Shenandoah where he went to school.

In 1910 he came to Des Moines as manager for the Remington Typewriter Company and remained in that city for two years during which time he covered the State of Iowa.

He then went to Omaha and was manager for the company in that city for

three years, his territory also including the entire state of Nebraska. From there he went to Kansas City where he was located for three years, covering Kansas and Missouri.

He then came to New York City as vice president of the Remington Typewriter Company in charge of foreign and domestic sales.

In 1934 he became interested in the Allen Wales Adding Machine Corporation which was originally started in 1903.

Mr. Pickering reorganized the com-



W. J. PICKERING

pany in 1934 and became its president, and he immediately started the policy of producing high speed models to meet the needs of modern business.

Since 1934 the Allen Wales Adding Machine Corporation has sold more adding machines than were sold in the previous 20 years.

Mr. Pickering has had only one determination and that was to build the best and most accurate adding machine in the world and the result has been that the



Allen Wales Model 9E Electric

reception on the part of the banks of the country has been most phenomenal as the machines have been purchased by large and small banks alike.

From 1934 to date the number of men employed in the Allen Wales factory has increased twenty-five times.

The LIVE STOCK NATIONAL BANK of Chicago UNION STOCK YARDS

STATEMENT OF CONDITION

SEPTEMBER 28, 1938

BOARD OF DIRECTORS

FREDERICK H. PRINCE

F. H. Prince & Co., Providence, R. I.

ROBERT H. CABELL
President, Armour & Company

ROBERT J. DUNHAM
Investments

RICHARD HACKETT
General Manager, Central
Manufacturing District

ORVIS T. HENKLE
Vice-President and General
Manager, Union Stock Yard
& Transit Co.

ARTHUR G. LEONARD
President, Union Stock Yard
& Transit Co.

JAMES A. McDONOUGH
Investments, Boston

WILLIAM J. O'CONNOR
Ass't General Manager, Union
Stock Yard & Transit Co.

DAVID H. REIMERS
President

CLYDE H. SCHRYVER
President, Chicago Merchandise
and Equipment Co.

THOMAS E. WILSON
Chairman, Board of Directors
Wilson & Company

RESOURCES

Cash and due from banks.....	\$13,509,234.21
United States Government Securities.....	5,132,799.37
State and Municipal Securities.....	1,374,767.63
Other Marketable Bonds.....	1,314,703.08
Loans and discounts.....	4,720,272.41
Federal Reserve Bank Stock.....	60,000.00
Bank building.....	450,000.00
Furniture and equipment.....	1.00
Interest earned, not collected.....	40,475.00
Current receivables and other assets.....	30,798.91

\$26,633,051.61

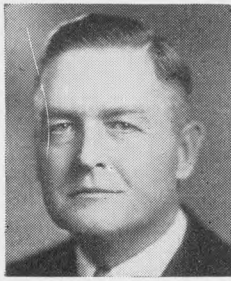
LIABILITIES

Capital.....	\$ 1,000,000.00
Surplus.....	1,000,000.00
Undivided profits and reserves.....	510,591.27
Unearned Discount.....	27,410.18
Deposits.....	24,095,050.16

\$26,633,051.61

70th ANNIVERSARY YEAR

Member Federal Deposit Insurance Corporation



R. WARE HALL
President

NEBRASKA Investment Bankers Association

Organized 1920

Jayne Housh, Corresponding Secretary



HARRY F. SMITH
Secretary

AK-SAR-BEN governors flatly rejected the recent offer by the Dodge street bridge board to buy for \$2,350,000 the Douglas street bridge, recently purchased by Ak-Sar-Ben to end the long controversy over a free bridge between Omaha and Council Bluffs.

In turn, Ak-Sar-Ben governors made a counter proposal containing three provisions: That Ak-Sar-Ben be permitted to name three new members of the Dodge board; that the Dodge board eliminate \$200,000 in claims incurred in promoting the Farnam and Dodge bridges, neither of which has been built; that plans for building the bridge at Dodge street be abandoned.

Ak-Sar-Ben's letter to the Dodge board asserted that the "agitation for construction of a second bridge is being kept alive primarily by two eastern bond houses . . ."

The Dodge board recently asked for a PWA grant of one million dollars, but dispatches from Washington indicated that the request had little chance of being approved. The rejection by Ak-Sar-Ben of the Dodge board's offer on the Douglas bridge was made before Secretary of Interior Ickes had indicated he would not approve a PWA grant for the Dodge bridge. Mace M. Brown, president of the Omaha Central Labor Union, said at Washington that he would continue to fight for the Dodge bridge. Senator E. R. Burke of Nebraska refused to take a position in the bridge controversy until he could study both sides. He said that the whole bridge picture changed when Ak-Sar-Ben took over the Douglas span and promised to make it free after it had "paid out" the bonds on the Douglas and South Omaha bridges.

A new group of bond houses recently entered the Dodge bridge picture. Representatives of two Chicago firms, it was reported, were ready to finance the Dodge bridge and any bridges purchased by the Dodge board, with 3½ per cent bonds to be sold at par.

The Dodge bridge contract in effect with the John Nuveen company called for issuance of bonds at 91, with 4¼ per cent interest. When the proposal to buy the Ak-Sar-Ben bridge came up, the Nu-

veen company informally offered to raise than bond price to 96.

PURCHASE of \$200,000 worth of United States treasury 2½ per cent bonds maturing in 1952 was approved by the Omaha school board recently. The bonds were bought through the Burns-Potter company of Omaha, using accumulated cash in the bond redemption fund. A premium of \$3,687 was paid.

High premiums asked by holders of outstanding Omaha school district bonds made it inadvisable to buy back any of those bonds, board members said. The school district's bonds are not serialized and cannot be recalled before the due date. They still carry interest rates of the boom era and are regarded as choice investments.

KIRKPATRICK-PETTIS company's offer to refund \$350,000 of 4¼ per cent North Platte, Nebraska, bonds at 3¼ per cent, saving the city of North Platte \$30,000 during the life of the bonds, was accepted by the North Platte city council recently.

THE NEBRASKA state board of educational lands and funds recently purchased \$219,500 worth of municipal bonds, including \$206,000 of Scottsbluff, Nebraska school district building bonds; \$5,500 of Chester, Nebraska, auditorium bonds, and \$8,000 of Bellevue, Nebraska, school district bonds. Bellevue is in Omaha's suburban territory.

TIME FOR the sale of Rulo, Nebraska, bridge bonds was extended recently. Effort was being made to complete sale of a \$435,000 issue for the \$761,000 PWA span before the deadline.

NEWS AND VIEWS

(Continued from page 18)

treasurer of the Sinclair Petroleum Corporation, who died last month, was long a personal friend of mine, as I first became acquainted with him when he was vice president of the Fort Dearborn National Bank of Chicago. Mr. Farrell, who was sixty years of age when he died,

commenced his banking career at the age of nineteen when he went to work in the Paris Savings Bank of Paris, Missouri. His many old banking friends will regret exceedingly his passing on.

Convention

The American Finance Conference will hold its Fifth Annual Convention in Chicago, on November 10th and 11th, according to an announcement made by Fred V. Chew, executive vice president.

The meetings will be held at the Drake Hotel and the program will include a number of nationally prominent speakers who will discuss topics of vital interest to the automobile financing industry. An attendance of more than 500 executives and representatives of independent discount companies doing business in every state of the Union is expected.

Dirty Joke

"You're not living at the Phi Delt house any more, are you?"

"No. I stayed there five weeks and then found out they had no bath tub."

Smith: "Robinson, the banker, has stolen \$100,000 of the funds and ran away with the hotel keeper's wife."

Jones: "Heavens! Who will teach his Sunday School class?"

LAMSON BROS. & Co.

ESTABLISHED 1874

141 W. Jackson Blvd., Chicago
50 Broadway, New York

Our branch offices are equipped to render complete brokerage service in the handling of grain (cash and futures), stocks, bonds, cotton and provisions. Private wires direct to all markets.

BRANCH OFFICES

Des Moines, Iowa	Davenport, Iowa
Dubuque, Iowa	Cedar Rapids, Iowa
Marshalltown, Iowa	Mason City, Iowa
Sioux City, Iowa	Waterloo, Iowa
Storm Lake, Iowa	Iowa Falls, Iowa
Fort Dodge, Iowa	St. Louis, Mo.
Kansas City, Mo.	Lincoln, Neb.
Peoria, Ill.	Omaha, Neb.
Quincy, Ill.	De Kalb, Ill.
Galesburg, Ill.	Gilman, Ill.
Bloomington, Ill.	La Fayette, Ind.
La Salle, Ill.	Frankfort, Ind.
Muskogee, Okla.	Ada, Okla.

MEMBERS OF LEADING SECURITY
and COMMODITY EXCHANGES

A CONDENSED STATEMENT OF CONDITION

September 28, 1938

RESOURCES

Loans and Discounts		\$ 3,735,775.42
Bank Building, Vaults and Fixtures (Clear)		821,000.00
Stock in Federal Reserve Bank		55,200.00
Other Assets		138,238.54
U. S. Notes and Bonds	\$10,760,172.17	
Municipal Bonds	948,835.24	
Other Bonds	1,780,599.60	
Cash and Due from Banks	8,791,397.50	22,281,004.51
		<hr/>
		\$27,031,218.47

LIABILITIES

Capital Stock—Common		\$ 1,100,000.00
Surplus and Profits		803,081.98
Reserve for Contingencies		371,861.94
Other Liabilities		103,978.14
Deposits—Banks and Bankers	\$ 6,436,789.75	
Savings and Time	3,403,626.90	
Public Funds	2,921,765.45	
Individual, Firm and Corporation	11,890,114.31	24,652,296.41
		<hr/>
		\$27,031,218.47

OUR OFFICERS CONSIDER IT A PRIVILEGE TO DISCUSS
THE PROBLEMS OF BANKS AND BANKERS AND TO
ASSIST IN THEIR SOLUTION

OFFICERS

H. M. BUSHNELL, <i>President</i>	H. W. YATES, <i>Trust Officer</i>
ELLSWORTH MOSER, <i>Executive Vice Pres.</i>	H. E. ROGERS, <i>Cashier</i>
T. F. MURPHY, <i>Vice President</i>	E. E. LANDSTROM, <i>Assistant Cashier</i>
P. B. HENDRICKS, <i>Vice President</i>	A. L. VICKERY, <i>Assistant Cashier</i>
V. B. CALDWELL, <i>Vice President</i>	N. L. SHOLIN, <i>Assistant Cashier</i>
R. R. RAINEY, <i>Assistant Vice President</i>	E. C. McELHANEY, <i>Asst. Trust Officer</i>

The United States National Bank

of Omaha

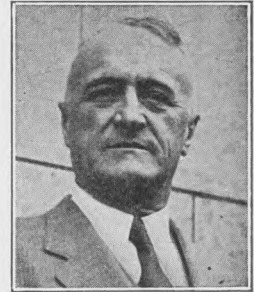
Member Federal Deposit Insurance Corporation

NEBRASKA

News



E. S. HOLCOMB
President



WM. B. HUGHES
Secretary

OFFICERS NEBRASKA BANKERS ASSOCIATION

- President..... E. S. Holcomb Treasurer..... Fred Thomas
Broken Bow Omaha
Chm. Ex. Council..... M. M. Taylor Secretary..... Wm. B. Hughes
Columbus Omaha

What Nebraska Statements Show

Figures Reported by Nebraska Banks on Their Statements of Sept. 28, 1938
Statements Received Following Each Call Are Reviewed in
the Northwestern Banker as They Appear Below

TOWN	BANK	Cashier	Capital	Surplus and Profits	Loans and Discounts	Bonds and Securities	Cash and Due From Banks	Deposits
Alliance	Alliance National Bank	F. W. Harris	\$ 150,000	\$ 14,878	\$ 285,732	\$ 275,915	\$ 1,503,967	\$ 1,935,904
Alliance	Guardian State Bank		125,000	33,545	841,829	178,911	492,855	1,369,489
Aurora	First National Bank	Frank M. Farr	50,000	19,097	156,742	120,272	124,545	346,705
Beatrice	Beatrice National Bank	Ed. C. Austin	100,000	112,438	922,676	1,019,954	1,104,832	2,861,024
Clarkson	Clarkson Bank	Emil Petr	40,000	6,923	108,390	88,853	70,734	222,184
Columbus	National Bank of	F. P. Dietz	100,000	62,321	901,851	981,734	514,662	2,253,613
Creighton	American National Bank	J. O. Peck	25,000	25,503	247,440	287,882*		498,540
Fairmont	Farmers State Bank	C. F. Tous	25,000	12,493	53,364	92,475	88,527	212,433
Fairbury	First National Bank	I. C. Riley	250,000	52,476	1,276,971	629,406	420,208	2,187,131
Fremont	Stephens National Bank	J. G. Edloff	100,000	67,432	601,977	322,794	1,115,731	1,554,157
Gordon	First National Bank	B. D. Berkheimer	50,000	85,054	425,721	233,138	186,603	718,253
Grand Island	First National Bank	F. J. Cleary	200,000	424,250	1,234,338	2,619,484	803,835	4,240,211
Grand Island	Overland National Bank	H. Nomland	100,000	32,069	355,242	326,574	209,264	768,447
Hartington	Bank of Hartington	E. M. Hoar	25,000	15,100	247,388	36,504	170,326	421,580
Hastings	City National Bank	F. A. Hansen	100,000	78,064	535,581	397,171	510,913	1,272,935
Kearney	Ft. Kearney State Bank	T. H. Kannow	50,000	56,559	410,045	244,582	616,149	1,183,269
Keystone	The Bank of Keystone	T. B. Cole	15,000	10,477	157,762	23,588	86,522	243,116
Lexington	Farmers State Bank	Peter Jensen	35,000	9,667	174,472	36,867	123,437	340,022
Lincoln	Continental National Bank	C. W. Battey	540,000	231,221	2,815,861	3,275,111	3,828,986	9,200,070
Lincoln	First National Bank	Howard Freeman	850,000	479,684	2,453,943	11,150,510	7,256,848	19,981,934
Lincoln	National Bank of Commerce	B. G. Clark	300,000	345,105	2,989,803	4,004,000	3,998,466	10,233,307
Loup City	First National Bank	C. H. Ryan	25,000	28,006	265,942	169,980*		390,910
McCook	First National Bank	H. M. Krogh	75,000	67,414	425,451	355,542	738,896	1,378,439
Nebraska City	Farmers Bank	J. R. Stevenson	100,000	68,046	321,547	613,367	555,556	1,323,404
Norfolk	National Bank of	R. Weidenbach	100,000	27,249	452,860	383,225	250,319	968,548
North Platte	First National Bank	W. H. Munger	100,000	126,438	770,946	513,767	661,595	1,774,934
Omaha	First National Bank	J. T. Stewart, III	2,300,000	174,721	7,402,404	7,849,674	10,581,524	25,155,530
Omaha	Live Stock National Bank	Paul Hansen	450,000	422,011	3,894,087	5,441,904	4,424,567	12,816,423
Omaha	Omaha National Bank	C. O. Darnier	1,500,000	1,402,516	12,749,712	18,035,125	11,482,675	42,357,551
Omaha	Packers National Bank	L. D. Matthews	200,000	81,668	1,081,136	386,077	1,088,876	2,317,773
Ord	First National Bank	R. E. Misko	60,000	34,975	276,004	179,043	158,941	543,780
Sidney	American National Bank	R. F. Dedrick	65,000	27,680	268,011	278,705	345,721	923,876
Tekamah	First National Bank	H. J. Wragge	100,000	40,000	206,000	274,184	161,096	872,295
York	First National Bank	H. E. Nordlund	150,000	209,233	547,912	973,988	531,642	1,750,297

* Includes Cash and Dues from Banks.

Endorse Repeal

The First Regional Clearing House Association, comprised of Saunders, Butler, Douglas, Washington, Dodge and Burt counties, went on record as favoring the repeal of the amendment to the con-

stitution which provides for double liability on state banks.

The group met at Fremont to elect officers and discuss ways and means of creating sentiment in favor of the amendment.

Assistant Cashier

Mr. and Mrs. William Young arrived in Cozad from Long Beach, California, recently. Mr. Young, who is a son of Mr. and Mrs. C. T. Young, has been employed in a bank at Long Beach the past couple

UNITED STATES CHECK BOOK COMPANY

OMAHA, NEBRASKA

« « « BANKERS SUPPLIES » » »

of years. He will take up his duties as assistant cashier of the Cozad State Bank in the near future.

At Convention

Alliance was represented at the Nebraska State Bankers Association convention in Omaha by Roy Abbott and Clyde Sudman of the Guardian State Bank.

Donates Cattle

Mr. and Mrs. Dan V. Stephens, Fremont, have donated 10 purebred Brown

Swiss cattle, valued at \$5,000, to Father Flanagan's home at Boys Town in Omaha. The herd includes nine heifers and one bull.

Study Class

A group study class, organized for the purpose of obtaining a scientific study of banking, law, economics, finance and bank management along with business training, was formed at a meeting of 15 men and women held recently at the Central National Bank in Columbus.

Made possible through arrangement

with the American Institute of Banking, educational section of the American Bankers Association, the formation of the group study class was effected as the result of preliminary planning and organization conducted during past weeks, in which bank forces in Columbus, David City and Shelby joined.

In the formal organization of the class, Howard Burdick, cashier of the Central National Bank, was named president, and Marion Babb, auditor in the same institution, elected secretary.

Dies in Omaha

Dennis W. Killeen, 63, retired Schuyler, Nebraska, banker, died recently at his home in Omaha. He had suffered a stroke.

Mr. Killeen had lived in Nebraska for 61 years and came to Omaha nine years ago. He was a charter member of the Knights of Columbus council at Columbus.

In Omaha

Tekamah bankers attended the several sessions of the Nebraska State Bankers Association convention in Omaha. The First National Bank was represented by R. L. Stout, E. C. Houston, H. J. Wragge, D. W. Greenleaf, Orville Chatt, Lee Loerch, and the Burt County State Bank was represented by R. K. Hancock and Quatin Lambley.

Heads Clearing House

Glen Gibson, of Gibbon, was re-elected president of the Platte Valley Regional Clearing House Association at its annual meeting, held in Grand Island.

Also re-elected were W. S. Paul, of St. Paul, vice president, and Vernon Rice, Grand Island, secretary. The association is composed of bankers in five counties, Hall, Buffalo, Howard, Merriek and Hamilton.

New Bank

Wood Lake's new bank opened its doors for business recently, and was given a real welcome by Wood Lake business men and the people in the surrounding country.

C. J. Abbott of Hyannis is president, Leroy Abbott of Alliance, executive vice president; R. S. Lee, Brownlee, vice president; Elmo Gardiner, Wood Lake, cashier. It is the sixth bank in which the Abbotts are interested.

Directors are Sam R. and Martha McKelvie, S. M. Richardson, Will L. McVey, J. E. O'Halloran, Everett G. Morris, J. Alfred Morris, Otto Schlueter, J. P. Kreyeik, Neil Hanna and George Higgins.

Charter No. 209

First National Bank of Omaha

●
The

Oldest National Bank

From Omaha West

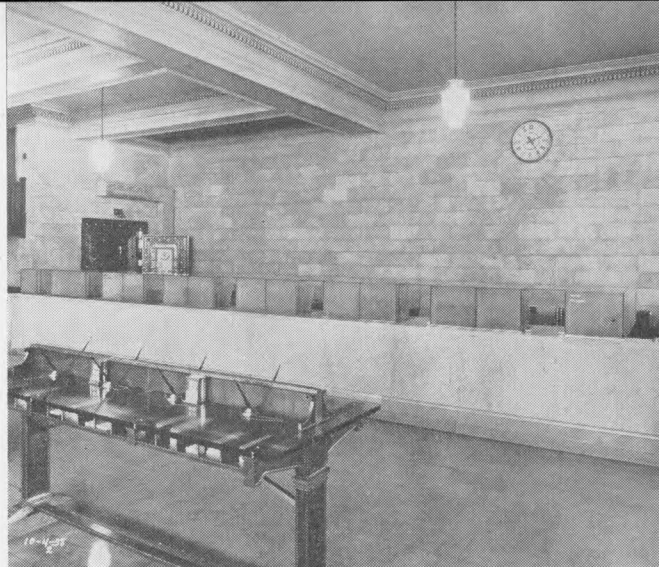
Nationalized 1863

●
ANNIVERSARY YEAR

Member Federal Deposit Insurance Corporation

OFFICERS

T. B. Strain, *President*
Edward A. Becker, *Vice President*
W. S. Battey, *Vice President*
Fred S. Aldrich, *Vice President*
C. W. Battey, *Cashier*
Elmer DeKay, *Assistant Cashier*
Howard Hadley, *Assistant Cashier*
A. W. Griffin, *Assistant Trust Officer*



Another
MILESTONE
in the life of the
Continental National Bank
of Lincoln

With the completion of our newly remodeled banking home, the CONTINENTAL NATIONAL BANK of Lincoln passes another milestone in its march of progress. Aided by increased working space and improved physical equipment we are in better position than ever to render efficient correspondent bank service. We invite you to visit us.



THE
CONTINENTAL NATIONAL BANK
of Lincoln

Member Federal Deposit Insurance Corporation

Northwestern Banker November 1938



W. DALE CLARK, president of the Omaha National Bank, has been elected a member of the board of trustees of the Society of Liberal Arts, which operates Omaha's \$3,000,000 Joslyn Memorial, gift to the city of Mrs. Sarah Joslyn. He took the place of the late C. L. Farnsworth on the board.

Other member of the board are Mrs. Joslyn, president; A. H. Richardson, Ray Page, John McDonald, Fred A. Wright, W. R. Watson.

Director Paul H. Grumann of the memorial announced that during the first three-quarters of the year visitors to the memorial totaled 30,000 more than last

year and that, on a per capita basis, the Omaha gallery leads the nation in visitors.

W. LEROY WILCOX, chairman of the business division of the Omaha Community Chest campaign, appointed Royal Miller of the Omaha National Bank among the "majors" to conduct the canvass in his group. The drive for funds will be held November 14th-23rd.

As part of the Nebraska Bankers association campaign for repeal of the Nebraska law fixing double liability of stockholders of state banks, arguments in favor of repeal of the measure were in-

cluded on circulars distributed with bank statements to patrons of Omaha banks.

The circular declared that the double liability, in view of the recent elimination of similar liability for stockholders of national banks, is a penalty on the state banks operating in Nebraska.

It also stated that both major political parties, at their Nebraska conventions, endorsed the proposal to repeal the law in Nebraska. Nebraska voters will act on the proposal at the November 8th election.

FIVE OF Ak-Sar-Ben's governors were absent when the coronation of a new king and queen of the mythical kingdom of Quivera was held recently in Omaha's Ak-Sar-Ben coliseum.

Two of them, Gwyer H. Yates, chairman of the board of the United States National Bank of Omaha, and De E. Bradshaw, national president of the Woodmen of the World Life Insurance association, were ill. Out-of-town were W. B. Millard, Jr., vice president of the Omaha National Bank; A. A. Lowman, president of the Northwestern Bell Telephone Company and a director of the United States National Bank, and Bert Murphy, motor car dealer, reigning 1938 king since the death of W. F. Baxter.

Substituting for the absent governors were W. J. Coad, W. D. Hosford, father of the new queen, Kathryn Hosford, Joseph Barker, Robert Trimble, Ford Hovey, president of the Occidental Building and Loan association, and Willard Diesing. All are former governors.

OMAHA BANK debits in August, according to the October 1st monthly review of the Federal Reserve Bank of Kansas City, were \$140,724,000, a slight decline from July and a decrease also from August, 1937. Only Kansas City and Denver, both larger cities, had larger debit totals than Omaha in the Tenth Federal Reserve district for the month of August.

RUSSELL C. ENGBERG, associated since 1928 with the Washington office of the federal farm loan system as statistician-economist and as chief of the joint stock land bank section, has become director of research for the Farm Credit Administration at Omaha, L. W. Powers, FCA general agent at Omaha, announced.

Mr. Engberg is a graduate of Iowa State college at Ames, where he later taught farm management. For a time, he did research work for the Brookings Institution in Washington. He has taught at the University of Minnesota and the University of Idaho.

ALVIN E. JOHNSON, president of the Livestock National Bank of Omaha, spoke on "Omaha South of the Tracks"



LIVE STOCK NATIONAL BANK O M A H A

Statement of Condition, September 30, 1938

RESOURCES		LIABILITIES	
Loans and Discounts	3,894,087.56	Capital Stock (Common)	450,000.00
Bonds and Other Securities	4,546.75	Surplus	400,000.00
Stock in Federal Reserve Bank	25,500.00	Undivided Profits	22,011.96
Banking House and Fixtures	1.00	Unearned Discount	4,137.96
Other Real Estate	1.00	Reserved for Taxes, Interest, Etc.	84,534.37
U. S. Gov't Securities	5,441,904.30	Dividend Payable September 30, 1938	6,750.00
Cash, Sight Exch. and Due from Fed. Res. Bank.	4,424,567.10	Dividend Payable January 3, 1939	6,750.00
	9,866,471.40	Deposits:	
		Banks	6,256,566.95
		Other Deposits	6,559,856.47
	13,790,607.71		12,816,423.42
			13,790,607.71

A SPECIAL SERVICE

To handle desirable loans in cooperation with our correspondents

Write, wire or phone us regarding your requirements

This Bank Has NO Affiliated Companies

Member of Federal Reserve System and Federal Deposit Insurance Corporation

Nebraska News

at recent meetings of Omaha's Concord club and the Exchange club. Mr. Johnson is past president of the Omaha Chamber of Commerce.

Omahans don't appreciate the importance of the stockyards and packing industry, the banker declared. "Almost everyone in the city," he asserted, "is dependent, directly or indirectly, on them." He urged his listeners to join the Chamber of Commerce.

CHARLES DICKERSON, Negro porter at the Omaha National Bank, who last spring was crowned King Borealis VII at the ball which climaxed Omaha Negroes' social season, assisted at the Ak-Sar-Ben ball in October.

He helped the Ak-Sar-Ben governors in their dressing room. The governors discarded knee-breeches this year in favor of long trousers.

BANK CLEARINGS and debits, livestock receipts, livestock receipts consumed in Omaha, and postal receipts all were lower in Omaha during September, compared with the same month of 1937.

Grain receipts and shipments, however, showed increases of 2.3 per cent and 5.9 per cent respectively.

Fremont Visitors

Recent Fremont visitors were Roland C. Irvine and Louis Jacoby, representatives of the Chase National Bank of New York City whose unique and interesting money collection has been displayed at the Stephens National Bank. Mr. Irvine is second vice president of the Chase National and Mr. Jacoby is the bank's Chicago representative.

The novel money collection, seen by hundreds of Fremonters in the Stephens National lobby, was developed by the Chase National with the idea of preserving various mediums of exchange. Mr. Irvine said he could make no estimate as to the collection's value.

Gordon Meeting

Four bankers from Hay Springs attended the Regional Clearing House Association meeting at Gordon.

Those who went were R. Gustafson and Joe Mueksch from the Northwestern State Bank and T. R. Morrison and Frank Tulloss from the First National Bank.

All banks along the Northwestern from

**YOUR STATE BANKERS ASSOCIATION
OFFICIAL SAFE, VAULT AND
TIMELOCK EXPERTS
F. E. DAVENPORT & CO.
OMAHA**

Harrison to Valentine are members of this association.

To Liquidate

At a recent meeting of stockholders of the Osmond Co-operative Credit Association it was voted to liquidate the present institution. The proposal of J. B. Adkins of Norfolk to purchase notes and other items now in the hands of the cooperative was explained by Gus. Marek, cooperative president, who presided at the meeting. Mr. Marek stated that the state banking department had three applications for a

commercial bank charter at Osmond and that in all probability one of the applications would be granted whether or not the present financial institution chose to liquidate.

Dies in Pierce

Adolph J. Mastalir, about 50, former cashier of the Cones State Bank in Pierce, died following a prolonged illness due to heart trouble and complications.

He was prominent for many years in civic affairs in that community.

Statement of Condition

The First National Bank

of Lincoln, Nebraska

(Organized 1871)

At the Close of Business September 28, 1938

RESOURCES

Loans	\$ 2,453,943.55
Federal Reserve Stock	33,850.00
Banking House, Furniture and Fixtures	540,155.78
Interest Earned, Not Due	37,013.59
U. S. Government Bonds	10,464,531.25
Other Bonds and Securities	695,979.08
Cash and Sight Exchange	7,256,848.09
Other Assets	730.00
Total Resources	\$21,483,051.34

LIABILITIES

Capital Stock	\$ 850,000.00
Surplus and Undivided Profits	479,684.97
Reserve Accounts	157,230.60
Discount Unearned	14,201.40
Deposits	19,981,934.37
Total Liabilities	\$21,483,051.34

OVER SIXTY-SIX YEARS OF BANKING EXPERIENCE

H. S. FREEMAN, *Chairman Executive Committee*
GEORGE W. HOLMES, *President*

P. R. EASTERDAY, *Executive Vice President*

W. B. RYONS, *Vice President*

L. C. CHAPIN, *Vice President*

STANLEY MALY, *Vice President*

B. O. CAMPBELL, *Junior Vice President*

E. H. MULLOWNEY, *Junior Vice Pres.*

HOWARD FREEMAN, *Cashier*

DONALD P. EASTERDAY, *Asst. Vice Pres.*

CLIFFORD G. WESTON, *Assistant Cashier*

A. C. GLANDT, *Assistant Cashier*

R. J. BECKER, *Assistant Cashier*

Member Federal Deposit Insurance Corporation

Northwestern Banker November 1938



Lincoln Locals

PROPOSED repeal in the November election of the constitutional provision requiring double liability of state banks, was discussed at a recent meeting of the Lincoln Regional Clearing House Association. Forty bankers from Lancaster, Gage, Fillmore, Saline, Cass and Otoe counties attended, and J. H. Clark, of Dorchester, regional president, presided.

W. B. Hughes of Omaha, secretary of the Nebraska Bankers Association, and C. Petrus Peterson of Lincoln, the speakers, after discussing various phases of the proposed amendment which will appear on the ballot in the November election, urged the bankers to work for passage of the proposal. They also stressed that members of the association become active in getting out the vote.

The program, sponsored by the double liability committee of the association, headed by J. R. Stevenson of Nebraska City, was arranged by George A. Knight.

THE SECRETARY of the Lincoln clearing house reported total clearings for the month of September, \$9,836,855; for August, \$10,174,042; September last year, \$11,289,155. Total for the first nine months of 1938, \$91,881,413; total for a corresponding period of 1937, \$104,787,901.

DURING THE MONTH of September Ben N Saunders, state bank director as liquidating agent of failed state banks, paid \$12,562 to depositors in the following four institutions: State Bank of Red Cloud, \$1,275; Cowles State Bank, \$2,735; Farmers & Merchants Bank of Byron, \$4,077, and Logan Valley Bank, Uehling, \$4,473.

AT THE ANNUAL meeting of the Lincoln Joint Stock Land Bank, all the officers were re-elected, and one vice president, C. C. Cartney, added.

Officers are W. E. Barkley, president;

J. L. Teeters, vice president; D. L. Love, treasurer; Katherine Dougan, secretary; W. A. Selleck, W. L. Anderson, W. W. Burr, E. H. Lukart, and Dr. W. C. Becker, directors.

The statement of the concern, which is liquidating, shows a deficit of \$619,672.85 at the close of business September 30. In 1938, 68 farms were sold for \$600,357.55, and for the first nine months a net loss of \$174,758.88 was shown. The land bank has now 284 farm mortgage loans, 150 in Iowa and 234 in Nebraska. Owed to the RFC is \$600,000.

President W. E. Barkley said that the liquidation is proceeding slowly because of the short crops. He said about the same number of farms has been sold this year as last, and that sales have been greatly curtailed because of drouth.

A FINAL payment of \$15,092 was made to depositors of the failed Firth State Bank by Judicial Receiver E. H. Luikart. The payment brought the total amount turned back to \$101,048, or 64.657 per cent of the original claim.

Regional Meeting

The annual meeting of the Regional Clearing House Association was held at Blue Hill recently. About eighty representatives of banks in the southern and western part of Nebraska were present for the banquet at seven o'clock and for the business session which followed.

Principal speakers for the occasion were L. A. White of Lincoln, state director of the Farm Security Administration, and Otto Kotue, of Humboldt.

O. A. Riley of the Hastings National Bank was elected president; S. E. Florence of Red Cloud was made vice president; and E. E. Hedgecock of Edgar, secretary-treasurer.

Attend Convention

Fremont banks were well represented at the annual convention of the Nebraska Bankers Association in Omaha.

Attending from the Stephens National Bank were J. M. Sorensen, William N. Mitten, Lloyd C. Blair, Lester Blair, Ernest Gaeth, John Thielen, Harold Adams, Mary Idalene Anderson and Edith Erling.

J. D. Milliken, Edmund M. Miles and Walter Kallenbach represented the Fremont National Bank.

Appointed

The Farmers National Bank of Central City has been appointed local representative for The National Co. of Omaha to take applications for Federal Housing loans.

The Farmers National will handle the details of making these 5 per cent loans for the National Co. locally, under the



Our complete banking facilities insure out-of-town banks and bankers prompt, efficient and economical handling of accounts in Chicago — we invite you to use our facilities.

CITY NATIONAL BANK

AND TRUST COMPANY of Chicago

208 SOUTH LA SALLE STREET

(Member Federal Deposit Insurance Corporation)

Nebraska News

latest provisions of the Federal Housing Act.

Attend from Ord

Mr. and Mrs. F. P. O'Neal, Mr. and Mrs. Ralph Misko and Mr. and Mrs. C. J. Mortensen were in Omaha recently, the men being in attendance at the state bankers convention.

New Service

Officers and directors of the Scottsbluff National Bank have contracted with the O. B. McClintock Company of Minneapolis to install the latest type of equipment for the convenience and safety of local business men who take in cash and checks during the hours of nights, Sundays, and holidays, when no bank is open to receive the deposit of such "after hour" receipts.

This service equipment consists of a heavy, bronze trimmed receiver, built into the walls of the banking house.

From this receiver, or depository head, there extends through the building wall to the inside of the bank a heavy steel chute, which connects with a steel safe, located within the work space of the bank.

Heads Clearing House

John C. Boyd of the Carson National Bank was elected president of the Fourth Regional Clearing House Association at a meeting held at Humboldt. He succeeds A. F. Schiable, president of the Richardson County Bank. Carroll Lewis of the Bank of Peru was elected vice president. A. C. VanHorne of Pawnee City was elected secretary-treasurer. Other Nemaha county bankers who attended the meeting were Clarence Castner and John Zacharias, Carson National Bank, and R. W. Dirks and Wilbur Maclay, Auburn State Bank; Clarke Casey, First National Bank of Johnson,

and James P. Kelley of the First State Bank of Johnson; E. C. Yont and Chas. V. Harris of the Bank of Brock, and H. R. Dressler of the Bank of Nemaha.

Dies in Grand Island

Carl M. Carlson, 50, assistant cashier of the First National Bank, Grand Island, died in a hospital recently, death being attributed to embolism.

He was formerly connected with banks at Dannebrog, Phillips and Doniphan. He went to the First National Bank in 1933 when the Doniphan bank was merged with the First National. He leaves a wife and three children.

Wayne Meeting

W. F. Winke of Pender, was elected president of the Northeast Nebraska Regional Clearing House Association at the dinner meeting held in Wayne. Robert Larson of Pilger, is vice president and

Continental National Remodels Quarters

THE Continental National Bank of Lincoln has recently completed remodeling and modernization of its banking quarters. The office of T. B. Strain, who is pictured at the right seated at his desk, has been paneled in beautiful wood veneer, which takes the place of glass partitions formerly used.

The officers' quarters, shown at the left below, have been considerably enlarged, with new desks and office furniture provided throughout.

With the proof department transferred to sound-proof rooms at the rear, the space allotted to cages has been made



much larger, so that now the bank has twelve cages where it had but eight before. The picture at the right below shows the cages located along the east side of the lobby. They are all of the new low type, with ground glass fronts and sides, and arrangement is such that handling of customers is much more rapid.

The bank has several additional rooms at the north of the main lobby, housing the personal loan and other departments. This space remains the same, as does also the basement in which is located the trust department and customer vaults.



Edgar M. Hoar, Hartington, secretary. Members of the executive committee are: M. M. Nelson, Newcastle, Dixon county; J. B. Rossiter, Walthill, Thurston County; M. E. Schriber, Wisner, Cumming county; James Zoubek, Stanton, Stanton county; Paul Zutz, Norfolk, Madison county; Herman Lundberg, Wayne, Wayne county; C. W. Fahnestock, Laurel, Cedar county; Fred Maas, Pierce, Pierce county.

Election

V. E. Dolphert, David City was elected president of the Columbus Clearing

House Association, a group within the Nebraska Bankers Association, at the annual meeting. Elmer L. Bradley and Howard Burdick, both of Columbus, were named vice president and secretary-treasurer respectively.

Walters Company Notes

H. H. BYERS, vice president of the Charles E. Walters Company of Omaha, Nebraska, accompanied by Mrs. Byers, is enjoying an extended vacation in the Rockies of Colorado; Yellowstone National Park and the Black Hills of South Dakota.

INCLUDED in the recent sales of banks negotiated by the Charles E. Walters Company of Omaha is the Security State Bank of Mount Ayr, Iowa. Miller Christiansen, the purchaser, is now actively identified with this bank in capacity of president.

ANNOUNCEMENTS are out for the marriage of June D. Goethe, daughter of Robert L. Goethe, president of the Charles E. Walters Company of Omaha, Nebraska, to Austin Garrels of Bruning, Nebraska. The happy event took place at Plymouth Congregational Church in Omaha, followed by a reception at the Blackstone Hotel. Both of these young people are talented musicians and after a short honeymoon will be at home in Urbana, Illinois, where Mr. Garrels will teach music in the University of Illinois.

R. R. BENDER, of Hitchcock, South Dakota, has accepted the assistant cashiership of the First State Bank of Gackle, North Dakota.

NORMAN B. WALTERS, recently of Custer, South Dakota, is now employed as assistant cashier of the Commercial State Bank of Bonner Springs, Kansas.

H. L. CAMPBELL, for a number of years identified with Nebraska banking interests, has accepted the cashiership of the Farmers Trust and Savings Bank of Spencer, Iowa.

THORNTON BAKER of Conway, Iowa, is serving the Bank of Brainard, Brainard, Nebraska, as bookkeeper and teller temporarily.

RECENT SALES of the Charles E. Walters Company of Omaha include majority stock of the First State Bank of Kiowa, Kansas, to L. W. Stevens of Medicine Lodge. The former owner, E. H. Seth, is now identified with the Peoples Bank of Pratt, Kansas, in executive capacity.

PORTER M. RITCHIE, of Eugene, Missouri, is the new cashier of the Bank of Mountain View, Mountain View, Missouri.

ARNOLD HANSEN of Rockville, Nebraska, has accepted the assistant cashiership of the Farmers State Bank of Hardy, Nebraska.

MISS DOROTHY DURBIN of Malvern, Iowa, has accepted the position as secretary to President C. A. Knudson of the College Savings Bank of Ames, Iowa.

Equipped for Double Duty

The Live Stock National Bank of Sioux City, "the only bank at the yards," is your logical correspondent for live stock items. By maintaining messenger service to all parts of the city we are likewise equipped to handle all your Sioux City items. This "double duty" feature is why many of our correspondent banks have been with us for more than two score years.

OFFICERS
C. L. Fredricksen, President
M. A. Wilson
Vice President and Cashier
W. G. Nelson, Asst. Cashier
W. C. Schenk, Asst. Cashier
L. W. Ross, Asst. Cashier

DIRECTORS
C. R. McKenna
President, Johnson Biscuit Co.
B. L. Sifford
Attorney, Sifford & Wadden
G. F. Silknitter
Pres., S. C. Stock Yards Co.
C. L. Fredricksen, President
M. A. Wilson
Vice President and Cashier

LIVE STOCK



NATIONAL BANK

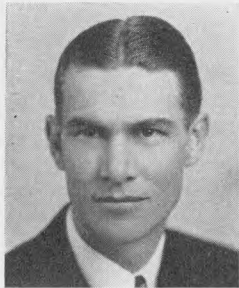
Sioux City, Iowa

"The Bank at the Yards"

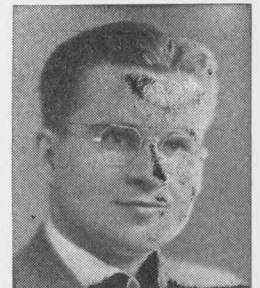
Member Federal Deposit Insurance Corporation

SOUTH DAKOTA

News



JOHN N. THOMSON
President



GEORGE M. STARRING
Secretary

OFFICERS SOUTH DAKOTA BANKERS ASSOCIATION

President.....John N. Thomson Vice President....Wm. C. Rempfer
Centerville Parkston
Secretary-Treasurer..George M. Starring
Huron

What South Dakota Statements Show

Figures Reported by South Dakota Banks on Their Statements of Sept. 28, 1938.
Statements Received Following Each Call Are Reviewed in
the Northwestern Banker as They Appear Below

TOWN	BANK	CASHIER	Capital	Surplus and Profits	Loans and Discounts	Bonds and Securities	Cash and Due from Banks	Deposits
Aberdeen	National Bank & Trust Co.	C. F. Hauge	\$ 100,000	\$ 151,198	\$ 369,070	\$ 1,514,482	\$ 552,272	\$ 2,254,255
Aberdeen	First National Bank of	J. E. Koch	400,000	97,452	1,433,790	1,943,862	1,045,138	4,427,932
Centerville	The Bank of Centerville	J. N. Thomson	50,000	9,471	306,195	87,218	152,376	492,970
Mitchell	Mitchell National Bank	J. N. Shelby	150,000	35,040	513,622	350,223	410,315	1,187,889
Pierre	First National Bank	L. L. Branch	50,000	20,828	135,758	228,223	118,748	467,781
Rapid City	First National Bank	N. W. Klar	675,000	286,844	3,259,689	3,858,856	2,950,579	9,339,914
Sioux Falls	First National Bank & Trust	T. N. Hayter	285,000	154,722	1,352,294	2,211,501	1,677,771	4,848,947
Sioux Falls	Northwest Security National	J. V. Lowe	800,000	94,064	2,928,018	2,426,260	2,566,307	8,661,624
Yankton	First Dakota National Bank	H. C. Danforth	100,000	58,513	459,244	308,218	429,512	1,115,286

Group Two Meets

Arthur R. Johnson, cashier of the Farmers State Bank of Flandreau, was elected president of Group 2 of the South Dakota Bankers Association as the group ended a meeting in Sioux Falls.

E. M. Christensen, cashier of the Minnehaha County Bank of Valley Springs, was named vice president, and C. W. Harrington, cashier of the Dakota State Bank of Colman, was elected secretary-treasurer.

The bankers, representing 35 institutions in the eastern South Dakota area, picked Flandreau as their 1939 meeting place.

The conference ended with a dinner in the Cataract Hotel, featured by an address by John N. Thomson, Centerville, president of the state association.

To Organize

N. J. Thompson of Platte was in West- sington Springs recently and met with a group of local business men who dis- cussed the organization of a new bank. Mr. Thompson and his associates have a bank at Platte and Presho, and also oper- ate an exchange branch at Corsica.

Although nothing definite was reached at the meeting it was thought some con- clusion would be reached soon.

Group One

Officers elected to head Group One, at the recent meeting held in Wagner, were H. E. McKee, Gregory, president; L. L. Lillibridge, Burke, vice president; and Kerl E. Zutz, Burke, secretary. It was decided to hold the 1939 meeting in Gregory.

To Open Exchange

In Pukwana the commercial club met and decided upon reopening their ex- change. It is likely Mrs. Orah Glass, who has had considerable banking experience, will have charge of the business to be located in the former bank building.

Bank Closed

Because of impaired capital stock, the First State Bank of Wilmot has been taken over by the state banking depart- ment, Superintendent of Banks James E. Stewart announced.

In addition to the impairment of cap- ital, Stewart said, an examination dis- closed that funds of the bank had been used to acquire stock in another bank in violation of the state banking act.

The bank was chartered in August,

UNITED STATES CHECK BOOK COMPANY

OMAHA, NEBRASKA

« « « BANKERS SUPPLIES » » »

1919. On June 30, this year, it had deposits of \$119,276; capital stock of \$25,000 and a surplus of \$9,000.

Clearings Gain

Sioux Falls bank clearings for September were \$5,884,006.25, it was revealed at the Sioux Falls clearing house. This is \$12,255.64 more than the total for the previous month. The August showing was \$5,871,750.61. However, it was considerably lower than the bank clearings for September a year ago, when the amount totaled \$6,478,571.97.

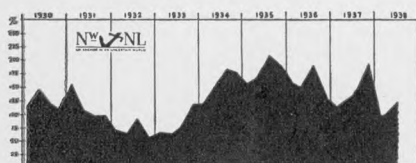


... a Proving Ground for Management

The "thirties"—the years beginning with 1930—will go down in history as a severe proving ground for sound business management, the life insurance business included.

A significant measure of the management of a life insurance company, and an important index of its strength and safety, is the relation of its current cash income to current cash disbursements.

Excess of NWNL's Cash Income Over Cash Disbursements—By Per Cent
(On a quarterly basis)



As the chart above shows, at all times during the critical period of the "thirties" NWNL's normal cash income has exceeded its cash disbursements by a wide margin. Even in the depths of the depression, cash income was more than half again as much as all cash demands made upon the Company.

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

Final Dividend

The state banking department announced liquidation of assets of the Farmers State Bank of Groton and the Farmers State Bank of Roseoe has been terminated. A final dividend of 7.16 per cent and amounting to \$18,928 is being paid by the Groton bank which closed September 3, 1926. Previous dividends of 20 per cent aggregated \$54,675.56. The Roseoe bank, which closed April 11, 1933, paid a first and final dividend of 20.6 per cent, amounting to \$13,491.84.

Articles Filed

The First State Bank of Highmore with capital stock of \$25,000, has filed articles of incorporation with the secretary of state. Directors are Martin Bouzek, M. C. Cunningham, H. C. Harris and W. W. Swanson, all of Highmore, and A. B. Cahalan, Miller.

Group Five

Earl Baertsch, Conde, was elected president of Group 5 of the South Dakota Bankers Association at the annual meeting in Huron. He succeeds W. H. Burke of Pierre.

L. L. Branch, Pierre, was elected vice president. A. E. Schnad, Huron, was re-elected secretary-treasurer.

Sixty bankers from the Huron area, as well as representatives from Chicago, the Twin Cities and Sioux City, attended the group meeting.

Morris Plan Officers

The Morris Plan Bankers Association in convention at White Sulphur Springs, West Virginia, elected Harry E. Small, vice president and secretary of the Morris Plan Bank of Cleveland, to the presidency of the association for the forthcoming year.

Other officers elected were L. D. Lacy of Oklahoma City, first vice president; and Horace D. McCowan of Worcester, second vice president.

Mr. Small succeeds Ralph W. Pitman of Richmond and Philadelphia, who has been president of the association for the past three years.

"Looks as though we might have rain," said the tourist to old settler in the Texas Panhandle.

"I hope so," replied the native, "not so much for myself as for my boy here. I've seen it rain."

IOWA · LITHOGRAPHING · COMPANY
FOUNDED BY GEORGE H. RAGSDALE · · · EDWIN G. RAGSDALE SECRETARY

515 TWENTY EIGHTH STREET
DES · MOINES

QUALITY · EXPERIENCE · SERVICE

MINNESOTA



FRANK P. POWERS
President



WILLIAM DUNCAN, Jr.
Secretary

OFFICERS MINNESOTA BANKERS ASSOCIATION

President.....Frank P. Powers
Mora
Treasurer.....G. A. Haven
Chatfield
Vice President.....A. B. Lathrop
St. Paul
Secretary.....William Duncan, Jr.
Minneapolis

What Minnesota Statements Show

Figures Reported by Minnesota Banks on Their Statements of Sept. 28, 1938
Statements Received Following Each Call Are Reviewed in
the Northwestern Banker as They Appear Below

TOWN	BANK	CASHIER	Capital	Surplus and Profits	Loans and Discounts	Bonds and Securities	Cash and Due From Banks	Deposits
Albert Lea	First National Bank	Wm. A. Gray	\$ 180,000	\$ 30,281	\$ 563,789	\$ 931,133	\$ 474,593	\$ 1,826,816
Brainerd	Citizens State Bank	J. K. Tinklepaugh	50,000	36,710	513,742	926,801	276,412	1,581,627
Cloquet	First National Bank	G. C. Smith	100,000	139,613	242,730	580,742	660,135	2,247,739
Duluth	First and American National Bank	W. A. Putman	2,000,000	1,105,168	5,816,289	9,507,611	15,323,673	28,835,913
Duluth	Minnesota National Bank	J. E. Brown	400,000	215,731	965,264	3,890,755	1,419,292	5,828,958
Duluth	Northern National Bank	L. O. Anderson	1,000,000	328,168	1,904,120	3,971,776	4,717,738	10,461,838
Elk River	First National Bank	R. A. Ellingson	25,000	26,265	213,360	159,307	91,512	434,977
Ellendale	Security State Bank	E. W. Olson	90,000	7,572	148,250	116,864	44,389	97,106
Fairbault	Security National Bank & Trust Co.	G. E. Kaul	150,000	133,375	900,662	1,031,094	597,644	2,306,744
Fairmont	Fairmont National Bank	J. F. Haeckel	50,000	68,771	483,064	569,064	277,649	1,261,557
Fergus Falls	National Bank and Trust Co.	H. G. Dahl	100,000	151,296	525,508	281,754	676,723	2,203,970
Kimball	State Bank of	E. A. Erickson	25,000	9,095	142,836	68,040	31,857	107,904
Mankato	National Citizens Bank	M. F. Barlow	300,000	150,975	1,306,050	1,616,167	841,477	3,492,382
Minneapolis	First National Bank and Trust	J. C. MacLean	6,000,000	7,627,808	32,559,240	7,406,715	55,021,566	138,600,618
Minneapolis	Marquette National Bank	M. E. Mortenson	300,000	173,803	3,184,107	1,234,156	1,504,442	5,545,107
Minneapolis	Northwestern National Bank	G. E. Masters	6,500,000	3,897,394	34,105,982	31,680,168	52,326,974	119,836,626
Montevideo	Union State Bank	B. E. Bonn	50,000	31,623	354,464	71,007	133,780	567,954
Moorhead	First National Bank	L. Mauritsen	100,000	74,146	632,097	334,503	286,679	1,143,766
Northfield	National Bank & Trust Co.	C. E. Gesme	50,000	57,583	115,787	472,639	155,016	656,159
Red Wing	Goodhue County National Bank	H. J. Croke	200,000	87,308	600,267	1,398,122	488,455	2,274,080
Redwood Falls	Citizens State Bank	M. O. Hanson	25,000	70,607	368,220	259,108	554,983	1,086,635
Rochester	Union National Bank	A. C. Burgan	125,000	71,367	467,659	508,445	478,631	1,779,594
St. Paul	American National Bank	E. A. F. Smith	1,688,000	312,583	4,391,127	16,535,830	6,898,392	25,796,989
St. Paul	Empire National Bank & Trust Co.	C. T. Dedon	465,000	236,743	3,592,693	1,569,749	2,931,738	7,360,477
St. Paul	First National Bank	A. W. McNee	6,000,000	7,615,608	46,671,082	35,150,362	49,001,979	120,034,385
St. Paul	Midway National Bank	T. H. Magee	257,600	169,242	1,298,442	2,588,477	1,280,957	4,680,327
South St. Paul	Drover Exchange State Bank	H. G. Swanson	100,000	59,973	894,976	616,600	1,818,060	1,818,928
South St. Paul	Stock Yards National Bank	A. A. Bibus	300,000	169,302	1,681,920	1,635,149	2,162,882	5,019,178
Thief River Falls	Union State Bank	E. O. Peterson	50,000	68,223	377,278	384,571	187,331	862,058
Stillwater	First National Bank	R. D. MacDonald	200,000	294,557	623,330	2,686,123	799,886	3,659,700
Virginia	State Bank of	R. H. Willenbring	50,000	64,835	315,250	579,013	308,580	556,592
Wayzata	Wayzata State Bank	W. A. Zastrow	25,000	36,668	300,663	116,927	140,422	233,041
Willmar	Security National Bank	G. W. O'Dell	100,000	26,200	232,311	648,371	242,079	1,043,674
Winona	National and Savings Bank	J. Ambrosen	200,000	233,192	1,300,618	1,323,766	696,724	4,050,889

Resigns

Wm. Perrizo, Jr., cashier of the First State Bank of Benson the last two years, has resigned his position in order to devote his full time to his hay and feed business. Mr. Perrizo has been engaged

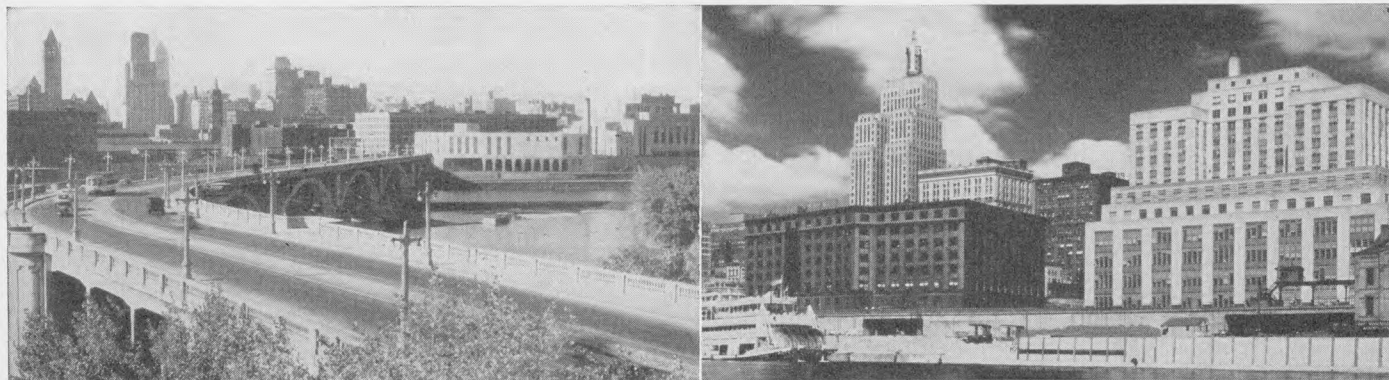
in the banking business since 1912 and in this county the entire period.

He organized the Farmers State Bank of Clontarf in 1912 and operated that bank for 19 years before liquidating the business in 1931. He was associated with

the First State Bank here during the following year and then worked for the First Bank Stock Corporation at Northfield and Minneapolis from 1932 to 1936. He returned to Benson as cashier of the local bank in June, 1936.

Northwestern Banker November 1938

TWIN CITY NEWS



TWIN CITY BANKERS were much in evidence at two important business and financial conferences held in Minneapolis in mid-October.

Ralph W. Manuel, president, Marquette National Bank, was chairman of local arrangements for the conference on banking sponsored by the Society for Stability in Money and Banking, Inc.

Dr. Joseph E. Goodbar, New York, society president, explained plans for seeking congressional action (1) to prevent conflict between money savings and bank credit, and (2) to coordinate bank credit volume with economic needs.

The conference developed an interesting difference of opinion between Dr. Melchior Palyi, University of Chicago, and Dr. Irving Fisher, professor emeritus of Yale university, over the proposal to keep a 100 per cent reserve behind all deposits subject to check. Dr. Fisher called for "a more scientific monetary system" in defending the reserve proposal. Dr. Palyi said governmental control of the quantity of money has resulted in displacement of commercial credits and business investments by federal spending.

Second conference was that in connection with dedication of the University of Minnesota's new \$300,000 school of business administration building.

Bankers were urged by Dr. George W. Dowrie, professor of finance at Stanford university, to accept the greater social control we now have and to "strive to keep alive to the changing needs" of their constituency. Dr. Harold Stonier, executive manager of the American Bankers Association, explained what can be accomplished by education in banking. Other experts discussed technical phases of banking.

GUY W. LALONE, vice president, First National Bank and Trust Company, Minneapolis, has been reelected treasurer of the Minneapolis Better Business Bureau.

Northwestern Banker November 1938

JAMES M. SUTHERLAND

Special Correspondent

R. O. THAYER, cashier, Fifth Northwestern National Bank, Minneapolis, was promoted from vice president to president of the Exchequer club of Minneapolis at the club's first meeting of the season. V. E. Mikkelson, president, Fidelity State Bank, was advanced from secretary-treasurer to vice president; and B. W. Lohmar, manager of First National Bank and Trust Company's north side office, was named secretary-treasurer.

EXECUTIVES of the Minneapolis and St. Paul chapters, American Institute of Banking, conferred with Dr. Harold Stonier, New York, national educational director of the A. I. B. and executive manager of the American Bankers Association, while he was in the Twin Cities for the University of Minnesota business and banking conference. Officers, education committees and faculties of the chapters met with Dr. Stonier.

STAFFS of the Marquette National Bank and affiliated institutions held their annual fall picnic October 8th at the farm home of Ralph W. Manuel, bank president, south of Excelsior, Minnesota.

Members of the Chicago Lake and University State Banks also attended. O. H. Odin was general chairman. Assisting were Gordon Larkin, M. S. Sampson, Evelyn Swanson, Gertrude Jordan, Mabel Dahl, Mrs. E. H. Hallgrain, E. D. Cardle, R. J. Chambers and Irene Swanson.

OFFICERS AND EMPLOYEES of First National Bank of St. Paul joined recently in observance of the one hundredth anniversary of the birth of James J. Hill, "Empire Builder" and a dominant figure in the bank for many years.

JOHN CARLANDER, for the past five years chief examiner in charge of the

Minneapolis Federal Reserve Bank's examination division, has resigned to become president of the Faribault State Bank and Trust Company, Faribault, Minnesota. He succeeds the late A. B. Larson.

V. E. MIKKELSON, president of the Fidelity State Bank, Minneapolis, was a recent speaker before the Minneapolis chapter, Minnesota Credit Union League.

TWIN CITY bankers attending meeting in Hershey, Pennsylvania, of Robert Morris Associates, October 10th to 12th, included Arnulf Ueland, vice president, Midland National Bank and Trust Company; Edmund S. Jones, vice president, Marquette National Bank; C. R. Chaney, vice president, Northwestern National Bank and Trust Company; A. H. Quay, First National Bank and Trust Company; and H. G. McConnell, assistant federal reserve agent, Minneapolis Federal Reserve Bank, all of Minneapolis, and J. F. Ringland, Stock Yards National Bank, South St. Paul.

J. R. Kingman, Jr., associated with Wells-Dickey Company, Minneapolis, has assumed new duties as treasurer of Dunwoody Industrial Institute, Minneapolis.

THESE ARE busy days for John Getchell of Pipe, Jaffray & Hopwood, Minneapolis. For "Johnny" is an official for Western Conference (Big Ten) football games, and does considerable traveling for each Saturday game.

DISTRICT JUDGE GUSTAVUS LOEVINGER of Ramsey county court, St. Paul, has ruled the National City Bank of New York fraudulently sold \$1,266 in stock in 1929 to Mrs. Jessie B. Coleman, because it had not been registered under the Minnesota "blue sky" law.

He held the statute of limitation did not apply because the City Company of

“FEEDER LOANS”



FIVE Northwestern states raise about 4½ billion pounds of beef cattle and sheep every year and sell them for about 925 million dollars.

“Feeding” and “Finishing” are two of the most important functions of this live stock industry. Both require financing and that financing is done by hundreds of banks throughout the Northwest.

The Northwestern National Bank and Trust Company has always cooperated with its correspondents in aiding the development of this vastly important farm industry.

You are invited to use our facilities in the event that we can assist your bank with its “feeder loans.” We are no further from you than your telephone, telegraph or typewriter.

Department of Banks and Bankers

WM. N. JOHNSON
Vice President

F. W. CONRAD
Asst. Cashier

D. E. CROULEY
Asst. Cashier

L. P. GISVOLD
Representative

NORTHWESTERN NATIONAL BANK AND TRUST COMPANY

Marquette Avenue: 6th to 7th Street

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

New York, bank affiliate, withdrew from operation in 1934, suspending the statute's benefit.

Federal Judge Robert C. Bell in Minneapolis recently sustained a similar claim of \$165,000 by Samuel M. Shepard.

FRANK T. W. ROOS, Charles E. Lewis & Company, Minneapolis, was elected president of the Twin City Bond Traders Club at the annual meeting October 18th. He succeeds K. B. Sorum, Allison-Williams Company.

F. S. Goth, Piper, Jaffray and Hopwood, was elected vice president; Norman D. McDonald, Woodard-Elwood & Co., secretary; Joyce S. Finrud, First National Bank & Trust Co., Minneapolis, treasurer, and Mr. Sorum, national committeeman.

Mr. Roos appointed Alfred N. Plumley, First National, Minneapolis; Don Anderson, First National Bank, St. Paul, and C. H. Babcock, Harris, Upham & Co., to the executive committee.

Resigns

Paul Kolbe, of Bird Island, who for the past several years has been employed by the State Banking Department of Minnesota as a Special Deputy Bank Examiner, resigned his office to enable him to devote his entire time to his campaign for the office of County Treasurer of Renville County.

Mr. Kolbe has been employed by the department in the liquidating of the assets of the State Bank of Echo, The Farmers State Bank of Echo, The State Bank of Belview, the Lucan State Bank, and the State Bank of Milroy, all in Redwood County, and maintained his headquarters at Echo.

President

C. H. Finseth of Hayfield was elected president of the Southern Minnesota Clearing House Association in Austin when 80 bankers of Dodge, Mower and Olmsted counties met.

H. R. Hommedal of Rochester was elected vice president and C. F. Dabelstein, director for Olmsted County.

K. P. Doffing of Dodge Center was named director for Dodge County, and J. F. Schneider of Elkton, director for Mower County.

P. D. Beaulieu of Austin was elected secretary-treasurer.

Legislation

"Traffic control" of all bank operations, so that savings and time deposits are separated completely from demand or "check" deposits, was urged in Minneapolis by Dr. Joseph E. Goodbar of New York, president of the Society for Stability in Money and Banking, at its Minnesota banking conference.

The society will propose federal legislation to bring that about at the next session of congress, Dr. Goodbar said. Demand deposits, which are affected by bank credit, he explained, should represent funds in current use, while time and savings accounts represent only money left with banks for investment.

Conference

Dr. Harold Stonier of New York, national educational director of the American Institute of Banking and executive manager of the American Bankers Association, was one of the speakers at the round table conferences in connection with the dedication of the new Business Administration Building at the University of Minnesota.

Dr. Stonier met with the officers, educational committees and faculty of both Minneapolis and St. Paul AIB chapters at the Town and Country Club, St. Paul.

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO

Statement of Condition, September 28, 1938

RESOURCES

Cash and Due from Banks	\$ 510,138,222.76
United States Government Obligations, Direct and Fully Guaranteed	506,735,826.88
Other Bonds and Securities	67,637,895.01
Loans and Discounts	156,074,304.48
Stock in Federal Reserve Bank	2,805,000.00
Customers' Liability on Acceptances	1,185,697.98
Other Banks' Liability on Bills Purchased	9,452.22
Income Accrued but Not Collected	3,293,985.02
Banking House	12,975,000.00
Real Estate Owned other than Banking House	3,489,588.68
	<u>\$1,264,344,973.03</u>

LIABILITIES

Deposits	\$1,139,197,293.81
Acceptances	1,187,684.61
Other Banks' Bills Endorsed and Sold	9,452.22
Reserve for Taxes, Interest and Expenses	5,780,163.12
Reserve for Contingencies	13,842,985.11
Income Collected but Not Earned	254,059.82
Preferred Stock	25,000,000.00
Common Stock	50,000,000.00
Surplus	18,500,000.00
Undivided Profits	10,573,334.34
	<u>\$1,264,344,973.03</u>

United States Government obligations and other securities carried at \$90,168,581.02 are pledged to secure public and trust deposits and for other purposes as required or permitted by law.

Member Federal Deposit Insurance Corporation

Minnesota News

The leaders of Minnesota chapters in Duluth, Winona, Rochester and Mankato were invited to attend the session.

Changes

Arrangements were completed recently at the monthly meeting of the Blue Earth Valley National Bank at Winnebago, whereby G. M. Seaberg, director of the bank, and president of the Truman National Bank, became the owner of the A. L. Ward Estate interest in the former institution. Mr. Seaberg was elected executive vice president and I. A. Babcock elected as a director. No other change was made in the officers.

Promoted

Promotion of Clifford E. Gesme, cashier of the Northfield National Bank & Trust Company, to become manager of the First State Bank of Benson, and the reappointment of Paul M. Odegaard as a member of the staff of the local bank, has been announced by A. F. Meyer, president of the Northfield institution. Both the Northfield and Benson banks are affiliates of the First Bank Stock Corporation.

Coming to Northfield from the First National Bank of Paynesville in November, 1933, Mr. Gesme, first as assistant cashier and later as cashier of the Northfield National, has made an outstanding record here, both in business and in the community life of Northfield.

New Bank

Worthington capital is largely responsible for a new bank at Jackson that opened recently.

The new financial institution, known as the Jackson State Bank, has Roy E. Trunk of Worthington as its president and Nic Casareto as one of the directors. It begins operations with \$30,000 capital and surplus in the building formerly occupied by the Jackson National Bank, now out of existence.

The complete bank personnel is Roy E. Trunk, president; F. A. Matuska, vice president; Anton C. Geiger, cashier; and Nic Casareto and John Ingebrigtsen, other members of the board of directors.

President Dies

P. S. Peterson, 76, Detroit Lakes bank president and formerly prominent in North Dakota banking circles, died recently at his summer home from a heart ailment. He had been in ill health the past nine years. Peterson, president of the Becker County National Bank, which he organized in 1927, was born in Carver

County, Minnesota, March 14, 1862. He traveled overland by oxen at the age of 16 to Caledonia, North Dakota, and later moved to Hillsboro, North Dakota, where he operated a general store until 1908 when he entered the banking field. In 1937, he was named agricultural chairman of Kiwanis International, a position he held until he became ill in August, 1937.

To Wheaton

Henry Frick of Sioux Falls, S. D., who has been connected with the First Bank

Corporation for some time, was elected cashier of the First National Bank of Wheaton at a meeting of the directors. Mr. Frick has been in the banking business many years.

Business Leader Dies

Olaf Holdahl, 67, prominent business leader, died in Roseau. He had founded the Roseau Milling Co., organized the Roseau Telephone Co. and the Roseau Co-operative Creamery and was a founder of the Citizens State Bank with which he was connected when he died.

*Where
friendly interest
is always
combined with
efficient service*

**MIDLAND NATIONAL BANK
AND TRUST COMPANY
of MINNEAPOLIS**

Member Federal Deposit Insurance Corporation

Chase National

The statement of The Chase National Bank for September 30, 1938, has been made public. The deposits of the bank were \$2,376,974,000 compared with \$2,152,228,000 on June 30, 1938, and \$2,128,875,000 on September 30, 1937.

Total resources amounted to \$2,670,123,000 compared with \$2,449,267,000 on June 30, 1938, and \$2,422,152,000 on September 30, 1937; cash in the bank's vaults and on deposit with the Federal Reserve Bank and other banks, \$986,341,000 compared with \$801,270,000 and \$708,884,000 on the respective dates; investments in United States Government securities, \$661,918,000 compared with \$626,756,000 and \$575,011,000; loans and

discounts, \$620,197,000 compared with \$654,027,000 and \$817,313,000.

On Sept. 30, 1938, the capital of the bank was \$100,270,000 and the surplus \$100,270,000, both amounts unchanged. After payment on August 1st of a semi-annual dividend amounting to \$5,180,000 the undivided profits on September 30, 1938, were \$31,136,000 compared with \$31,999,000 on June 30, 1938 and \$25,888,000 on September 30, 1937.

Another Cut

Another cut in the cost of blanket bonds for banks is reported by the Insurance Committee of the American Bankers Association, this one effecting savings to banks of \$1,300,000 annually

in the premiums paid for these bonds. In addition, the committee reports reductions in fidelity bond rates that will save banks an aggregate of \$90,000 annually.

These cuts in the cost of blanket and fidelity bond insurance are in addition to reductions amounting to \$1,200,000 annually announced in July, 1937, on blanket bond rates.

The reductions, which became effective October 1, are of particular benefit to small banks, according to James E. Baum, secretary of the Insurance Committee.

For banks having less than 26 employees, the reduction on blanket bonds will result in savings aggregating \$825,000 annually and the larger banks will benefit from savings in insurance costs totaling about \$475,000, Mr. Baum states. Costs of blanket bonds to banks with less than six employees was reduced 25 per cent to 40 per cent. For banks having from 6 to 25 employees the percentages of reductions decrease gradually as the number of employees increases. Premiums paid by banks with more than 25 employees were reduced 9 per cent to 9.5 per cent.

A savings of \$90,000 on individual and schedule fidelity bonds was effected, largely for the smaller banks. The total amount of the bond covering one or more employees now determines the rate charged. The new schedule differs from the old flat rate of \$8 per thousand by providing a charge of \$7 per thousand for banks insuring their employees in aggregate amounts of less than \$10,000. The rates graduate downward in four steps to \$5 per thousand for bonds in aggregate amounts of \$50,000 and over.

Absent-Minded

"What's the matter here?" asked the policeman of the battered man lying on the sidewalk outside an apartment house.

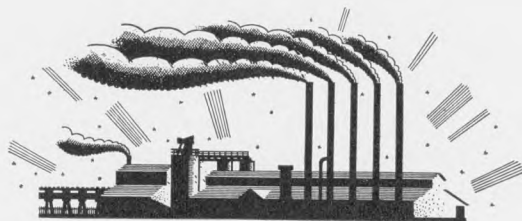
"Oh, just absent-mindedness," was the reply.

"What are you talking about?" retorted the officer.

"Well, you see I live on the fourth floor of this building. My wife and I are both very absent-minded. I just came home from a long business trip, and my wife and I were at the dinner table when a step sounded in the hall and someone tried the door. Well, my wife is so absent-minded that she said, 'Goodness, here comes my husband!' and I'm so absent-minded that I jumped out the window."

Co-ed: "Why dearie, the boys run after my kisses."

Second Co-ed: "So what? After mine they limp."



CREATING NEW VALUES

in modern
correspondent relationships

A growing number of out-of-town bankers find satisfaction in the experienced correspondent service offered by The Northern Trust Company in Chicago. They enjoy the discussions of mutual problems which frequently accompany their visits to this institution. They often benefit by the extensive fund of business information which is at their disposal here. Other bankers who seek a Chicago correspondent are invited to make inquiries.

THE NORTHERN TRUST COMPANY

50 SOUTH LA SALLE STREET, CHICAGO
Member Federal Deposit Insurance Corporation



AXEL NELSON
President

MONTANA NEWS

OFFICERS MONTANA BANKERS ASSOCIATION

President.....Axel Nelson
 Sidney
 Second Vice President.....R. D. Mountain
 Shelby
 First Vice President.....O. M. Jorgenson
 Billings
 Secretary-Treasurer.....Ethel W. Walker
 Helena

What Montana Statements Show

Figures Reported by Montana Banks on Their Statements of Sept. 28, 1938.
 Statements Received Following Each Call Are Reviewed in
 the Northwestern Banker as They Appear Below

TOWN	BANK	CASHIER	Capital	Surplus and Profits	Loans & Discounts	Bonds & Securities	Cash & Due From Banks	Deposits
Anaconda.....	Daly Bank & Trust Co.....	O. B. Silvey.....	250,000	\$ 107,471	\$ 595,301	\$ 1,949,856	\$ 1,161,694	\$ 3,449,005
Billings.....	Midland National Bank.....	A. R. Hammer.....	200,000	229,144	947,885	2,150,530	1,222,291	4,032,910
Billings.....	Security Trust & Savings.....	O. M. Jorgenson.....	100,000	129,885	1,259,652	611,120	861,756	2,775,544
Butte.....	Metals Bank & Trust.....	R. W. Place.....	600,000	589,329	1,642,429	6,261,864	5,088,883	11,905,736
Columbus.....	Yellowstone Bank.....	L. J. Wallace.....	25,000	15,799	218,460	108,555	114,839	426,847
Dillon.....	First National Bank.....	J. W. Rees.....	150,000	59,594	628,008	665,497	429,526	1,608,302
Dillon.....	State Bank & Trust Co.....	R. M. Stone.....	100,000	85,299	901,115	555,708	153,306	1,431,830
Forsyth.....	Forsyth State Bank.....	Dan Traub.....	25,000	43,901	111,738	273,148	71,702	401,956
Glasgow.....	First National Bank.....	A. B. Friedlund.....	82,000	122,790	33,976	548,059	466,052	914,529
Great Falls.....	First National Bank.....	L. F. Curry.....	600,000	398,605	1,513,195	4,853,502	3,106,152	8,859,769
Great Falls.....	Great Falls National Bank.....	R. J. Williams.....	200,000	141,603	1,090,379	985,271	1,203,729	3,271,471
Great Falls.....	Montana Bank & Trust Co.....	L. R. Fousek.....	200,000	45,867	840,297	976,557	877,861	2,597,424
Havre.....	Montana National Bank.....	Donald Creel.....	50,000	41,107	98,505	763,799	211,138	927,524
Kalispell.....	Conrad National Bank.....	J. G. Edmiston.....	250,000	53,021	657,942	1,550,660	914,499	2,914,222
Laurel.....	Yellowstone Bank.....	B. M. Harris.....	35,000	16,683	296,051	116,435	193,132	560,312
Libby.....	First State Bank of.....	R. W. Smithberger.....	25,000	40,383	243,442	210,917	188,477	586,452
Missoula.....	First National Bank.....	T. Jacobs.....	200,000	192,178	474,001	1,316,536	2,406,425	3,915,032
Plentywood.....	Security State Bank.....	R. O. Nelson.....	30,000	5,171	65,924	184,882	37,703	257,255
Stanford.....	Basin State Bank of.....	N. B. Matthews.....	25,000	14,146	122,727	156,053	56,026	303,946

To Miles City

Claude M. Jones, cashier and director of the Minnesota National Bank of East Grand Forks, Minnesota, for the past 15 months, left November 1 to take charge of a First Bank Stock Corporation bank affiliate at Miles City, Montana.

He will be succeeded by Harry M. Mackenzie, cashier of the institution for a year prior to the arrival of Mr. Jones. Mr. Mackenzie has been cashier of the Red River National Bank in Grand Forks.

Mr. Jones came to East Grand Forks in July, 1936, from Minneapolis, where he spent a year with the main offices of the First Bank Stock Corporation. Prior to that time he had been engaged in the banking business in South Dakota.

Dividend

Payment of a 4 per cent dividend totaling approximately \$17,500 was made to creditors of the National Bank of Anaconda as announced by Edgar Andrieux, receiver.

This dividend, which was the fourth paid by the receiver since the institution

Northwestern Banker November 1938

failed to resume business following the bank holiday of March, 1933, brings the total dividends paid to the creditors of the bank to 100 per cent.

Previous dividends paid by receiver were for 43 per cent, 43 per cent and 10 per cent respectively, and with the 4 per cent dividend makes the total amount paid to creditors to approximately \$412,000.

The dividend will not terminate the receivership of the bank, Mr. Andrieux said. Further liquidation of bank assets, he said, would result in the payment of an interest dividend to creditors in the near future.

Delivers Checks

V. C. Hollingsworth, liquidating agent for the Granite County Bank, has been in Phillipsburg delivering checks to the depositors of the bank. The payment is the sixth and final dividend. The distribution was at the rate of 6.4 per cent and brought the total dividends paid to 53.4 per cent. Total funds required for this distribution amounted to \$6,920.45. The bank closed November 8, 1930.

Prentice Dies

Eugene Miles Prentice, vice president of the Guaranty Trust Company of New York, died suddenly from a heart attack at his home in Upper Montclair, New Jersey. Surviving are his wife, Mrs. Mildred C. Prentice, a son, Eugene M. Prentice, Jr., and a sister, Mrs. Harry Byrd, of Pasadena, California.

Mr. Prentice was born in Rockford, Illinois, September 2, 1885, attended public schools in South Bend, Indiana, and was graduated from Dartmouth College in 1908. For ten years thereafter he was associated with the State Bank of Chicago, resigning in 1918 to join the staff of the National Bank of Commerce in New York. After service in various departments at this bank's Main Office in New York, Mr. Prentice was appointed an assistant cashier, on November 1, 1920, and successive promotions made him a second vice president in March, 1924, and vice president in May, 1926. He continued to serve as a vice president when his institution was merged with the Guaranty Trust Company of New York in May, 1929, and has since been engaged in the work of the Company's Banking Department, in charge of credits.



INSTITUTIONS THAT MAKE

Upper Right—Eight rackloads of peas, arriving at Roland, Iowa, plant. • *Center*—Headquarters office and canning plant at Marshalltown, Iowa. In the foreground special tomato-plants await transplanting. • *Lower Left*—Jack Sprat Whole Grain Golden Bantam Corn, a leader among the 300 fine foods that carry the Jack Sprat label. • *Lower Right*—Choice tomatoes passing over the inspection table at the Marshalltown plant.

BANKERS

6th and Locust Streets

MORE VALUE to farmers . . . to families

Of America's current problems, one of the most perplexing is — how to give producers more for what they grow, and still give consumers more for what they pay?

Among the organizations working out sound answers to this vital problem, is the Western Grocer Company, and its subsidiary, the Marshall Canning Company, whose nation-wide business is directed from headquarters at Marshalltown.

Typical example of the company's effort to give more value both to farmer and to family, may be found in its handling of corn. For the company's canneries, corn is purchased from farmers who receive a bonus per bushel when yield-per-acre exceeds a specified amount. Since "bonus" corn can be packed at lower handling cost, the bonus payment does not increase the price to consumer. Instead, the housewife gets better corn for her money.

The company has worked toward similar economies in the field of distribution. The name of its featured brand — Jack Sprat — also identifies a group of more than 1000 grocery stores who cooperate with the Western Grocer Company in merchandising. These stores are privately-owned, the property of the merchants who run them. But by buying together and advertising together through the Jack Sprat organization, they effect important savings, which result in greater value for the consumer.

Original business of the company was distribution alone. Formed in 1900 by consolidation of the Letts-Fletcher Company of Marshalltown and the H. L. Spencer Company of Oskaloosa, the Western Grocer Company concentrated its early years on improvements in service to retailers.

As part of this program, the company began in 1907 to pack some of its own foods. Gradually, the number of canned or manufactured items has increased to include nearly all vegetables, and a complete line of grocery sundries, and coffees. Even during depression years, growth has gone steadily on. Since 1932, canning production has risen from two million up to three million cases a year.

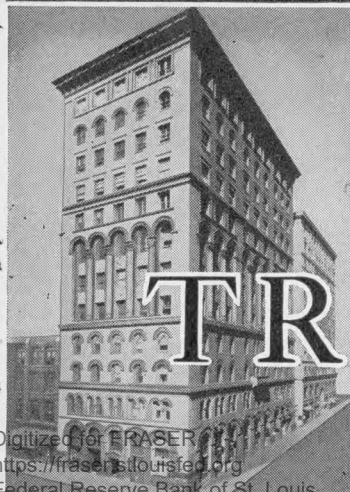
Today, through the fourteen wholesale branches, the Western Grocer Company distributes food products to retailers in Illinois, Iowa, Kansas, Missouri, Minnesota and Wisconsin. It has forty sales representatives outside its own jobbing territory, selling to more than 800 other wholesalers. Its ten canning plants in Iowa, Indiana and Texas have a mid-season capacity of more than 85,000 cases in a single day.

Paying more than \$500,000 each year to farmers in Iowa alone, and supplying food products to grocers who serve homes throughout the state, the Western Grocer Company has doubly earned its recognition as one of the "Institutions that Make Iowa."

Among the banks serving the Western Grocer Company, is the Security Savings Bank at Marshalltown, which is in turn, a customer of the Bankers Trust Company at Des Moines. In addition, ever since Western Grocer established a wholesale branch in Des Moines, Bankers Trust has been privileged to serve that branch.

The value of its services as correspondent is evidenced in the ever-growing list of Iowa banks who depend on Bankers Trust to transact their Des Moines business.

IOWA



TRUST COMPANY

Member Federal Deposit Insurance Corporation

Des Moines

WHAT IOWA STATEMENTS SHOW

(Continued from page 57)

Newton.....	Newton National Bank.....	W. T. Robinson.....	100,000	72,711	485,961	637,519	256,017	1,271,576
Oelwein.....	First National Bank of.....	G. W. Falk.....	50,000	89,239	250,089	542,435	415,186	1,264,266
Orange City.....	Northwestern State Bank.....	H. C. Moret.....	65,000	52,873	735,723	23,500	281,486	959,125
Pella.....	Pella National Bank.....	H. P. Sholte.....	50,000	48,516	195,290	555,624	520,945	1,181,356
Perry.....	First National Bank.....	E. R. Burkett.....	50,000	92,721	690,111	55,121	510,606	1,141,487
Red Oak.....	First National Bank.....	W. J. Roberts.....	100,000	21,586	339,021	452,602	272,627	1,070,776
Staint Ansgar.....	Citizens State Bank.....	A. Halvorsen.....	50,000	34,306	669,905*		130,981	743,886
Sioux City.....	First National Bank.....	F. Fritzon.....	400,000	215,493	2,558,045	2,247,637	2,030,816	6,371,371
Sioux City.....	Live Stock National Bank.....	M. A. Wilson.....	300,000	227,035	1,931,292	1,309,997	2,683,405	5,371,192
Sioux City.....	Security National Bank.....	R. E. Brown.....	250,000	228,963	1,570,559	998,613	2,058,012	5,377,950
Sioux City.....	Woodbury County Savings Bank.....	C. T. McClintock.....	100,000	71,180	1,204,182	845,670	491,717	2,364,705
Spencer.....	Clay County National Bank.....	A. E. Anderson.....	75,000	100,276	757,599	293,714	757,631	1,669,310
Storm Lake.....	Citizens First National Bank.....	W. A. Myers.....	75,000	174,326	921,839	313,350	672,521	1,653,226
Storm Lake.....	Commercial Trust & Savings Bank.....	E. J. Knebel.....	50,000	29,891	227,544	311,100	94,271	570,285
Stratford.....	Farmers Savings Bank.....	E. J. Johnson.....	20,000	12,107	155,964	67,811	64,576	260,362
Stuart.....	First National Bank.....	C. L. Beech.....	50,000	8,198	124,328	153,410	105,304	343,002
Vinton.....	State Bank of Vinton.....	J. C. Carrier.....	65,000	62,122	682,775	325,457	600,353	1,473,173
Wapello.....	State Bank of Wapello.....	H. B. Hammer.....	25,000	11,948	257,430	56,172	143,744	424,591
Waterloo.....	Waterloo Savings Bank.....	J. J. Miller.....	175,000	170,231	1,882,040	1,019,305	3,245,933	5,920,906

* Also includes Bonds and Securities



COMMERCIAL • CHECKING

SAVINGS • TRUSTS

"...rain check..."

If you didn't get to stop in and see us the last time you were in Chicago, remember, you have a rain check on your next visit. Come in anytime. We're never too busy to see our friends... both new and old.

LAURANCE ARMOUR
President

AMERICAN NATIONAL BANK AND TRUST COMPANY

of Chicago

LA SALLE STREET AT WASHINGTON

Member Federal Deposit Insurance Corporation

Northwestern Banker November 1938

BRIEF NEWS

By J. A. SARAZEN

Associate Editor

THE COMMERCIAL State Bank, Af-ton, will soon open an office at Lorimor. The town has a population of 600 and is fourteen miles from Af-ton. Kenneth Seeley, assistant cashier, will be in charge.

DEPOSITS in the Clarke County State Bank, Osceola, increased \$120,000 since the first of the year. The bank pays no interest on deposits and has a reasonable service charge on checking accounts as follows: If that account averages less than \$100, a charge is made of 5 cents per check for the first ten checks and 3 cents for each check over ten. Accounts averaging over \$100 are allowed 15 free checks and extra checks are 3 cents each. There is no base charge.

BOTH banks in Creston pay one per cent interests on deposits.

THE IOWA State Savings Bank, Creston, has completely remodeled the interior of the bank. Tellers cages are completely new and are the new low type, composition board was added to the ceiling and the walls redecorated as well as many other improvements. Work was done by the Fisher Company.

THE FIRST National Bank, Creston, has total deposits of \$1,120,000. Demand deposits are \$694,000 and time deposits of \$426,000.

THE UNION State at Bridgewater, has been paying one per cent interest on deposits for the last year. Ed Arnold, cashier, spent a week in a Des Moines hospital during October.

THE BANK at Kent makes a service charge of 25 cents per month on checking accounts.

THE RIPPEY Savings Bank is exhibiting the first statement of the bank

which was brought in to Cashier D. M. Crumley a few days ago by one of the first directors, Dr. J. H. Shipley.

The statement is as of August 25, 1905, just six months after the bank opened for business. Deposits are listed at \$18,000, capital was \$10,000 with no surplus. Recent statement lists deposits of \$352,000, capital of \$25,000 and surplus and undivided profits of \$31,000.

THE RIPPEY Savings Bank recently completed an addition to the bank which gives it more than double the working space. The old part was also modernized and brought up to date.

THE PERRY State Bank lists demand deposits of \$590,000 and time money of \$495,000.

THE IOWA Trust and Savings Bank, Emmetsburg, now carry their bank building at just one dollar. Capital is \$25,000, surplus \$50,000 and undivided profits of \$70,000. Both banks here pay two per cent.

BANKERS of Webster county held their annual meeting October 13th at Fort Dodge. Officers elected to serve for the year are: O. B. Lundgren, president; J. W. Ryberg, vice president; and R. C. Allen, secretary.

F. L. LORGE, cashier, Pocahontas State Bank, while confined to his home for the last eight months on account of illness, keeps in close touch with affairs at the bank.

FRANK A. WHITNEY, cashier, Somers Savings Bank, is a candidate for reelection for state representative for Calhoun county.

To Attend A. B. A.

As we go to press with this November issue of THE NORTHWESTERN BANKER, the following are among those from Iowa who are planning to attend the American Bankers Association convention in Houston:

V. W. Johnson, president, Union Bank & Trust Company, Cedar Falls; H. N. Boyson, vice president, Merchants National Bank, Cedar Rapids; John T. Hamilton, III, assistant cashier, Merchants National Bank, Cedar Rapids; Frank C. Welch, president, Peoples Savings Bank, Cedar Rapids; Melvin W. Ellis, president, First Security Bank & Trust Co., Charles City; Edward M. Warner, president, City National Bank, Clinton; B. A. Gronstal, president, Council Bluffs Sav-

ings Bank; V. O. Figge, president, Davenport Bank & Trust Company, Davenport; E. F. Buckley, vice president, Central National Bank & Trust Co., Des Moines; Grant McPherrin, president, Central National Bank & Trust Co., Des Moines; Herbert L. Horton, president, Iowa-Des Moines National Bank & Trust Co., Des Moines; D. W. Bates, superintendent, State Banking Department, Des Moines; H. O. Lovett, vice president, First National Bank, Fairfield; F. D. Williams, executive vice president, First Capital National Bank, Iowa City; Clifford DePuy, publisher THE NORTHWEST-

ERN BANKER, Des Moines; Dr. E. M. Macowen, vice president, Iowa State Bank & Trust Co., Iowa City; Ben S. Summerwill, president, Iowa State Bank & Trust Co., Iowa City; E. A. Ebersole, president, Iowa Bankers Association, cashier, State Central Savings Bank, Keokuk; Wm. Zunkel, cashier, Decatur County State Bank, Leon; Carson Williams, executive vice president, Security State Bank, Mt. Ayr; Julian Frost, vice president, Clarke County State Bank, Osceola; R. W. Funk, vice president, Union Bank & Trust Co., Ottumwa; Max von Schrader, cashier, Union Bank & Trust Co., Ottumwa; C. L.

UNION BANK and TRUST COMPANY

Ottumwa, Iowa

MEMBER OF FEDERAL RESERVE SYSTEM

Statement of Condition as of Sept. 28, 1938

RESOURCES

Loans and Discounts.....	\$1,910,627.17
Bank Building	117,600.00
Furniture and Fixtures and Safety Deposit Vaults..	23,916.44
Stock in Federal Reserve Bank.....	13,500.00
Overdrafts	2,617.68
U. S. Bonds.....	\$ 437,542.20
Municipal Bonds	944,771.37
Other Marketable Bonds.....	686,930.61
Cash and Exchange.....	1,795,627.54
	\$5,933,133.01

LIABILITIES

Capital (Common)	\$ 300,000.00
Surplus	150,000.00
Undivided Profits and Reserves (Net).....	79,603.39
Deposits	5,403,529.62
	\$5,933,133.01

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Fredericksen, president, Live Stock National Bank, Sioux City; C. R. Gossett, president, Security National Bank, Sioux City; R. R. Brubacher, president, Toy National Bank, Sioux City; H. W. Schaller, president, Citizens First National Bank, Storm Lake; J. J. Miller, cashier, Waterloo Savings Bank, Waterloo; and E. L. Johnson, Reliance Securities Co., Waterloo.

Elect Officers

At the meeting of the organization committee of the Marshall County Group Study Class of the American Institute of

Banking the following officers were elected for the coming year, 1938-39: John G. Bartine, Fidelity Savings Bank, Marshalltown, as president and Perry J. Everett, Commercial State Bank, Marshalltown, as secretary. The committee decided upon Floyd Hancock of the Marshalltown public schools to act as instructor in the class "Bank Organization and Operation." The first regular class session will be held November 2, 1938, from seven to nine p. m. at the Central Iowa Business College rooms. This group will represent bankers from Marshalltown and surrounding towns.

Retire Stock

Retirement of \$200,000 of preferred stock of the Iowa-Des Moines National Bank & Trust Company has been announced by Herbert L. Horton, president. Concurrently with this reduction in preferred stock the bank has increased its common stock by \$200,000, Mr. Horton said. This retirement of preferred stock is in addition to \$2,050,000 of stock retired in 1936 and 1937.

As a result of these changes the bank's capital structure now consists of \$1,750,000 of common stock, \$1,250,000 of preferred stock and \$878,049 of surplus and undivided profits.

Resigns

N. J. Greteman for the past six years with the receivership office of the State Banking Department and for the past two years in charge of the liquidation of closed banks in Dubuque, resigned that position last month and has been named credit manager for the Dubuque Fire & Marine and the National Reserve Insurance Companies of Dubuque.

Prior to going with the Iowa Banking Department Mr. Greteman was cashier of the Citizens State Bank of West Union, which bank was purchased by the State Bank of West Union in 1932.

Keokuk vs. Des Moines (Continued)

Apparently the item "Keokuk vs. Des Moines", published on page 54 of the October issue of *The Northwestern Banker*, is arousing almost as much interest as the recent questionable publicity enjoyed by the Iowa football team. We are in receipt of a letter from a resident of Keokuk, who says he is not only cashier of the State Central Savings Bank of that city, but also holds a responsible position with the Iowa Bankers Association. Since we have no reason to doubt the veracity of the gentleman from Keokuk, and since he should have an opportunity to present his side of the story, we reproduce his letter as follows:

"Surely, Mr. Publisher, you verify all items before placing them in your publication and being a loyal citizen of the City of Keokuk, this article concerning one of our citizens is very irksome.

"I have been asked by the man referred to in the article to inform you it was not he who was extolling his own golfing virtues but that at a previous meeting the Messrs. Banker and Broker strutted around voicing their accomplishments and it was to prove their statements that the president of so great an association stooped to arranging a match.

"Needless to say, my client wishes the



IN SIOUX CITY ...

Located on the borders of Iowa, Nebraska and South Dakota, Sioux City is the heart of a great farm and livestock market. Servicing this market is the First National Bank in Sioux City.

Our broad contacts, our facilities for handling details, and the personal interest we maintain in conducting correspondent bank business, make this your ideal Sioux City banking connection. Let us serve you in Sioux City.

OFFICERS

A. S. HANFORD
President

J. P. HAINER
Executive Vice President

FRITZ FRITZSON, Vice President & Cashier

J. R. GRANING
Assistant Cashier
E. A. JOHNSON
Assistant Cashier
J. T. GRANT
Auditor

Member Federal Deposit Insurance Corporation

names of the two parties. He is familiar with all the prominent bankers and brokers in Des Moines but memory fails him in regard to the other two parties by the insertion of the word, "prominent," in your article."

Office Closed

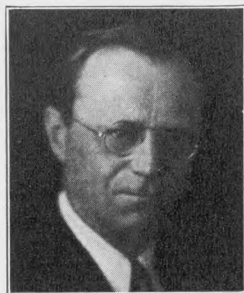
O. W. Madson, cashier of the Security Savings Bank of Farnhamville, advises that the board of directors of his institution have decided to close the office formerly operated at Slifer, and from now on all business from the latter community will be conducted at the bank in Farnhamville.

Fifty Years

On October 8th Fred J. Figge observed the fiftieth anniversary of his connection with the Ossian State Bank, one of the pioneer banking institutions of north-eastern Iowa.

The Ossian Bank, a private institution, was established on February 9, 1880, by L. A. Meyer and M. J. Carter, doing business under the firm name of Meyer & Carter. On October 8, 1888, Mr. Figge began working in the bank.

After his first year in the bank the firm name was changed to Meyer, Carter



FRED J. FIGGE

& Figge. In 1907 the bank took out a charter as the Ossian State Bank, its capital being \$25,000. At that time the business was moved into the new building on Main street—its present location — which building had been built by Mr. Figge.

L. A. Meyer was its first president and Fred J. Figge its first vice president and cashier under the charter. The assistant cashier was the late Joseph W. Meyer, who later became cashier of the Consolidated National Bank at Dubuque. Later L. A. Meyer saw fit to retire, and Mr. Figge was made president.

Student Body

The 1938 fall enrollment at the American Institute of Business in Des Moines has surpassed all previous records with an approximate total of seven hundred students.

From ten different states of the Union

BACK of every kind of public service is an unseen organization, efficient, essential, yet generally unrecognized.

Back of the friendly smile at the teller's window is the grim business of handling the daily grist of cash and collections.

Back of the service you render your depositors are the facilities of this bank available to them through you. It is our concern, as it is that of your teller, that your customers shall be well served.

... THE ...

PHILADELPHIA NATIONAL BANK

ORGANIZED 1803

PHILADELPHIA, PA.

Capital, Surplus and Undivided Profits
\$39,000,000

Member of Federal Deposit Insurance Corporation

they have assembled. Minnesota, Nebraska, North Dakota, Illinois, Kansas, New York, South Dakota, Colorado, California, and Iowa are represented in the student body. Scholars from farms and rural towns of Iowa comprise about three-fourths of the enrollment.

Every county in the state of Iowa is represented by at least one A. I. B. student. 272 towns have contributed to the number. Des Moines, of course, leads the enrollment by cities with 64, followed by Knoxville, Storm Lake, Carroll, Pocatontas, and Webster City. One student,

though now living in Iowa was born in Russia.

Anniversary

The Cherokee State Bank, on Saturday, October 22, celebrated completion of a full half century of service to the community and to the wider territory into which it has expanded. Organized October 22, 1888, with a capital stock of \$25,000, it has enjoyed a steady and exceptional growth.

Capitalized now at \$120,000, with surplus and reserves in excess of \$70,000, it

carries deposits totaling more than one and a half million dollars and assets of nearly a million, eight hundred thousand dollars.

In Full

The Sloan State Bank has received permission from the banking department at Des Moines, to pay the balance of the trust account which was set up in November, 1933. The total amount of these trust certificates was \$124,795.59. The bank has paid the following amounts on the following dates:

January 15, 1934, 10 per cent.

May 15, 1934, 15 per cent.

November 20, 1934, 10 per cent.

March 15, 1935, 15 per cent.

October 28, 1935, 10 per cent.

April 20, 1936, 15 per cent.

October 26, 1936, 10 per cent.

April 1, 1938, 10 per cent.

November 1, 1938, 5 per cent.

All of the depositors in the bank have now received their money in full.

Banker Dies

L. D. Garberson, prominent Sibley citizen, passed away recently at Rochester, Minn. Mr. Garberson for many years has been one of the most active workers in his community, having aided in the promotion of many worthwhile projects for the upbuilding of the community. He was president of the Sibley State Bank at the time of his death.

Wedding

A wedding of interest in Sioux Rapids was that of Miss Ferrol Hughes, daughter of Mr. and Mrs. J. B. Hughes of Linn Grove, and Mr. Verl Rhine of Sioux Rapids, son of Mr. and Mrs. J. M. Rhine of Grundy Center, which took place at Elk Point, S. D.

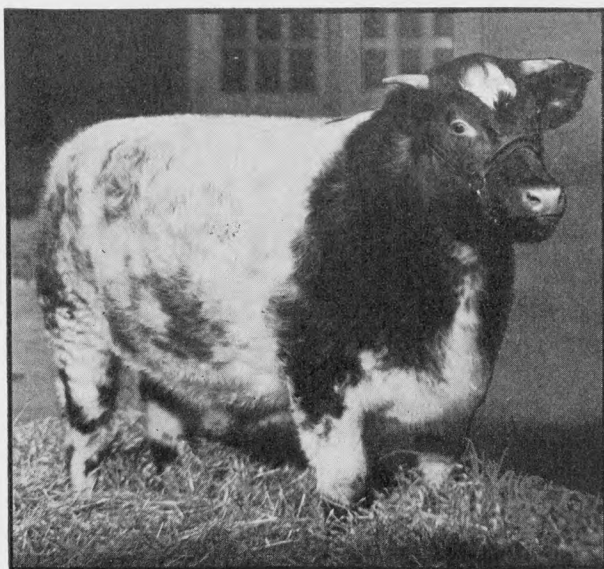
The bride has been an instructor of the fourth grade of the Sioux Rapids public school since January, 1938. The bridegroom is employed at the First State Bank at Sioux Rapids.

Hours Change

On Monday, October 24th, banking hours at Farmers State Bank, Jesup, Iowa, will be from 9:00 A. M. to 12 o'clock noon, and from 1:00 P. M. to 3:00 P. M.

The above change is made necessary to comply with hours of employment

A GENERAL BANKING SERVICE



We Especially Invite IOWA BANKERS to visit the INTERNATIONAL LIVE STOCK EXPOSITION

The Drovers Banks join the management of the "International" in extending a cordial invitation to Iowa Bankers to attend the 1938 Live Stock Exposition in Chicago, November 26th to December 3rd. And this gala week at the Drovers Banks will be "open house" week for out-of-town bankers and their friends. Be sure to drop in during your visit.

DROVERS NATIONAL BANK DROVERS TRUST & SAVINGS BANK

MEMBERS, FEDERAL DEPOSIT INSURANCE CORPORATION

UNION STOCK YARDS • CHICAGO

Northwestern Banker November 1938

YOUR STATE BANKERS ASSOCIATION
OFFICIAL SAFE, VAULT AND
TIMELOCK EXPERTS
F. E. DAVENPORT & CO.
OMAHA

authorized in the Wage and Hour Division of the Fair Labor Standard Act of 1938.

Remodeled

The Osage Farmers National Bank held "open house" to customers and friends recently, the occasion being to acquaint the public with the remodeled interior, which has just been completed.

The improvement was decided upon by the directors of the bank for the sole purpose of adding to the convenience of the customers and to make it possible for more efficient work of the employes of the institution.

Dies in Davenport

L. P. Jackson, for 26 years cashier of the bank at West Chester and long one of the prominent men of that community, died recently.

Attends Conference

E. A. Ebersole, president of the Iowa Bankers Association, was in Minneapolis, Minn., last month, where he attended the Minnesota conference on banking sponsored by the board of governors of the Society for Stability in Money and Banking, Inc.

Among the speakers of international prominence on the program were Dr. Otto Rosenberg, former secretary and economic advisor to the Bankenverband at Vienna; Dr. Melchior Palyi of the University of Chicago, former economic advisor to the German Reichsbank; Dr. Irving Fisher of Yale university; and Dr. Joseph E. Goodbar, president of the Society for Stability in Money and Banking.

Office Manager

Announcement has been made of the appointment of Dewey Kuiken of Maurice as the new manager of the Maurice Office of the Northwestern State Bank, Ireton.

Mr. Kuiken has been assistant to P. N. Vos for over three years. Bernard De-Haan has been hired as assistant to Mr. Kuiken.

At Meeting

Three Des Moines bankers attended the Robert Morris Associates meeting in Hershey, Penn., made up of bank credit officers from over the country. Attending were Harry Sivright, vice president and Charles McCoy, manager of the Credit department of the Iowa-Des Moines National Bank and Trust Co., and Irwin Abram, manager of the credit department of the Central National Bank and Trust Co.

Sixty-one Years

A couple who have lived all their married life in Lisbon, observed their sixty-first wedding anniversary on Tuesday, October 4. Mr. and Mrs. John Auracher during this long period of years have also lived in the same residence which has been their home with the exception of the time it was being built.

Mr. Auracher has been connected with the banks of Lisbon for 52 years. In 1866 Harrison Stuckslager died and Mr. Auracher was called to the banking house of Stuckslager and Auracher. When the

bank was reorganized after the death of W. C. Stuckslager, he became president of the Lisbon Bank and Trust Company, the successor of the old familiar banking institution of Stuckslager and Auracher and in that capacity is still active and at the bank daily.

Increase

Waterloo's bank deposits and resources increased 6 per cent and bank loans 5 per cent in the last seven months, study of statements revealed.

Deposits on Sept. 28 were \$11,886,-



Not even a tornado can do as much damage to a bank as can a single dishonest officer or employee. For at most, a tornado can only destroy the physical property of a bank, whereas the undisclosed thefts of a trusted employee may completely drain away its very life-blood. Today, as during the past 48 years, the best preventive of such involuntary dissolution is an adequate F & D Bankers Blanket Bond.



FIDELITY, SURETY AND BANKERS BLANKET BONDS
BURGLARY, ROBBERY, FORGERY AND GLASS-INSURANCE

FIDELITY and DEPOSIT

COMPANY OF MARYLAND, BALTIMORE

Northwestern Banker November 1938

YESTERDAY---

Statement of Condition October 17, 1934

RESOURCES	
Cash and Due from Banks.....	\$488,882.74
Loans and Discounts.....	4,700.00
	\$493,582.74
LIABILITIES	
Capital Stock.....	\$100,000.00
Surplus and Undivided Profits.....	25,023.52
Deposits.....	368,555.70
Federal Tax Account.....	3.52
	\$493,582.74

TODAY---

Statement of Condition September 28, 1938

RESOURCES	
Cash and Due from Banks.....	\$967,480.41
U. S. Bonds.....	511,279.13
Other Bonds and Securities.....	179,546.50
	\$1,658,306.04
CASH OR ITS EQUIVALENT.....	
Loans and Discounts.....	\$1,289,274.90
Overdrafts.....	2.62
Banking House.....	53,300.00
Furniture and Fixtures.....	16,800.00
Municipal Warrants.....	16,406.04
	\$3,034,089.60
LIABILITIES	
Capital Stock.....	\$ 100,000.00
Surplus and Undivided Profits.....	63,616.33
Deposits.....	2,870,466.92
Federal Tax Account.....	6.35
	\$3,034,089.60

IOWA STATE BANK & TRUST COMPANY

IOWA CITY, IOWA

OFFICERS

BEN S. SUMMERWILL, President
M. B. GUTHRIE, Cashier
M. E. TAYLOR, Auditor

DR. E. M. MacEWEN, Vice President
W. F. SCHMIDT, Assistant Cashier
W. W. SUMMERWILL, Credit Dept.

Member Federal Deposit Insurance Corporation

487.38, a gain of \$669,413.27 over the figure on March 7.

Resources on Sept. 28 were \$12,730,-113.03, a gain of \$696,720.42 over the amount on March 7.

Loans on Sept. 28 were \$3,941,375.76, a gain of \$175,499.62 over the total on March 7.

New Building

The new Crawford County Trust and Savings Bank opened its new \$50,000 building to the public Saturday, October 22nd, at 9 a. m., according to H. E. Qualheim, president.

Open house was conducted all day Saturday during banking hours, and the doors were again opened that night for the convenience of those who could not attend during the day.

Staff Member

Members of the board of directors of the Anamosa Citizens Savings Bank has announced the appointment of John J. Dolan of Central City as a member of its staff effective October 10. He will assist R. R. Farquharson, executive vice president in loans and mortgages.

Mr. Dolan was cashier of the Prairieburg Savings Bank until 1932.

Statement of Condition

Close of Business, September 28, 1938

VALLEY

SAVINGS BANK



RESOURCES	
Loans and Discounts.....	\$2,715,482.20
Other Bonds and Stock.....	111,800.00
Overdrafts.....	2.47
Furniture and Fixtures.....	13,003.12
Government Obligations. Direct and Fully Guaranteed (par value).....	\$ 572,825.00
Municipal Bonds (par value).....	320,170.55
Cash and Due from Banks.....	1,173,120.11
	2,066,115.66
	\$4,906,403.45
LIABILITIES	
Capital.....	\$ 150,000.00
Surplus.....	150,000.00
Undivided Profits.....	105,977.85
Unearned Discount.....	33,454.37
Deposits.....	4,466,971.23
	4,906,403.45

OFFICERS

Herbert A. Metcalfe, Chairman of Board
Winfield W. Scott, Vice President
E. P. Kautzky, Asst. Cashier

Frederick M. Morrison, President
J. R. Astley, Cashier

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



W. G. C. BAGLEY

Mr. Bagley, president of the First National Bank of Mason City, is a candidate for State Treasurer at the election next week.

SELL YOUR BANK

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Without Publicity

Qualified, carefully investigated bank employees furnished free
THE CHARLES E. WALTERS CO.
Omaha, Nebraska

These Investments Speak for Themselves

GOVERNMENT, STATE AND PROVINCIAL BONDS

	Market Value
U. S. Treasury.....	\$ 614,810.00
Federal Farm	71,360.00
Canada	10,900.00
California	11,600.00
Mississippi	10,353.39
North Dakota	17,679.38
Oregon Veterans	8,720.00
South Carolina	21,100.00
South Dakota	20,400.00
California Water	49,820.71
Tennessee Refunding	10,400.00
Manitoba	8,200.00
Ontario	53,400.00
Quebec	38,387.50
Saskatchewan	6,500.00
New Brunswick	15,900.00

COUNTY AND MUNICIPAL BONDS

Aberdeen, S. D.....	\$ 10,300.00
Adel, Iowa	19,970.00
Alta, Iowa	16,050.00
Anita, Iowa	4,885.00
Aurora, Nebraska	11,000.00
Barnes City, Iowa.....	1,030.00
Battle Creek, Iowa.....	6,360.00
Bear Grove, Ill.....	16,154.00
Beatrice, Nebr.....	2,300.00
Bedford, Iowa	4,140.00
Birmingham, Alabama	15,750.00
Black Hawk County, Iowa.....	24,846.80
Boston, Mass.....	25,434.82
Britt, Iowa	16,200.00
Brooks, Iowa	1,000.00
Buffalo, N. Y.....	10,900.00
Calhoun Co., Iowa.....	10,200.00
Canton, Ill.....	10,383.33
Carroll, Iowa	6,060.00
Carson, Iowa	12,360.00
Carthage, Ill.....	5,775.00
Cascade, Iowa	2,525.00
Centerville, Iowa	1,100.00
Cerro Gordo County, Iowa.....	6,094.00
Chattanooga, Tenn.....	4,240.00
Cherokee County, Iowa.....	10,100.00
Cherokee, Iowa	10,600.00
Clarinda, Iowa	6,420.00
Clinton County, Iowa.....	2,040.00
Corydon, Iowa	6,270.00
Council Bluffs, Iowa.....	20,720.00
Crawfordsville, Iowa.....	5,150.00
Delaware School, Sac Co., Iowa.....	5,400.00
Denison, Iowa	12,000.00
Des Moines, Iowa.....	46,319.00
Dupage County, Ill.....	10,000.00
East Bend, Ill.....	15,000.00
Elmira, Ill.....	6,060.00
Emmetsburg, Iowa	12,216.00
Fairfield, Iowa	10,300.00
Fenton, Iowa	12,720.00
Flandreau, S. D.....	10,225.00
Fort Calhoun, Nebr.....	7,804.94
Fort Collins, Colo.....	10,200.00
Fort Dodge, Iowa.....	21,890.00
Fort Worth, Texas.....	14,850.00
Fullerton, Nebr.....	10,200.00
Grand Forks, N. D.....	11,000.00
Grand Mound, Iowa.....	2,000.00
Greene County, Iowa	1,120.00
Greenfield, Iowa	9,720.00
Grimes, Iowa	1,110.00
Hale, Ill.....	10,200.00
Hamilton County, Ill.....	7,490.00
Hanover, Ill.....	9,090.00
Harlan, Iowa	15,300.00
Hastings, Nebr.....	5,100.00
Herschler Twp., Kankakee Co., Ill.....	13,455.00
Hopkinton, Iowa	15,498.37

This is the
bond portfolio of
Employers
Mutual Casualty
Company.

In 27 years,
since the company
was founded,
no bond or
other investment
of the
Employers Mutual
has ever been
in default
as to interest
or principal.

When you recommend
Employers Mutual,
you assure
your clients the
strongest protection
money can buy.

Automobile Insurance
Workmen's Compensation
Town Liability
General Liability
Elevator Insurance
Plate Glass

Hutton Twp., Ill.....	6,180.00
Indianapolis, Ind.....	24,000.00
Iowa City, Iowa.....	13,840.00
Iowa Falls, Iowa.....	5,258.00
Jacksonville, Fla.....	5,080.17
Jefferson, Iowa	17,400.00
Johnson County, Iowa.....	15,880.00
Keokuk, Iowa	10,000.00
Kinross, Iowa	5,375.00
LaHarpe Twp., Hancock Co., Ill.....	9,360.00
Lake City, Iowa.....	3,000.00
LaPorte, Ind.....	14,560.00
Lexington, Nebr.....	5,200.00
Long Beach, Calif.....	16,800.00
Los Angeles, Calif.....	44,550.00
Mahomet Twp., Champaign Co., Ill.....	13,650.00
Manning, Iowa	7,070.00
Manson, Iowa	10,800.00
Mapleton, Iowa	10,600.00
Maroa, Ill.....	13,845.00
Marshalltown, Iowa	11,830.00
Mediapolis, Iowa	5,550.00
Memphis, Tennessee	10,500.00
Mexia, Texas	8,000.00
Miami Beach, Fla.....	10,100.00
Milwaukee County, Wis.....	24,693.00
Minneapolis, Minn.....	2,040.00
Moulton, Iowa	2,000.00
Oelwein, Iowa	20,055.00
Omaha, Nebr.....	5,850.00
Onawa, Iowa	6,120.00
Ottumwa, Iowa	10,600.00
Page County, Iowa	5,000.00
Parkersburg, Iowa	4,815.00
Pattonsburg, Mo.....	10,300.00
Peoria County, Ill.....	6,140.00
Perry, Iowa	17,665.00
Phoenix, Ariz.....	13,080.00
Pleasantville, Iowa	500.00
Portsmouth, Iowa	4,060.00
Primghar, Iowa	13,260.00
Ramsey County, Minn.....	3,090.00
Redfield, Iowa	9,360.00
Red Willow Co., Nebr.....	12,100.00
Reinbeck, Iowa	4,080.00
Rio Twp., Knox Co., Ill.....	12,780.00
Rozetta, Ill.....	2,575.00
Sac City, Iowa	11,480.00
St. Clair County, Ill.....	5,247.50
San Francisco, Calif.....	11,400.00
Schaller, Iowa	10,600.00
Schleswig, Iowa	5,350.00
Scotts Bluff County, Nebr.....	5,100.00
Seattle, Wash.....	20,650.00
Shelby County, Iowa	5,050.00
Shenandoah, Iowa	1,880.00
Signourney, Iowa	4,100.00
Sioux City, Iowa.....	5,250.00
Sioux County, Iowa.....	10,108.56
Slater, Iowa	6,180.00
Spencer, Iowa	17,678.00
Story County, Iowa.....	10,100.00
Stuart, Iowa	8,400.00
Tama County, Iowa.....	5,100.00
Thayer, Iowa	1,120.00
Thornton, Iowa	13,520.00
University Park, Texas.....	6,960.00
Vigo County, Ind.....	10,900.00
Waco, Texas	10,900.00
Wapello County, Iowa.....	10,208.04
Waterville, Iowa	13,680.00
West Allis, Wis.....	11,660.00
Williamsburg, Iowa	3,150.00
Winterset, Iowa	5,000.00
Woolstock, Iowa	10,600.00
Wyman, Iowa	14,000.00

MISCELLANEOUS BONDS

Canada Southern	\$ 8,875.00
Central Service Co.....	4,800.00
Kohrs Packing Co.....	15,150.00
Lucas County, Iowa.....	10,000.00
Miscellaneous Warrants	3,392.66

Total Market Value as of September 30, 1938—\$2,368,338.37

EMPLOYERS MUTUAL

Iowa's Largest CASUALTY COMPANY

J. A. GUNN, PRESIDENT

Employers Mutual Building, 210 Seventh Street, Des Moines

Northwestern Banker November 1938

TRADE IN THAT OLD MACHINE

Use One of Our Time Saving
Rebuilt Burroughs Bookkeep-
ing Machines

We Guarantee Service

Satisfied Bankers as Refer-
ences Will Be Given Upon
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Greater Profits*

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**THE QUALITY
HYBRID SEED CORN**

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Pioneer Hi-Bred Corn Co.

DES MOINES, IOWA

ASSOCIATE PIONEER PRODUCERS

**Garst & Thomas
Coon Rapids, Iowa**

**Pioneer Hi-Bred Corn Co.
of Illinois**

Princeton, Illinois

Heads Mortgage Bankers

A. L. Kreidler, Des Moines, was elected president of the Iowa State Mortgage Bankers Association at the annual convention in Waterloo. He succeeds J. W. Leavitt, Cedar Falls.

H. E. Henderson, Cedar Rapids, was elected vice president, and Fred H. Quiner, Des Moines, secretary-treasurer.

Visits With Gable

One of the passengers who rode with Clark Gable, famed movie star, on his trip north from Des Moines to the Minnesota woods on his recent hunting expedition, was Milton G. Addicks, Newton assistant bank cashier.

Mr. Addicks was enroute to Minneapolis aboard the Rocket when he discovered the well known star sitting some seats behind him. The Newton man thereupon proceeded with dispatch to introduce himself and provide a card for Gable's autograph, which Gable readily gave.

Golf Tourney

Employees of the Central State Bank, Muscatine, held a golf tournament at the Geneva Golf and Country club recently. A dinner was served at 6:30 after which the group entertained themselves with singing and dancing.

Glen Downing won the first prize, Leland Horst placed second with a three handicap, Carl Schomberg won a prize for the lowest number of putts and Alfred Hecht was awarded the consolation prize. Miss Florence Koester had the best ladies score.

Wedding

Miss Daisy V. Williams, former secretary of the Iowa Farm Bureau Federation, was married to Charles F. Long, cashier of the Union-Whitten State Savings Bank of Union, Iowa, at the Little Brown Church near Nashua, it was announced recently.

Miss Williams was the first woman in the United States to be appointed to a secretaryship of a state Farm Bureau and she served in that capacity for several years.

During the last presidential campaign she was national director of the farm women's division of the Republican party. She is the daughter of Mr. and Mrs. John L. Williams of Union.

Re-elected

The former directors of the Clutier State Bank were re-elected at the annual meeting of the stockholders. They were J. P. Novak, John Holtz, Lorenz Lorenzen, John W. Roubinek and Paul Kouba. J. P. Novak was re-elected president, John Holtz, vice president; A. H. Fischer,

cashier, and H. H. Ziskovsky, assistant cashier. Paul Kouba was re-elected manager of the Vining branch.

A. I. B. Courses

Plans for the winter educational courses sponsored by the Des Moines chapter of the American Institute of Banking have been announced by Leo Regan, vice president and educational director of the chapter.

Regan said all classes will be at Hotel Savery.

James Stewart, attorney, will head the course in commercial law. It will meet from 7:30 to 9 p. m. each Wednesday. Prof. Herbert Bohlman of Drake University will have the course in bank administration from 4:30 to 6 p. m. each Friday. A series of lectures by Des Moines bank officers will be included in this course.

The public speaking class will be conducted by Prof. James J. Fiderlick of Drake University and will meet from 5 to 6:30 p. m. each Wednesday.

World Finance Corporation

**916 Paramount Bldg.
DES MOINES, IOWA
Phone 3-5156**

SPECIAL for BANKERS

Our life insurance contract has interested many bankers because it provides attractive first year commissions and guaranteed renewals for nine years with a sound, old New England Company.

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Ralph E. DeMaris, General Agent
1200 Paramount Building
Des Moines, Iowa

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The Columbian National Life Ins. Co.
Home Office, Boston, Massachusetts
LIFE ACCIDENT ANNUITIES

Special Investigations

for Banks

**INTERNATIONAL CONNECTIONS
COMPLETE SERVICE**

MAX G. STERNE & COMPANY

*Bureau of Investigation and
Information*

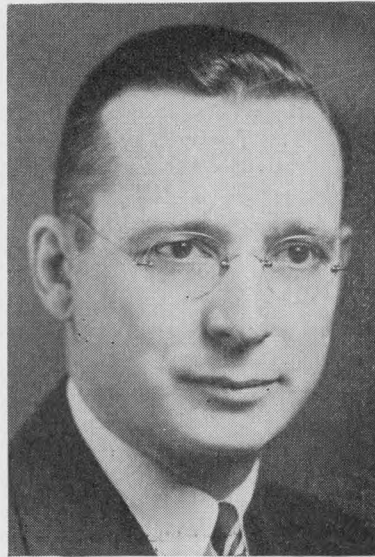
Crocker Building

DES MOINES IOWA

Candidate

Bankers in Group 1 and other banker friends throughout the state are giving their active support to the candidacy of Mr. C. R. Gossett, president of the Security National Bank, Sioux City, for the presidency of the Iowa Bankers Association at the June, 1939, convention of that association. This candidacy has been suggested by Mr. Gossett's friends for the last two years or more but he has each year stepped aside in the interest of other friends. At the 1938 convention his friends again urged him to be a candidate and Mr. Gossett has now accepted. He is the only candidate for the presidency up to this date so far as it is known. Mr. Gossett has been active both in the affairs of the Iowa Bankers Association and the American Bankers Association for years. He has served on various committees of the Iowa Bankers Association and also

was secretary and then later chairman of his group. He was a former state bank examiner and is well known throughout the state. It is the first time that Group 1 has presented a candidate for the presi-



C. R. GOSSETT

dency of the Iowa Bankers Association since 1930 when Mr. C. C. Jacobsen, then of Sioux City, was elected to the presidency of the Iowa Bankers Association.

Lessing Advertising Co., Inc.
 R. J. FLYNN, Pres. D. L. DUNGAN, Sec.

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 Business Office: Des Moines, Iowa

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 Non-Cancellable Accident and Health
 Commercial Accident and Health

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Agency Inquiries Invited

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 INVESTMENT SERVICE
 INDIVIDUAL, INSTITUTIONAL
 AND ESTATE ACCOUNTS

PERSONAL INTERVIEWS
 SOLICITED

Insurance Exchange Bldg.
 DES MOINES, IOWA

President

A. F. Agena, cashier of the Farmers Savings Bank at Garwin, was reelected president of the Tama County Bankers Association at the meeting in the Dysart National Bank. J. S. Bauseh, assistant cashier of the Gladbrook State Bank, was elected vice president, and C. J. Ingersoll, assistant cashier of the Tama State Bank, was reelected secretary-treasurer.

Remodeled

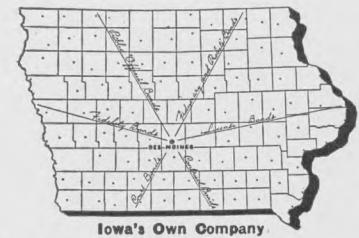
New fixtures purchased by the Iowa State Savings Bank, Creston, were installed recently as remodeling work in the building is nearing completion. The fixtures, which are of modern style, were made to order for the bank by a Charles City firm and match the woodwork already in the room.

The ceiling and walls of the bank have been redecorated and the back room has been remodeled. During the work the bank is remaining open for business.

Manufacturers Trust

The statement of condition of Manufacturers Trust Company as of September 30, 1938 shows deposits of \$645,093,134 and resources of \$763,549,641. This

We Specialize
 in
**SURETY
 BONDS**



Iowa's Own Company

Iowa Bank Agencies Solicited

**MUTUAL SURETY
 COMPANY
 OF IOWA**

Des Moines, Iowa

*State Finance
 Short Term Notes*

Rates and Maturities
 Upon Request

■ ■ ■

**CAPITAL AND SURPLUS
 OVER \$1,500,000.00**

■ ■ ■

Established 1897

■ ■ ■

**State Finance
 Company**

Southern Surety Bldg. Des Moines

compares with deposits of \$619,824,134 and resources of \$737,811,929 shown on June 30.

Cash and due from banks is listed at \$206,617,807, as against \$201,689,318 on June 30. U. S. Government securities stands at \$183,374,045; three months ago it was \$183,533,695. Loans and bills purchased is \$232,369,224 which compares with \$221,848,141 at the end of the previous quarter.

Preferred stock is \$9,306,520, which represents a decrease of \$50,000 from the previous quarter, due to the purchase of

shares in the open market and consequent retirement. Common stock is \$32,998,440, unchanged from the last quarter.

Net operating earnings for the quarter ending September 30, 1938 were \$2,353,287 as against \$2,293,262 for the same period last year. Dividends of \$232,663 were paid on preferred stock and \$824,959 on common stock, leaving a balance of \$1,295,665. Of this amount, \$481,669 was used to amortize bond premiums and for taxes, etc., leaving \$813,996, which amount was transferred to reserve account.

tournament, Columbus Day, October 12, at Twin Orchard Country Club near Bensenville, Illinois.

The highlight of each year's tournament is competition for the trophy awarded by Laurance Armour, president of the bank, to the man turning in the lowest gross score for eighteen holes. This year, C. P. Heilmann, assistant auditor, was tied as 82 with B. G. Kilpatrick, assistant secretary, but won in the afternoon play-off to take his second leg on the Armour Trophy. Harry Meyer, 1937 winner, came in with an 83.

The day closed with a banquet presided over by O. P. Decker, vice president, who distributed fifty prizes to low handicap golfers as well as to winners in other sports participated in during the day.

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Write to
E. H. WARNER
Secretary and Manager

New Magazine

A new business magazine entitled "Future" made its appearance recently, sponsored by the United States Junior Chamber of Commerce. The magazine is very attractive, and is edited primarily for young business men. An Omaha advertising man, Fred J. Driver, Jr., who is vice president of the organization, has been closely connected with the origin of the new publication. Mr. Driver is head of the Driver Advertising Agency in Omaha.

Attends Convention

G. D. Murdoch, president of Murdoch, Dearth & White, Inc., Des Moines investment house, attended the twenty-seventh annual convention of the Investment Bankers Association of America which was held at The Greenbrier in White Sulphur Springs, West Virginia, on October 26 to 29.

Allen Promoted

At the regular monthly meeting of the board of directors of the Continental Illinois National Bank and Trust Company of Chicago, W. B. Allen, a second vice president, was elected a vice president of the bank.

Northern Trust

In the statement of condition of the Northern Trust Company, Chicago, as of September 28, 1938, loans and discounts are listed at \$33,191,746.06; total deposits, \$326,895,993.05; cash and due from banks, \$134,950,355.78; savings deposits, \$72,180,039.97; and U. S. Government securities, \$105,490,076.12.

Compared with the previous statement of condition of the Company, loans are up one million dollars, U. S. Government securities have decreased approximately 16 million dollars, and cash and due from banks has risen 14 million dollars.

Golf Tournament

One hundred sixty-five officers, directors and male employees of the American National Bank and Trust Company of Chicago attended the bank's annual golf

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"Food for Thought"

"Through the **Northwestern Banker** we secure information about current events in banking, business and legislation, and the articles of timely interest serve to give us food for thought. The personal news keeps us in touch with what our customers and friends are doing in your wide and interesting territory."*

**Quoted from the original letter by a Vice President of a bank whose name will be furnished upon request.*

Vocal selections were given by Story Turner, manager of the bank's collection department and well known Chicago tenor. Movies taken at last year's tour-

nament by members of the American National Bank Cinema Club were also shown.

Members of the committee in charge of the tournament were C. P. Heilmann, chairman, Walter Armstrong, Leonard Kunow, Harold Koenig, Everett Dovale and Robert Lindquist.

LOANS AND LEGISLATURES

(Continued from page 17)

Clearing Houses

Regional Clearing House Associations, now functioning throughout the state, seem to be filling an important place with bankers. Those little meetings afford op-

portunities to discuss matters that are common in the various parts of the state, and to discuss them with more freedom and frankness than is possible in larger groups. It seems to me that if regional associations are to be successful they must suffer no interference from bankers outside of their own groups. I am convinced association officers and people from larger banks will generally best serve the interests of the Regional Associations and their members by attending their meetings *only* on special request. After all, the little regionals were set up for the special use of and benefit of their own members where any and all problems affecting their own banks could be discussed very frankly.

I want to express my appreciation for the opportunity given me to act as president during the past year. The experience has been pleasant and very instructive. I have tried to be of some little use to the Association, although I will frankly admit that I have at all times considered the business of my own bank of first importance.

Iowa State Bank & Tr. Co.

Total resources of the Iowa State Bank and Trust Company of Iowa City are now in excess of \$3,000,000 according to the call of September 28, 1938. The exact figures are \$3,034,089.60. Deposits are now \$2,870,466.92 with \$63,616.33 surplus and undivided profits. The Iowa State Bank and Trust Company is capitalized at \$100,000.

President Ben S. Summerwill, in a recent attractive two color full page advertisement in the Iowa City newspaper, calls attention to the splendid growth of this bank since its organization four years ago. The bank's first statement of condition as of October 17, 1934, showed total resources of \$493,582.74. Deposits at that time were \$368,555.70.

The official staff of the Iowa State Bank and Trust Company includes President Ben S. Summerwill, Vice President Dr. E. M. MacEwen, Cashier M. B. Guthrie, Assistant Cashier W. F. Schmidt, Auditor M. E. Taylor, credit department—W. W. Summerwill.

Colonial Finance Company

C. C. BROOKS, Jr., President
O. L. WYNKOOP, Sec.-Treas.

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PUBLISHER'S STATEMENT

Statement of the Ownership, Management, Circulation, etc., required by the Act of Congress of March 3, 1933, of the NORTHWESTERN BANKER, published monthly at Des Moines, Iowa, for October 1, 1938.

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2. Owner: Clifford De Puy, Des Moines, Iowa.

3. That the known bondholders, mortgagees and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

R. W. MOORHEAD, Associate Publisher.
Sworn to and subscribed before me this 7th day of October, 1938.

D. C. McMARTIN, Notary Public.

(Seal)

(My commission expires July 4, 1939)

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IN THE DIRECTORS ROOM



Scintillations

A "sugar daddy" is a form of crystallized sap.

* *

We suspect that a tuba quartette would be known as a tubafour.

* *

Confucius said: "'Tis better to have halitosis than no breath at all."

* *

The amoeba hugs himself in the middle and then he's two other people.

* *

The waiter laughed when I spoke to him in French. No wonder, he was my old prof.

* *

And as one girl put it, "Everything I want to do is either illegal, immoral, or fattening."

* *

College is a place where you would not be so smart as but would have more money if you had not gone to.

* *

A watch is something which if you look at long enough it will be too late to do what you were going to do before you looked at it.

Black As—

First Negro: "What for dat doctah comin' outa youah house?"

Second Negro: "Ah dunno, but Ah think Ah's got an inkling."

The electrician was puzzled. "Hey," he called to his assistant, "put your hand on one of those wires."

The assistant did.

"Feel anything?"

"No."

"Good," said the electrician, "then don't touch the other one or you'll drop dead."

Short

A couple of boys out in Kansas were discussing the recent drought. One fellow had some wheat which he had managed to harvest.

"The drought sure has made the wheat short this year!"

"Short? Say, I had to lather mine to mow it!"

Northwestern Banker November 1938

Godly Grocer

In a book published many years ago by Barnum himself he tells a story which he probably felt was typical of business as he found it in his youth. It concerns a grocer who was a deacon and who was heard to call downstairs before breakfast to his clerk:

"John, have you watered the rum?"

"Yes, sir."

"And sanded the sugar?"

"Yes, sir."

"And chicoried the coffee?"

"Yes, sir."

"Then come up to prayers."

Dead Sure

"I tell you we're living in a fast age."

"Right you are. It actually makes a taxi hustle to keep up with a hearse these days."

Tough

A certain grocer was famed for selling tough meat. A man came into the store one day and asked for some beef.

"Do you want it for boiling or roasting?" asked the grocer.

"Neither," replied the man, "I want it for hinges on the stable door."

Gotta Live, Don't Ya?

"Do you mean to tell me," asked the judge, "that you murdered that poor old man for a paltry three dollars?"

"Well, judge, you know how it is. Three bucks here, three bucks there, an' it soon counts up."

One Who Didn't

A farmer took his wife to a concert, and after listening with apparent joy the pair suddenly became interested in one of the choruses: "All we, like sheep, have gone astray."

First a sharp soprano voice exclaimed: "All we, like sheep"; next a deep voice uttered in a most earnest tone: "All we, like sheep." Then all the singers at once asserted: "All we, like sheep."

"Well, I don't!" exclaimed the farmer to his wife. "I like beef and bacon."

Our idea of an optimist is of the man who took the marriage vows at the ripe old age of 87 and started house hunting for a nice place close to a school.

Mrs. Henpecked (sarcastically): "I suppose you've been to see a sick friend—holding his hand all evening!"

Husband (absently): "If I'd been holding his hand, I'd have made money."

Mostly Scotch

Jones: "How is your son getting along in college?"

Smith: "He must be doing pretty well in languages. I just paid for three courses—\$10 for Latin, \$10 for Greek, and \$100 for Scotch."

Pinched

The teacher sent one of her scholars to buy a pound of plums from a grocer, and as she handed the little girl a dime, said:

"Be sure, Mary, before buying the plums, to pinch one or two, just to see that they are ripe."

In a little while the girl returned with flushed face and a triumphant look in her eyes. Handing the teacher the bag of plums, she placed the dime on the desk, and exclaimed:

"I pinched one or two, as you told me, and when the man wasn't looking I pinched a bagful."

Cheer Leader Wanted

"I expect you'll miss your boy when he returns to college?"

"I will," replied Farmer Cornstalk, "I don't know what I'll do without him. He's got the live stock so they won't move unless he gives 'em the college yell, and I can't remember it."

Education

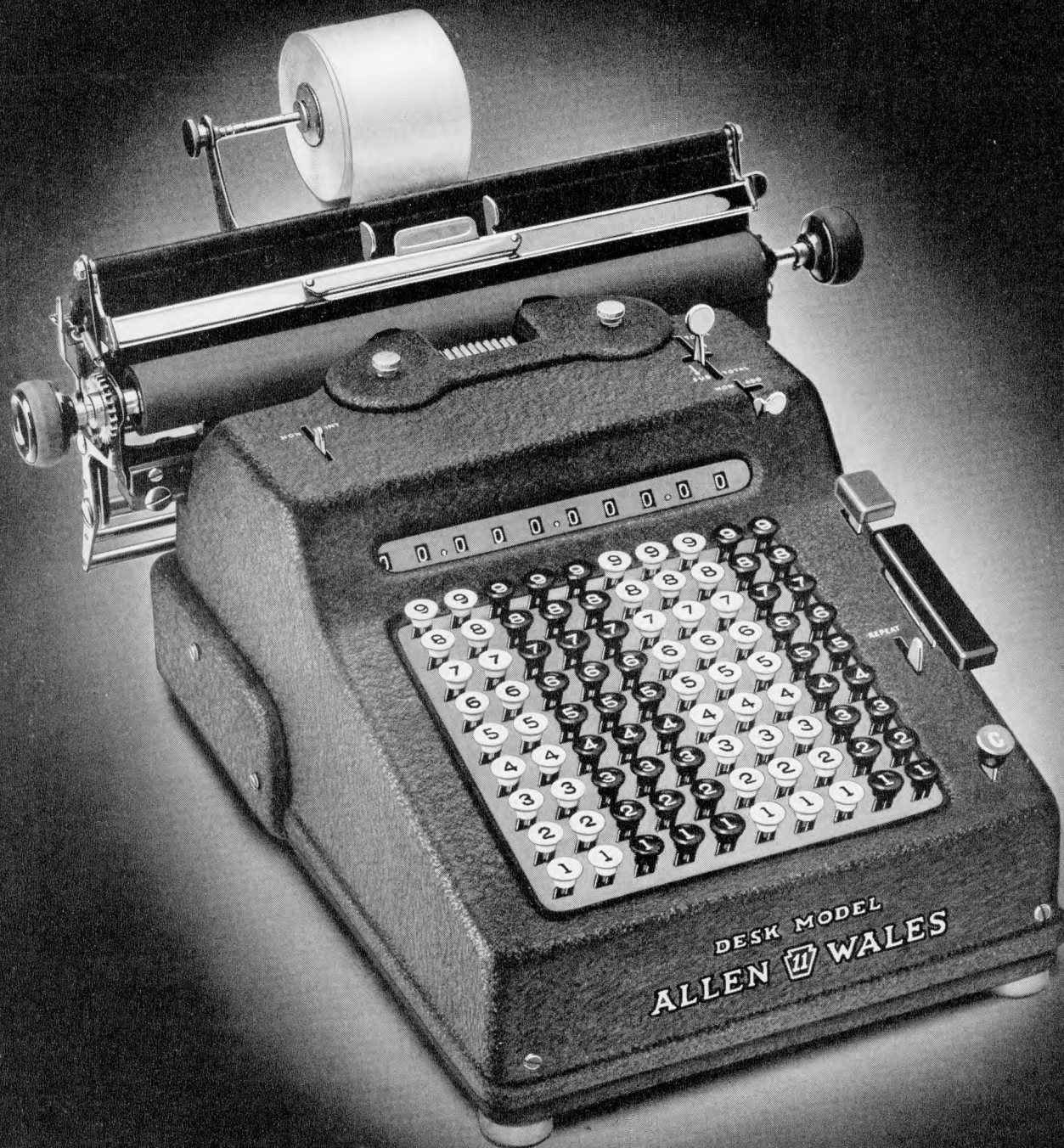
Eastern Visitor: "Has the advent of the radio helped ranch life?"

Pinto Pete: "I'll say it has. Why, we learn a new cowboy song every night, and, say, we've found out that the dialect us fellers have used fer years is all wrong."

Versatile

"What the deuce are you doing down there in the cellar?" asked the puzzled rooster.

"Well, if it's any of your business," replied the hen, "I'm laying in a supply of coal."



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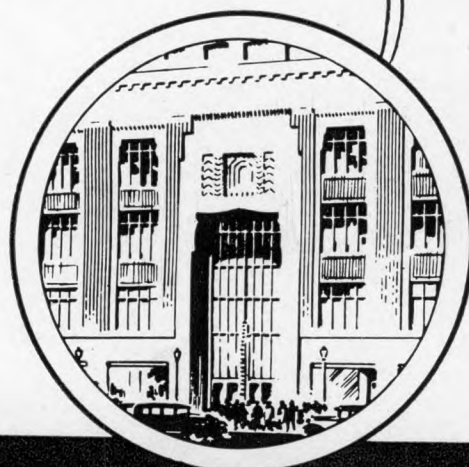


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