

NORTHWESTERN

Banker

JANUARY

1940



A MOUNTAIN VALLEY IN WINTER

Bank Advertising That Promotes Community Progress

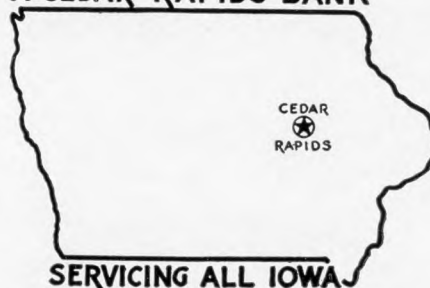


Happy New Year!

To our many friends in the Iowa banking fraternity,
Merchants National Bank officers, directors and employes
extend happy New Year's greetings.

May you find the fullest measure of Health, Happiness
and Prosperity through 1940!

A CEDAR RAPIDS BANK



MERCHANTS NATIONAL BANK

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Cedar Rapids Iowa

Member Federal Deposit Insurance Corporation



STATEMENT OF CONDITION

December 30, 1939

CENTRAL NATIONAL BANK
AND TRUST COMPANYFIFTH AVE. Between WALNUT and LOCUST
DES MOINES.....IOWA

RESOURCES

Cash and due from Federal Reserve and other Banks	\$9,470,713.84
United States Gov- ernment Securities	3,637,440.19
	<hr/>
	\$13,108,154.03
Municipal Securities	735,065.49
Market Bonds	653,151.22
Short Time Securities	839,863.82
Loans and Discounts	8,497,745.65
Overdrafts	865.65
Stock Federal Reserve Bank	42,300.00
Accrued Interest Receivable	86,430.00
Bank Premises and Equipment	304,634.00
	<hr/>
	\$24,268,209.86

LIABILITIES

Demand Deposits	\$17,690,586.51
Savings Deposits	2,098,860.18
Public Deposits	2,226,171.00
	<hr/>
	\$22,015,617.69
Discount Collected	105,114.75
Common Stock	550,000.00
Preferred Stock	450,000.00
	<hr/>
	\$1,000,000.00
Surplus	450,000.00
Undivided Profits	282,565.63
Reserves	394,911.79
Reserve for Taxes	20,000.00
	<hr/>
	\$24,268,209.86

United States Government and other securities carried at \$955,579.00 are pledged to secure public and trust deposits as required by law.

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BRAMMER, BRODY, CHARLTON & PARKER

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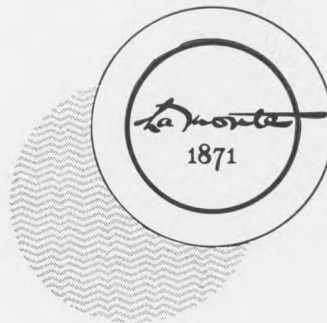
HENRY M. WILSON
VICE PRESIDENT CUSHMAN-WILSON OIL CO.

"IOWA'S FRIENDLY BANK"

Member Federal Deposit Insurance Corporation



Uniformed Bank Guards symbolize the character and stability of the Bank and create an impression of efficiency. Your Bank's checks likewise reflect the character and efficiency of the institution. Outstanding business organizations from coast to coast, including more than 75% of the nation's largest banks, use La Monte Safety Papers for checks and other negotiable instruments. George La Monte & Son, Nutley, N. J.





SAFEGUARDING THE NATION'S BUSINESS

When new frontiers are to be gained, the hardy scout plays the leading role. It is he who forges ahead to feel out dangers and sound the alarm for those who are to follow.

Capital Stock Fire Insurance is industry's trustworthy scout. Without the constant vigilance of this sound and effective protection, all industrial progress would be slowed down or stopped.

The engineering and inspection ser-

vice of THE HOME and its policy of prudent yet progressive underwriting, provide for industry the safest and most reliable precaution against loss following insurable mishaps.

Industry crossing frontiers need not be exposed friendless to savage attacks and the gauntlet of fire, windstorm, explosion and similar hazards. This kind of insurance — ear to ground, eye to future — safeguards the nation's business.

The HOME INSURANCE
COMPANY
NEW YORK

Through its agents and brokers, THE HOME is the leading insurance protector of American Homes and the Homes of American Industry

IT IS a traditional policy of the Chase National Bank to maintain an effective correspondent bank service. Supplying the needs of out-of-town institutions has been a dominant factor in its development as a world bank. Broaden customer service with Chase correspondent facilities.



THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK

Member Federal Deposit Insurance Corporation

...
JANUARY
1940
...

NORTHWESTERN *Banker* DES MOINES

FORTY-FIFTH YEAR

NUMBER 630

Oldest Financial Journal West of the Mississippi River

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Across the Desk From the Publisher

By Clifford DePuy

1940 Here We Come!

Perhaps we should say, 1940 here we are, rather than 1940 here we come, but as we are just on the threshold of the New Year with all of its un-written history, perhaps we had better say, "Here we come."

With most of the world at war, and with a political campaign on in the United States, it is hard to know exactly what kind of a year it will be business-wise, but looking at some of the statistics and some of the forecasts from numerous economists, we can present the following facts, and with them, some of the more conservative predictions.

1. Industrial production in 1938 was 86.
2. Industrial production in 1939 was 105, with the high point being reached on December 9 of 130, according to the Federal Reserve Board index.
3. Industrial production for 1940 is estimated at 110.
4. National income in 1939 was \$69,000,000,000.
5. National income for 1940 is estimated at \$71,000,000,000.

Thus, statistically speaking, 1940 looks like a good business year.

In a survey recently made by C. M. Chester, chairman of the General Foods Corporation, to the Congress of American Industry, he found that employment in manufacturing industries was 14 per cent above 1938.

Of the companies who answered his questionnaires, 83 reported an increase in production over the same time last year and most of them reported changes of from 10 to 19 per cent.

Also, his survey showed that 65 per cent of the companies reporting expect business for the next six months to be as good or better than at present.

Perhaps most significant of all Mr. Chester's statements was this: "If we can make 69 billion

dollars in an atmosphere of misunderstanding, what can't we make by all pulling together? A national income of 100 billion dollars isn't just a fantastic goal, it can become a dream come true."

This statement by a conservative and successful business man and not by a wild-eyed New Dealer, really means something and can be accomplished if the business men of the country can once again get the green light to go ahead.

Nineteen hundred forty—here we come, and may it be a better year and more successful than those in the past, and may America continue to show the rest of the world how peoples of different races, different creeds and different nationalities can live together under one flag, and one government peacefully and in harmony with one another.

Another View of Munich

When Neville Chamberlain sacrificed Czechoslovakia at Munich, most of the world felt that war had been averted. Events since that time have proven the opposite.

Whether history will record that Britain and France should not have gone the extra mile with Hitler in order to maintain peace at that moment remains to be seen, but at least Vincent Sheean in his recent book entitled "Not Peace But a Sword" believes that it was a very dark moment in world affairs and expresses himself this way: "On that night when we knew about Munich I did not sleep at all, but lay looking at those dimmed funeral lights for hour after hour, reluctant to turn them off since they seemed to be the permanent illumination of Europe thereafter. The nights when we had expected the bombers seemed, in retrospect, nights of hope; for no material catastrophe could have destroyed the foundations of hope as Munich did. From that night on I knew that France and England would never fight for anything worth fighting for; that their resistance, when it came,

would come for their moneybags or their empires, never for a principle of any consequence to the human race; that no pledged word, no law and no reason could henceforth count in the processes by which governments determined the fate of mankind. And that in the end the material catastrophe would come, that it would be far worse than it might have been this week, and that our incalculable common loss by this surrender was in vain, were certainties cold and deadly in the blue light, irrefutable in every dawn from that to this."

Mr. Sheean believes that these dim blue lights will be the permanent illumination of Europe for many years to come. At the moment, perhaps such seems to be the case, but eventually, out of the turmoil and the war, out of the misunderstanding, and the bloodshed, must come a different form of government, if Europe is not to perish from the face of the earth.

Neville Chamberlain tried to prevent another world war at Munich but he was dealing with a gangster whose word was no good.

Opposes Single Bank Supervisory Authority

In most business transactions, two heads are supposed to be better than one, and that likewise applies, according to William R. White, Superintendent of Banks of New York, to the question of having two bank supervisory authorities.

There has been considerable agitation by the Federal Reserve Board to have one Federal Supervisory authority and to do away with the examination by State Superintendents of Banks.

In commenting on this question Mr. White, in speaking before the thirty-eighth annual convention of the National Association of Supervisors of State Banks, said: "It is a grave mistake to assume that because two agencies possess similar or identical authority for a particular purpose conflict must therefore arise in the exercise of such authority. On the contrary, I believe that many bankers feel that the advantage to be gained from two expressions of opinion with respect to their institutions usually outweighs any disadvantage which may occasionally result.

"If today we were to consolidate into one agency all the powers possessed by the various bank supervisory authorities now in existence, we would have gone a long way toward creating a dictatorship over the banking and monetary system of this country. Such centralization is not only unnecessary, but highly dangerous to the continued existence of both our banking system and our American form of government."

We quite agree with Mr. White that there would be no easier way to arrive at a financial dictatorship in this country than to have examinations of banks made only by the Federal Reserve System. When the Federal authorities check the banks as they do now, and likewise the state authorities, this double checking is both beneficial to the banks and to the depositors and we think should be continued.

Morgenthau Suggests Fifty Billion Debt Limit

We were confident that the bally-hoo would soon start to increase the national debt.

Secretary of the Treasury Henry Morgenthau, Jr., has told the house appropriation sub-committee that he believes the national debt limit should be raised to \$50,000,000,000.

The present statutory limit which the Treasury now is approaching is \$45,000,000,000.

If the debt limit is raised to \$50,000,000,000 then as soon as that point is reached, it will be increased, no doubt, to \$55,000,000,000 and \$60,000,000,000 if the present administration and its spending-lending program continues.

When is the time to stop and consider expenses? Isn't it NOW?

When is the time to reduce our national overhead? Isn't it NOW?

When is the time to stop the operations of a lot of bureaus which are needless and unnecessary? Isn't it NOW?

When is the time to stop spending money for a lot of alphabet XYZ organizations that should never have been created in the first place? Isn't it NOW?

It is time for the administration in Washington to talk about reducing expenses before they talk about raising the debt limit.

Give Business Freedom to Grow

Business is being so restricted and "policed" by every kind of government agency that it does not have the freedom to grow and develop as it should.

Something cannot be created from nothing, no matter what the "smart boys" at Washington may think. Taxes can only be collected if business makes a profit and in the years during which the United States showed the greatest growth and development business had an opportunity to expand and free enterprise was given an opportunity to go forward.

Government competition must make way for private competition if permanent prosperity returns.



Public Relations—

Find What the Public Wants— Then Give It to Them

By G. T. Mickelson

Attorney
Selby, South Dakota

I AM convinced that it is the duty of all banks, large and small, and of all grades of a bank's personnel, to play a part and to shoulder their responsibility in the task of employing sincere salesmanship of the services banks in general, and their own institution in particular, has to offer to the customers and to the public.

What picture comes in mind when we think of the bank of yesterday? The picture I draw may be exaggerated, but it will portray the idea that was prevalent.

Arm yourself with a chart of your family tree, put on a white collar, brush up your Sunday suit, and look scared to death—you are about to enter a bank. Yes, you must wait a while before you can talk to the vice president, so sit on a hard chair and gaze around. What do you see? Heavy iron cages, cold marble floors, thick-girth pillars, menial clerks, stern-faced executives, an atmosphere as frosty as Little America. You are seated, but not at ease, in an institution deep in tradition, shackled by convention, top-heavy with importance, surrounded by mystery and insulated by a stern unbending nature. This was the large bank of yesterday. The attitude was "Why should we allow you to do business with our bank?" "No, we can't walk across the street to get a new account—you will have to bring it here."

Thank goodness this picture has changed. Today we find modern banking rooms, light, airy and businesslike, time saving devices and equipment, wide awake, friendly aggressive clerks, enthusiastic executives, who know how to smile. The air of mystery is gone. Banking is now conducted as a service to the public. Banks are institutions for the public to use and to which the public is invited and welcomed. Bankers came to realize that service is harder to sell and advertise than tangible goods and they decided to devise ways and means of meeting this situation.

In practically all of the larger banks, public relations departments have been organized, with some senior offi-

cer of the bank in control of that department. Such an organization would hardly be practical for those banks but certainly some such system in a modified form could and should be set up in every bank, no matter how small. Some officer should be designated, among whose duties would be the matter of public relations.

Any public relations organization must and should work closely with the personnel department, or in other words, with the employees of the bank. Prospective employees should be weighed on the basis of their value as exponents of better public relations. Many banks miss a fine opportunity to secure new business and cement their relationship with old customers because the employees do not attach sufficient importance to the work they can do in furthering better public relations. Most of the book-keepers, clerks and junior officers of our banks feel that their only job is to perform the actual work assigned to them while they are within the four walls of the institution. They do not realize the opportunities which they have to create better public relations for the bank through their contacts during their social hours with their friends and acquaintances. Neither do they realize that in the eyes of the general public they are considered and looked upon as employees and officers of a

certain bank, and are in fact THE bank, to many people, at all times and not just during working hours; that the bank is judged by them no matter what position they hold. It is therefore most important that all employees are thoroughly familiar with their Bank's methods and policies, in order that they may be able to explain them to others when necessary. It is up to the management of every bank to see that their employees do have this knowledge.

You all know how well you like to walk into a strange store and be met by a courteous, friendly clerk. You may have entered that store without any intention of buying anything, but instantly you feel very guilty if you do not. There is no difference in this respect between a department store and a bank. Courtesy and friendliness is an absolute essential in any business dealing with the public. Money is very close to the average man's heart. If for any reason he takes a dislike to you, he will probably change his banking connections, or go some place else where he can receive the same service. In the banking business we must realize that we are dealing with two widely separated subjects—Figures and Human Beings, making our job all the harder. Figures are cold, impersonal things. Humans are just the opposite, no two of them alike. Your job is to figure out how to treat them to inspire their confidence and make them like to do business with you and your institution. Neither is a bank the easiest place to meet strangers at the very best. You are usually forced to deal across a marble counter, at arms'

Give Your Customers

A "Mental" Handshake

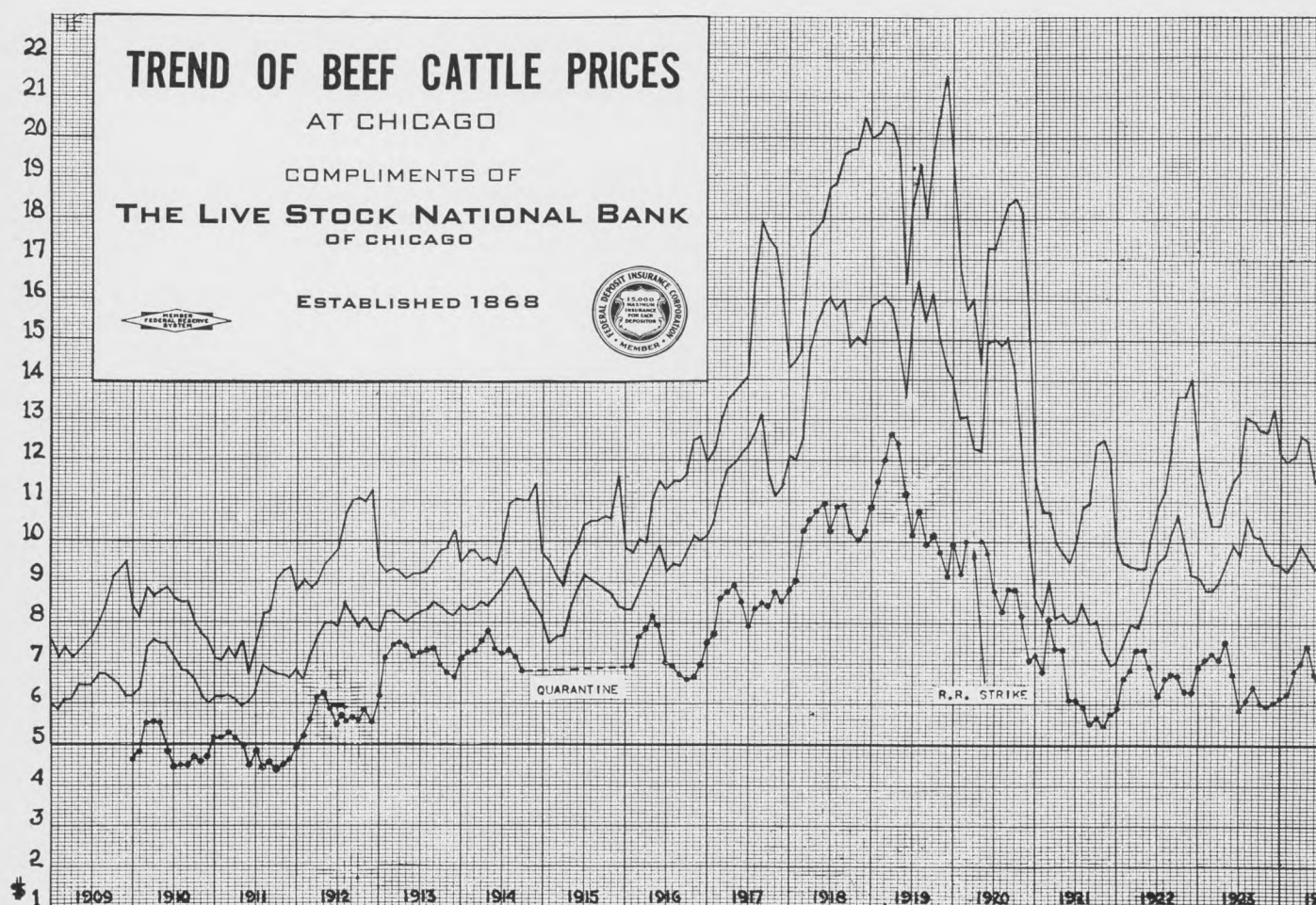
length, so to speak. A bank carries a formal, busy atmosphere. It is no place to visit at any length, and for the most part, customers do not expect it and still, one little inquiry about something that is of great interest and importance to him, will often times do as much to warm him up inside, as spending an hour with him under other circumstances.

Let us also consider the matter from the customer's point of view. First of all he wants to be waited on promptly. He is usually in a hurry. He doesn't want or expect you to unnecessarily keep him waiting for even a moment, even though its to take another puff from the cigar or cigarette before you turn to take care of him. It may be true that he doesn't have anything else in particular to do, but still, he doesn't want you to keep him waiting. Second, and probably the most important, he likes to be recognized and appreciated. It doesn't take much effort on your part to speak to him in a friendly manner when he steps to your

window, calling him by name, if you can, and it makes him feel much better, in fact he expects it and has right to do so. A man is a vain creature where his money is concerned. If he is a good customer and carries a good balance, he feels he is entitled to a little recognition, not that he wants to be gushed over, but he likes to know this his business is appreciated. The little customer with a small balance feels the same way about it. To him that five spot is close to his heart, because he has earned and saved it, and probably has gone without something in order to deposit it or spend it in your bank. He expects you to be interested in him because you are his banker, because it is his business and his neighbors' and friends' business that makes your job possible. He doesn't expect you to be talking to some one else or to be directing your attentions elsewhere when you are waiting on him. He wants and expects your undivided attention at that particular moment. He must be made to

feel that his business is of vital importance to you and your bank. It makes no difference how big and how grand your institution may be, or how small the customer may be, you can't afford to be uppish to a single, solitary man, woman or child that enters your bank on legitimate business. Ever keep in mind that it is the public, the small customer and the large one, that have made your institution what it is. Don't they really deserve your appreciation and interest when it is they who make your job possible? The little customer is just as human and just as sensitive as the big one, and some day he may be one of the "Big fellows." These small customers earn money, buy things regularly, and can influence their employers and friends, and they are a part of the public, and remember, we are interested in public relations.

In my few years of experience in the business and professional world, I have found that there is nothing quite so good for the soul as a good



THE EFFECT of war on prices of agricultural products is always of material significance. Thus, it is only natural that at the outbreak of hostilities abroad that a special interest should be focused on the movements of the markets during

the last war period. David H. Reimers, President of the Live Stock National Bank of Chicago, in response to numerous requests for data pertaining to cattle prices during that period had prepared a chart showing the trend of prices for both fat

handshake. I cultivated the habit of greeting my friends with a handshake whenever possible, and of putting myself out to speak to people, when I was still in college. I took pride in the fact that I knew every man and woman on the campus and could call most of them by name. We judge people when we first meet them by their handshake. I realize that you can't actually shake hands with every customer that enters your bank during the course of a day—it wouldn't be practical and it would be out of place. You can give him a mental handshake, however. You ask, "What is that?" It is simply the thing you do, the way you act, when a customer steps into your office or up to your window, when you show an interest in him and recognize him as some one of importance to you. It gives him the same feeling inside as if you had come from behind the counter and actually grasp his hand. He likes it and appreciates it and comes back for more. You will make more friends than you ever

dreamed of having, by being interested in people, and those friends will bring other people to your bank. Mere courtesy and politeness won't do the job, it takes something more. People are sensitive creatures, cultivate them. It's people who keep your bank going. They can make or break you.

Public relations as I apply the term to the banking business, is nothing more or less than putting your best foot forward to the public at all times. Presenting to them a clear, fair, honest picture of what you are trying to do and how you do it. Keeping them honestly informed. Taking them into your confidence. Treating them right and fair. Appreciating them and being interested in them and their problems. Giving value for every dollar they spend with you. It is always the simple, fundamental, truthful selling arguments that win in the long run. So it is in the banking business. If you will be truthful, honest, and straightforward in your dealings with the public and in the information

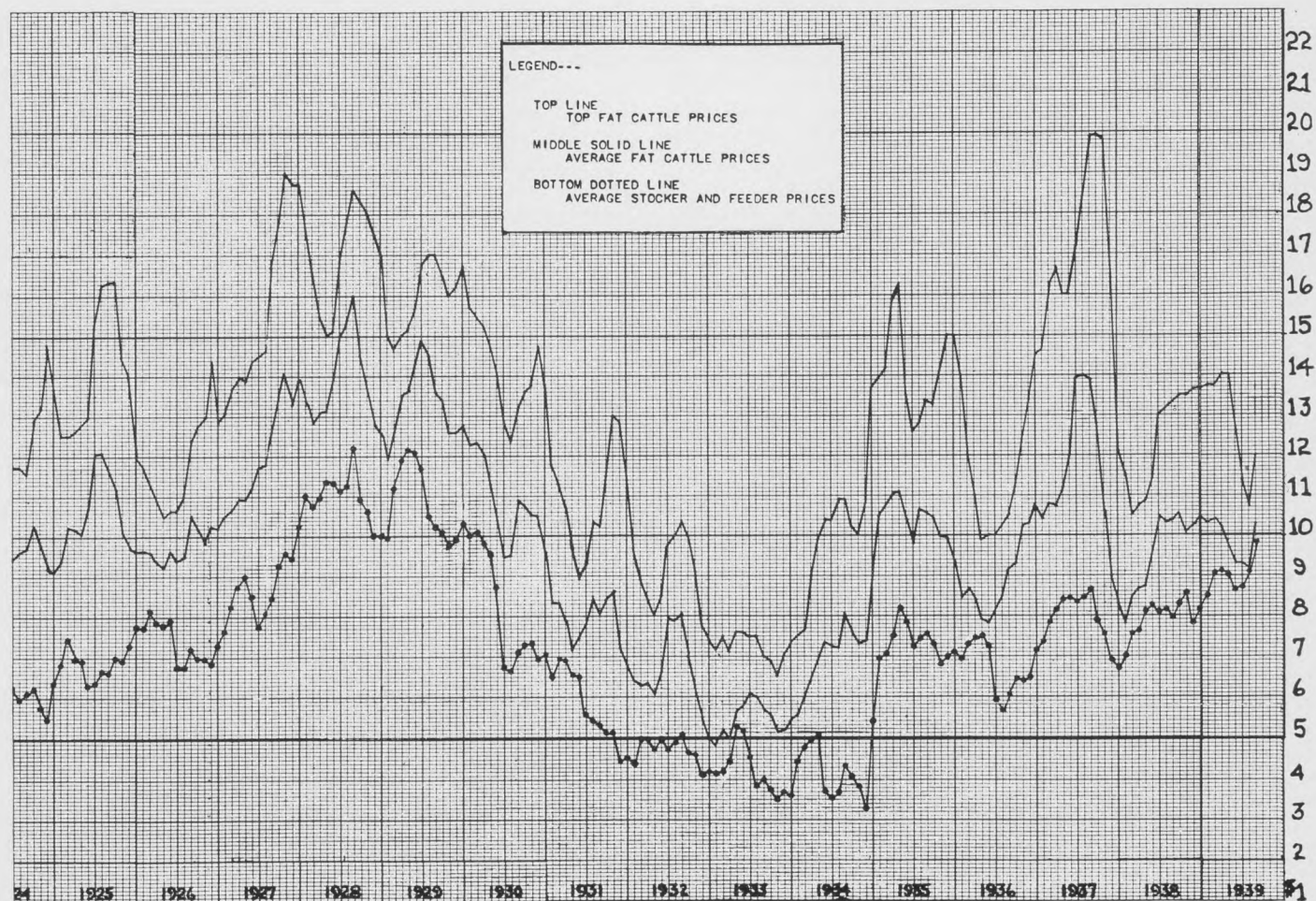
which you give them, then you are bound to achieve pleasant, successful, constructive public relations.

Assistant Cashier Dies

Theodore Lely, assistant cashier, The Northern Trust Company, Chicago, passed away last month, following a brief illness. Mr. Lely whose early banking experience was gained at the Corn Exchange Bank of Chicago, has been a member of The Northern Trust organization since 1927.

Born in Visp, Switzerland, but raised in this country, Mr. Lely was an exceptionally fine amateur artist and one of the leading bank operating men in the country.

For several years he had featured as one of his departmental functions the maintenance of classes in public relations and was very successful in building up a personnel which distinguishes the banking department of The Northern Trust Company for its splendid handling of customers.



and feeder cattle at the Chicago market over the period from 1909 to the present.

Realizing that this data is no less interesting to bankers

and others than live stock operators themselves, we have obtained permission to print the above reproduction of this chart for the benefit of NORTHWESTERN BANKER readers.

NEWS AND VIEWS

OF THE BANKING WORLD

By Clifford DePuy

PAUL R. LEACH, Washington Correspondent for the Chicago Daily News says, "**Marriner S. Eccles** will not accept reappointment as chairman of the Federal Reserve Board when his term expires February 1, 1940.

"That decision, contrary to rumors floating around Chicago, New York and Washington financial districts, has nothing to do with his differences of opinion with Secretary Morgenthau and Undersecretary Hanes on government spending and deficit financing."

However, another Washington authority says that chairman Eccles will probably stay as head of the Federal Reserve Board after February 1st, when his term expires, but he will only stay on a month to month basis, and that Roosevelt is anxious to have him remain.

Personally, we can think of no greater blessing to the Federal Reserve System and to the country, than to have Eccles retire to his banking, utility, Mormon interests in Utah and take with him his spending, loaning, borrowing, deficit plans which have been taken over hook, line and sinker by President Roosevelt.

For the first time in America, investors are joining a union.

Unions of workingmen are recognized as part of the American tradition. Bankers, lawyers, grocers and railroad presidents have long been organized into associations to protect their interests. Now the investor—the holder of stocks, bonds, mortgages, debentures and all the other scraps of papers which signify investment—is forming a union of his own—the **American Investors' Union**, a non-profit membership corporation organized under the laws of New York.

Vern L. Bartling, assistant cashier of the First National Bank of Chicago, says that he always reads the **NORTH-WESTERN BANKER** backwards by starting with "**The Director's Room**" first, and has a good laugh before he gets into the heavier articles.

A. E. Bryson, vice president of Halsey, Stuart and Company, with whom we had luncheon the other day in Chicago, believes that the distribution of securities in the future will be decentralized and not all be underwritten

by New York houses, but that Chicago firms and other midwestern investment banking organizations will originate and do a good deal of the underwriting.

William C. Cummings, president of the Drovers National Bank in Chicago, is probably one of the best story tellers in the big city, and if you want to be really entertained, just let him keep you laughing for 15 minutes and you will forget all about wars, politics and overdrafts.

Robert Lindquist, president of the Chicago Financial Advertisers Association, and advertising manager of the American National Bank & Trust Company, asked us to speak before one of their recent meetings. Instead of making a speech, we discussed in round-table fashion, "The biggest problem facing American bankers in 1940". The main point discussed was whether with banks showing good earnings for 1939 was it a mistake to be lowering interest rates on savings accounts when so much effort in the past has been put on getting people to start savings accounts.

We are not supposed to make any mention of it, but it is still a fact that four officers of the Live Stock National Bank of Chicago, are wearing those cute little mis-placed tooth brushes on their upper lips. The four handsome and debonair gentlemen are **John M. Henry**, executive vice president; **Alden S. Bagnall**, vice president; **H. P. Johnston**, and **Carl Trout**, assistant vice presidents.

J. M. Easton, advertising manager of the Northern Trust Company, lost by marriage on Christmas Day, his very charming assistant, **Miss Ruth E. Proctor**, when she became the bride of **Harold A. Lyon** of New York. Miss Proctor had been associated with the Northern Trust publicity department for a number of years, and Mr. Lyon was formerly advertising manager of the Bankers Trust Company of New York, and in more recent years has been devoting his time to public relations work in behalf of banks and manufacturing institutions. It is understood that when Ruth listened to

the roar of the Lyon she couldn't resist.

Edwin N. Van Horne, executive vice president of the American National Bank & Trust Company of Chicago, is telling the story of the Texas banker who had a customer whose son was in love with a girl in New York so the Texas banker wired their correspondent banker in New York to find out about the girl and got this wire back. "The young lady's finances are nominal, her morals are phenomenal, give the girl a chance."

A Chicago taxi cab driver volunteered this information to us the other day by stating that, "He lived in the **city of Kelly**, in the **county of Nash**, in the **state of Horner**, and the **nation of corruption**."

No doubt this will all be changed after the U. S. Department of Justice gets through cleaning up the Windy City.

Henry Scarborough, president of Scarborough and Company of Chicago, has appointed **Ward MacFadden** as their representative in Eastern Iowa and Illinois. Mr. MacFadden has been with Scarborough and Company for five years and his father was the former secretary of the North Dakota Bankers Association.

When **O. Paul Decker**, vice president of the American National Bank & Trust Company of Chicago, said he would, "Take us down to the Attic Club for lucheon" we knew there was something wrong with that statement, because how can an Attic Club be down when it is on the top floor of the Field Building? There was nothing wrong however with the delightful luncheon and the gorgeous view which we could get from the club windows.

A banker, whose name we will be glad to send you upon request, asked us if we knew the definition for a bustle. Of course we didn't so here it is: "**A bustle is a deceitful seatful**."

W. (Bud) Allen, vice president of the Continental-Illinois National Bank & Trust Company, is including in his current reading "The Normal Diet and Healthful Living," a book by **W. D. Sansum, M.D.** of Santa Barbara, California. **Bud** says that if he follows this book carefully he expects to live to be a hundred. Perhaps this is the way other members of the Continental staff "keep fit," because at the old timers' dinner which is an annual affair, which they held recently, there were 355

(Turn to page 24, please)

What They Said at Richmond

A Few High-Lights From the Southern Regional Conference of the American Bankers Association

EARLY last month the American Bankers Association held its Southern Regional Conference in Richmond, Virginia, and a similar meeting will be held in Denver on March 21 and 22.

Subjects discussed at the Southern Conference were many and of course of more than usual interest to the banking fraternity. Briefed here are a few of the talks.

William S. Elliott, president, Bank of Canton, Georgia:

"The logical, certain source for increased earnings and rising interest rates lies in a widespread revival of business. Such an upturn must follow a rebirth of confidence in the future of business. Then the dependable man will borrow for prospective needs and business expansion. Interest rates will rise, consumer buying will increase and unemployment drop to a normal level.

"Easy money has not inspired a business revival. Men do not borrow money for private business merely because it is cheap. Money that cannot be used profitably is high at any price. When business is active and the businessmen confident as to the future, a reasonable rate of interest will be paid without question."

P. H. Sitges, president, Louisiana Savings Bank & Trust Company, New Orleans:

"Perhaps the most aggressive and the best way of competing for business generally is by officer solicitation. It would be ideal if every bank officer could so arrange his affairs as to have several hours a week which he could utilize in calling on both old and prospective customers.

"Generally speaking, competition is a formal incident of business. There is no rule of thumb by which it can be successfully met, but, on the other hand, there is no reason why any bank cannot compete successfully for its share of the business available, if its management will develop an aggressive attitude for new business, keep an open and actively helpful mind in handling its customers' problems, make as full use as possible of whatever advantages are inherent to its situation, and in general conduct its affairs with reasonable confidence in the future."

S. H. Fifield, assistant vice president, Barnett National Bank, Jacksonville, Florida:

"Local communities have their own particular requirements and problems. The states of California and Florida have five distinct groups which must be served by banks—international commerce, manufacturing, special agricultural problems, the fishing industry, and the tourist trade.

"While manufacturing and agricultural groups in these states are akin to those elsewhere in their banking problems, the tourist requirements are separate and apart. The farmers of Iowa and Missouri and the grain men of the north have specific banking problems. The manufacturing and financial districts of the East have theirs, which banks in the South know very little about. Inasmuch as territorial requirements are different, banks serving these districts must have their personnel especially trained to meet these requirements. It be-

hooves every bank to have its staff geared up to see and understand the possibilities of every job in the institution," Mr. Fifield declared.

He stressed the importance of employee education and training through study courses, employee working manuals, and group meetings of bank employees for discussions of customer relations.

L. W. Bishop, cashier, State-Planters Bank & Trust Company, Richmond:

"There never has existed in the history of the American banking system a greater need for close and minute scrutiny of our respective organizations—our men and our machines.

"This need is emphasized and heightened by the necessity for economy. Scarcity of acceptable loans with resultant low interest rates on prime paper and high grade securities have adversely affected bank earnings.

"Another factor which has a direct (Turn to page 32, please)

Western Nebraska Hunters



While hunters in most sections of the country were complaining about the lack of ducks and geese, apparently conditions were different in western Nebraska, where the above picture was taken. Reading from left to right the hunters are **Ray Babcock** of Sidney, Nebraska, a director of the Potter State Bank; **Nels Smith**, governor of Wyoming, Cheyenne; **Art Storz**, Storz Brewing Company, Omaha; **Harold Olson**, executive vice president Bank of Lisco, Lisco, Nebraska; and **Joe Sunodynes**, Sidney.

Bank Advertising That Promotes Community Progress

By Harold V. Huntoon

President
Union State Bank
Winterset, Iowa

WHEN an advertising campaign can bring a chain of favorable comment from our depositors, arouse enthusiasm among men who have never been our customers, and prove valuable to the business interests of our community, we believe such a campaign deserves to be considered Good Advertising.

And the preceding paragraph gives an authentic picture of the reaction to a series of advertisements which our bank inaugurated only a few months ago.

To any advertiser, there is undoubtedly some value in simply "keeping his name before the public." But we feel that bank advertising can logically do more than that, especially when it has a clear-cut message, delivered as effectively as words and illustrations permit.

Over a considerable period of time, we had been on the lookout for an idea which would provide an effective

spark for our advertising. In common with many other bankers throughout the state, we had been impressed by a



THE MEN BEHIND THE SERIES—Mr. Huntoon (center) discusses an illustrative detail with Harvey Paull (left) cashier of the Union State Bank, and Paul Blakemore (right) president of the Coolidge Advertising Company, Des Moines advertising agency in charge of creative work on the bank's campaign. In the background can be seen some of the prize-winning ears submitted in the bank's annual Corn Show.

TYPICAL COMMENTS

Leafing through letters received by the Union State Bank, as a result of its advertising campaign, the NORTHWESTERN BANKER selected the comments below as representative of several interesting points of view.

From an Implement Dealer: *"The implement copy in your Madison County campaign hit the nail squarely on the head. We have been preaching this same story for many years."*

F. P. HARTSOOK, Winterset.

From a Dry Goods Merchant: *"From a merchant's viewpoint, I am very much impressed with this type of advertising. I consider it Business Building, both for your bank and for the other business institutions of our town."*

CHARLES A. GRAVES, Winterset.

From a Neighboring Banker: *"If this series continues to measure up to the standard set by your first advertisement, you will be doing a fine thing not only for the bank, but also for all business in Madison County."*

W. G. JACKSON, Earlham.

From a Metropolitan Banker: *"I am heartily in accord with the suggestion advanced by your advertisement. County-seat towns should do everything possible to warrant and encourage the support of people living in their business radius."*

WILLIAM H. MILLER, Chicago.

From a Newspaper Editor: *"Your initial advertisement is appealing. In fact, it has the ear-marks of a very interesting campaign."*

O. E. SMITH, Spirit Lake.

series of advertisements appearing in NORTHWESTERN BANKER, featuring "Institutions That Make Iowa." Gradually the possibilities of applying a similar idea to our situation began to take root. Our primary field of operations is Madison County. Couldn't an effective series of advertisements be built around the business and professional men who contribute so much to the development of Madison County? We thought so.

With this basic idea as a starting point, we called in the same men who had developed the "Iowa Institutions" advertising and asked them whether we were right in our belief. They agreed to see what could be done. In a few weeks they submitted the campaign we are now running in Madison County—a campaign which measures up exactly to the specifications we had long had in mind as most suitable for the advertising of our bank.

The advertisement featuring agricultural implement dealers, reproduced in connection with this article, is typical of the entire series. Each advertisement is built around a central theme—"It pays to do business with

Madison County business and professional men. The more you use them, the better they can serve you."

This central theme appears in special display type at the bottom of each advertisement. In addition, the theme is repeated in the text of each advertisement—constant repetition to drive home a basic point.

In technic, the advertisements have been kept purposely simple. Even the type is set by our own newspapers here in Madison County. In form as well as in words, the advertising men felt that the advertisements should not take the character of fancy "imported" messages, but rather should be a plain, straight-forward expression of our own business philosophy.

In this series, we expect to feature each phase of business or professional activity which is a major factor in the life and development of our community. These include:

Agricultural implements, attorneys, automobile dealers, clothing and dry goods, dentists, drug stores, food stores, furniture stores, grain and feed dealers, hardware stores, insurance agents, lumber companies, physicians and stock buyers.

Newspapers are the primary medium for this campaign, of course. The series of advertisements, three columns in width, is appearing in both Winterset newspapers. In addition, the newspaper advertising is supplemented by a series of three letters to the complete business and professional list of Madison County.

We felt certain that any local business man would be interested in having inside information about the campaign, and knowing something of the philosophy behind it. Accordingly, we mailed a reprint of the initial advertisement to every business and professional man in Madison County, giving information about the campaign, and outlining the objectives which our bank had in mind in sponsoring it.

With the second mailing to each name on the list, we enclose a reprint of the advertisement featuring his own line of endeavor. A third mailing piece will be sent out near the conclusion of the entire campaign.

As yet, it is far too early to begin totaling the score on results, because the campaign is still in progress. However, we have been more than pleased with the recognition from leading figures in our own community, as well as from banking officials elsewhere. We naturally expect friends to be polite in their comments about any advertising. But in this instance, we find that general comment in the community seems to be uniformly enthusiastic—comment that is not limited to

"IT'S A GODSEND YOU HAD THAT BEARING IN STOCK!"



**SAVED! a day for the entire crew
because his local implement
dealer was on the job . . .**

It's tough luck to have a bearing burn out shortly before dinner—just when threshing could be finished by sundown.

The worried farmer phoned his implement dealer. What to do? "Eat a good dinner," said the dealer. "We'll be right out."

In a few minutes, the service-car was on hand with a new bearing. By the time the crew had finished eating, the outfit was ready to go and the last bundle was pitched right on schedule.

* * * * *

It pays a farmer to do business with the local implement dealer. Not just because he's your neighbor, and a good fellow, but because in a sense he is the maintenance department of your farm business.

Machinery is essential to modern farming. In Madison County alone, farm-machinery value runs well above two million dollars. So your local dealer helps to keep a two-

million-dollar investment in good running order.

By trading with your local dealer when you need new equipment, you assure yourself of a convenient source of service and replacement parts.

The same point applies to practically every line of business and professional activity. By dealing with other Madison County men, you increase their ability to be useful to you. By failing to use them at every opportunity, you make it harder for them to maintain services which you might sorely miss if they were not available.

That is a good point to remember. You need Madison County business and professional men—and they need your business.

No. 2 in a Series of Advertisements emphasizing the advantages gained by dealing with Madison County business and professional men at every opportunity.

Union State Bank

Winterset, Iowa

Offices at PERU · TRURO · MACKSBURG

**It pays to deal with Madison County business and professional men.
The MORE you use them, the BETTER they can serve you.**

"SIMPLE, DIRECT APPEAL"—Reproduced above is the second advertisement in the Union State Bank series. As Mr. Huntoon points out, the copy appeals to the average Madison County reader on a basis of his own specific self-interest, rather than on general "trade-at-home" patriotism.

our own customers but comes to us in letters and in remarks from all parts of the county.

Still more important than comments alone, are indications that the campaign is achieving its broader objective—focusing attention on the importance, to Madison County, of doing business with our own business and professional people.

As a reading of any of our advertisements will reveal, we have carefully avoided presenting this appeal simply on a basis of "home-county patriotism". Rather, our messages are directed to the reader's own personal interest—intelligent, self interest we

believe—because we feel that every citizen has much to gain personally through keeping capable business and professional services at his command right here in his home county.

Naturally, our directors and officers are human enough to appreciate the verbal flowers which have come our way. But basically we are far more interested in seeing the campaign achieve its major purpose of strengthening the position of the business and professional men of our county. These men are the backbone of our community. By helping them, the campaign can not fail to help our bank.

How a Verbal Agreement Affects Installment Payments

Lane, a Minnesota banker, sold an automobile in that state to Hayes, taking a down payment and agreeing that the remainder of the purchase price might be paid in installments. As evidence of the agreement regarding installment payments a conditional sales contract was entered into by the two parties. Hayes was unable to pay the second installment and Lane agreed verbally that the time for its payment would be extended twenty days. Before the twenty days expired, however, Lane, disregarding his agreement to extend, repossessed the car. Was such action on the part of Lane legal?

No. After an oral agreement extending the time for the performance of a contract for the conditional sale of an automobile, a vendor must abide thereby and cannot retake possession of the property during the period of the extension without incurring liability for conversion. This is true whether or not the oral agreement for the extension of time is supported by consideration.

Two officers of a South Dakota corporation purchased from it certain shares of stock in the company that previous to the sale had been held in its treasury as unissued stock. Later some of the stockholders sought to have the sale set aside on the ground that the officers had not paid an adequate amount therefor. At the trial was the burden of proof on the two officers to show that the purchase price was adequate?

Yes. By reason of the fiduciary relationship between the officers and the company the usual rules hinging around the caveat emptor, let the buyer beware attitude of the courts do not prevail. Where a sale is made by a corporation to its officers, the burden is on the officers, if the sale is questioned, to show that the transaction was fair, in good faith, and open and above board.

Hultgren, the cashier of a Nebraska bank, purchased from it a note previously executed in its favor by Grant. He paid full value therefor and the transaction was entirely free from fraud bad faith, and undue advantage.

These and Other Timely Legal Questions Are Answered

By the
LEGAL DEPARTMENT

Shortly thereafter the bank failed. Later Grant refused to pay and Hultgren sued him. As a defense Grant asserted Hultgren had bought the note with knowledge of the impending failure of the bank and to avoid a personal loss as a depositor therein. Was the defense good?

No. If a cashier purchases a note of his bank, paying full value therefor, and the transaction is entirely free from fraud, bad faith, or undue advantage, such transaction cannot be attacked collaterally, as Grant attempted to do here, by the maker of the note when suit is brought thereon by the owner.

Under North Dakota law a chattel mortgage, generally speaking, ceases to be valid as against subsequent purchasers or incumbrancers in good faith of the property involved after three years from the filing thereof with the register of deeds unless an affidavit that it remains unpaid is duly filed with the register of deeds within 90 days of the expiration of the three year period. A situation arose in that state where the affidavit was not filed within the time specified but was filed some six months after the three years passed. Did such affidavit operate to validate the lien against purchasers and incumbrancers in good faith?

No. The statutory provisions fixing the time within which a chattel mortgage must be renewed must be strictly complied with and an attempted renewal after time is without effect.

A Nebraska banker died leaving a farm owned by him to his wife for life with the remainder to his children. The wife thereafter rented the farm to a tenant for a rental of one-third of the crops grown thereon. Such rent was on a year-to-year basis and the

tenant planted wheat and other crops on the land. The wife died January 15, 1937, while certain wheat that had been planted the previous fall was growing. The wheat was not harvested until the next summer. Should the one-third interest in the wheat that was harvested go to the wife's estate or should it go to the children, the remaindermen?

The interest in the wheat should go to the estate rather than to the remaindermen. Where a tenant for life of farm land leases the land, with the rent payable in a share of the crop, and dies while the crop is growing, title to the share of the crop reserved as rent passes to the estate of the tenant for life as assets of that estate.

Blackburn executed in favor of Weiser or his order a negotiable promissory note for five thousand dollars in Wisconsin. Weiser delivered the note to Michaelson, without indorsing it, before maturity for a valuable consideration. Later Blackburn did not pay and Michaelson sued him. Blackburn defended setting up certain defenses that were matters between him and Weiser. Such defenses were of the type that could not be urged legally if Michaelson was a "holder in due course." Was Michaelson such a holder?

No. Where a note payable to payee or order is transferred without indorsement the transferee is not a "holder in due course." Here Michaelson received only such title and rights under the note as Weiser had and held the note subject to any defenses that were available to Blackburn against Weiser by reason of the non-indorsement.

A false check was cashed by a man at a bank in Iowa and certain peace officers immediately took steps to apprehend him. A man bearing the same name was picked up in Nebraska and charged with committing the crime. He protested his innocence but went with the Iowa officers when they came to get him and, as an incident to going with them, did not require a formal extradition. He was placed in jail in Iowa and was released shortly thereafter.
(Turn to page 34, please)



STATEMENT OF CONDITION

December 30, 1939

RESOURCES

Loans and Discounts.....	\$15,652,338.16
Overdrafts	1,486.43
U. S. Government Obligations.....	8,157,805.00
State and Municipal Bonds.....	5,425,490.73
Other Bonds and Investments.....	3,412,276.89
Banking House	799,000.00
Furniture and Fixtures.....	1.00
Customers Liability Under Letters of Credit.....	3,430.00
Interest Earned But Not Collected.....	148,074.92
Other Assets	49,134.40
Cash on Hand and Due from Federal Reserve Bank and Other Correspondent Banks	20,418,015.09
	<hr/> \$54,067,052.62

LIABILITIES

Common Stock	\$ 1,500,000.00
Preferred Stock	500,000.00
Surplus	1,500,000.00
Undivided Profits	321,136.22
Reserve for Contingencies.....	162,812.90
Reserve for Taxes, Interest, Etc.....	86,538.97
Reserve for Dividends Declared and Unpaid.....	30,000.00
Customers Letters of Credit.....	3,430.00
Interest Collected But Not Earned.....	32,442.26
Deposits	49,930,692.27
	<hr/> \$54,067,052.62

Member Federal Deposit Insurance Corporation

The Omaha National Bank

Member
Federal Deposit Insurance Corporation

Mid-America Casualty Insurance Company In Expansion Program



T. W. GARRETT, JR.
President and Chairman of the Board

THE Mid-America Casualty Company of Cedar Rapids, Iowa's newest stock casualty company, is making steady progress in its long range plan for agency development, and officials of the company recently announced plans for extending the company's field of operations.

Control of the Mid-America Casualty Company was purchased in June of this year by T. W. Garrett, Jr., of Kansas City, Missouri, and associates. Home Offices of the company are on the eighth floor of the American Trust Building in Cedar Rapids, and the company has recently remodeled and expanded its office space there. Executive offices of the company are also located in Kansas City in the City Bank Building, in which is located the Garrett Agency.

Mr. Garrett, president and chairman of the board of Mid-America, is also head of Garrett, Inc., General Agents of Kansas City, one of the outstanding general agencies of the United States. His background in insurance includes agency and field work prior to the establishment of the Garrett General Agency, and he is looked upon as a leader among the insurance executives in his field. Mr. Garrett is considered one of the best informed insurance

officials in the field of finance insurance. His agency, which is headquartered in the City Bank Building in Kansas City, also maintains service offices in St. Louis, Wichita and Joplin. Garrett, Incorporated, General Agents, is territorial manager for: British and Foreign Marine Insurance Company, Camden Fire Insurance Association, Central States Fire; Century Indemnity Company, East and West Insurance Company, Eastern Underwriters Agency, Equitable Underwriters Agency, The Georgia Home Insurance Company, Homestead Fire Insurance Company, Insurance Company of the State of Pennsylvania, Insurance Underwriters, Mid-America Casualty Insurance Company, Pacific Coast Fire Insurance Company, Piedmont Fire Insurance Company, Provident Life Insurance Company, Sun Underwriters Insurance Company, Western Casualty and Surety Company, and Western Fire Insurance Company. The company has been fortunate in obtaining the services of its new vice president and production manager, H. R. Hazlewood, who is a seasoned Casualty Underwriter and who has had wide experience in agency development.

Prior to joining the Mid-America Casualty, Mr. Hazlewood was general manager of the Northwestern National Casualty Company of Milwaukee, the running mate of the Northwestern National Insurance Company of Milwaukee. He is a native of North Dakota, but was educated in Canada. Following his schooling he was connected for a number of years with the Canadian Pacific and Canadian Northern Railroads.

Mr. Hazlewood then entered the lumber business in British Columbia, after which he entered the insurance field as a general agents in British Columbia for a casualty company. He later was an agency organizer in western Canada for the Globe Indemnity, then with the Royal Exchange and Dominion Gresham. For a short time he was a general agent in Winnipeg, and in 1919 he became connected with the Northwestern National group, first as a special agent in New York City, and a year later as assistant manager and manager of the automobile depart-



H. R. HAZLEWOOD
Vice President

ment at the Home Office. Mr. Hazlewood's operations in the automobile department of the Northwestern National were so successful that in 1929 the Northwestern National Casualty, writing automobile insurance only, was organized and he became general manager of the new company. Mr. Hazlewood is married and has three children, two girls and one boy and likes Cedar Rapids, his new home.

He has announced that Mid-America in a short time will enter a number of additional states, including several mid-western states. The company already has approximately 300 agency connections in the state of Iowa and is embarking on a program of long-time development, centering first in Iowa, and later in additional states. The company specializes in all forms of automobile insurance and will confine its operations to that field until its capital and surplus is increased.

The new official line-up of the Mid-America includes President and Chairman Garrett, Vice President Hazlewood, Secretary Chas. S. Dunn, Vice President Geo. W. Corey, Secretary Harry J. Chadima, Treasurer D. E. Yankie, General Counsels B. B. Hick-enlooper and M. F. Mitvalsky and Associate General Counsel Elmer A. Johnson.

Get Better Acquainted With Savings and Loan

HAD always taken Savings and Loan Associations more or less for granted. I believe my ideas on this type of institution followed common belief that these Associations held interest mainly for those investors who wish to accumulate savings through the installment method, desired a relatively high return on their investment and in turn had little need in a market for their investment. The passage of the Federal Home Loan Bank Act in 1932, and later the Home Owners' Loan Act and the National Housing Act, focused a great deal of attention on this outlet as a medium for investors' funds.

I took time out to do a little exploring and the results were very interesting to me. The Savings and Loan business certainly has not been dry-docked during the last seven years. Rather, this field of investment has been briskly progressive in methods, management and publicity. During this period legislation has likewise kept pace.

Additional legislation bearing on Savings and Loan Associations is expected to come before Congress in the next session. The proposed amendments seemed designed to liberalize existing laws and to give greater flexibility to this branch of our financial system. It is my belief that the trend in this established field of investment is sufficiently definite and the problems involved so important that every type investor should give sober thought and endeavor to understand operation of Savings and Loan Associations.

Frank W. Hancock, member of the Federal Home Loan Bank Board, has presented an interesting and thorough analysis of H.R. 6971, a Bill by Mr. Steagall to amend the Federal Home Loan Bank Act, Home Owners' Loan Act of 1933 and the Title IV of the National Housing Act. The review by Mr. Hancock is as follows:

"Sections 1 and 2 amend Section 10 of the Federal Home Loan Bank Act so as to give the Federal Home Loan Banks somewhat greater flexibility in lending to their members in somewhat the same manner that the Federal Reserve Banks were given greater flexibility in dealing with member banks in 1933. The present law limits the banks to making loans on *home mort-*

By J. C. Enyart

Investment Counselor
Des Moines

gages and Government obligations. As amended, the banks will be able to lend 90% of the unpaid principal on insured home mortgages, 65% on non-insured amortized home mortgages, and 50% on other mortgages on properties designed principally for residential use. The present law limits bank



J. C. ENYART

lending to 20-year mortgages, but this amendment would authorize loans on the new 25-year mortgages and also would authorize loans on other obligations which a member might have available and which are acceptable to the Federal Home Loan Bank Board. No mortgage will be eligible if it exceeds \$100,000 at the time the advance is made.

"The purpose of the Federal Home Loan Banks is to make funds available to member institutions in their local communities when such funds are needed for local loans or to meet a situation of local financial distress. These banks have loaned about five hundred million dollars for these purposes without any losses whatsoever. It appears to be wise to make them most serviceable to local members and in solving a local situation to permit

this greater flexibility in making loans and taking collateral security.

"Section 3 amends Section 11 of the Bank Act so as to authorize the Secretary of the Treasury, in his discretion, to purchase the obligations of the Federal Home Loan Banks and of Federal Savings and Loan Insurance Corporation. Substantially the same language is used as the language which authorizes him to support, if necessary, Farm Credit Administration by purchase of securities of Federal Farm Mortgage Corporation or to support the F. D. I. C. or the R. F. C. by purchase of their obligations.

"Section 4 amends Section 17 of the Federal Home Loan Bank Act to authorize the Board to enforce its rights, powers, orders, rules and regulations, in the Courts, through the Attorney General or through its own attorneys, at his direction, and gives the Courts jurisdiction in such matters.

"Section 5 amends Section 20 of said Act to require examination of Federal Home Loan Banks once a year and not twice, as is required under the present law, and gives the Federal Home Loan Bank Board power to require reports of all members of the Bank System and to examine and supervise Federal and insured State associations, and to examine non-insured State-charted members in the event they have no adequate State examination and clarifies the existing law by giving the Board express power to assess the cost against the institutions dealt with.

"Section 6 amends Section 21 of said Act, and is a criminal section. It provides substantially the same protection for the Federal Home Loan Bank System, the Insurance Corporation, and the members, that is now provided by law for the Federal Reserve System, the F. D. I. C., and their members. It prohibits and provides punishment for certain frauds and wrongs against any of these institutions, including a defamation section, and protects the institution examined by prohibiting examiners from revealing information obtained.

"Section 7 amends Section 4 (c) of Home Owners' Loan Act of 1933 so as to exempt the office building in the District of Columbia from taxation, as other Government buildings are exempt.

"The original Act subjected real estate held by Home Owners' Loan Corporation to taxation. There is some question as to whether this applies to its office building in the District. The Corporation pays regular local taxes as any other property owner to the District of Columbia and the States, Counties and Municipalities upon all of the homes acquired by it. The purpose of this provision is to put its home office building clearly on the same tax basis as other Government property in Washington.

"Section 7 also amends Section 4 (d) of said Act by striking the word "fifteen" in the provision that H. O. L. C.

loans shall be amortized in "not to exceed fifteen years," and substituting the word "twenty-five."

"The purpose of this amendment is simply to make it clear that the Home Owners' Loan Corporation has permissive power to extend H. O. L. C. loans beyond the original maximum period of fifteen years.

"Section 8 amends Section 5 (c) of said Act dealing with Federal savings and loan associations. The present law limits Federal associations to real estate loans upon local homes, except that 15% of their assets may be loaned on other improved real estate. This amendment would permit the larger

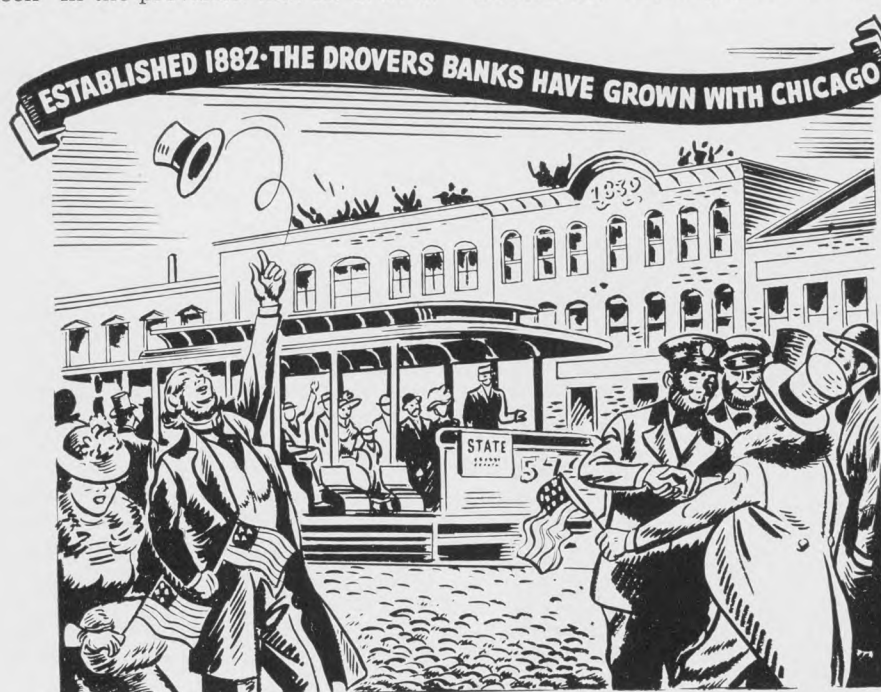
associations, under regulations made by the Federal Home Loan Bank Board, to lend an additional 15% of their assets upon apartment houses. Also it would authorize Federal associations to invest in Government guaranteed obligations and certain other obligations which are legal investments for fiduciary and trust funds, and are approved by regulation of the Board. Also it would authorize them to make Title I F. H. A. loans.

"Section 9 amends Section 5 (i) of said Act dealing with the conversion of associations from State to Federal. It recognizes a recent decision of the Supreme Court by providing that the conversion shall not be in contravention of State law. It also authorizes conversion of a Federal association into a State association.

"Section 10, 11, 12, 13, 14, 15, and 16 amend Title IV of the National Housing Act affecting Federal Savings and Loan Insurance Corporation, and Section 17 is a separability clause. The amendments of the Insurance Statute are largely technical, redefining "insured account" but making no substantial change, and changing the name of the Insurance Corporation from Federal Savings and Loan Insurance Corporation to Federal Savings Insurance Corporation because the Corporation does not insure loans and the name is confusing. Section 12 clarifies the dividend basis of the Insurance Corporation, requiring it to build up reserves to 5% of its insured liability and providing for dividends thereafter at the rate equivalent to that currently paid by the Government on its long term bonds. Section 13 reduces the insurance rate from $\frac{1}{8}$ of 1% to $\frac{1}{12}$ of 1%. Section 14 revises the basis of insurance settlement, making it conform more nearly to that of the F. D. I. C. Section 15 clarifies the language authorizing the Insurance Corporation to deal with an institution in trouble or in default. Section 16 clarifies the language for voluntary or involuntary termination of insurance, requires a two-year premium upon termination and provides that accounts shall remain insured for such period.

"The major question in the amendment of the Insurance Statute is the reduction of the insurance premium rate. The Insurance Corporation at present is spending, for total expenses, approximately 10% of its premium income. Its total losses since organization in 1934 have been approximately 2% of premium income. It seems perfectly clear that the lower premium rate can be justified. This will give the Insurance Corporation the same premium rate as the F. D. I. C., except that this Insurance Corporation col-

(Turn to page 28, please)



IN 1882, the first cable cars started operation in Chicago—speeding transportation far beyond the limits of the old horse drawn street cars. Two years later, the rapidly expanding Cable System was transporting a million people daily and doing the work of 2500 horses.

IN 1882, the Drovers National Bank was established to serve the Live Stock Industry. Within a few years hundreds of correspondent banks were using Drovers Service and the flow of live stock items over the Drovers counters had reached box car figures. Just as transportation facilities and many

other industries have expanded, so the Drovers Banks have grown with Chicago.

TODAY, the Drovers Banks are located at the hub of a busy circle. The Union Stock Yards; a hundred or more nationally-known manufacturing concerns; a major shopping center and a tremendous residential section—all radiate from the busy five-corners where the Drovers Bank Building is situated.

MIDWESTERN BANKERS find in Drovers Service, the long experience and wide contacts that build satisfactory correspondent relationships.

Member, Federal Deposit Insurance Corporation

DROVERS NATIONAL BANK
DROVERS TRUST & SAVINGS BANK
 UNION STOCK YARDS, CHICAGO

What Happens When An Assured Dies

ONE of the problems constantly confronting a general line agent is the problem of the death of his assureds. Are you meeting the problem or are you just sitting tight and hoping for the best? The answer to this question determines whether or not you are properly servicing the risk.

Our experience in the trust department of a bank engaged in the management of estates and trusts indicates that all too often the insurance agent is neglecting a golden opportunity to render a fine service in failing to meet this problem squarely.

As to some forms of insurance, personal in nature, such as accident and health insurance, the death of the insured terminates the coverage and the agent's responsibility ceases except as to a pending claim or a possible refund of a premium through cancellation of the policy. As to the other forms of insurance, however, a definite responsibility exists on the part of the agent to see that the coverage is continued and policies properly endorsed.

Standard forms of residence and general liability policies, for example, in case of the death of the insured, cover the personal representative of the deceased, if the company is notified within 30 days of death. Are you careful to see that such notice is given or do you depend upon the attorney for the estate to do this?

Bear in mind that usually no administrator or executor is appointed by the court within 30 days of death. Bear in mind too that, according to law, title to the real estate, subject to claims of creditors, vests in the heirs or devisees, as of date of death. In many cases, such policies should be immediately endorsed to cover such heirs or devisees and the estate of the deceased. Your failure to have such endorsement attached, might prove embarrassing in the event a suit for injuries were filed against a widow or child and the policy

By A. J. Rhodes

Trust Department
Omaha National Bank
Omaha, Nebraska

did not cover the liability of such person.

If the property is being looked after and rents collected by the administrator or executor, the policy should also be endorsed to cover the personal representative as soon as the appointment has been made.

Residence, burglary and combination robbery policies cover the executor or administrator of the deceased if the company is notified within 30 days of the death. Notice of death should be given immediately and pending appointment of such personal representative, the policy should be endorsed to cover the estate of the deceased.

Fire policies define the insured as including the legal representative of the deceased if notified within 30 days. Here again we should bear in mind that title to real estate vests in the heirs and devisees as of the date of death, subject only to claims of creditors. The personal representative has no title to the property and the policies should be endorsed to cover the estate of the deceased, pending determination as to the names of the heirs or devisees. As soon as possible the attorney for the estate should be consulted as to the proper endorsements to be attached.

Fire policies covering the personal property contain the same provision as to notice. In the case of personal property, however, title will vest in the personal representative when appointed. Such policies should be endorsed to cover the estate immediately and when appointment of the administrator or executor has been made, endorsed to cover such personal representative.

Auto, fire and theft policies are not voided by death of the insured, but should be endorsed to cover the estate, pending sale or other disposition of the car.

Auto liability and property damage policies usually contain a provision requiring written notice within 30 days of death to cover:

(a) The legal representative.

(b) Person having custody prior to appointment of such representative.

This notice should be given immediately and as soon as the administrator or executor is appointed—the name of such personal representative should be endorsed on the policy.

Policy forms are more or less standardized, but all policies are not the same so this must be considered in determining the steps to take.

Remember this—at the death of an insured, questions will arise as to coverage. Familiarize yourself with the various policy provisions governing this situation and take proper steps to protect the interests of the estate, heirs or devisee and personal representatives. If you write all of the deceased's insurance this effort may result in your holding the line. If you only write a part, it may mean new business. Consult with the attorney for the estate and the personal representative of the deceased.

A New Bail Bond

A new bail bond coverage has recently been introduced by the Mutual Surety Company of Iowa under the title of Autoist's Bail Bond.

The bond covers misdemeanors arising from traffic violations and provides for bail in amounts up to and including \$1,000. It is executed in blank for the benefit of the holder who may complete the necessary details if called upon to furnish bail.

Prior to the introduction of the Autoist's Bail Bond, appearance bonds were available to traffic violators only after a professional bondsman or a qualified insurance agent could be contacted. The Autoist's Bail Bond is so arranged that the insured may carry it in his car and use it at any time without contacting a bondsman or surety company representative.

**You Can Render Service
and Write New Coverage**

Corporate sureties are authorized to issue bail bonds by Chapter 215 of the laws adopted by the 47th General Assembly. Prior to this time only personal bondsmen were qualified to execute bail bonds.

The Autoist's Bail Bond incorporates the Iowa official form set forth in section 13612 of the 1935 Code of Iowa.



RUSSELL F. LUNDY
President, Mutual Surety Co.

Section 1071 of the 1935 Code of Iowa requires public officials passing upon bonds to accept the bond of any company licensed to do business in Iowa.

At the present time the Autoist's Bail Bond is available exclusively through the facilities of the Central States Mu-

tual Insurance Association of Mt. Pleasant, Iowa, the Monarch Mutual Insurance Association of Cedar Rapids, Iowa, the Policyholders Mutual Casualty Company of Des Moines, Iowa, and the Progressive Mutual Insurance Association of Waterloo, Iowa.

present out of the 2,500 employees of the bank. Of these, 355 had been with the bank for 25 years or longer and included 335 men and 20 women.

H. C. Priester, president of Priester and Company, Davenport, has one of the best collections of pipes in his office of any investment banker in the "Quad" Cities—and he uses them all!

Will A. Lane, president of the Security State Bank of Marshalltown, Iowa, has been appointed a member of the Board of Regents of the Graduate School of Banking at Rutgers for the three-year term ending in 1942.

Mr. Lane has a fine background of banking experience which ably qualifies him for this position on the Board.

C. R. Musser, president of the Muscatine Bank & Trust Company, was given a Testimonial Breakfast recently by the Saddle and Sirloin Club of Chicago for his services to the Hereford Industry.

Dean H. H. Kildee of Ames presented a portrait of Mr. Musser which was accepted for the Saddle and Sirloin Club by **B. H. Heide**.

The Mutual Surety Company of Iowa is an Iowa company duly licensed by the Iowa Insurance Department. Their service should be of great value to the peace officers in obtaining adequate bail bond coverage from traffic violators.

NEWS AND VIEWS

(Continued from page 14)

Fred A. Irish, President of the First National Bank & Trust Company of Fargo, North Dakota, and Treasurer of the Greater North Dakota Association, sent us his usual Christmas Greeting, in the form of a jar of North Dakota sweet clover honey than which there is none better. Fred has all the bees in North Dakota working for him.

Carl N. Stutz, secretary of the White-Phillips Corporation of Davenport, went duck hunting recently and fell in the lake when his duck boat turned over. The only ill effect was a bad cold, but he got his ducks.

Alvin Johnson, president of the Live Stock National Bank of Omaha, was chairman of the Community Chest drive in his city this year, and the quota was \$553,417.00 and it was the first time since 1931 that the budget was reached and passed.

Only five times in the history of the Community Chest Drive has the goal been passed and Alvin received congratulations from the entire community for his fine leadership.

David H. Reimers, president of the

TO IOWA INSURANCE AGENTS

The Progressive Mutual provides Standard Policies, unexcelled Claim Service, \$1,000 Bail Bond with all Liability Policies and an organization with which you will enjoy doing business.

Write for particulars

PROGRESSIVE MUTUAL INSURANCE ASSOCIATION

R. S. EICKELBERG, President.

WATERLOO, IOWA

BANK INSURANCE AGENCIES INVITED

Modern, attractive policies to suit the needs of your customers. Liberal franchises for insurance agencies in banks. Two reasons why you should write for the interesting plan offered by the

**FARMERS
UNION LIFE
Insurance Co.**

Home Office, Des Moines, Iowa

Sell me a copy of "EVERY MAN HIS OWN DOCTOR"



I think I have appendicitis

THE layman can get a lot of miscellaneous information out of a medical handbook for a couple of dollars. But applying it to his own needs leads to remarkable results, too often tragic, as every physician knows all too well. Amateur dosing has given many a surgeon a desperate last-minute problem in appendectomy, to mention a well known field of amateur error.

That is why the experienced professional man who devotes his life to the specialized problems of his practice turns to other specialists for advice and counsel. He knows that the guidance of the experienced agent or broker in the complex insurance field will give him complete, economical coverage against personal and business hazards. He does not just ask for "\$50 worth of insurance, please". No worries about uncovered risks or lapsed policies that might wreck the result of years of effort.

* * *

Like the physician, the insurance agent or broker is a middleman, rendering indispensable service in his

own special field. And because we believe in the middleman's function and services, we refuse to accept business direct because it is not in the interests of the company or the assured to do so. When *you* buy National Surety Fidelity Bonds, Surety Bonds, Burglary or Forgery Insurance through your local insurance agent or broker, you deal with a customer and friend who is a fellow member and supporter of the American Business System.

● This is a reprint of an advertisement of a stock insurance company directed to the members of the medical profession in your city.

The commercial bank, like the doctor, renders an indispensable service. Its customers and its directors are chiefly independent business men—representative of the American Business System.

NATIONAL SURETY CORPORATION

VINCENT CULLEN, *President*



YOUR PLANS

What happened to those marvelous plans and grand resolutions you made for 1939? Did they work out to your advantage, or were there times in your business when you wished you had a profitable insurance contract with a Company who could handle your whole line? Western Mutual is Iowa's most progressive insurance company and is now represented by scores of your banker friends.

Now It's 1940

Now it's another year and time to make new plans and new resolutions. A Western Mutual contract will help make 1940 a most profitable year.

Our rates are competitive.
Our policies are non-assessable.
Our reserves more than required.
Our commission scale high.

We write fire, windstorm and allied lines including supplemental coverages as well as plate glass and all automobile and truck coverages. Your inquiry will receive our immediate attention.

"Safety and Service with Savings"

**WESTERN MUTUAL
FIRE INSURANCE**

Company

DES MOINES, IOWA



Live Stock National Bank of Chicago said Merry Christmas to us with one of the Armour and Company's blue ribbon steaks which you could cut with your fork and which melted in your mouth. It was delicious, delightful and delectable.

Oscar F. Meredith, vice president of the First National Bank of Chicago, at the thirty-eighth annual meeting of the Iowa-Nebraska Cannery Association at Des Moines, when speaking of bank cooperation with small industries said: "You may think, as so many people do, that banks as large as ours, which is the sixth or seventh largest in the country, do not share the problems of the smaller business. If you do, you may be interested in the fact that of the total number of loans in my division 71½ per cent are in amounts of \$50,000 or less."

Branch banking, according to some authorities, is always perfect no matter where it operates, but yet the Belgian banks **Credit Anverso** and its 138 branches were ordered closed after the arrest of **Max Stevens** and **Joseph Plaes**, trustees, on charges of embezzlement.

John J. Anton, vice president of the First National Bank of Chicago, in a recent communication to us said, "The NORTHWESTERN BANKER has, in my judgment, performed an excellent service to the Middle West. Beyond this, it has been my judgment that yours is the outstanding medium of its kind."

"Breast of Consort Chicken, Stuffed a la Kiev" at the Y, plus an evening at the International Live Stock Exposition, with **Norman B. Shaffer**, and **Carl I. Johnson**, second vice presidents of the Continental Illinois National Bank & Trust Company of Chicago as your hosts, and you have had a delightful evening. If you have never seen a sheep shearing contest, and the champion shepherd dog of the world, herd a strange flock of sheep into a coral, you have really missed something. Among other guests included in this delightful evening were **Byron L. McKee**, cashier of the Muscatine Bank & Trust Company, of Muscatine, Iowa; **Ralph Eastburn**, executive vice president of the Iowa State Bank & Trust Company of Fairfield, Iowa, and **A. H. Gerdeman**, executive vice president Las Vegas Savings Bank, New Mexico.

Leo Crowley, chairman of the Federal Deposit Insurance Corporation, has accepted the position as chairman

This is NWNL's 55th Annual Financial Statement advertisement, appearing in leading newspapers (issues of Jan. 2, 3, or 4) and in Time magazine, out Jan. 11.

A REPORT and a PROMISE

A YEAR has ended, and another begun. In our country, blessed with peace, we have continued about our daily work. Part of the fruits of that work have been placed, as in past years, in the hands of the American life insurance companies, who are custodians of a large share of the personal security of 64 million policyholders and their beneficiaries. The care with which these funds are invested has made the words "life insurance" synonymous with "security." Northwestern National Life submits its 55th Annual Financial Statement herewith. As in past years, this is the first complete and final life insurance balance sheet to be published. Ask your banker, or some other qualified person, to give you his opinion of the intrinsic soundness of this Company's investment methods and management practices. Now, as to the future. Because a life insurance company must plan not for months or years, but for generations, NWNL will continue to manage its resources with the utmost care and conservatism. But to administer a life company in the best interest of its policyholders requires more than financial conservatism, important as that is. It

requires diligence and vigor in seeking out, through research, new ways to serve the policyholder better and at less cost, and to help him conserve his most important asset, his life insurance. It requires an open mind, willing to accept the facts disclosed by research, and to shape its course accordingly. NWNL accepts these requirements and lives up to them. In 1939, for example, NWNL pioneered by developing entirely new principles underlying agents' compensation, in keeping with today's enlightened conception of the life agent's function. By paying its agents rewards appropriate to the type of service the modern life agent is equipped and trained to give his policyholders, NWNL has pointed the way to decreased losses—to policyholder and company alike—from lapsed policies, and to an ultimate reduction in the cost of insurance to the public.

For the future, NWNL pledges continued allegiance to these two principles: in the care and management of resources, the utmost caution and conservatism; in the search for ways to make life insurance more economical and more useful, the utmost in progressiveness and open-mindedness.

FINANCIAL STATEMENT

December 31, 1939

RESOURCES		LIABILITIES	
Cash.....	(5.9%) \$ 4,474,631	Reserve on Policies.....	\$58,299,646
U. S. Government Securities.....	(25.2%) 18,989,077	Death Claims Due and Unpaid.....	None
Bonds Fully Guaranteed by the U. S.....	(7.1%) 5,324,536	Claims Reported but Proofs not Received.....	158,955
Canadian Government Securities.....	(.6%) 443,403	Reserve for Claims Unreported.....	115,000
Other Bonds:		Present Value of Death, Disability, and Other	
State, County, and Municipal.....	(4.1%) 3,067,613	Claims Payable in Instalments.....	4,278,366
Railroad Mortgage Bonds.....	(6.4%) 4,806,546	Premiums and Interest Paid in Advance.....	343,384
Railroad Equipments.....	(1.4%) 1,087,659	Reserve for Taxes Payable in 1940.....	296,115
Public Utility.....	(17.2%) 12,902,987	Profits for Distribution to Policyholders.....	2,780,703
Industrial.....	(2.0%) 1,483,869	Reserve for Other Liabilities.....	2,556,674
Miscellaneous.....	(.3%) 218,834	Asset Fluctuation Reserve.....	918,419
First Mortgage Loans.....	(9.7%) 7,292,650		
Policy Loans.....	(12.7%) 9,565,148		
Real Estate (Including Home Office Bldg. and			
Real Estate Sold Under Contract).....	(3.8%) 2,882,675		
Premiums, Due and Deferred.....	(2.7%) 2,009,826		
Interest Due and Accrued and Other Assets.....	(.9%) 655,726		
TOTAL.....	(100%) \$75,205,180		
Insurance in Force.....	\$440,570,713		

Surplus Funds and Capital:

Voluntary Contingency Reserves.....	\$1,914,431
General Surplus.....	2,443,487
Paid-in Capital.....	1,100,000
TOTAL.....	\$75,205,180

{ With substantially the same volume of new business as in 1938, NWNL's }
{ 1939 gain in insurance in force was 60% greater than in 1938. }

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

O. J. Arnold, President



Minneapolis, Minn.

of the board of the Standard Gas and Electric Company, but will remain with the FDIC for several months to clean up some problems which still need to be settled.

The Standard Gas and Electric is the utility holding company which includes systems in 20 states and Mexico.

Stephen H. Fifield, assistant vice president of the Barnett National Bank of Jacksonville, Florida, and president of the Financial Advertisers Association, sent us a holiday greeting that was really worthwhile in the form of a crate of Florida oranges and grapefruit. In other words—half and half.

James E. Hamilton, chairman of the board of the Merchants National Bank of Cedar Rapids, Iowa, and Mrs. Hamilton left recently for their annual cruise in Florida waters. For the benefit of their many NORTHWESTERN BANKER friends their headquarters will be Yacht Sea Lark, Flamingo Hotel, Miami Beach, Florida.

Officers of the **Live Stock National Bank of Omaha** have full right to be very proud of their December 30th statement figures just released. Deposits are now \$14,771,875. This compares with a total of \$4,910,106 just six years ago, in 1933. Congratulations

also to **President Alvin E. Johnson** and his efficient associates for their constant increase in loans and discounts, which are now \$6,773,655, compared with \$1,566,262, in 1933. This should answer the question "are banks taking care of their customers' borrowing needs?"

BETTER ACQUAINTED WITH SAVINGS AND LOAN

(Continued from page 22)

lects the premium rate not only upon the amounts paid in by savers and investors but also upon any amounts borrowed by the insured associations, and except that in this case this Insurance Corporation will have power to assess an additional 1/12 of 1% each year, if the same should be needed, to pay expenses and losses. The other questions dealt with in amending the Insurance Corporation Statute are largely technical matters based upon the experience of five years of operation and will not materially affect the status of the insurance or of the Insurance Corporation. The premium rate reduction will greatly encourage insurance of accounts by a larger number of institutions. Insurance of accounts has been the most effective means used to date of stimulating savings at lower rates and therefore providing home loans at low rates and on favorable terms."

As an investment counsel, I am convinced that Savings and Loan Associations have a definite place in the investment sun. It is my belief that better understanding of Savings and Loan Associations will be a protection to the investor and surely will be all to the benefit of sound and progressive development in this field of finance.

Dividend

The board of directors of Manufacturers Trust Company declared the regular quarterly dividend of 50 cents per share on the common stock, payable January 2, 1940, to stockholders of record on December 15, 1939.

The board also declared the regular quarterly dividend of 50 cents per share on the preferred stock, payable January 15, 1940, to stockholders of record on December 30, 1939.

Always Is

Job Seeker: "And if I take the job I get an increase in six months?"

Manager: "Yes . . . if your work is satisfactory."

Job Seeker: "I might have known there was a catch in it."

AUTOIST BAIL BOND

Covering Misdemeanors Arising From Traffic
Violations

NOW AVAILABLE

IOWA OFFICIAL FORM

Section 13612 Code of Iowa

CORPORATE SURETIES AUTHORIZED

47 General Assembly Chapter 215

BOND MUST BE ACCEPTED

Section 1071 Code of Iowa

• • •

This Protection is Available Exclusively Through
the Facilities of

CENTRAL STATES MUTUAL INSURANCE ASS'N
Mount Pleasant, Iowa

MONARCH MUTUAL INSURANCE ASS'N
Cedar Rapids, Iowa

POLICYHOLDERS MUTUAL CASUALTY CO.
Des Moines, Iowa

PROGRESSIVE MUTUAL INSURANCE ASS'N
Waterloo, Iowa

• • •

Introduced By

MUTUAL SURETY COMPANY of IOWA

Iowa's Own Company

DES MOINES, IOWA

General Business
Is Now at

Highest Level Since 1937

OUR index of general business activity is 107.2 (preliminary) for November, as compared with 105.6 (revised) for October. The general business index, as the chart shows, is now at the highest level since September, 1937. With the exception of steel ingot production and bituminous coal production, which showed slight declines after seasonal adjustment, all of the components of our index were again higher in November. All components except miscellaneous car loadings and automobile production were above estimated normal. The automobile production index would probably have been above estimated normal except for the Chrysler strike.

Now that the Chrysler strike has been settled, the automobile production index will undoubtedly show a sharp rise for December, possibly for January, and will serve as an offset to the decline in steel ingot production which seemed to be setting in early in December. Inasmuch as steel ingot production has recently been at an exceptionally high level, however, and inasmuch as unfilled orders for finished steel products are believed to be extant in substantial volume, the current decline in ingot output is not by itself a serious adverse factor in the general business outlook.

Although in a few industries the great buying movement which followed the outbreak of the war in Europe was more spectacular than the one that followed the 1936 election, statistics on manufacturers' orders recently compiled by the National Industrial Conference Board show that, for manufacturing industries generally, the total volume of new orders was slightly less than the volume received immediately following the 1936 election. The 1936 buying movement was sufficient to create a sustained volume of high business activity for about eleven months, however; and in view of the fact that the September-October, 1939, buying movement was almost as heavy as that of 1936, it is clear that unless some unforeseen catastrophe leads to the cancellation of orders already placed, the volume of business now on the books of manufacturers is suffi-

Prepared for
THE NORTHWESTERN BANKER
by an organization of
leading economists

cient to maintain a high level of business activity for several months to come.

In the meantime, of course, increased demand for war materials, increased demand for goods from neutral countries or other factors may lead to a secondary buying movement, in which event the decline in business activity which some economists have predicted for 1940 would be postponed indefinitely. In December a secondary buying movement developed in the cotton textile market, leading some observers to conclude that a general secondary buying movement might be in the offing. New steel orders continued to recede, however, and the sensitive nonferrous metal markets remained dull, so that for the time being any such conclusion rests largely on conjecture and hope.

In the latter part of November and the first part of December, business and financial sentiment was subject to considerable depression from the circumstance that despite the high level of general business activity both com-

modity prices and stock prices continued to recede. In the middle of December, however, sentiment took a slight turn for the better as wholesale commodity prices turned upward. Although the upturn was led by agricultural commodities, and was brought about largely by what was officially reported to be the worst drought in the climatological history of the United States, there was also a moderate upturn in industrial raw material prices, suggesting that important consumers of raw materials were either feeling a slight revival in new business or were confident that such business would eventuate.

Although some statisticians had estimated that production was outrunning consumption, retail trade throughout the country showed a substantial increase in November, when dollar volume was nearly as high as the best months of 1937. The present physical volume of retail trade is probably higher than the best levels reached in 1937. Up to the end of October, moreover, manufacturers' inventories had shown only a moderate increase; and inasmuch as retailers' inventories had shown little if any increase, reports to the effect that the inventory situation was getting out of hand lacked confirmation.

(Turn to page 31, please)



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

MARKETS were generally higher in December—year end prices being around the best levels for the month. But the volume of trading was small and a cautious tone prevailed. From surface indications, caution seemed to some to be unwarranted—what with business activity reaching a new high for the recovery. But uncertainties abroad plus fear of a let-down in the first quarter of 1940 were given much weight in market appraisals.

With unemployment rolls still large—probably around nine millions—it is difficult to believe that activity in December was higher than the best months of 1929. The figures, however, show that to be the case. The top of the 1929 boom came in June when the Federal Reserve Board's index of industrial production hit 125. By November it had dropped to 110—In December it was 103. In 1939 the developments in business were quite the opposite. In June the index figure was 98—in November 124—and the estimated figure for December, 127. If the actual figure when released shows the estimate to be correct, a new high, of course, will be established. It should be noted that the index has not been adjusted for increases in population—hence the number eligible for employment today is much larger than in 1929. But even so—business activity in the last four months of the year was sharply higher.

We gave a number of figures in our November article to illustrate this—enlarged steel production, increases in the output of electricity, sharply higher automobile sales, much larger earnings and dividends—and other tangible evidences of improved business. While the November stock market gave no heed at all to the betterment—the December markets were slightly higher. The Dow-Jones industrial average stood at 145.69 as December began and 150.24 as it ended. There were twenty-five trading days in the month, with gains reported in thirteen and losses in twelve. Practically a stand off so far as days were concerned—but there were two days in which over two points were gained, only one day in which losses ran as high as 88c.

Government bonds were stronger despite the refunding of \$1,378,364,000 of March 15, 1940, notes on December 12th. For instance, the Treasury 2½s of 1952/50 which were quoted 104.22 on December 1st had moved up almost a point by December 30th. The long 2¾s of 1965/60 gained almost a point and a half during the month—but were still about two

points below their all time highs. The new 2¼s of 1953/51—offered along with the four year nine months notes in the refunding—had climbed to 102.29 bid as the month ended. High grade municipals and corporates were firm to slightly higher—no important price changes, however.

Strength in the bond market encouraged a number of corporations to offer refunding issues last month—the only issues of any size since the outbreak of the war appeared. The Louisville and Nashville refunded its unified fours with sixty million bonds—one half due in ten years and the balance in twenty. This issue could not be characterized as a riot in the market but dealers felt the reception was quite satisfactory. Other financing included \$8,000,000 West Virginia Pulp and Paper mortgage bonds, \$45,000,000 of Northern Indiana Public Service 3¾s of 1969, \$48,000,000 Public Service of Indiana bonds and notes—to mention a few. The syndicates had to do selling jobs on all of these issues—but were enough encouraged to look to more new issues in January.

A review of the outlook for the markets as we begin 1940 brings a number of factors into sharp contrast. Despite a high rate of industrial production currently—there has been a slackening in new orders which has lead to forecasts of a down-trend in the next two or three months. We referred to this earlier in mentioning the caution in the stock market. Should war orders develop to take up the slack the situation would quickly change—but most corporations have revised their thinking on war profits. Aside from Aircraft and to some extent trucks—there appears to be little optimism in business circles based on war prospects alone. In fact very little desire for war orders this time—memory of the last post war collapse being too fresh. Few prognosticators of note will forecast their predictions for 1940 business—those who have, look for this year to be better than 1939—but not exceptionally better. If this is true—the stock market will be uninteresting.

The domestic factors which currently make for a continuance of high prices for quality bonds seem to be present—a plethora of money, gold imports, rising reserves—from the longer range view point there are one or two adverse factors—principally the possibility of business expansion which calls for materially increased bank loans. In the foreign field of influence—a substantial German drive in the spring—bombings of London and a weakening of the blockade—could harm our bond prices. In short, as we start the year—investors appear justified in adopting the attitude of the markets—and be cautious.

HIGHEST LEVEL SINCE 1937

(Continued from page 29)

Although several adverse factors are present, and although the political trend is difficult at the moment to appraise, the balance of probabilities favors a continuation of active business conditions throughout the first quarter of 1940, probably longer.

Brockman to Midland National

Election of W. E. Brockman as vice president of the Midland National Bank and Trust Company has been an-



W. E. BROCKMAN

nounced by E. L. Mattson, president, following a meeting of the bank's board of directors held December 27, 1939.

Mr. Brockman will assume at once his new duties made necessary by the growth and development of the Midland Bank, and will resign from his position as assistant vice president and assistant secretary of Northwest Bancorporation.

Mr. Brockman's banking experience began in February, 1922, when he entered the employ of the Minnesota Loan and Trust Company, later consolidated with the Northwestern National Bank. Soon after the organization of the Northwest Bancorporation he became its director of public relations, was elected assistant secretary

in 1931, and subsequently became assistant vice president in charge of the development and servicing of national accounts.

"During his eighteen years of service with banking institution in Minneapolis, Mr. Brockman has been active in trust and investment fields as well as commercial banking, and he should

make a valuable addition to the official staff of the Midland National Bank and Trust Company," said President Mattson.

The Midland National Bank and Trust Company, affiliated with Northwest Bancorporation, has capital, surplus and undivided profits of \$1,500,000 and deposits of \$17,250,000.

Proof

Lincoln National Bank and Trust Company

FORT WAYNE, INDIANA

December 13, 1939

Scarborough & Company
First National Bank Building
Chicago, Illinois
Att: Mr. Scarborough

Gentlemen:

We acknowledge receipt of your letter of December 11 enclosing check of the Peerless Casualty Company in the amount of \$5,206.37 in full settlement of our claim against Peerless Policy #5181, for the mysterious disappearance of a package containing a deposit of one of our depositors.

We wish to express our appreciation for the prompt payment of this claim and also the thoroughness of your investigation.

It is the promptness of payment when the unforeseen happens that anyone purchasing insurance should consider.

As suggested over the telephone recently, we are herewith enclosing a list of checks contained within the deposit and might state at this time that we are making reasonable progress in collection and procuring duplicate checks.

Again accept my personal thanks for the promptness of your remittance.

Very truly yours,

OHB:mt

Cashier

SCARBOROUGH & COMPANY

Insurance Counselors to Banks

First National Bank Bldg., Chicago

R. H. KUBE, Iowa Representative

Valley Bank Bldg., Des Moines, Iowa

Northwestern Banker January 1940

COMMERCIAL INVESTMENT TRUST INCORPORATED



COMMERCIAL INVESTMENT TRUST Incorporated, with capital and surplus in excess of \$57,000,000, 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.



JOHN J. QUAIL
President
Davenport

IOWA

Investment Bankers Association

Organized 1935



ROY W. LERICHE
Secretary
Des Moines

THE 1940 annual meeting of the Iowa Investment Bankers Association will be held in Davenport on January 25 and 26, according to an announcement by General Committee Chairman, **Walter E. Vieth**, of Vieth, Duncan & Wood, Davenport investment house. The complete program for the occasion has not yet been arranged, but it is contemplated that a speaker of national prominence will address the gathering.

In addition to Mr. Vieth, others named on committees are **Verne Ehlers**, registration; **Mike Ruhl**, **R. E. Kramer**, and **Carl Stutz**, arrangements; Mr. Vieth, **John Quail**, and **Garwood Kleinhenn**, speakers and program; and **Matt Steffen**, publicity.

The city of Davenport sold \$76,000 worth of corporate refunding bonds to the **White-Phillips Corp.** of Davenport at 2 per cent interest and a premium of \$2,451. The bonds have an average maturity of 18 years.

Thomas L. Wood of Des Moines was elected president of the Iowa Association of Finance Companies to succeed **Clark A. Eide** of Fort Dodge, Iowa.

Other officers elected are **A. O. Anderson**, Sac City, Iowa, vice president; **W. H. Owen**, Des Moines, secretary, and **E. L. Baker**, Des Moines, treasurer.

Consolidation of Babcock, Rushton & Co., brokerage firm with a Des Moines branch, and **Goodbody & Co.** was announced recently. Effective Jan. 2, the consolidated firm carries the name of Goodbody & Co.

The main Babcock, Rushton office in Chicago and the Des Moines and Minneapolis offices will become branches of the new firm without change in personnel, the announcement said. **LaVerne M. Barlow** is manager of the Des Moines branch of Babcock, Rushton and will continue in that capacity in the new setup.

The new firm will hold memberships in the New York stock and curb exchanges, the Chicago board of trade,

the Chicago stock exchange and other principal security and commodity exchanges.

Of the general partners of Babcock, Rushton & Co., **Orville E. Babcock**,



L. M. BARLOW

Joseph A. Rushton, **George A. Robinson**, **Edwin G. Colwell**, **Philip F. Heintz** and **Martin J. Murray** will become partners in the consolidated house, along with all partners of Goodbody & Co.

AT RICHMOND

(Continued from page 15)

bearing on the need for carefully scrutinizing our men and machines is increasing expense over which we have no control. For instance, there is the Federal Deposit Insurance Corporation premium for insuring our deposits, general taxes, Social Security expenses, and the Wage and Hour Law—all constantly increasing costs and totally beyond our control."

W. S. Cochran, vice president, National City Bank of Rome, Georgia:

"Soil conservation is vital at this time and because it makes for better

farming and better farm loans, the banker definitely has his place in the picture because of his influence both financially and as one whose advice and counsel will have weight with his farmer customers.

"A fundamental principle of agricultural loans is careful consideration of what is best for a farmer—for each individual farmer to whom a loan is made. Each borrower should have the benefit of the banker's personal interest and his advice and counsel. Agricultural credit can best be directed by a sympathetic and studied understanding of the farmer's problems and needs."

H. Y. Offutt, vice president, First National Bank & Trust Company, Louisville, Kentucky:

"Management of a bank's bond account is an art rather than a science. In all probability the best policy for banks is to invest their permanent money in an investment that fits a maturity schedule. The practical advantage of having a maturity schedule of investments cannot be over-emphasized. The maturity plan is a corner stone on which to build the bond account, and one of fifteen year maturities will constitute a reasonable framework. The best investment is one always of high quality that is bought

to yield $\frac{1}{2}$ to $2\frac{1}{2}$ per cent, depending on maturity, and with the expectation of its being held to maturity unless its quality becomes questionable. In this event, it should immediately be sold at its market value."

E. S. Woolsey, vice president, Louisville Trust Company, Louisville:

"Thousands of persons every day sit across desks from bankers and discuss with them their most intimate problems—a professional relationship that may be compared in its intimacy with the relationship which exists between the lawyer and his client or the doctor and his patient. It is a sort

NEW ISSUE

*Interest Exempt from present Federal Income Taxes
Tax Exempt in the State of South Dakota*

\$2,200,000

State of South Dakota 3% Refunding Bonds, Series AA

Dated August 1, 1939

Due August 1, as shown below:

Redeemable as to \$1,188,000 bonds, maturing from August 1, 1955 to August 1, 1959, inclusive, in inverse numerical order, at the option of the State, on August 1, 1954, and on any interest payment date thereafter on thirty days published notice at 103% and accrued interest to the date fixed for redemption.

*Legal Investments, in our opinion, for Savings Banks and Trust Funds in
New York, Massachusetts and Connecticut.*

*Eligible, in our opinion, to secure the deposits of the State of South Dakota
and to secure Postal-Savings deposits.*

<u>Amount</u>	<u>Due</u>	<u>Yield</u>	<u>Amount</u>	<u>Due</u>	<u>Yield</u>	<u>Amount</u>	<u>Due</u>	<u>Yield</u>
\$188,000	1950	2.50%	\$210,000	1953	2.60%	\$237,000	1957	2.75%
197,000	1951	2.50	215,000	1954	2.70	245,000	1958	2.75
202,000	1952	2.60	224,000	1955	2.70	250,000	1959	2.75
			232,000	1956	2.70			
			(and accrued interest)					

These bonds bear 5% interest until February 1, 1940 and 3% thereafter to maturity, but no bonds will be delivered by us prior to February 1, 1940

The HON. LEO A. TEMMEY, Attorney General of the State of South Dakota, has approved the issuance, delivery and sale of these bonds in accordance with the provisions of Resolutions adopted by the Rural Credit Board at meetings held on December 4, 1939 and December 21, 1939

These bonds are offered when, as and if issued and received by us and subject to approval of legality by MESSRS. CHAPMAN AND CUTLER, Chicago.

Copies of the prospectus describing the bonds may be obtained from such of the undersigned as are licensed dealers in securities in this state.

Wells-Dickey Co. Minneapolis		First National Bank & Trust Company of Minneapolis		Lehman Brothers		
Northwestern National Bank & Trust Co. Minneapolis		First National Bank of St. Paul		Allison-Williams Company Minneapolis		
Kalman & Co. St. Paul	J. M. Dain & Company Minneapolis	Bigelow, Webb & Co. Incorporated Minneapolis		Juran, Moody & Rice St. Paul		
Justus F. Lowe Co. Minneapolis	Mannheimer-Caldwell, Inc. St. Paul		Paine, Webber & Co. Minneapolis		E. H. Rollins & Sons Incorporated	
Harold E. Wood & Co. St. Paul	Caldwell, Phillips Co. St. Paul		Geo. C. Jones Co. Minneapolis		The Milwaukee Company	
The Illinois Co. of Chicago		A. C. Allyn and Company Incorporated		John Nuveen & Co. Chicago		Stern Brothers & Co. Kansas City, Mo.
Wheelock & Cummins, Inc. Des Moines		First National Bank & Trust Co. in Sioux Falls		Northwest Security National Bank of Sioux Falls		

January 3, 1940.

of 'business confessional' where problems are discussed and dissolved, where courses are charted for business and individuals, and where millions are influenced in habits of work, thrift, simple living, and self control. There is no other relationship quite like the relationship that exists between banker and customer. The most should be made of it, because there is the center and source of sound and progressive banking.

"There is no better ideal for which banking may strive, and is striving, than that in being loyal to and fighting militantly for our banking system as it exists today. In doing so, we shall present no threats to other elements of our economic and social life. We shall look after our own interests with meticulous care, but at the same time we shall have something to give to others."

BABCOCK, RUSHTON & CO.

135 So. La Salle Street, Chicago, Illinois
DES MOINES — NEW YORK — MINNEAPOLIS

The Partnership of BABCOCK, RUSHTON & CO. has been dissolved as of the close of business on December 30, 1939.

GOODBODY & Co.

Members

NEW YORK STOCK EXCHANGE

CHICAGO BOARD OF TRADE NEW YORK COTTON EXCHANGE
AND OTHER PRINCIPAL STOCK AND COMMODITY EXCHANGES

115 BROADWAY
NEW YORK

135 SO. LA SALLE ST.
CHICAGO

We wish to announce that

ORVILLE E. BABCOCK
JOSEPH A. RUSHTON
GEORGE A. ROBINSON

EDWIN G. COLWELL
PHILIP F. HEINTZ
MARTIN J. MURRAY

have this day been admitted to general partnership and will be resident in our Chicago office, with the exception of Mr. Colwell, who will be resident in our New York office.

The Chicago, Des Moines and Minneapolis offices of Babcock, Rushton & Co. will be continued by us under the same management and with the same personnel. The Des Moines office, 218 Sixth Avenue, will be under the management of

LAVERNE M. BARLOW

January 2, 1940

Telephone: Des Moines 4-5121

Close Contact with the
Majority of
Michigan's Important Industries



NATIONAL BANK OF DETROIT

DETROIT, MICHIGAN

Member Federal Deposit Insurance Corporation

Northwestern Banker January 1940

LEGAL DEPARTMENT

(Continued from page 18)

after when it was made certain that he was not the man sought. Before placing him in jail in Iowa, however, one of the officers stated that he was convinced they had the wrong man. Later the man picked up and subsequently released sued the peace officers for false imprisonment. Did the fact that he had waived extradition and voluntarily gone with the officers prevent a recovery by him?

No. A person who is wrongfully arrested for a crime committed in another state does not waive his rights to object to the unlawfulness of his arrest and his illegal removal from the state and to recover therefor in a damage suit simply because he waives extradition. This is especially true when the imprisonment continues after one of the officers who assisted in the arrest states that he is satisfied that the wrong man had been seized.

Jordan worked in South Dakota as a loan solicitor for a loan company there for several years. He was employed under a written contract that provided that he should receive commissions only on loans upon which the company received written applications from the prospective borrowers within thirty days after he, Jordan, called on them. Shortly after he commenced soliciting, the company voluntarily and with full knowledge of all the facts waived this provision and thereafter settled with him periodically as though it did not exist. No fraud, duress, or extortion was practiced on the company by him in this connection. He obtained an offer from another company desiring his services and resigned. In finally settling accounts, the loan company sought to enforce the thirty day provision and recover all amounts previously paid to him that might have been governed by it. Could the company do this?

No. A person cannot, either by way of set-off or counterclaim or by direct action, recover back money which he has voluntarily paid with a full knowledge of all facts, and without any fraud, duress, or extortion, although no obligation to make such payment existed.

Sorvisteau died in Nebraska leaving a substantial estate there. A will contest developed and the matter of appraising the estate for inheritance taxes was overlooked for two years. When it was discovered that the appraisal had been overlooked, the omission was rectified as soon as possible but the parties who made the appraisal

made it as of two years after Sorvis-teau's death. Was this proper?

No. In appraising property for inheritance tax purposes, the basis of valuation is the cash value at the date of the death of the decedent, and that is ascertained by determining the amount of money the property would bring if offered and sold for cash upon the open market at that time.

A Nebraska banker obtained a policy of insurance that provided that certain benefits should be paid him in the event he should become wholly and permanently disabled by bodily injury or disease. Was it necessary that he become absolutely helpless in order to recover on the policy?

No. A policy of insurance providing for the payment of benefits when the insured has become wholly and permanently disabled by bodily injury does not mean, as its literal construction would require, a state of complete helplessness. The total disability contemplated means inability to do all the substantial and material acts necessary to the prosecution of the insured's business or occupation in his customary and usual manner.

Increase Surplus

The directors of the Live Stock National Bank of Chicago have approved a \$250,000 increase in surplus, raising the bank's surplus account to \$1,500,000, according to a statement made by David H. Reimers, president.

The capital and surplus of the bank six years ago on December 30, 1933, was \$1,250,000. This was represented by \$1,000,000 capital and \$250,000 surplus. Since that time the surplus of the bank has been increased to \$1,500,000. Capital has remained at \$1,000,000. This increase of \$1,250,000 in the capital and surplus account has come out of earnings during that period.

The Live Stock National Bank of Chicago has established an outstanding record in deposit growth. On December 30, 1933, deposits were \$9,000,000, and today they are approximately \$29,000,000, an increase of \$20,000,000 for the six years. There are over five hundred banks in the Seventh Federal Reserve District which carry accounts in this bank.

The directors are Frederick H. Prince, James A. McDonough, Robert J. Dunham, William J. O'Connor, Richard Hackett, David H. Reimers, Orvis T. Henkle, Clyde H. Schryver, Arthur G. Leonard and Thomas E. Wilson.

V. W. BREWER CO. MUNICIPAL BONDS

The State of South Dakota has a record of debt reduction and economy in government that makes its obligations sound investments.

FIRST NAT - SOO LINE BLDG.
MINNEAPOLIS

INTERSTATE FINANCE CORPORATION

DUBUQUE, IOWA

Collateral Trust Notes of convenient maturities and denominations. Rates and latest statement of condition on request.

**Write today for your copy
of our latest Annual Report*

Economy Auto Finance Plan

Serving Iowa, Wisconsin and Illinois Automobile Dealers and Purchasers with a complete new auto finance plan that makes available rates as low as \$3.00 per \$100 per year. Available through any established automobile dealer.

Pay Dividend

Payment by Union Properties, Inc., of a \$5,250,000 dividend to holders of its creditors' notes as of November 29th, was made available December 15th, according to Gordon H. Robertson, executive vice president. This dividend, representing 25 per cent of face value of the notes, brings the total amount paid to depositors of the old Union Trust Company to 85 per cent of the amount due them when the bank closed. About 80,000 are participating in the dividend.

The Union Bank of Commerce, which also was formed as part of the Union Trust reorganization plan, has made steady progress since its establishment in May, 1938. Its total assets on October 2d were \$36,724,889, and it

is expected that further gains will be reflected by its next statement at the end of the year. Oscar L. Cox and Clare W. Banta, both of whom were formerly associated with banks in San Francisco and in New York, are president and executive vice president, respectively.

First National, St. Louis

The board of directors of the First National Bank in St. Louis on December 12th declared a dividend of \$1.00 per share, 60 cents payable as an extra on December 20th to stockholders of record December 15th, and 40 cents payable as a regular, on February 29, 1940, to stockholders of record February 24, 1940. Total actual disbursements in the calendar year 1939

amounted to \$2.60 per share.

A payment of one-half month's salary was authorized for all employees, exclusive of officers, as additional compensation.

Federal Reserve Director

Clifford V. Gregory, associate publisher of Wallaces' Farmer and Iowa Homestead, has been appointed a director of the Chicago Federal Reserve Bank for a three-year term beginning January 1, 1940. Mr. Gregory came with Wallaces' Farmer and Iowa Homestead in his present capacity in July, 1937, from The Prairie Farmer of Chicago where he had been editor of the publication for twenty-six years. There is probably no individual in the



is engaged primarily in facilitating wholesale distribution and retail sales of the following products of General Motors Corporation and its worldwide 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.

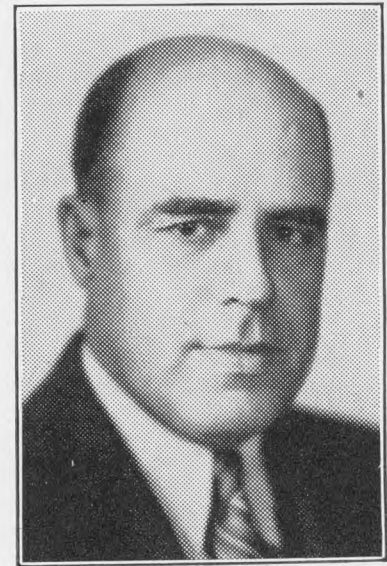
The business consists of investments in self-liquidating credits, widely diversified as to region and enterprise, capital employed being in excess of \$80,000,000.

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



CLIFFORD V. GREGORY

Middlewest who is in closer touch with agriculture and kindred industries.

Gen. Robert E. Wood, who is chairman of Sears, Roebuck & Company, was made chairman of the Chicago bank, and W. C. Coffey of St. Paul, Minnesota, dean of the University of Minnesota agricultural college, was made chairman of the Minneapolis bank.

The other 10 bank chairmen were reappointed. The board also reappointed most of the other officers and directors of federal reserve banks and branches whose terms expire at the end of 1939.

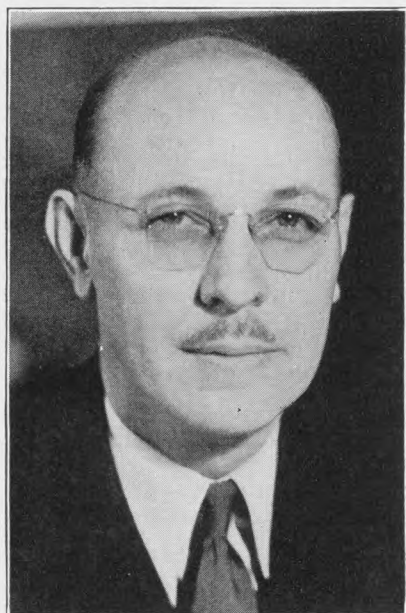
Twelve Easy Lessons

Plumber (arriving a little late): "Well—how's the leak?"

Householder (standing knee-deep in water): "Oh it's coming fine. While I was waiting for you I taught my wife to swim!"

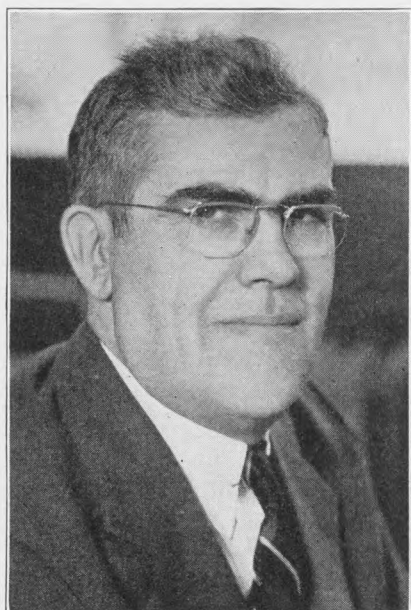
Minneapolis-Moline Promotions

The Minneapolis-Moline Power Implement Company has announced two promotions in its staff at the home of-



V. E. JANSSEN

office in Minneapolis—that of V. E. Janssen to credit and collection manager, and Henry S. Holm, who will assume added duties in addition to his



H. S. HOLM

position as assistant treasurer of the Company.

Mr. Janssen is 40 years old and entered the accounting department of one of MM's predecessor companies, Minneapolis Steel and Machinery Company, in 1923, after taking three

years of accounting at the University of Wisconsin. When the Minneapolis-Moline Power Implement Company was created in 1929, he joined the Home Office sales department, and a year later was made assistant division manager at the Company's Kansas City Division Office. He returned in 1934 to the accounting department to become paymaster. This position he held until appointed credit and collection manager.

Henry S. Holm entered the employ of one of MM's predecessor companies, Minneapolis Steel and Machinery Company, in 1909. Starting in the

cashier's department, he was later appointed assistant cashier. During 1920 and 1921, Mr. Holm served as assistant branch manager at the Company's Fargo, North Dakota, office.

Returning to the Home Office, Mr. Holm served as cashier until 1924, when he was elected assistant treasurer.

With the formation in 1929 of Minneapolis-Moline Power Implement Company, Mr. Holm was elected assistant treasurer. He served in this capacity until 1935, when he took over duties of general credit and collection manager. Upon the appointment of

Federal Discount Corporation

Dubuque, Iowa

Automobile Finance

*Time Payment Plans for
Automobile Purchasers*

■ ■ ■

Capital, Surplus and Undivided Profits

over

\$1,250,000

■ ■ ■

Branches in Iowa — Illinois — Wisconsin — Minnesota

■ ■ ■

Short Term Collateral Trust Notes

BONDS [**Municipal
Public Utility
Industrial**]

A.C. ALLYN AND COMPANY

Incorporated

100 West Monroe Street, Chicago—Tel. Franklin 8400

New York

Milwaukee

Omaha

Boston

Representatives:

Waterloo

Des Moines

Cedar Rapids

Northwestern Banker January 1940

Mr. Janssen as credit and collection manager, Mr. Holm again assumes more active duties in his capacity as assistant treasurer, which position he had held for some time previously.

Midwinter Meeting

The annual midwinter meeting of the executive council of the American Institute of Banking will be held in Fort Worth, Texas, January 24-26, it is announced by Harry R. Smith, president of the Institute and vice president of the Bank of America, N. T. & S. A., San Francisco, California.

The executive council is the governing body of the Institute consisting of representatives elected by the chapters in 12 districts of the country and three ex-officio members—the president, vice president, and immediate past president.

The midwinter meeting is the interim conference of the Council held for the purpose of reviewing activities and considering policies and plans. The Institute year culminates in the annual convention which will be held at Boston, Massachusetts, June 3-7.

Two days of committee meetings will precede the general session of the

executive council. These include the committees on Chapter Affairs, Education, Nominations, and Transportation.

T. E. Graham of the First National Bank, Fort Worth, Texas, is in charge of local arrangements.

Promotions

Manufacturers Trust Company, New York, announces that Frank P. Gage, Andrew P. Maloney, and Edmund J. Nicholas have been elected trust officers. Mr. Gage and Mr. Maloney were formerly assistant trust officers. Mr. Nicholas has been associated with the bank's trust department for several years.

1940 Conventions

Feb. 13-15: Mid-Winter Trust Conference, New York.

March 21-22: A.B.A. Regional Conference, Denver, Colorado.

April 21-24: Spring meeting, A.B.A. Executive Council, The Homestead, Hot Springs, Va.

May 2-3: Oklahoma at Tulsa.

May 6-8: Missouri.

May 8-10: Kansas at Wichita.

May 15-16: South Dakota at Watertown.

May 15-16: Indiana, Claypool Hotel, Indianapolis.

May 23-25: National Safe Deposit Advisory Council, Hotel Statler, Boston.

May 28-29: Illinois, Palmer House, Chicago.

June 3-5: Iowa.

June 3-7: American Institute of Banking, Boston.

June 5-7: Minnesota at Minneapolis.

June 11-12: Wisconsin.

June 14-15: North Dakota at Minot.

June 17-19: Michigan at Grand Rapids.

June 21-22: Colorado, Stanley Hotel Estes Park.

Sept. 22-26: American Bankers Association, Atlantic City, New Jersey.

Male Chorus

For the seventh year the male chorus of the City National Bank and Trust Company of Chicago, made up of 35 members of the organization, followed its annual custom of singing Christmas Carols on the main banking floor.

The chorus sang on Friday, December 22d, between 1:40 and 2:00 p. m., and on Saturday, December 23d, between 11:40 and 12:00 noon, and a prelude of Christmas music was played on the Hammond Electric Organ by Mr. Leo Terry. Elmer Crabbs is the director of the male chorus.

MORTGAGE INVESTMENT CORPORATION

SHORT TERM COLLATERAL TRUST NOTES

Secured by FHA Insured Mortgages

held under Trust Indenture

by

Central National Bank & Trust Company, Des Moines, Iowa, Trustee

Mortgage Investment Corporation

825 Fleming Bldg.

Des Moines, Iowa

Offices: Dallas, Texas—Des Moines, Iowa—Houston, Texas—Tulsa, Oklahoma

Iowa Guarantee, Inc.

\$70,000,000.00

COLLATERAL TRUST NOTES

In the past twenty-two years have paid hundreds of banks profitable and secure earnings on reserve and surplus money without any fluctuation in value.

Maturities from three to nine months at graduated rates of discount.

...

Shops Building

Des Moines, Iowa



ABE MARTIN
President
Lincoln

NEBRASKA

Investment Bankers

Association

Organized 1920



ROBERT P. ELICK
Secretary
Omaha

A PETITION charging that sale of the Standard Oil Company of Nebraska to Standard of Indiana was "fraudulent" to the minority stockholders who did not agree to the sale, was filed recently in district court at Omaha by **Clarence E. Winter**, an Omaha owning 10 shares of stock.

He claimed net value of the company May 31 was \$4,629,433, which would make the 161,403 shares of stock outstanding worth \$28.06 each instead of the \$17.50 a share that was accepted by a majority of stockholders.

He asked that the court set a reasonable and just valuation on the stock, at the time of the sale. In his petition, he alleged that officers and directors of Standard of Nebraska had weakened the company by paying themselves "excessive salaries, causing losses to the company."

An old-fashioned, yet sophisticated Hungarian madonna doll owned by **Mrs. Harold T. Landeryou** of Omaha won the sweepstakes award as best single doll shown at the recent National Doll show in Chicago.

The doll is a miniature of a famous Hungarian madonna, was made in Hungary by peasant women. Since taking up the doll hobby three years ago, when she bought her first pair of dolls in Lima, Peru, Mrs. Landeryou has collected 205 dolls representing 29 nations, 20 states and 14 Indian tribes.

Omaha's bonds command a premium because of the city's remarkably good financial record, according to an anal-

ysis of the municipal bond market prepared by Shields & Co. of New York.

The report said in part:

"A few municipalities are so jealous of their credit as never to afford opportunity for mention in our 'new issue' columns.

"We seize the opportunity to devote space to one of the most elusive of these—Omaha, Neb. Omaha school district has issued no bonds since 1926, Douglas county none since 1929, the city none itself since 1932. As a result, city net tax-supported debt has been reduced to \$42.57 per capita, city and school together to an aggregate of \$71.62, and the combined burden, including the county overlap, to \$81.28."

Longer time in which to pay their land obligations was granted more than 3,500 Nebraska farmers and livestock men by the Federal Land Bank of Omaha, it was disclosed in Omaha

recently following a recent meeting of the farm credit board.

Charles McCumsey, land bank president, told the district board the re-amortization privilege was granted chiefly on land bank commissioner loans originally written for 10 years. When rewritten, the loans are spread over a 20-year period.

Mr. and Mrs. Jesse L. Livermore of New York were in Omaha recently to visit the latter's mother, Mrs. Fred Metz. Mrs. Livermore is the former Harriet Metz. The Wall street operator and his wife made the trip by plane.

Ford Hovey, president of the Occidental Building and Loan Association and recently crowned king of Ak-Sar-Ben, received the first 100 per cent sticker in the Douglas county Red Cross roll call drive.

Metcalf Resigns

Herbert Metcalfe, chairman of the board of the Valley Savings Bank, Des Moines, has tendered his resignation effective the first of this year. Mr. Metcalfe has a number of merchandising interests in the Middlewest, principally in Omaha, Nebraska.

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

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

MEMBERS OF LEADING SECURITY and COMMODITY EXCHANGES

R.E. CRUMMER & COMPANY
1ST NAT BANK BLDG. CHICAGO, ILLINOIS
ESTABLISHED 1897

MUNICIPAL BONDS

OMAHA OFFICE
508 Insurance Building
M. T. CRUMMER, Mgr.

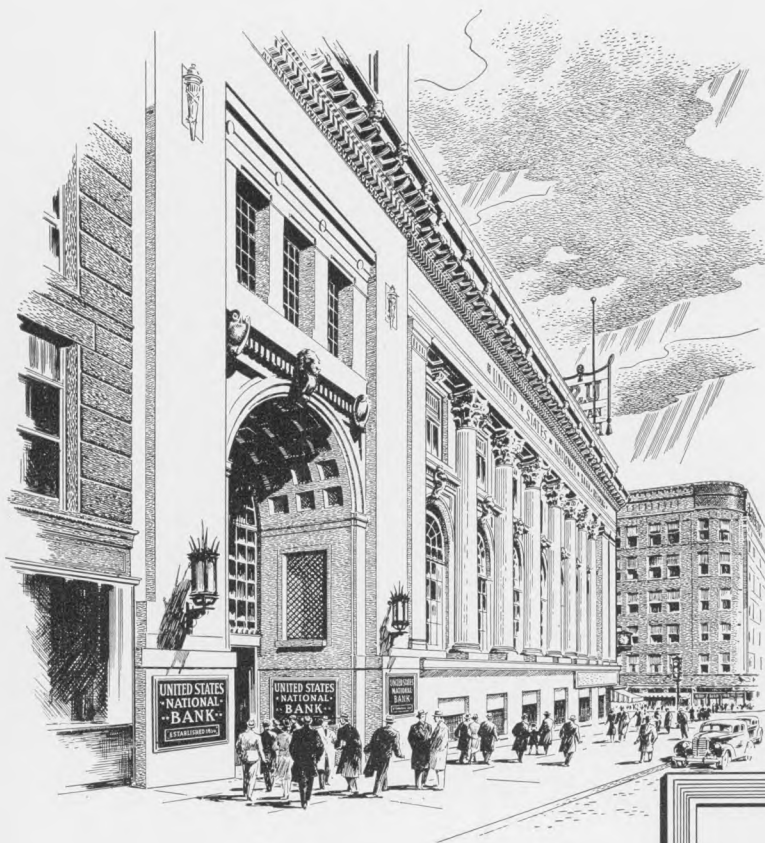
DES MOINES OFFICE
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Over-Counter Facilities
in All Markets
Primary Markets in Iowa
Securities
McGUIRE, WELCH & CO.
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Bankers Trust Bldg.
DES MOINES



CORN LOANS

We will be pleased to have you write us concerning purchase or finance of CORN LOANS, under the provisions of the Commodity Credit Corporation for 1939-1940.



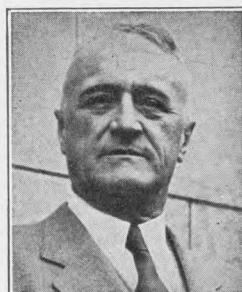
The
UNITED STATES
National BANK of Omaha

Member Federal Deposit Insurance Corporation



C. C. NEUMANN
President
Oakland

NEBRASKA NEWS



WM. B. HUGHES
Secretary
Omaha

Suffers Stroke

E. R. Poole, assistant cashier of the Commercial State Bank of Wausa recently suffered a light paralytic stroke. His complete recovery was expected by friends in a short time.

Replacing him in his duties at the bank during his illness was Miss Ethel Banks.

County Election

At a recent meeting of the Saunders County Bankers Association, the following were elected as officers for the ensuing year.

A. F. Vasina, Colon, president; John Hansen, Davy, vice president; E. Brodd, Wahoo, secretary-treasurer.

Executive Committee: C. G. Hohl, Wahoo, chairman; Emerson Erway, Mead; M. L. Judy, Ashland.

A steak dinner was served prior to the meeting after which the group held their business meeting in the lobby of the First National Bank, Wahoo. About forty attended.

Buys Home

W. E. Sorensen, cashier of the State Bank of Cairo, recently purchased the Dr. Evers residence in Cairo and with Mrs. Sorensen and their two daughters have moved to it.

Named President

Hugh J. Birmingham, O'Neill, was elected president of the First National Bank of Atkinson to succeed the late Fred H. Swingley when members of the board of directors met recently. Mr. Birmingham had been a vice-president of the institution since 1933, and a member of the board since 1921.

I. R. Dickerson, who has been employed by the bank for more than 30 years, and who has served as cashier since 1921, will continue in that position. He was also elected to membership on the board of directors. Other officers named at the meeting are Edward M. Gallagher, O'Neill, vice president; H. A. Snyder, assistant cashier; and Clayton W. Humphrey, assistant cashier.

Members of the board of directors are now H. J. Birmingham, Edward M. Gallagher, M. M. Swingley and I. R. Dickerson.

Turkey Dinner

Fifty-eight bankers from four counties gathered in Tekamah last month for a turkey dinner. The First National Bank of Lyons and the Citizens State Bank of Decatur, were hosts for the occasion.

Following the banquet talks were heard from C. C. Neumann of Oakland, state president of the Nebraska Bankers association; Capt. John Denison of the Omaha Police Department, who spoke on "Finger-printing" and R. I. Stout, president of the Tekamah First National Bank who gave information about his recent trip to Washington, D. C.

E. L. Jenkins, assistant cashier of the Washington County Bank at Blair, is president of the district group of bankers comprising the counties of Burt, Washington, Douglas and Sarpy.

Arends Dies

John Herman Arends, 84, who lived on the same Otoe county farm for 80 years, died recently of complications growing out of pneumonia. Mr. Arends was a director of the Bank of Talmage, and recently was honored by the Nebraska Bankers association as a half century banker. He was a prominent Republican, having held several precinct offices.

Shorten Hours

Beginning January 2 Beatrice banks will shorten their banking hours.

Each day, except Saturday, the banks will be open from 9:30 a. m. until 3 p. m., and the clearing hour will be 11:30. Hours at present are 9:30 to 3:30, with the clearing hour 2:30. Saturday hours will remain the same. That day banks are open from 9:30 to 12:30 with the clearing hour 11 a. m.

In New Building

The North Side Bank, located at 4514 North Thirtieth Street, Omaha, opened in that location early last month, providing a much needed banking service for all citizens and business concerns in that section of the city.

The North Side Bank was formerly known as the Bank of Florence, which has now moved from the location where it operated so successfully for so many years.

The personnel of the North Side Bank remains the same as has been associated with the Bank of Florence. Officers of the bank are W. B. Roberts, president; Robert H. Hall, vice presi-



The new home of the North Side Bank

Northwestern Banker January 1940

dent and cashier; and E. J. Seltz, assistant cashier.

In keeping with the policy of the institution to provide complete banking service, a new personal loan department has been opened in the new location—the only facility of this nature in North Omaha, and one which should be of unusual value to the community.

A front view picture of the North Side Bank appears on page 41.

Correction

Through an error from the field in reporting news, an item in the December, 1939, number of the NORTHWESTERN

BANKER stated that "Albion National Bank is the title of a new banking house organized in Albion with a paid up capital of \$50,000." Just recently we discovered that the Albion National Bank has been doing business in the city of Albion for the past fifty years, and is our face red? We are happy to make this correction, and congratulate the Albion National on its many years of service to its community.

225,000 New Loans

That banks in Nebraska are actively serving the credit needs of their communities is indicated by figures announced by the American Bankers As-

sociation showing that the commercial banks of the state made more than 225,000 new loans totaling \$88,000,000 to business firms and individuals during the first six months of 1939 and renewed 240,000 outstanding loans totaling \$102,000,000 during the same period.

These figures are based on reports received from 144, or 33 per cent of the 436 commercial banks of the state, and make allowance for the concentration of lending activity in the metropolitan area of Omaha.

The 144 banks reported they made 84,543 new loans totaling \$49,627,956 between January 1 and June 30, 1939, and renewed 60,820 outstanding loans totaling \$54,125,459. In addition, they reported 433 new mortgage loans to home owners and other real estate owners totaling \$1,592,911.

The average number of new loans per bank was 587, and the average loan was \$587.

The average number of renewals per bank was 422, and the average renewal was for \$890.

The average number of new mortgages reported per bank was 3, and the average mortgage was for \$3,679.

Change in Bassett

An important change in Bassett business circles became effective with the beginning of the new year when O. M. Jeffrey retired as vice president and cashier of the Commercial Bank of Bassett.

Announcement of the change was made when Mr. Jeffrey disposed of his interests in the bank to Henry Canenburg and E. H. Little. Mr. Canenburg will remain as president of the bank, a position he has held for a number of years, while Mr. Little will assume the responsibilities of cashier. Mr. Little has been connected with the bank, in a clerical way, for the past four years. He had considerable banking experience before locating in Bassett.

In disposing of his interests in the bank, with which he has been connected for a good many years, Mr. Jeffrey and family will leave Bassett shortly after the first of the year and locate elsewhere, the point not being disclosed at this time.

A Math Major

Given: I love you.

To prove: That you love me.

Proof:

1. I love you.
2. Therefore, I am a lover.
3. All the world loves a lover.
4. You are all the world to me.
5. Therefore, you love me.

Charter No. 209

First National Bank

of Omaha

The

Oldest National Bank

From Omaha West

Nationalized 1863

OFFICERS

T. L. DAVIS.....President	O. H. ELLIOTT.....Assistant Cashier
F. W. THOMAS.....Vice President	C. H. VEBER.....Assistant Cashier
J. F. McDERMOTT.....Vice President	E. F. JEPSEN.....Assistant Cashier
C. D. SAUNDERS.....Vice President	E. N. SOLOMON.....Assistant Cashier
J. T. STEWART, III.....Cashier	J. F. DAVIS.....Assistant Cashier
A. H. CHISHOLM.....Assistant Cashier	H. A. ARNSBERGER.....Assistant Cashier
W. E. SPEAR.....Trust Officer	
E. G. SOLOMON.....Assistant Trust Officer	

Member
Federal Reserve System

Member
Federal Deposit Insurance Corporation

OMAHA CLEARINGS

NEARLY \$352,000 was distributed by Omaha banks to Christmas club savers last year. The six banks which distributed the funds were the Omaha National, First National, United States National, Livestock National, Packers National and South Omaha Savings.

There were nine thousand Christmas club accounts. The money is not all used for Christmas. It helps pay taxes, meet insurance premiums, buy cars, home furnishings.

The United States National alone paid out \$193,809.50 to 5,003 persons.

The total this year was an increase of more than \$25,000 over last year.

Sixty bankers from Douglas, Sarpy, Washington and Burt counties, including an Omaha delegation, attended quarterly meeting at Tekamah, Nebraska, recently. Chief speaker was **Captain John Dennison**, head of the Bertillon bureau of the Omaha police department, who urged finger printing of all persons as a means of identification. The bankers heard a report of the new system of handling Commodity Credit Corporation corn loans, by Robert Stout of Tekamah.

Personnel officers of Omaha banks recently began work in connection with inclusion of national bank employees in the federal social security system.

Attending the silver anniversary conference of the Federal Reserve Bank of Kansas City recently were **W. D. Hosford**, Omaha; **J. J. Thomas**, Seward, Nebraska, and **E. P. Brown**, Davey, Nebraska, all federal reserve directors.

The estate of **Victor B. Smith**, former vice president of the Omaha National Bank, who died recently, was appraised at \$50,386.74 in probate court at Omaha. Among the assets were 190 shares of the bank's stock, valued at \$35,150, and 20 shares of Fremont National Bank stock valued at \$1,500.

Under Mr. Smith's will, the entire estate goes to the widow.

Anna T. Olsson, manager of the savings department of the Live Stock National Bank of South Omaha, has been appointed a member of the publicity committee of the Association of Bank Women, a national organization composed of women who hold executive positions in banks and trust companies. She serves with nine other women from various parts of the country.

Farmers' co-operatives in Nebraska, South Dakota, Iowa and Wyoming were invited to send representatives to the annual stockholders' conference of the Omaha Bank for Co-Operatives in Omaha, December 18th-19th.

Since its organization six years ago, the Omaha bank has advanced more than six million dollars to elevators, creameries, petroleum associations and other co-operatives.

J. F. McDermott, vice president of

the First National Bank of Omaha, returned to his desk recently after an enforced rest, ordered by his physician.

Mercedes Florence Caldwell, daughter of Mr. and Mrs. **Victor B. Caldwell, Jr.**, of Omaha, was one of 25 freshmen at Radcliffe College, Cambridge, Massachusetts, who were honored at a dinner sponsored recently at the college by Phi Beta Kappa. Miss Caldwell's father is vice president of the United States National Bank of Omaha.

When **Nile Kinnick** of Omaha, senior at the University of Iowa, was awarded the Heisman trophy recently as the nation's outstanding college football

LIVE STOCK NATIONAL BANK--OMAHA

Statement of Condition December 30, 1939

RESOURCES

Loans and Discounts.....	\$ 6,773,655.66	
Bonds and Other Securities.....	15,029.73	
(See Itemized List Below)		
Stock in Federal Reserve Bank.....	30,000.00	
Banking House and Fixtures.....	1.00	
Other Real Estate.....	None	
U. S. Government Securities.....	\$3,911,346.16	
(See Itemized List Below)		
Cash, Sight Exchange and Due from Federal Reserve Bank.....	5,225,458.98	9,136,805.14
		\$15,955,491.53

LIABILITIES

Capital Stock (Common).....	\$ 500,000.00	
Surplus.....	500,000.00	
Undivided Profits.....	53,480.98	
Unearned Discount.....	6,103.82	
Reserve for Taxes, Interest, Etc.....	116,531.67	
Dividend Payable January 2, 1940.....	7,500.00	
Deposits:		
Banks.....	\$7,755,753.03	
Other Deposits.....	7,016,122.03	14,771,875.06
		\$15,955,491.53

U. S. GOVERNMENT SECURITIES

Descript'n	Rate	Maturity	Par Value	Book Value	Market Value
Bonds	4	12-15-54-44	\$1,100,000.00	\$1,197,469.55	\$1,263,281.25
Bonds	2 3/4	9-15-47-45	500,000.00	547,584.26	545,781.25
Bonds	3 3/4	3-15-56-46	500,000.00	557,810.82	573,093.75
Bonds	4 1/4	10-15-52-47	850,000.00	1,001,688.80	1,020,000.00
Bonds	2 1/2	12-15-53-49	575,000.00	595,499.98	606,085.88
Misc.		Various	10,700.00	11,292.75	11,292.75
			\$3,535,700.00	\$3,911,346.16	\$4,019,534.88

Premium on U. S. Government Securities amortized to maturity or optional date.

OTHER BONDS AND SECURITIES

Sarpy Co. School Dist. and other Misc. Warrants..	\$15,029.73	\$15,029.73	\$15,029.73
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	Capital and Surplus	Loans and Discounts	Deposits
Dec. 30, 1933-----	\$ 550,000.00	\$1,566,262.23	\$ 4,910,106.01
Dec. 30, 1935-----	650,000.00	2,035,087.78	10,140,900.52
Dec. 30, 1937-----	760,000.00	5,640,905.35	12,874,403.86
Dec. 30, 1939-----	1,000,000.00	6,773,655.66	14,771,875.06

We offer to our banking friends our facilities in cooperating with them in the financial problems of the Live Stock, Agricultural and Commercial interests of this Great Middle Western area, and extend Season's Greetings and best wishes for a Happy and Prosperous New Year.

ALVIN E. JOHNSON, President.

This Bank Has No Affiliated Companies
Member of Federal Reserve System and Federal Deposit Insurance Corporation

player this season, the news was accepted calmly by his parents, Mr. and Mrs. Nile C. Kinnick. Mr. Kinnick is associated with the Federal Land Bank of Omaha.

"Our boys have been playing football since they were four years old," said Nile's mother.

His father played quarterback at Iowa State College four years, earned two varsity letters in addition to his freshman numeral.

Under leadership of **Alvin E. Johnson**, president of the Live Stock National Bank of South Omaha, Omaha's Community Chest drive went over the quota recently for the first time since 1931. The goal was \$553,417. The amount reported pledged at the final report luncheon was \$553,687.31, with more money expected to come in.

This was the first year that the Omaha drive was conducted without the aid of an outside campaign organization.

It was the third largest goal ever set, and the number of individual subscribers was the largest ever recorded, 54,633.

Ford E. Hovey, president of the Occidental Building and Loan Association of Omaha and newly-crowned king of Ak-Sar-Ben, was "decorated" with the first bangle pin sold in Omaha this holiday season in connection with the annual Christmas seal drive of the Nebraska Tuberculosis Association.

Omaha retail trade, bank clearings and building permits have scored substantial gains recently. During a recent week, store volume was up 3 per cent, clearings nearly \$12,000, building permit value more than \$20,000, compared with the previous week. Figures for the week included: Clearings, \$39,562,989; bank debits, \$32,731,702; building permits, \$61,250.

Epes Cory, 75, former employe of the Stock Yards National Bank of South Omaha and the old Nebraska National Bank of Omaha, died recently at the Fontenelle Boulevard home in Omaha. He also had served as clerk in the state banking department at Lincoln.

He came to Omaha from Iowa in 1885, was assistant cashier of the old Union Stock Yards Bank. After it was consolidated with the South Omaha National in 1911, he continued for several years with the newly-formed Stock Yards National. He worked for the old Nebraska National later and was with the Nebraska Banking Department from 1919 to 1932. Retiring because of ill health, he returned to Omaha. He was a member of the Masonic Lodge and of Tangier Temple of the Shrine.

His wife, one daughter, Mrs. Charles Leopold, San Francisco, and a grandson, Harold Saalfeld of Beatrice, Nebraska, survive.

Daniel J. Monen, Omaha National Bank vice president, recently remarked that there is no music sweeter than the baying of coonhounds on the trail . . . even if the trail is only that of a skunk.

Thirty men and boys and three hounds went hunting west of Millard, Nebraska, a few miles west of Omaha, and one skunk was all they got.

The hunt was organized by **G. E. Nelson**, Millard banker. Many of the hunters were Boy Scouts from Troop 80, near Omaha.

Later there was an oyster supper at Oakdale school.

Out-of-Town Banks

Out-of-town banks and bankers will find here complete banking facilities for prompt and economical handling of accounts in Chicago. We would appreciate the opportunity of serving you.

CITY NATIONAL BANK

AND TRUST COMPANY of Chicago

208 SOUTH LASALLE STREET

(Member Federal Deposit Insurance Corporation)

GIVE YOUR PUBLIC WHAT IT WANTS!

Install "PAYC"

("Pay As You Check")

THE NO-MINIMUM-BALANCE CHECKING PLAN

- Creates Goodwill
- Increases Revenue
- Secures NEW Customers

Experience has taught progressive bankers not to be indifferent to the problems of the masses for through the hands of the general public passes most of the wealth of the world. Stores, theatres, railroads, industry, etc., would be of little use if it were not for the support of "Mr. Ordinary Man."

Solicit the goodwill and patronage of all the people in your community by installing a "PAYC" Checking Account System. It will pay cash dividends!



"PAYC" is a copyrighted plan, but no royalty is charged. Regular prices are maintained on all supplies. Write today.

United States Check Book Co.

1309-15 HOWARD STREET

● OMAHA, NEBRASKA



Lincoln Locals

THE First National and Continental National Banks held their annual Christmas parties after banking hours on December 22, and the National Bank of Commerce party was held earlier in the week.

In charge of the arrangements for the Continental party was Miss Luella Blank. E. U. Guenzel made arrangements for the First National party, which was for the employees and their families.

The party of the National Bank of Commerce was a dinner affair, and bingo was played after an exchange of gifts.

Reargument was ordered at the session of the supreme court beginning January 15 of the suit of Receiver Luikart of the Commercial State bank of Florence against J. J. Heelan and ten other stockholders for \$10,000 capital stock liability. The only point to be argued is the time when liability attaches on bank stock certificates. The defense was that repeal of the constitutional provision fixing such liability by the voters calls for the dismissal of all pending suits based on it, just as the federal supreme court abated all court proceedings.

Two new directors of the Nebraska Association of Co-operative Credit Associations have been chosen with **L. E. Laffin** of Crab Orchard, president, and all officers were reelected.

The new board members are **Henry Tool**, of Murdock, and **Ed Brt**, of Bruno. Tool succeeds A. Texley, of Carroll, and Brt replaces E. J. Spieth, of Elgin. Laffin, scheduled for retirement from the board, was renamed.

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

G. D. Van Cleef, of Chester, was re-elected vice president and **Louis Willie**, of Lincoln, was chosen secretary-treasurer. Other board members are: A. E. Pailing of Byron, D. E. Magnuson, of Chapman, and Albert Babbock, of North Loup.

Matthew Inhelder, 90, prominent Pierce resident for 47 years, died last month of old age complications at the home of his daughter, Mrs. A. L. Brand. He had been in failing health the past 10 years, and bedfast several months. He was one of Pierce county's leading business men. In 1892 he purchased a hardware store which he operated many years. He built five brick business blocks in Pierce.

In 1906 Mr. Inhelder entered the banking business by buying an interest in the Pierce State Bank. At one time he was president of four banks in Pierce county, located at Pierce,

Hader, Foster and Breslau. Later he became president of the Citizens State Bank of Pierce.

Talmadge Meeting

Four Johnson bankers attended the Otoe county bankers meeting at Talmadge recently. They were D. Clarke Casey and Fred H. Holtgrewe of the First National Bank and C. D. Hahn and James P. Kelley of the First State Bank. A banquet was served, followed by the business session.

In Kansas City

The Tenth Federal Reserve Bank, its branch staffs and directors held their silver anniversary conference recently.

John N. Peyton, president of the Minneapolis Bank, attended. Directors present included W. D. Hosford, Omaha; J. J. Thomas, Seward, Neb., and E. P. Brown, Davey, Neb.

Changes in Continental National

On January 1, J. O. Peck of Creighton, Nebraska, became vice president and supervisor of the country bank division of the Continental National Bank of Lincoln. Fred S. Aldrich, vice president of the bank, who has heretofore been in charge of country bank business, becomes managing director of the bank's personal loan department. These promotions were announced recently by T. B. Strain, president.

The personal loan department has developed to such an extent, Mr. Strain said, that it demands the attention of

**Efficient
Correspondent Service
with
a
"Personal Touch"**

**The
CONTINENTAL NATIONAL
BANK
of
LINCOLN**

Member Federal Deposit Insurance Corporation

• NEBRASKA NEWS •

a senior officer of the bank. Mr. Aldrich was selected for the place because of his many years' service, during which time he has worked in every department of the bank, being promoted to the vice presidency two years ago. During the past five years he has been in charge of the country bank service.

A son of the late former Governor C. H. Aldrich, he came to Lincoln from David City in 1911. He is a graduate of Lincoln High School, and attended the University of Nebraska three years.

Mr. Peck, who goes to Lincoln from Creighton, is well known to the Nebraska banking fraternity. In March 1929 he was appointed state bank examiner, resigning when he organized the American National Bank at Creighton in 1931.

A native of Missouri, he graduated from DeKalb, Missouri, High School in 1917, and was employed by the American National Bank at St. Joseph, Missouri, until September, 1918, when he accepted a position with the Banks of Dawson at Dawson, Nebraska, re-

maining there until his appointment as bank examiner.

In 1926 Mr. Peck was president of the Richardson County Bankers Association, and from 1927 to 1929, inclusive, was secretary of group one, Nebraska State Bankers Association.

At Creighton further recognition was heaped upon him by the banking



J. O. PECK

fraternity. In 1934-35 he was president of group three, and a member of the state executive council from 1935 to 1937, inclusive. During the latter



FRED ALDRICH

year he was council chairman, and in 1936, president of the North Central Nebraska Regional Conference.

A charter member of the Creighton Lions Club, he was the first president, serving from 1932 to 1934. He also is a member of the Norfolk Elks Lodge, and of the Plainview Country Club.

Our 45th Year

The New Year finds the Live Stock National Bank of Sioux City in its 45th year. Historically, this bank was serving the Sioux City trade area before the sinking of the Maine, the Spanish-American War, Theodore Roosevelt and San Juan Hill.

This mature experience is yours for the asking. Let us place it at your disposal for the handling of your items in Sioux City.

OFFICERS

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

DIRECTORS

C. R. McKenna, President, Johnson Biscuit Co.
B. L. Sifford, Attorney, Sifford & Wadden
G. F. Silkmitter, President, Sioux City Stock Yards Company
C. L. Fredricksen, President
M. A. Wilson, Vice President and Cashier
H. C. Boswell, Secretary-Treasurer, Western Contracting Corporation

LIVE STOCK



NATIONAL BANK

Sioux City, Iowa

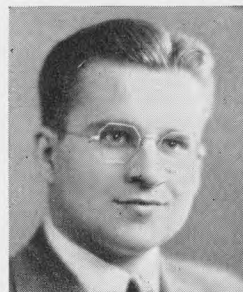
"The Bank at the Yards"

Member Federal Deposit Insurance Corporation



WILLIAM C. REMPFER
President
Parkston

SOUTH DAKOTA NEWS



GEORGE M. STARRING
Secretary-Treasurer
Huron

Operate Revillo Bank

A recent transaction approved by the federal deposit insurance corporation and arranged between the Farmers and Merchants Bank of Watertown and the Dakota State Bank of Milbank has resulted in the latter's taking over the Revillo bank.

Because Revillo is situated in Grant county close to Milbank it is believed that the new arrangement will permit of better banking service to Revillo residents. The newly acquired institution is to be known as the Revillo branch of the Dakota State Bank.

Fred Phillippi, cashier of the Milbank bank, was instrumental in arranging for the transfer. Miss Agnes Johnson of Revillo is to be in charge of the bank at that place.

Liquidation

Final liquidation of the Sioux Falls Trust & Savings Bank, which closed January 14, 1924, was reported by Erling Haugo, state superintendent of banks.

Under an order, the state banking department will pay depositors a dividend of 3.454 per cent, amounting to approximately \$120,000.

Haugo said depositors' certificates would be received at the state banking department offices immediately and the money will be ready for distribution.

Election

At a meeting of the board of directors of the Sanborn County Bank, Woonsocket, A. R. Bratsberg, a member of the board, was elected president, a vacancy which was made through the death of R. E. Hazen.

James Hall was reelected vice president; T. M. Brisbine reelected cashier, and Miss Irene Hazen was elected as the new member of the board of directors.

100,000 New Loans

That banks in South Dakota are actively serving the credit needs of their

communities is evidenced by the results of a survey of bank lending activity announced by the American Bankers Association indicating that the commercial banks of the state made more than 100,000 new loans totaling \$19,000,000 to business firms and individuals during the first six months of 1939, and renewed 40,000 outstanding loans totaling \$15,000,000 during the same period.

These estimated figures are based on reports received from 66 banks in South Dakota holding membership in the A. B. A., or 40 per cent of the 166 commercial banks in the state, and allowance is made for the concentration of lending activity in Rapid City and Sioux Falls.

The 66 banks reported that they made 47,516 new loans totaling \$9,157,525 between January 1 and June 30, 1939, and renewed 18,351 outstanding loans totaling \$8,191,901. In addition, they reported 439 new mortgage loans to home owners and other real estate owners totaling \$739,762.

The average number of new loans per bank was 720, and the average new loan was \$193.

The average number of renewals per bank was 278, and the average renewal was for \$446.

The average number of new mortgages per bank was 7, and the average mortgage was for \$1,685.

Official Changes

Due to the death of the late Bert M. Kendall, who was assistant manager of the Gregory branch of the Northwest Security Bank of Sioux Falls, the following changes have been made in the positions of the employees of the bank:

Walter Johnson has been promoted to the position of assistant manager, C. F. Bain has been advanced to the loan and collection department, Dale Scheinost who has been a bookkeeper takes Mr. Bain's position as teller, and Dwight Kendall, has been given a position in the bookkeeping department.

Independents Meet

Banking problems were discussed at a dinner meeting of the Independent Bankers of the Black Hills at the cabin of H. J. Walker in Vanocker canyon, five miles south of Sturgis. Thirty-five bankers were present.

Following a wild duck dinner, the group talked of cooperation between banks, ways and means of improving business relations and meeting competition, the wage and hour law and social security. The meetings started about two years ago, and since have been enlarged until nearly every independent bank in the Hills participates. Banks represented at the meeting were:

Rapid City National Bank, Underwood State Bank, First State Bank of Buffalo, Bank of Belle Fourche, Farmers' State Bank of Dupree, Farmers' State Bank of Faith, Miners' and Merchants' Savings Bank of Lead, and Bear Butte Valley Bank of Sturgis.

Promotions

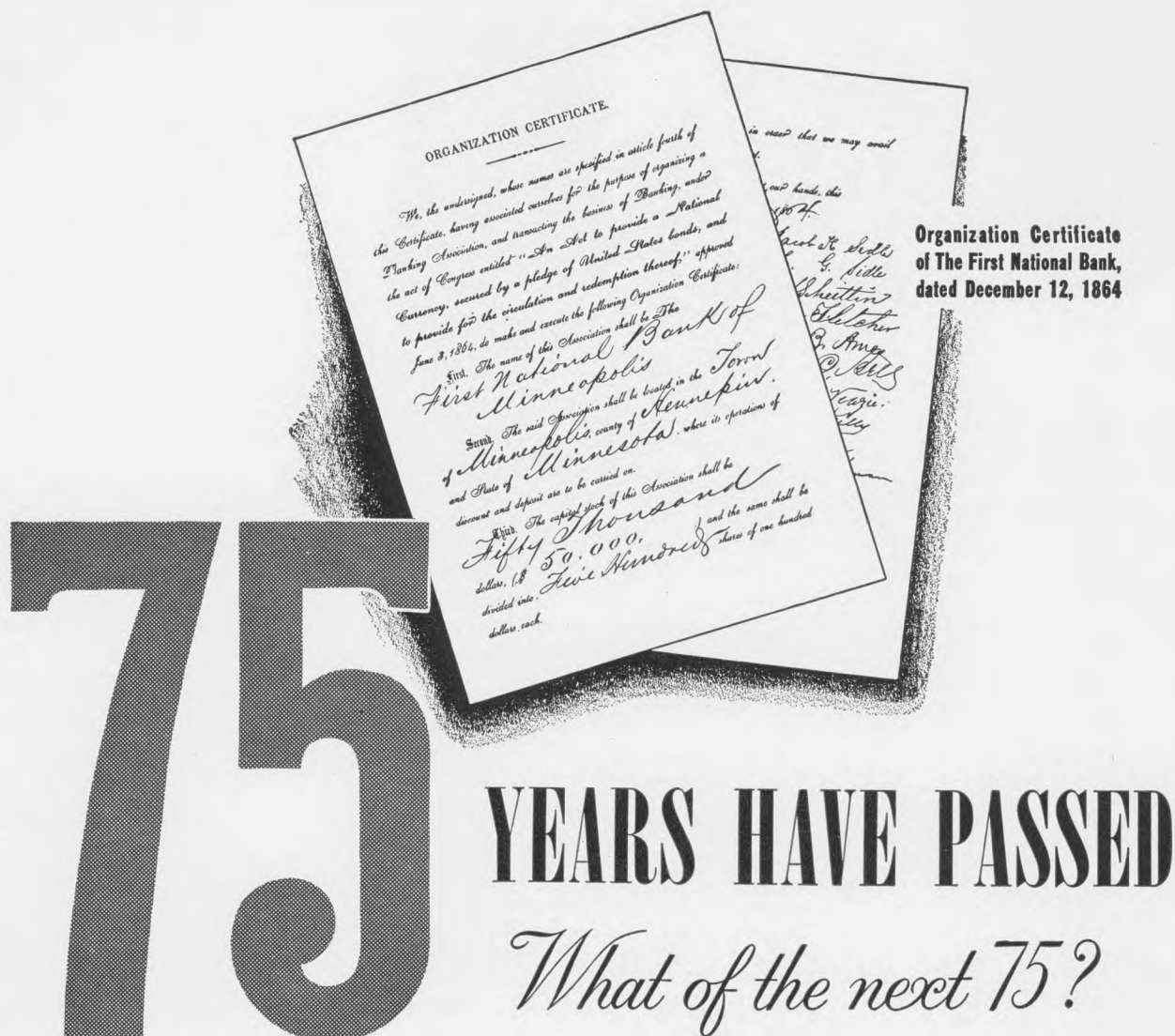
Of interest to residents of Huron and Sioux Falls are year-end promotions in the staff of the National Bank of South Dakota. Directors of the bank have elected A. E. Schnad of Huron a vice president and have advanced Ole H. Bondhus, auditor, to the position of assistant cashier. No change in location for either man is involved. Mr. Schnad will continue in charge of the Huron office and Mr. Bondhus will be located in Sioux Falls as at present.

Mr. Schnad began his banking career in Miles City, Montana, in 1923. After eleven years with the First National Bank of that city, four of them as assistant cashier, he moved to Huron as cashier of the First National Bank of Huron. Since January, 1938, when the First National Bank merged with the National Bank of South Dakota, Mr. Schnad has been manager of the Huron office.

Mr. Bondhus entered the banking business in 1931. After service as assistant cashier of the First National Bank of Heron Lake, Minnesota, and later of the First National Bank of Pipestone, Minnesota, he moved to Sioux Falls in July of last year as auditor of the National Bank of South Dakota.

Like the National Bank of South Dakota, the First National Banks of Heron Lake, Pipestone and Miles City are affiliated with First Bank Stock Corporation.

Northwestern Banker January 1940



YEARS HAVE PASSED

What of the next 75?

ON Tuesday, December 12, this bank celebrated its 75th anniversary. The history of how the oldest bank in Minneapolis became the largest is of sentimental interest chiefly to us here in the bank. Our depositors in particular and the public in general want to know "what of the next 75 years?"

No one can see ahead for even a year, but

past performance is a reasonable guide to the future. Hundreds of banks and bankers know from experience the merits of First National correspondent service. During the next 75 years this bank will be no less ready than it has been in the past to cooperate with other banks to their own advantage and that of the territory they serve.

FIRST NATIONAL BANK & TRUST COMPANY of Minneapolis

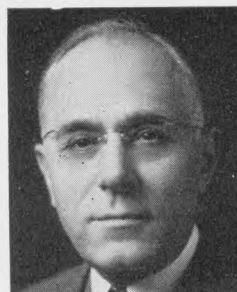
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

AFFILIATED WITH FIRST BANK STOCK CORPORATION



A. B. LATHROP
President
St. Paul

MINNESOTA NEWS



WILLIAM DUNCAN, Jr.
Secretary
Minneapolis

"Open House"

With an "open house" recently, the First National Bank of Rochester—oldest continuing business institution in the city—celebrated the seventy-fifth anniversary of its founding.

Days of 1864, the year it was founded, were recalled at the open house through an historical exhibit, arranged by Mrs. Bunn T. Willson. Costumes of that period were worn by women bank employes during the late afternoon and evening.

Among prominent names in the several boards of directors of the bank during its history are: George Healy, Walter Hurlbutt, George Baihly, Mrs. Frances S. Cook, John R. Cook, Jr., Roberson Cornforth, Harrison Douglass, James N. Coe, Frank E. Gooding, C. F. Massey, A. L. Ober, A. W. Stinchfield, J. A. Melone, George Weber, R. J. Griffin, Mrs. May Cook Gooding, A. C. Gooding, Burt W. Eaton and J. H. Kahler, who was chairman of the board from January 8, 1924, until January 19, 1931.

Present directors of the bank, besides the officers—Mr. Hayden, Mr. Fiegel and Mr. Bezoier—are: Mr. Eaton, C. M. Judd, F. W. Shuster and Roy Watson.

Grand Opening

The Farmers State Bank at Upsala held their grand opening to dedicate their new bank building on Monday, December 18, 1939, commencing at 10 o'clock a. m.

The bank building is now complete including new equipment and furnishings.

Coffee and donuts were served throughout the day to all visitors and new 1940 calendars were given to patrons of the bank.

400,000 New Loans

Countering assertions that banks are not lending, the American Bankers Association has published the results of a survey of bank lending activity in Minnesota estimating that the Com-

mercial banks of the state made more than 400,000 new loans totaling \$250,000,000 during the first six months of 1939 and renewed more than 250,000 outstanding loans totaling more than \$175,000,000 in the same period.

These figures are based on the reports of 365 banks, or 54 per cent of the 682 commercial banks in the state with membership in the A. B. A., sent to the association in reply to its questionnaires, and are adjusted to allow for the concentration of lending activity in Minneapolis and St. Paul.

The 365 reporting banks state that they made 303,560 new loans totaling \$189,115,858 between January 1 and June 30, 1939, that they renewed 141,492 already outstanding loans amounting to \$128,464,595, and that they made 2,839 mortgage loans on homes and other property aggregating \$6,000,496.

The average number of new loans per bank was 832. The average number of loans renewed per bank was 388, and the average number of mortgage loans per bank was eight.

The average new loan was for \$623. The average loan renewal was for \$908, and the average mortgage loan was for \$2,114.

In addition to lending on individual applications, banks in the larger cities maintain for regular established business borrowers what are known as "open lines of credit" in specific amounts, available at all times to such borrowers. Open lines of credit in the amount of \$169,558,007 were maintained by 33 banks. However, these banks stated that only \$47,648,653, or 28 per cent of this credit, was being used as of June 30.

Goes To Cambridge

Charles T. Peterson has accepted a position as cashier and manager of the People's State Bank of Cambridge. He has purchased a substantial block of stock in the institution and becomes a member of its board. Mr. Peterson severed his connection with the Kanabec State Bank of Mora.

Mr. Peterson has spent over 23 years in banking. He was cashier of the Beroun State Bank of Pine county six and one-half years before accepting the cashiership of the State Bank of Mora, a position he held over sixteen years until the bank consolidated with the Kanabec State Bank last spring. Since then he has been assistant cashier of the latter bank.

Died in Fulda

Funeral services were held recently for Dr. James McCrea, 76, pioneer physician of Fulda. He was born at Franktown, Canada, September 25, 1863, and came to Minnesota in 1894. He was active in the management of the Citizens State Bank since its beginning in 1908 and president for many years. Surviving are his widow and two sisters.

Buys Bank Stock

Sale of all but a few shares of the bank stock held by Mrs. Angeline Souba, widow of the late Emil G. Souba, head of the First National Bank of Hopkins for many years previous to his death last January 5, was announced recently by Frank H. Kriz.

The holdings of Mrs. Souba were purchased by Walter Zastrow, cashier for the past ten years of the Wayzata State Bank. Mr. Zastrow will become active in management of the bank immediately following the annual directors' meeting on January 9, according to Mr. Kriz's announcement.

Though Mr. Zastrow has acquired stock holdings equal to those of Mr. Kriz, several other local people were allowed also to purchase small pieces of Mrs. Souba's stock during the course of the transaction which brought Mr. Zastrow into the Hopkins banking picture.

Celebration

The Northwestern National Bank & Trust Company of Minneapolis gave its annual Christmas party to the 825 officers and employes in the big bank lobby, adorned with Christmas trees and other decorations. The festival started with a showing of the 1939 Minnesota football pictures, followed by a buffet supper. The entertainment included a Dr. I. Q. "mental banker" test conducted by Bob de Haven, of radio station WTCN. Another number was some dance exhibitions and informal dancing followed. Shirley S. Ford, president of the bank, delivered a Christmas message to the staff. Joe Mulcahy was master of ceremonies, while Lawrence Peterson was general chairman of a committee of 23 in charge of arrangements.

Northwestern Banker January 1940

Statement of Condition

THE FIRST NATIONAL BANK OF SAINT PAUL

as of
December 30, 1939

RESOURCES

Cash on Hand and Due from Banks	\$74,999,781.21
U. S. Government Securities	24,908,718.88
Bonds and Securities	3,132,328.78
Loans and Discounts	49,975,684.78
Interest Earned but not Collected	187,324.70
Customers' Liability on Account of Acceptances, Letters of Credit and Foreign Bills	65,317.39
Stock in Federal Reserve Bank	360,000.00
Bank and Office Building	3,500,000.00
	\$157,129,155.74

LIABILITIES

Capital Stock	\$6,000,000.00
Surplus	6,000,000.00
Undivided Profits	1,701,247.63
Unallocated Reserves for Losses	447,524.54
Reserve for Taxes and Interest	550,942.36
Reserve of Manufacturers and Others on Notes purchased from them	589,625.50
Discount Collected but not Earned	68,296.03
Acceptances, Letters of Credit and Foreign Bills	65,317.39
Deposits	141,706,202.29
	\$157,129,155.74

President
RICHARD C. LILLY
Chairman, Board of Directors
FREDERIC R. BIGELOW

Member Federal Deposit Insurance Corporation

AFFILIATED WITH FIRST BANK STOCK CORPORATION

Resigns

Wesley Carlson has resigned his position as assistant cashier at the First National Bank of Carlton, and has gone to St. Cloud, where he entered the state teachers' college. He plans to complete his course in civil engineering.

Heads Group

C. C. Traxler was chosen president of the Le Sueur County Bankers Association. Bruce Rademacher of Waterville is vice president and C. Meislahn of Cleveland, secretary-treasurer.

Dies in Elbow Lake

Announcement was made recently of the death of Henry Sampson, well known Elbow Lake banker. Mr. Sampson died at Fairview Hospital, Minneapolis, the result of a stroke.

Henry Sampson was born in Columbia county, Wisconsin, February 9, 1865, and his boyhood was spent on the family farm located just outside of Rio. He received his education at the district school, and later attended high school at Milton and Madison. He came to Minnesota in 1887 and immediately became associated with the late Harold Thorson in the operation of a private bank at Ashby. The following year he became cashier of the Bank of Elbow Lake, which position he continued to hold until he was advanced to the presidency upon the retirement of Harold Thorson. He was also interested in a number of other banks and at the time of his death was an officer of the Citizens State Bank of Barrett, the State Bank of Kensington and the Citizens State Bank of Brandon. He has made his home in Elbow Lake continuously since 1888.

Change in Officers

Changes in the official staffs of produce State Bank and Hennepin State Bank, both affiliates of First National Bank and Trust Company, Minneapolis, have been announced.

G. D. Lee, vice president, cashier and director of Hennepin State, resigned to assume the same posts at Produce. He succeeds A. H. Timmerman, who died recently.

R. E. Hasselberg, on the staff at Produce for 12 years, was advanced from the collection department to assistant cashier.

G. E. Rydell, president of Rydell Clothing company, and a director of Hennepin State, was named a vice president. Walter Fafro, formerly assistant manager of First National's North Side office, was elected cashier of Hennepin State.

TWIN CITY NEWS

By **JAMES M. SUTHERLAND**
Special Correspondent

ELMER L. WILLIAMS was slated to be elected president of the Twin City Bond Club at the annual meeting at the University Club, St. Paul. Mr. Williams, vice president, for the past year, succeeds **William A. Smith**.

Others on the slate proposed by the nominating committee include **Edwin White**, for vice president, and **O. Jack Talbot** for secretary-treasurer.

Nominated for the board of governors for two year terms were **George W. Dean**, **Ralph H. Grove**, **William W. Lewis**, **Fred C. Goth**, **Theodore H. Koch** and **Herbert K. Moss**. Three were to be elected, all from St. Paul.

Members of the nominating committee included **E. C. Williams**, **L. L. Quist**, **R. H. Grove**, **M. H. Gibbs** and **G. W. Dean**.

Von E. Luscher has been named by directors of Northwest Bancorporation to the post of manager of the invest-

ment department, succeeding the late **W. L. Mitten**, vice president and former manager, who died March 3, 1939.

Mr. Luscher has been in the organization since 1927, when he took a position with the trust department of the Minnesota Loan and Trust Company. Later on he was transferred to the securities department, which was succeeded by the Banc Northwest Company. He joined the investment department of Northwest Bancorporation Dec. 1, 1933.

Named assistant manager of the department was **Arthur R. Evans**, formerly of LaCrosse, Wis., who came to the investment department in 1931 from Bacon, Whipple and Company, Chicago investment bankers.

Approximately 800 officers, directors and employes of First National Bank & Trust Company, Minneapolis, attended the banquet marking the seventy-fifth anniversary of the organization of the city's largest and oldest bank.

Following a dinner, **Lyman E. Wakefield**, president, and **Clive T. Jaffray**,

former president and present president of First Bank Stock Corporation, spoke. An entertainment program followed. Seated at the head table with Mr. Jaffray and Mr. Wakefield were 18 young women bank employes, dressed in costumes of 75 years ago.

The bank lobby at the time of the observance date was filled with flowers, the gifts of numerous friends and organizations in all parts of the country.

Marquette National Bank and affiliated institutions Chicago-Lake and University State Banks, held their annual Christmas party Dec. 19. More than 100 persons attended.

Gordon E. Larkin was toastmaster. Speakers were **Ralph W. Manuel**, president, and **William F. Kunze**, vice president. **Irene Swanson** was in charge of arrangements.

Quarters of First National Bank & Trust Company's personal loan department have been enlarged to accommodate the volume of business, which has doubled in the past year.

E. C. Maddaus is manager, while assistants are **A. C. Johnson**, **Ralph Rasmussen**, **Robert O'Brien** and **E. L. Lahtinen**. FHA and appliance financing are handled by **Linus Fisher**.



EMPIRE NATIONAL BANK and TRUST COMPANY

ST. PAUL, MINNESOTA

Affiliated with Northwest Bancorporation

Statement of Condition as of December 30, 1939

RESOURCES

Cash in Vaults, due from Federal Reserve Bank and other Banks	\$3,542,858.42
United States Government Securities—Direct and Fully Guaranteed—Due within 3 years.....	285,100.00
United States Government Securities—Direct and Fully Guaranteed—Due after 3 but within 5 years..	256,550.73
United States Government Securities—Direct and Fully Guaranteed—Due after 5 but within 10 years..	285,637.90
United States Government Securities—Direct and Fully Guaranteed—Due after 10 but within 15 years	262,673.93
Municipal Bonds—Due within 3 years.....	351,358.65
Municipal Bonds—Due after 3 but within 5 years.....	161,080.61
Municipal Bonds—Due after 5 but within 10 years.....	29,732.20
Municipal Bonds—Due after 10 years.....	15,000.00
Other Bonds and Securities.....	167,545.76
Loans and Discounts.....	4,086,003.55
Stock in Federal Reserve Bank.....	19,500.00
Interest Earned but Not Collected.....	20,376.38
Furniture and Fixtures and Safe Deposit Vaults.....	28,643.03

TOTAL RESOURCES \$9,512,061.16

LIABILITIES

Capital Stock—Common	\$ 250,000.00
Capital Stock—Preferred	205,000.00
Surplus	160,000.00
Undivided Profits and Reserves.....	103,613.18
Reserved for Dividends Payable in Common Stock.....	35,000.00
Reserved for Taxes, Interest, and Accrued Expense.....	18,052.68
Discount Collected but Not Earned.....	54,947.24

Deposits:

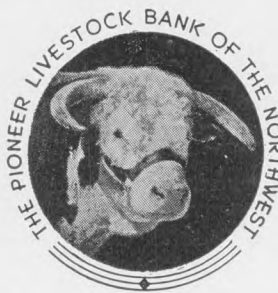
Demand	\$6,753,414.34
Time	1,932,033.72

Total Deposits 8,685,448.06

TOTAL LIABILITIES \$9,512,061.16

ALEX. HIGHLAND, President

Member Federal Deposit Insurance Corporation



STATEMENT OF CONDITION

DECEMBER 30, 1939

RESOURCES

Loans and Discounts-----	\$2,475,703.27
Vaults and Fixtures-----	14,764.25
Other Assets -----	35,289.59
U. S. Gov't	
Bonds -----	\$1,026,732.09
Other Bonds	
and Se-	
curities ---	568,844.21
Cash and Due	
from banks 2,608,617.97	4,204,194.27
TOTAL-----	\$6,729,951.38

LIABILITIES

Capital Stock—	
Common -----	\$ 250,000.00
Surplus -----	225,000.00
Reserves and	
Undivided Profits -----	23,956.23
Other Liabilities -----	18,521.04
Deposits -----	6,212,474.11
TOTAL-----	\$6,729,951.38

OFFICERS

J. F. RINGLAND.....	President
J. C. MOORE.....	Vice President
A. A. BIBUS.....	Vice Pres. and Cash.
J. M. KANE.....	Asst. Cashier
J. G. MCGARRAUGH.....	Asst. Cashier
C. W. MESSENGER.....	Auditor

**STOCK YARDS
NATIONAL BANK**
SOUTH ST. PAUL, MINNESOTA

Member Federal Deposit Insurance
Corporation

Named Director

Burch N. Bell of Twin City Federal Savings and Loan Association, Minneapolis, has been named a director for class A members of the Federal Home Loan Bank of Des Moines.

Mr. Bell was one of three directors named for two-year terms at the annual election. Others are L. A. Boyles, Yankton, South, Dakota, and J. R. Loomis, Red Oak, Iowa.

Former Banker Dies

H. W. Mielke, 66 years old, prominent citizen of Bird Island for 35 years, died at his home. Until 1929 he was cashier and president of the Ren-ville County State Bank there.

Builds Addition

A new 30-foot addition is being built at the rear of the First National Bank at Walker to take care of the firm's expanding business.

The new building is of brick and tile construction and will provide space for a depositors' vault, additional office space and a directors' room.

A need has been felt for several years, according to President C. J. Elsenpeter, for adequate space to give

privacy to customers. With the expansion of the business in the last few years, the bank found it necessary to make the improvements.

Permit

Authorization to the Liberty Loan and Thrift Company of St. Cloud to transact business as an industrial and thrift company has been granted from the state banking department.

Central Hanover

At a recent meeting of the board of trustees of Central Hanover Bank and Trust Company, the following officers were appointed assistant vice presidents: Richard S. Carr of the Banking Division, formerly assistant secretary; J. Fahys Cook of the 43rd Street Office, formerly assistant treasurer; Rector K. Fox, Jr., G. Kenneth Handley, Robert M. Lovell and William R. McAlpin of the Personal Trust Department, and James T. Harrigan and Edward G. Herenden of the Corporate Trust Department, formerly assistant secretaries.

James B. Bostick, George L. Kauer, Robert B. O'Brien, Edward C. Reuter and Frank A. Shaw were appointed assistant secretaries.

**In
MINNEAPOLIS
Enjoy
HOTEL RADISSON**

Our specialty is HOSPITALITY and you will like it. Air-conditioned bedrooms with supremely comfortable beds—three popular restaurants, Chateau Terrace, Lounge Pierre, and the famous Viking Room. Central location gives quick access to leading stores, offices, banks, theatres . . . Guest rooms from \$3.00.

HOTEL RADISSON
QUALITY, SERVICE AND HOSPITALITY
IN DOWNTOWN MINNEAPOLIS
Richard Kitchen, Gen. Mgr.



FRANK R. SCOTT
President
Fargo

NORTH DAKOTA NEWS



C. C. WATTAM
Secretary
Fargo

No Changes

There were no new banks, changes of name or location or closings during the month of December, 1939.

The Farmers State Bank of Erie, Erie, North Dakota, went into voluntary liquidation on October 1, 1939, and has now completely discharged its deposit liability and discontinued business.

Remodeled

Complete remodeling of the interior and installation of new fixtures has been completed by the First State Bank of Munich, making the institution's facilities strictly modern.

The most striking improvement is the installation of a new counter of the new low type, consisting of marble with oak woodwork. The service will be speeded up with the installation of four cages in place of two. A new posting machine of the latest type has also been installed.

L. E. Callahan is president of the Munich bank and J. J. Hillman is cashier. Y. A. Nelson, vice president, operates the bank's Stark-weather exchange.

Dies In Rolla

Frank J. Meuwissen, 58, prominent in the business life of Rolla for the past 36 years, died of a heart attack recently. He had been in ill health for more than a year.

After brief rites at the home, the body was sent to Minneapolis for funeral services and burial.

Meuwissen was born at Cologne, Minnesota, October 25, 1881. He came to Rolla in 1903 and was connected with the State Bank of Rolla until 1917, when he entered the real estate and insurance business, which he conducted until his death. He was city assessor of Rolla. Fraternal affiliations included A. O. U. W.

70,000 New Loans

That banks in North Dakota are actively serving the credit needs of their

communities is indicated by the results of a survey of bank lending activity announced by the American Bankers Association showing that the commercial banks of the state made more than 70,000 new loans totaling \$15,000,000 to business firms and individuals during the first six months of 1939, and renewed 20,000 outstanding loans totaling \$10,000,000 during the same period.

These figures are based on reports received from 58 banks in North Dakota holding membership in the A.B.A., or 33 per cent of the 173 commercial banks in the state, and make allowance for the concentration of lending activity in Fargo.

The 58 banks reported they made 25,745 new loans totaling \$6,143,227 between January 1 and June 30, 1939, and renewed 8,737 outstanding loans totaling \$4,305,201. In addition, they reported 108 new mortgage loans to home owners and other real estate owners totaling \$197,562.

The average number of new loans reported per bank was 444, and the average loan was \$239.

The average number of renewals per bank was 151, and the average renewal was for \$493.

The average number of new mortgages reported per bank was 2, and the average mortgage was for \$1,829.

Depositories

The State Examiner, North Dakota, has approved the American National Bank of Saint Paul and the Midland National Bank and Trust Company of Minneapolis as custodian depositories. Banks desiring to pledge assets for public deposits are advised that the State Examiner will accept these banks as a custodian for securities deposited with him.

100 Per Cent

Being paid off 100 cents on the dollar are depositors of the First State Bank of Strasburg, which will close its doors

in the near future after 25 years of successful operation.

While the bank has been operating profitably, the founder and president, S. A. Fischer, declared he is closing out the business on account of his health and a desire to get away from active work. Mr. Fisher plans to retire.

Organized in August, 1914, the bank was chartered 25 years ago, November 3. Its charter was renewed another 25 years on the anniversary. Fischer indicated it might be transferred elsewhere.

Not so many years ago there were 15 banks in Emmons county. Closing of the Strasburg institution will leave only the First National of Linton and the Bank of Hazelton.

1939 A Good Year

Not since 1929 has North Dakota enjoyed so good a year from a standpoint of farm income, as was experienced in 1939, nor has there been occasion for so great an optimism as a new year approaches. This statement headlines the 15th annual economic review released by the Greater North Dakota Association.

"The past year has brought very substantial increases in farm income, greatest since 1929, increased livestock on farms, reductions in debts and taxes, increased private building, boosted retail sales, greater freight car loadings, lower relief requirements, larger tourist travel and resulting receipts, and a generally heightened morale to the state as a whole," the Association reports.

Crop production of \$111,906,750, livestock and livestock and dairy products totaling \$77,308,602, (including increased inventories of livestock), and farm benefit payments of \$29,115,300, account for the 1939 gross farm production of \$218,330,652. Not since 1929 has the state even equalled \$200,000,000.

Northwest Division

The first regional meeting of the Northwest Division Council of the U. S. Chamber of Commerce was held in South Dakota. The meeting was at Sioux Falls on Tuesday, December 12. The Northwest Division includes Iowa, Minnesota, Montana, Nebraska, North Dakota, South Dakota, and Wyoming, and delegates were present from all of these states. There were sessions on agriculture, taxation, distribution, and labor relations, followed by a banquet addressed by Senator Wheeler of Montana.

Northwestern Banker January 1940

A Fine Record

The annual report of The Live Stock National Bank of Omaha, to be presented at its annual meeting January 17th, discloses the fact that during the past year its capital stock and surplus have been increased to \$1,000,000 through the payment of a \$50,000 stock dividend to its stockholders and the addition of \$50,000 to surplus. Besides this stock dividend the bank has been continuous in its payment of dividends to stockholders during the entire de-

pression period at the rate of 6 per cent annually.

The report also indicates the extent to which the live stock and agricultural as well as commercial business has been financed by this bank in spite of the drouth which began some six years ago, and shows that during this period loans increased from \$1,566,000 on December 31, 1933, to \$6,773,000 on December 31, 1939, and deposits increased during the same time from \$4,910,000 to \$14,771,000. This increase in busi-

ness has been reflected in the addition of \$450,000 to the capital stock and surplus during the last six years, making the total capital and surplus now \$1,000,000.

This bank is known throughout this area as one of the important factors in the financing of live stock feeder loan business in the United States.

Savings Distribution

Distribution of \$96,000,000 in dividends on savings, building and loan association share accounts for the past six months will be completed soon, the United States Savings and Loan League said. Its estimate of the total payment of earnings covers 8,900 different associations in every state and in Hawaii and Alaska. About 6,800,000 persons will receive anywhere from a few cents on the dollars they saved for the first time this year to several hundred dollars on investments which have been accumulating for a decade or more.

According to Morton Bodfish, Chicago, executive vice president of the League, the total represented a slight gain over the June 30th distribution. The reduction in the rate of dividends in some associations because of prevailing lower mortgage interest rates was more than offset in the total by the fact that some associations which were not paying dividends six months ago have re-established themselves on an earnings basis and are now actively engaged in home lending. It is estimated that associations with 95 per cent of all assets are now on an earnings basis.

Many associations have followed the custom of distributing the dividends before Christmas rather than waiting until the year's end so that holiday shopping could be facilitated by the amount of these payments. Some which are operating on the older serial plan distributed earnings for the third quarter and were expected to make their final partition of profits for the year by New Year's day. Both the third and fourth quarterly dividends in such associations have been included in the League's \$96,000,000 estimate for this semi-annual period.

Thanx

Diner: "I beg your pardon, but why do all these girls stare at me?"

Waitress: "I'm not supposed to tell you, sir, but we got some of our food from the school of cookery and home economics, next door, and if you get sick after that omelet you've just eaten, those girls have all failed in their examination."

Continental Illinois National Bank and Trust Company of Chicago



Cooperative banking service for correspondents

Member Federal Deposit Insurance Corporation



O. M. JORGENSON
President
Billings

MONTANA NEWS

ETHEL W. WALKER
Secretary-Treasurer
Helena

50,000 New Loans

That banks in Montana are actively serving the credit needs of their communities is indicated by figures announced by the American Bankers Association showing that the commercial banks of the state made more than 50,000 new loans totaling \$20,000,000 to business firms and individuals during the first six months of 1939 and renewed 18,000 outstanding loans totaling \$10,000,000 during the same period.

These figures are based on reports received from 44 Montana banks holding membership in the A. B. A., or 39 per cent of the 113 commercial banks of the state.

The 44 banks reported they made 22,099 new loans totaling \$8,672,963 between January 1 and June 30, 1939, and renewed 7,382 outstanding loans totaling \$4,217,951. In addition, they reported 280 new mortgage loans to home owners and other real estate owners totaling \$436,102.

The average number of new loans per bank was 502, and the average loan was \$392.

The average number of renewals per bank was 168, and the average renewal was \$571.

The average number of new mortgages reported per bank was 6, and the average mortgage was for \$1,558.

Open Hours

As a result of the questionnaire sent to Montana banks regarding Open Hours some time ago, the Montana association has compiled some information. As in the Service Charge Schedule several years ago, there is a very great lack of uniformity, but the material was not gathered to try to institute uniform open hours, but to assist banks which were having difficulty in meeting the 42 hour provision now in effect under the Wage and Hour Act.

Havre banks report no serious objection at all to their shortened hours (10 to 2 and 9:30 to 12).

The Billings banks report no particu-

lar objection to the shortened hours. Proper and adequate advertising was used in notifying public of the change. Public has accepted change without complaint or criticism.

One bank in the Northwestern part of the State which is open 9 to 12 and 1 to 4 week days and 9 to 12 on Saturdays reported that the public did not like closing at noon on Saturday.

One other bank, trying very hard to meet the provisions of the Act, reported that the public did not like the new law at all.

The Continental National, Harlowton, has changed their hours (formerly open 9 to 3 for six days a week) to 10 to 3 for all days except Tuesday when they close at noon, feeling that Saturday being open afternoons and closing Tuesday afternoons provides a better service for their customers.

Many banks that have recently shortened their hours report no complaint or objection from the public.

A considerable number of banks listed on the tabulation advised that they planned to shorten their hours.

Several banks advised that they were cutting off time by having employees come to work from one-half to one hour later in the morning.

NEBRASKA NEWS

Resigns

R. E. Montgomery, president of the National Bank of Norfolk the past six and a half years, announced he had resigned his position effective January 1. His successor will be L. Rowe Gillette, president for the past five years of the Bank of Miles City, Miles City, Montana.

New Hours

The Plainview State Bank an-Omaha.

nounces that the bank will be open for business from 9 to 3 in place of from 9 to 4. This is being done to comply with the wage and hour law under which they are required to operate. This action is being taken with a number of other banks in this state and in this territory.

On Vacation

H. H. Byers, vice president of The Charles E. Walters Company of Omaha, accompanied by Mrs. Byers left on December 17th for a month's vacation in the South. They will spend most of the time in Florida and expect to see the Orange Bowl Football game at Miami on New Year's Day, returning via Washington, D. C.

Promotion

Recently, S. W. Brion was elevated from assistant cashier to cashier of the Bank at Ewing, Nebraska. Mr. Brion has been a banker in that city for 35 years. He has a son, Richard S. Brion, age 25, who is working in the American Trust Company Bank, at San Francisco, California. He has been in this bank for 2 years.

C. of C. Director

Wheaton S. Battey, vice president of the Continental National Bank of Lincoln, last month was elected a director of the Lincoln Chamber of Commerce for a three year term. He succeeds George Holmes, president of the First National Bank, for the real estate, finance and insurance section of the Chamber of Commerce.

Christmas Advertising

The Omaha National Bank did some unique Christmas advertising last month in the form of a beautiful bill board poster, using the manger scene as the theme.

The poster was in several colors and was used on 40 bill boards in Omaha.

Corn Loans

A statewide move has been launched by Omaha and Nebraska banking and civic interests to retain for Omaha the business of handling notes on corn loans made to farmers in this area by the Commodity Credit corporation.

The corporation recently "streamlined" its corn loan system, reducing the number of extra clerks needed by the local Commodity Credit corporation office and the Federal Reserve Bank for handling the notes from about 150 to about a dozen or 15. Now it is proposed to handle the notes for this area in Chicago instead of in

"THE frankness and friendliness of your officers in the routine matters of our normal banking transactions and the courtesies so cordially extended have been so marked that we feel you should be made aware of our appreciation."

So reads a letter received from a valued customer.

The test of satisfactory service is the attention given to the routine as well as to the unusual request.

... THE ...

PHILADELPHIA NATIONAL BANK

ORGANIZED 1803

PHILADELPHIA, PA.

Capital, Surplus and Undivided Profits
\$41,000,000

Member of Federal Deposit Insurance Corporation

Joining in the move are the Nebraska Bankers' association, the Omaha Clearing House association, the Chamber of Commerce, Senator Edward R. Burke, Congressmen Charles McLaughlin, Karl Stefan and George Heinke. All have wired Carl B. Robbins, president of the Commodity Credit, protesting the change.

County Officers

Lawrence Young of Lyons is the new president of Burt county bankers, succeeding Chase Neumann of Oakland. Other officers selected were Quantin Lambley of Tekamah, vice president, and H. C. Larsen of Decatur, secretary-treasurer.

Loan Activities

A statewide effort to broaden loaning activities of Nebraska banks was launched recently by the loaning agencies committee of the Nebraska Bankers' association.

William B. Hughes, secretary of the association, said the committee was urging all member banks to seek an increase in loaning activities. The committee also made plans to compile a monthly report from 435 member banks on the number and amount of loans made, both renewals and new loans.

The decision to seek expansion of loaning came after RFC officials voiced criticism of the nation's bank loaning policies. The committee expected to reply for Nebraska banks that a chief reason bank loans are low is loaning activities of government agencies, it was said.

As means of obtaining more loans, the committee suggested that bankers advertise, watch carefully to see where loans might originate, take increased interest in farming operations.

"Banks have the money to loan and need loans," Hughes said, "and this effort of the committee is to urge the banks to go out and get loans."

Addresses County Bankers

James H. Clarke, assistant vice president of the American National Bank and Trust Company of Chicago, addressed the joint annual dinner meeting of the Rock County Bankers Association and the Green County Bankers Association, held at Janesville, Wisconsin, last month. Mr. Clarke's subject was "The Outlook for Bonds."

Bonus

Directors of the Continental Bank & Trust Company of New York have voted extra compensation equal to one-half of one month's salary to each officer and employe who has been with the bank for one year or more.



C. R. GOSSETT
President
Sioux City

IOWA NEWS



FRANK WARNER
Secretary
Des Moines

Bank Auditors

A group of 117 bank officials, auditors, and other employees from all parts of Iowa attended the sixth quarterly dinner conference of the Iowa Association of Bank Auditors and Comptrollers held at the Blackhawk Hotel in Davenport, early last month.

Charles Z. Meyer, comptroller for the First National Bank of Chicago, who is also first vice president of the National Association of Bank Auditors and Comptrollers and R. L. Bruce, deputy superintendent of the department of banking of Iowa were the principal speakers. Others who appeared on the program were Clay W. Stafford, cashier of the Ames Trust and Saving Bank of Ames, Iowa, who is the vice president and treasurer of the Iowa Bankers Association; Herman Staak, cashier of the Davenport Bank and Trust Company; H. C. Winder, assistant cashier and auditor of the Central National Bank and Trust Company of Des Moines; C. R. Colton, auditor of the Fidelity Savings Bank of Ottumwa and secretary-treasurer of the Iowa Auditors Association.

E. H. Ketelsen, auditor of the Davenport Bank and Trust Company acted as chairman of the Conference. Mr. Ketelsen stated that there were 50 Iowa banks represented; 37 cities; 24 counties; and from Illinois, 3 banks represented; 3 cities; and 2 counties.

Frank Warner, secretary of the Iowa Bankers Association, congratulated the board of governors, officers and the group membership chairman of the Auditors Association for effecting a 200 per cent increase in membership since September first.

The next conference will be held at Cedar Rapids, Iowa, during the third week in March. The general theme of the Spring conference will be "time saving ideas which have been instituted in Iowa banks in order to comply with the new Wages and Hours Laws."

Annual Banquet

Officers, employees and some direc-

tors of the Iowa-Des Moines National Bank held their annual Christmas banquet in Des Moines last month.

Clarence A. Diehl, a vice president of the bank, was awarded membership in the bank's 25-year club. The award was presented by Herbert L. Horton, president of the bank.

A choir of 27 employees sang Christmas hymns before dinner, and games and dancing followed. There were 266 persons at the dinner.

To Florida

James E. Hamilton, chairman of the board of the Merchants National Bank of Cedar Rapids, and Mrs. Hamilton left Cedar Rapids just before Christmas for their annual vacation in Florida. They will spend most of their time at Miami and Palm Beach.

Christmas Party

Officers, employees, directors and their wives of the City National Bank of Clinton held a Christmas party December 20th at the Clinton Country Club. The party included dinner, after which small gifts were exchanged.



NO COUNTY in Iowa or any other state can boast of its prize winning beef cattle to the extent of Clinton County, Iowa, which year after year practically dominates the winning entries at the Chicago International Livestock Exposition. The record of Clinton county in this respect is amazing and the 1939 show was no exception.

Above is shown Leo Duer, Jr., of Charlotte, Clinton County, and his entry which won first prize in the heavy Shorthorn Junior feeding class at the Chicago show. Leo's animal won the reserve championship for all 4-H Club Shorthorns at the 1939 Iowa state fair.

President E. M. Warner, of the City National Bank of Clinton, also calls attention of his banker friends to the fact that at the Chicago 1939 Show 26 per cent of the entire beef lot entries accepted were from Clinton county, and 32 per cent of the prize money in this class went to Clinton county feeders.

KEEPING IN CLOSE

With Iowa's Basic Interests



TOUCH

The Bankers Trust Company is a bank whose interests, like your own, are centered in Iowa. And its directors are men whose successful careers have been carried on in widely diversified fields of activity within the state.

Thus Bankers Trust Company is able to render well-rounded financial service to customers in all the varied fields of Iowa industry, commerce, and agriculture, and to the many banks which have named Bankers Trust as their Des Moines correspondent.

It is of vital importance to customers of the Bankers Trust that its board-membership represents a cross-section of Iowa's major business activities. That specific benefits result from this diversification of contact and breadth of experience is clearly reflected in the steady growth of the bank.

Commercial banking exists primarily as a service to business, whether that business be farming, furnace-building or freight-handling.

In recognition of this basic relationship between banking and business, the Bankers Trust Company plans to present a series of advertisements analyzing the major sources of Iowa income. The first advertisement in the series will appear in the February issue of the *Northwestern Banker*. Comments or suggestions regarding any advertisement in this series will be welcome.

Top Row (left to right)

Paul Beer, President, Flynn Dairy Company
Dr. O. J. Fay, Surgeon
J. G. Gamble, Attorney
J. W. Howell, President, Warfield-Pratt-Howell Company

Middle Row (left to right)

F. W. Hubbell, President, Equitable Life Insurance Co. of Iowa
J. W. Hubbell, President, F. M. Hubbell Son and Co., Inc.
Shirley Percival, President, Green Foundry and Furnace Works
Russell Reel, President, Yellow Cab Company

Bottom Row (left to right)

John D. Shuler, President, Shuler Coal Company
B. F. Kauffman, President of Bankers Trust Company
S. C. Pidgeon, Vice-President of Bankers Trust Company
R. R. Rollins, Vice-President of Bankers Trust Company



BANKERS TRUST 6th and Locust Streets Des Moines, Iowa COMPANY

Member Federal Deposit Insurance Corporation

Member Federal Reserve System

Fifty Years

The Union State Bank of Bridge-water reached its 50th anniversary January 6th. The bank was opened for business January 6, 1890, as a private bank under the name of the Union Bank and was operated and owned by J. G. Hendry, president; G. C. Rechtenbach, cashier, and Wes Taylor. The profits of the bank the first year of operation were \$97.89.

J. G. Hendry continued as president of the bank until the time of his death in 1919. Hattie E. Hendry began as cashier of the bank in September, 1892, and continued as such until her death in February, 1929.

The present officers of the bank are: George Arnold, president; Ed Arnold, vice president; W. F. Kniep, cashier. The directors are: John McDermott, Ed Arnold, W. F. Kniep, Grace Covell and George Arnold.

Make Payments

Fifty-three closed Iowa banks paid their former depositors \$1,774,078.32 through liquidation of the banks' assets during 1939, D. W. Bates, state superintendent of banking, reported recently.

Most of the payments were single ones for the year but four of the banks made two or more payments each.

Included among the payments were 28 "finals" in which the receiverships paid out the last amounts that will be paid.

Largest individual payment of the year was by the Dike Savings Bank of Dike, Iowa, which paid its former depositors \$128,009.66 November 15th.

The banks which made more than one payment during the year and the amount of the payments were:

Iowa Loan & Trust Company, Fairfield: Two payments of \$24,816.42 and one of \$6,204.11.

Farmers Savings Bank, Ankeny: One payment of \$14,735.03 and one of \$36,837.58.

Farmers & Merchants Savings Bank, Creston: Two payments of \$28,957.49 each.

Iowa State Savings Bank, Fairfield: One payment of \$21,140.36 and one of \$42,280.73.

Dies In Merville

After being confined to his bed for the greater part of the last four years, Herbert I. Ferguson, 70, died in Merville recently. He had been a field

auditor for affiliated country banks of the Toy National Bank of Sioux City since March, 1911.

Mr. Ferguson was born in Stevens county, Illinois, September 27, 1870. He came with his parents of Yorktown, Nebraska, in 1871 where they homesteaded.

Survivors include the widow, one daughter, Elizabeth, of Lincoln and two sons, Ivan N. of Lincoln, and Harold H. of Merville.

Dies In Omaha

Sweeden Meredith Jolliffe, 59, vice president of the Nodaway National Bank at Villisca, died recently at an Omaha hospital where he was taken after suffering a stroke. In Omaha to visit his wife who was ill, Mr. Jolliffe was stricken at the home of an aunt, Mrs. C. A. Krell.

Mr. Jolliffe formerly operated a men's clothing business in Villisca for 16 years. He previously lived at Logan. He was a trustee of the Villisca municipal water plant, a member of the Methodist church, Montgomery Masonic Lodge, a thirty-second degree Mason and a member of the Sioux City Consistory and the Shrine.

AMERICAN NATIONAL BANK AND TRUST COMPANY

of Chicago

LA SALLE STREET AT WASHINGTON

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Annual Statement as  of December 30, 1939

RESOURCES

CASH AND DUE FROM BANKS	\$29,114,183.63
U. S. GOV'T OBLIGATIONS—DIRECT AND FULLY GUARANTEED	14,568,796.23
MUNICIPAL AND OTHER MARKETABLE SECURITIES	12,896,817.08
LOANS AND DISCOUNTS	16,957,052.29
FEDERAL RESERVE BANK STOCK	78,000.00
CUSTOMERS' LIABILITY ON ACCEPTANCES	31,552.24
ACCRUED INTEREST RECEIVABLE	202,211.05
REAL ESTATE OWNED	1.00
OTHER ASSETS	7,355.89
	<u>\$73,855,969.41</u>

LIABILITIES

CAPITAL STOCK—PREFERRED	\$ 600,000.00
CAPITAL STOCK—COMMON	1,000,000.00
SURPLUS	1,000,000.00
UNDIVIDED PROFITS	554,030.51
PREFERRED STOCK RETIREMENT FUND	100,000.00
RESERVE FOR TAXES, INTEREST, CONTINGENCIES, ETC.	871,618.34
UNEARNED DISCOUNT	87,619.33
LIABILITY ON ACCEPTANCES	31,552.24
DEPOSITS:	
DEMAND	\$57,690,992.95
SPECIAL DEPOSIT (Subject to court order)	3,750,671.94
UNITED STATES GOV'T	2,600,000.00
OTHER PUBLIC FUNDS	44,181.37
SAVINGS	5,400,405.23
OTHER TIME DEPOSITS	124,897.50
	<u>69,611,148.99</u>
	<u>\$73,855,969.41</u>

First Annual Mid-Winter Banking Conference

Iowa Association to Hold Morning, Afternoon,
and Evening Sessions on January 22

CALLED for Monday, January 22, the first Iowa mid-winter banking conference will be held in Des Moines under the sponsorship of the Officers of the County Bankers Associations of the Iowa Association. The sessions, morning, afternoon and evening, will convene in the Hotel Fort Des Moines.

Presiding at the sessions will be A. T. Donhowe, vice president of the Central National Bank & Trust Company, Des Moines, and president of the Organization of Officers of the County Bankers Associations. J. W. Davis of Avoca and Horace B. Hammer of Wapello, are vice president and secretary, respectively, of the same organization.

The complete program recently released is as follows:

Forenoon Session

Theme, "Investment Principles for Non-City Banks; Other Operating Problems"

9:30 A. M. Meeting Called to Order
Remarks—A. T. Donhowe, president, "Organization of Officers of County Bankers Association," vice president, Central National Bank & Trust Co., Des Moines.

Presenting J. W. Davis, vice president, "Organization of Officers of County Bankers Association"; treasurer, Pottawattamie County Bankers Association; president, Citizens Savings Bank, Avoca.

Greetings—D. W. Bates, president, National Association of Supervisors of State Banks; Iowa State Superintendent of Banks, Des Moines.

"Investments"

"A Safe Bond Account Consists of What?"—William Buxton, III, secretary, Warren County Bankers Association; vice president, Peoples Trust and Savings Bank, Indianola.

"Investments for Rural Banks"—Fred M. Morrison, president, Des Moines Clearing House Association; president, Valley Savings Bank, Des Moines.

"The Drop in the Yield of Bank Assets"—R. R. Brubacher, president, Toy National Bank, Sioux City.

Guest Speaker—James H. Clarke, assistant vice president, American National Bank & Trust Co., Chicago, "Business and the Bond Market."

"Government Competition"

"Where Would It End?"—Frank C. Welch, president Peoples Savings Bank, Cedar Rapids.

"How to Meet It"—H. W. Schaller,

president, Citizens First National Bank, Storm Lake.

"Uniform Banking Hours"

"Is There a Limit?"—N. E. Kelley, cashier, Farmers & Merchants State Bank, Winterset.

"Do Our Customers Care So Much?"—Robert J. Tank, president, Scott County Bankers Association; cashier, Central Trust & Savings Bank, Eldridge.

"Unemployment Compensation Tax"

Guest Speaker—J. Charles Crawley, general counsel, Iowa Unemployment Compensation Commission, Des Moines, "National Banks and State FED Members."

Afternoon Session

Theme, "Consumer Credit Loans" or in Other Words, "Installment Lending"

1:45 P. M.

Meeting Called to Order—A. T. Donhowe.

"Consumer Credit Possibilities in an 'Industrial' Area"—Carleton Sias, vice president, Waterloo Savings Bank, Waterloo.

"Consumer Credit Possibilities in a 'Coal Mining' Area"—J. E. King, president, Peoples National Bank, Albia.

"Consumer Credit Possibilities in a 'Grain Growing' Area"—S. R. Torgeson, cashier, Farmers & Merchants State Bank, Lake Mills.

"Consumer Credit Possibilities in a 'Dairying' Area"—Chas. E. Fleenor, secretary-treasurer, Allamakee County Bankers Association; assistant cashier, Farmers & Merchants Savings Bank, Waterville.

"Consumer Credit Possibilities in a 'Cattle Feeding' Area"—C. L. Rigby, president, Union Trust & Savings Bank, Stanwood.

Guest Speaker—Kenton R. Cravens, vice president, the Cleveland Trust Company; president, Bankers Association for Consumer Credit, Cleveland, Ohio, "Consumer Credit Trends in Banking."

"A Survey of Installment Lending by Iowa Banks"—H. B. Hammer, secretary, Organization of Officers of County Bankers Associations; former president, Louisa-Washington County Bankers Association; executive vice president, State Bank of Wapello, Wapello.

Round Table and Question Box.

Evening Session

Theme, "Federal Bank Legislation; Present and Prospective"

6:30 P. M.

Dinner (Informal)—West Ballroom and Lounge, Mezzanine Floor, Fort Des Moines Hotel.

Meeting Called to Order—A. T. Donhowe.

Music.

Presenting C. R. Gossett, president, Iowa Bankers Association; president, Security National Bank, Sioux City, who will preside.

Greetings—Hon. George A. Wilson, governor of Iowa, Des Moines.

Address—Hon. H. B. Steagall, chairman, U. S. House Banking and Currency Committee, Washington, D. C., "Federal Bank Legislation; Present and Prospective."

Annual Meeting

Present officers of the Davis County Savings Bank, Bloomfield, were all re-elected for the ensuing year at a meeting of the board of directors following the annual stockholders meeting. Officers of the bank are: P. T. Grimes, president; Harry Burchett, vice president; Ed Shaw, cashier.

Seven stockholders were elected as members of the board of directors at the annual meeting, including; T. A. Goodson, Harry Burchett, W. R. Carroll, Ed Shaw, W. T. Dunlap, George W. Leyda and P. T. Grimes. The directors were elected for the coming year.

Bank Elects

The State Bank of Earlville held their annual business meeting at the bank on December 19th and elected the following directors: Will Hunt, Searless Bisgrove, Myrna Bisgrove, Floyd Laxson, Carl Laxson, A. L. Prentice, and Orra Laxson. The officers are president, Carl Laxson; vice president, Will Hunt; and cashier, Orra Laxson.

In New Quarters

The Lessing Advertising Company, Inc., Iowa's oldest advertising agency, has moved into newly remodeled and refurbished offices at 910-914 Walnut Bldg., Des Moines. R. J. Flynn, president has announced. The agency has been operated continuously under the same name in Des Moines since 1907, although the actual beginning of the founder's advertising practice was many years previous to 1907. D. L. Dungan, secretary, has been with the company since 1921.

During more than 30 years, members of the agency have been closely identified with the expansion of Iowa's leading industries: agriculture, manufacturing, banking and insurance. Types of accounts served include banks, farm machinery manufacturers, Iowa's largest nursery company, the country's leading mail order farm seed house, poultry breeders and hatcheries, farm building manufacturers, custom tanning and manufacturing furriers and a score of other businesses located in Iowa, Illinois, Minnesota, North Dakota and Kansas.

In addition to publication advertising the company maintains complete art, radio and direct mail departments

—and is equipped to write, stage, test and schedule radio, secure talent and to direct radio merchandising. All techniques of graphic reproduction, ranging from photographs through line drawings and lithographic processes are featured. All types of booklets, brochures, catalogs, circulars, letterheads and letters are prepared by the company under the direction of men whose many years of training has been to produce "advertising for immediate sales" or measurable results. The services of the art department are also available for designing of outdoor signs, billboards, painted boards, signs, etc.

The agency is recognized by all as-

sociations in the advertising field—magazines, newspapers, trade papers, radio stations, outdoor advertising companies, etc., as well as companies in the premium, printing and engraving fields.

Members of the agency staff include W. T. Standers, art director; H. B. Brown, copywriter; Mrs. Nelle Pottinger, office manager; Gus Strauss, account executive and Gerry Ann Barker, radio.

County Meeting

The members of the Grundy County Bankers Association met at Beaman with the First State Bank of Conrad

The Merchants National Bank in 1903



THE above photograph dates back to 1903, and is a picture of the staff of the Merchants National Bank of Cedar Rapids, Iowa, when the home of this pioneer banking institution was on the southwest corner of Second Avenue and Third Street, just across the street from its present location. The reader will note that in addition to the entire staff of the bank, a display of some of the bank's cash assets are shown in the foreground.

The individuals shown in the picture are from left to right Theodore W. Hawkinson, Mark J. Myers,

George F. Miller, Ira F. Wyant, Charles E. Putnam, Robert Trousdale, James E. Hamilton, who is at the rear of the group, John Burianek, Jr., who is in front of the group, Frank J. Dvorak, Jessie Dodds, who is now Mrs. Jack Wurster, Willa Woods, Joseph W. Lesinger, Edward Snyder. Of this group three are still active in the Merchants National Bank management, including Chairman Hamilton, Mr. Myers, Vice President and Cashier, and George F. Miller, Vice President and Trust Officer.

Mr. Putnam and Mr. Burianek are deceased.

• IOWA NEWS •

and the Farmers Savings Bank of Beaman as joint hosts. There were thirty present with each bank in the county being well represented. Out-of-the-county guests were Frank Warner, secretary of the Iowa Bankers Association, E. W. Jones, vice president of the Iowa-Des Moines National Bank & Trust Company of Des Moines, and A. F. Agena, cashier of the Farmers Savings Bank, Garwin.

A three-course dinner was served at 6:30. Following the dinner a meeting was held in the American Legion Hall after which a talk was given by E. W. Jones who had as his subject "Public Relationship Pertaining to Banks." A talk on the new Corn Loan Program was given by Jens Theusen of the Grundy County Soil Conservation Commission. Frank Warner, secretary of the Iowa Bankers Association talked on the new Wage and Hour Law pertaining to banks and immediately following he conducted a round table discussion on this subject.

News Notes

New banking hours which went into effect at Sioux City are from 9:30 to 2:00 on week days and from 9:00 to 12:00 noon on Saturday.

At Clinton, banking hours are from 9:00 a. m. to 2:00 p. m. on week days and from 9:00 a. m. to 12:00 noon on Saturday.

Effective December 11, new banking hours went into effect at Davenport as follows: Week days 9:30 a. m. to 2:30 p. m. and Saturday from 9:30 a. m. to 1:00 p. m.

Spencer banks changed their banking hours beginning Monday, December 18, so they are open to the public from 10:00 a. m. to 3:00 p. m. every working day.

Victor banking hours are now from 9:00 a. m. to 3:00 p. m. The change was made last month.

The First Capital National Bank, Iowa City, announces a change in interest rates effective January 1, 1940 as follows: Savings accounts 1½ per cent on amounts up to \$5,000.00, 1 per cent from \$5,000.00 to \$10,000.00, ½ per cent from \$10,000.00 to \$20,000.00.

The rate on all time CD's will be 1 per cent.

Des Moines A. I. B.

The A. I. B. men members held a stag party December 8, 1939 at the East Des Moines Club. It was attended by 90 members and guests.

Among the guests were members of chapters from Marshalltown, Newton and Ames.

New in Shell Rock

A new bank in Shell Rock is expected to be incorporated in March, it has been announced by a group of Shell Rock business men backing the project.

The capital stock of \$25,000 has been oversubscribed, and additional pledges are still being received.

Some time will be required, it was explained, to meet the requirements of the state banking department.

Ohio Superintendent

Rodney P. Lien, 38, formerly of Des Moines, was appointed superintendent of Ohio banks recently by Governor John W. Bricker.

Mr. Lien, who left Des Moines in 1936 to become executive vice president of the National City Bank at Lima, Ohio, now is president of the institution.

Before going to Ohio, Lien had been connected with banks in Waterloo and Mason City, Iowa.

The LIVE STOCK NATIONAL BANK of Chicago UNION STOCK YARDS

STATEMENT OF CONDITION

DECEMBER 30, 1939

BOARD OF DIRECTORS

FREDERICK H. PRINCE

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

ROBERT J. DUNHAM
Investments

JAMES A. McDONOUGH
Investments, Providence, R. I.

RICHARD HACKETT
General Manager, Central
Manufacturing District

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

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

DAVID H. REIMERS
President, The Live Stock
National Bank of Chicago

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

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

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

RESOURCES

Cash and due from banks.....	\$19,470,308.14
United States Government Securities.....	3,902,514.54
State and Municipal Securities.....	1,596,236.59
Other Marketable Bonds.....	715,002.89
Loans and discounts.....	5,948,209.93
Federal Reserve Bank stock.....	75,000.00
Bank building.....	450,000.00
Furniture and equipment.....	1.00
Interest earned, not collected.....	35,581.99
Current receivables and other assets.....	45,831.30
	\$32,238,686.38

LIABILITIES

Capital.....	\$ 1,000,000.00
Surplus.....	1,500,000.00
Undivided profits and reserves.....	164,421.26
Unearned Discount.....	30,838.98
Deposits.....	29,543,426.14
	\$32,238,686.38

Member Federal Deposit Insurance Corporation

ESTABLISHED 1868

Keokuk A. I. B.

Mrs. Carla Logan, A. I. B. class member, wife of W. A. Logan, vice president of The State Central Saving Bank, with her two children, Billie and Sandra, are enjoying Florida sunshine, visiting at the home of her mother, Mrs. Carleton Huiskamp at Fort Lauderdale.

And speaking of sunshine—this ever-blooming variety that we have been having here in Iowa this winter is nothing short of uncanny! It's near Christmas, as this is written, yet Sun-

day the number of cars parked at the golf courses were almost as many as on the 4th of July! But secretly, I'm worried about Santa Claus and am scanning the weather reports, hoping for a nice gray sky with lots of snow for the 25th!

Keokuk bankers are already getting out the "Welcome" sign for Group Eleven and other banker-friends who will come to Keokuk this year to the annual Group meeting, February 22nd. It has been six years since the pow-wow has been held in Keokuk!

Helen Kollmyer, Reporter.

Started in Nebraska

Perhaps many of our readers know that R. H. Barber, president of the Citizens National Bank of Boone, got his start banking in Nebraska, but few know where he started and the several communities in which he conducted his business.

Mr. Barber started in the banking business, from scratch, in Keystone,



R. H. Barber standing in front of the Arthur State Bank.

Nebraska, in 1908. He then organized the Arthur State Bank, of Arthur, then to Paxton, Nebraska, to organize another bank. Still later he and his brother-in-law went to Kearney and organized the Ft. Kearney State Bank, and it was from this latter institution that he came to Boone, Iowa, as managing officer of the Citizens State Bank, of which he is now president.

Resign

George S. Mornin, receiver, and D. T. Eells, assistant receiver for the Commercial National and the Pioneer National banks of Waterloo since 1933, have announced their resignations. Both are residents of Cedar Falls, Iowa.

Mr. Mornin will be succeeded by J. S. Utterback, Oskaloosa, Iowa.

Election

At the meeting of the board of directors of the Malvern Trust and Savings Bank officers for the year were named. In addition to the staff the directors also named Louis J. Knop as assistant cashier and Wayne Drake as cashier of the Imogene branch of the bank.

To Keokuk

Walter Thiele resigned his position recently as cashier of the First Trust and Savings Bank, to become effective January 1st, when he will accept a new position as cashier and director of

Commerce Trust Company

Established 1865

KANSAS CITY, MISSOURI

Member Federal Reserve System

Statement of Condition at Close of Business December 30, 1939

RESOURCES

Cash and Due from Banks.....	\$ 79,950,440.86	
U. S. Governm't Obligations, Direct and Fully Guaranteed	36,450,215.59	\$116,400,656.45
State, Municipal and Federal Land Bank Bonds.....	27,284,953.98	
Stock of Federal Reserve Bank.....	252,000.00	
Other Bonds and Securities.....	9,067,993.99	36,604,947.97
Loans and Discounts.....	39,937,555.62	
Bank Premises and Other Real Estate Owned.....	2,607,732.55	
Customers' Liability Account Letters of Credit.....	27,918.50	
Accrued Interest Receivable.....	373,889.23	
Overdrafts	14,372.15	
Other Resources	893.36	
Total Resources		\$195,967,965.83

LIABILITIES

Deposits:		
U. S. Government Deposits.....	\$ 1,834,175.00	
Other Deposits	182,579,878.49	\$184,414,053.49
Capital	6,000,000.00	
Surplus	2,400,000.00	
Undivided Profits	3,096,676.03	11,496,676.03
Liability Account Letters of Credit.....	27,918.50	
Accrued Interest, Taxes and Expense.....	28,665.00	
Other Liabilities	652.81	
Total Liabilities		\$195,967,965.83

Member Federal Deposit Insurance Corporation

the Keokuk Savings Bank at Keokuk. Mr. Thiele's resignation came as a complete surprise to the majority of his friends.

Notes Returned

More than \$400,000 in notes, representing part of the remaining assets of the former People's National Bank of Waukon, the Bank of Rossville and the Quandahl Savings Bank, have been returned to the original owners.

In February, 1934, a group of Waukon and Lansing, Iowa, men brought the three banks' assets at receiver's auction. Recently they announced they had stopped making collections and were returning the notes without cost or obligation.

Heads Clearing House

Frederick M. Morrison, president of the Valley Savings Bank, has been elected president of the Des Moines Clearing House association for 1940.



F. M. MORRISON

He was first vice president during 1939 and succeeds Grant McPherrin as president.

Rolfe O. Wagner was named first vice president and Herbert L. Horton, second vice president. Fred Atkins was re-elected secretary.

County Meeting

The annual meeting of the Story County Bankers' association was held at Nevada recently, with a banquet at Hotel Story. Harry Cairns of Cambridge, presided. They chose the following officers for the coming year: T. E. LaVelle, of the College Savings of Ames, president; William Peterson of

the Story County State Bank of Story City, vice president, and Eldon Schoonover of the Nevada National Bank, secretary-treasurer.

Election

Officers of the Hawkeye Bank re-elected are L. H. Hauth, president; W. W. Burkhart, vice president; Loren Billmeyer, cashier; and Don Warneke, assistant cashier.

Directors re-elected are J. B. Palmer, H. F. Fritz, A. L. Eitel, Henry Schlatter, Charles Mitchell and A. A. Gager.

C. of C. Head

George W. Woods, executive vice president and cashier of the First Nation Bank, was elected president of the Council Bluffs Chamber of Commerce at the meeting of the recently-elected board of directors.

Close Office

The office of the Mitchellville Farmers Savings Bank, operated in Ira since 1936 when the Ira bank consolidated its resources with the Mitchell-

Statement of Condition as Made to Superintendent of Banking at the Close of Business December 30, 1939

RESOURCES

First Mortgage Loans	-----	\$ 614,469.21	
Loans Secured by Collateral	-----	1,154,791.01	
Commercial Loans Supported by Financial Statements	-----	832,150.37	\$2,601,410.59
Overdrafts	-----		813.37
Real Estate (former bank building included)	-----		84,550.45
Furniture and Fixtures	-----		21,697.53
State, County, and Municipal Bonds	-----	351,525.04	
Market Bonds	-----	238,821.49	
Call Loans and Commercial Paper	-----	420,000.00	
U. S. Government Securities	-----	209,525.00	
Cash on Hand and Due from Banks	-----	2,790,382.30	4,010,253.83
			<u>\$6,718,725.77</u>

LIABILITIES

Capital Stock	-----	\$ 175,000.00	
Surplus	-----	175,000.00	
Undivided Profits	-----	21,021.73	\$ 362,021.73
Dividend Checks Outstanding	-----		1,800.00
DEPOSITS	-----		<u>\$6,354,904.04</u>
			<u>\$6,718,725.77</u>

Deposits Insured by The Federal Deposit Insurance Corporation
Washington, D. C.

\$5,000.00—Maximum Insurance for Each Depositor—\$5,000.00

The Waterloo Savings Bank

WATERLOO, IOWA

OFFICERS

H. G. NORTHEY, President
R. W. WAITE, Vice President
CARLETON SIAS, Vice President
J. J. MILLER, Cashier
FRANCIS R. LA BARRE, Ass't Cashier
V. SPALDING MILLER, Ass't Cashier

DIRECTORS

NATHAN NORTHEY
CLARENCE E. CAMPBELL
CARLETON SIAS
R. W. WAITE
HARRY G. NORTHEY
J. J. MILLER
C. F. ALSTADT
HARRY A. LIMBERT
WILL E. OGLE
C. R. DAVIS
K. L. BRAGDON

ville Bank, was to be closed on December 31st, it was announced by R. P. Blake, cashier of the Mitchellville Bank.

The closing of the Ira office will bring to a conclusion a banking service that has served the Ira community without a break since it was organized in 1904. The bank, primarily a farm bank because its business was chiefly within an agricultural community, was

formed 35 years ago with B. F. Baker as its first president.

Dies in Spencer

Services were held in Spencer recently for H. Bruce Noll, 71, president of the Clay county fair and president of the Farmers Trust and Savings Bank of Spencer.

Mr. Noll died from cancer at his home. His health began to fail last

fall. He was taken to a Rochester, Minnesota hospital several weeks ago.

Mr. Noll's wife, four children by his first marriage, a brother and three sisters survive.

Resigns

Bert Wasson, who has been connected with the Jasper County Savings Bank, Newton, has resigned as assistant cashier and will leave for Arizona,

Iowa Interest Rates

THE following chart shows the interest rates paid on deposits by a number of Iowa banks. Much of this information was gathered through personal survey, by Associate Editor J. A. Sarazen, and since it was impossible for him to call on all the banks at the same time, every bank in the state is not listed. Figures for other banks will be published from time to time.

Town	Interest paid on savings	Interest paid on 6 months CD's	Interest paid on 12 months CD's
Afton	2%	2%	2%
Anamosa	2	2	2½
Andrew	2	2	2
Arthur	2	2	2
Atlantic	1	1	1
Baldwin	2	2	2
Battle Creek	2	..	..
Limit 1M			
Bayard	2	2	2½
Boone	2	2	2½
Boone	2% to \$500		
	1½% \$500, to \$2,500		
	1% over \$2,500		
Carroll	2	2	2½
Cedar Rapids	1	1	1
Centerville	2	2	2
Cascade	2½	2½	2½
Charles City	2	2	2
Chariton	2	2	2
Clarence	2	2	2
Clarksville	2	2	2½
Clarion	2	2	2
Cherokee	2	1½	2
Clinton	1	1	1
Corning	0	0	0
Cresco	2	2	2
Creston	1	1	1
Cromwell	2	2	2
Dallas Center	1½	1½	1½
Danbury	0	0	0
Decorah	2	2	2½
Delhi	2½	2½	2½
De Witt	1	1	1
D. M.			
De Witt	2	2	2
Dubuque	1½	1½	..
Durant	1	1	1
Dyersville	1½	1½	2
Eldora	2% to \$500		
	1% above \$500		
Eldridge	2	2	2
Elkader	2	2	2
Epworth	..	..	2
Estherville	2	2	2
Fairfield	1	1½	1½
Farley	2	..	..
Fort Dodge	2	2	2
Fort Madison	2	2	2
Glenwood	2	2	2
Greene	2	2	2
Grinnell	2	2	2½
Grand Mound	2	2½	2
Hampton	1	2	2
Harlan	1	2	2
Harlan	2	2	2
Hayesville	2	2	2
Hedrick	2	2½	2½
Hopkinton	2	2	2½
Hornick	2	2	2
Ida Grove	2	..	..
Independence	2	2	2
Indianola	2	2	2

Town	Interest paid on savings Limit 1M	Interest paid on 6 months CD's Limit 1M	Interest paid on 12 months CD's Limit 1M
Iowa City	2	2	2
Iowa City	1½% up to \$5,000, 1% from \$5,000 to \$10,000, ½% \$10,000 to \$20,000	1	1
Jefferson	2	2	2
Kent	2	2	2
Keokuk	1	1	1
Kiron	2	2	2
Knoxville	2	2	2
Lenox	2	2	2
Le Mars	2	2	2
Lowden	2	2	2
Luxemburg	..	1½	2
Manchester	2	2	2
Manning	2	2	2
Mapleton	2	2	2½
Mapleton	2	2	2
Maquoketa	2	2	2
Marshalltown	2	2	2
Marshalltown	1½	..	..
Limit 5M			
Marengo	2	2	2½
Mason City	1	1	1
Marion	2	2	2
Mechanicsville	2	..	..
Minburn	1½	1½	2
Monticello	2	2	2½
Mount Pleasant	2	2	2½
Muscatine	1	1	1
Muscatine	2	2	2
Nashua	2½	2½	2½
North English	2	2	2
Norwalk	2	2	2
Limit 1M			
Nevada	2	2	2
New Hampton	2	2	2
Newton	2	2	2
Oelwein	1	1	1
Odebolt	2	2	2
Ogden	2	2	2
Onslow	2	2	2
Osage	2	2	2
Osceola	..	..	..
Oskaloosa	1	2	2
Ottumwa	1	..	..
Perry	1½	1½	2
Postville	1½	1½	2
Prescott	2	2	2
Red Oak	2	2	2
Rippey	1½	2	2
Schleswig	..	2½	2½
Scranton	2	2	2
Shenandoah	2	2	2
Sioux City	2% on 1st \$2,500, 1% on 2nd \$2,500 and nothing over.		
Sioux City	2% to \$1,000, 1% on the next \$1,500 and nothing over.		
Sloan	2	2	2
Spencer	2	2½	2½
Spragueville	2	2	2
Stanwood	2	2	2½
Storm Lake	2% to 1M	1	1
Story City	2	2	2
Strawberry Pt.	2	2	2
Sumner	2	2	2
Templeton	2	2	2
Tipton	2	2	2½
Vinton	2	2	2
Wall Lake	..	1½	2
Waterville	2½	2½	2½
Waukon	..	1½	2
Washington	1	2	2
West Burlington	1½	2	2
Westgate	2	2	2
West Union	2	1½	2
Williamsburg	2	2	2
Winterset	2	2	2
Worthington	2	2	2½
Wyoming	2	2	2

where he goes for his health, which has been impaired due to sinus infection.

Mr. Wasson was connected with the Reasnor Bank for nine years before coming to Newton.

H. H. Morrison has been named as "teller" and will occupy Mr. Wasson's cage at the bank and Miss Irene Oartweig of Baxter succeeds Mr. Morrison as head bookkeeper.

New Director

The board of directors of the Avoca State Bank has elected Mrs. Henrietta Stender as director to fill the unexpired term of her husband, Rudolph Stender. Mr. Stender was president of the bank before his death a few weeks ago.

County Meeting

The Lyon County Bankers association held a dinner and informal discussion in Rock Rapids recently, with about 40 members and guests attending.

W. P. Moeller, C. L. H. Vagts and Albert Hamann of the Lyon County Soil Conservation association, were present as guests. The handling of papers and problems relating to corn loans were thoroughly discussed.

Also present were C. R. Gossett, president of the Iowa Bankers association, of Sioux City, who gave a short talk.

Elected President

Directors of the Citizens Savings Bank of Eldora elected N. R. Van Avery president to fill the vacancy caused by the death of the late J. F. Hardin. J. L. Cameron was elected vice president to succeed Mr. Van Avery.

J. F. Hardin, cashier, was elected a member of the board of directors.

Heads Company

Board of directors of the New London Development Company elected C. H. Carlson, cashier of the Iowa State Bank as its president for the coming year to succeed Mark Orndorff, who has served since it was organized more than a year ago.

Other officers for the coming year are Ralph McKinnon, vice president, E. E. Wessel, secretary, and Ralph Eckles was re-elected treasurer.

New Office

In compliance with the request of residents of Harris and vicinity, the Sibley State Bank has opened a Harris office of the Sibley State Bank.

Elmer Geronsin, who has been em-

Bank Choir Sings Carols



On the recent Friday and Saturday preceding Christmas, patrons of the Iowa-Des Moines National Bank and Trust Company were entertained with Christmas Carols presented by members of the Bank Choir. The Choir, as pictured above, stood above the stairway, facing south toward the main lobby.



IN SIOUX CITY ...

STATEMENT OF CONDITION DECEMBER 30, 1939

RESOURCES

Cash and Due From Banks.....	\$3,742,221.19
Loans and Discounts.....	2,210,883.58
United States Government Bonds.....	288,777.89
State, County, and Municipal Bonds.....	459,963.21
Other Bonds and Securities.....	510,560.70
Stock in Federal Reserve Bank.....	17,250.00
Bank Building, Furniture, and Fixtures.....	190,000.00
Other Assets	2,173.70
	<hr/>
	\$7,421,830.27

LIABILITIES

Capital	\$400,000.00
Surplus	175,000.00
Undivided Profits	40,636.71
Reserve for Contingencies.....	75,000.00
TOTAL CAPITAL ACCOUNT.....	\$ 690,636.71
Reserve for Taxes and Interest.....	10,911.93
Other Liabilities	95.00
DEPOSITS	6,720,186.63
	<hr/>
	\$7,421,830.27

Member Federal Deposit Insurance Corporation

They Discussed Corn Loans



A number of Iowa Group Six bankers met in Des Moines last month to hear **William C. McArthur** of Washington, D. C., chief of the corn loan section of the north central division, Agricultural Adjustment Administration, discuss provisions relating to the new corn loan program. Among those at the meeting pictured above, reading from left to right, were **Paul Huston**, vice president Peoples Savings

Bank, Cedar Rapids; **Mr. McArthur**; **R. R. Rollins**, vice president Bankers Trust Company, Des Moines, and chairman of Group Six; **O. D. Klein**, chairman of the Iowa A. A. A. Committee, Des Moines; **E. A. Ellison**, committee loan supervisor; **F. W. Roewe**, Iowa A. A. A. committee; **Jesse Alton**, crop insurance supervisor; and **H. E. Hazen**, A. A. A. Committee.

played by the Sibley bank for the past five years, will manage the Harris office.

To Baxter

Thomas L. Wolfe, of Lytton, has accepted a position in the State Savings Bank, succeeding George Geise, who resigned his position as cashier of that institution to go into business for himself.

Mr. Wolfe worked in the bank of Lytton for some time when starting in the banking business. He then went to the Benton County Savings Bank at Norway, Iowa, where he has been assistant cashier for the past two years.

To Carlisle

C. T. Simmons of Des Moines is the new assistant bookkeeper at the Hartford-Carlisle Savings Bank succeeding Dale Pendry who resigned. Mr. Simmons comes well qualified for this position since he has had several years experience in banking.

One Hour Less

All banks of the Quad cities, including the Davenport Bank and Trust Company and the First Trust and Savings Bank in Davenport, have gone on a one hour shorter schedule of hours during which they are open to the public, it is announced by the

Quad-City Clearing House association.

Hours are from 9:30 a. m. to 2:30 p. m. instead of from 9 a. m. to 3 p. m. as formerly. Banks in Davenport and Rock Island are open from 9:30 a. m. to 1 p. m. on Saturdays, while banks in Moline and East Moline are open from 9:30 a. m. to 12:30 noon on Wednesday.

American National, Chicago

Nineteen thirty-nine earnings of \$29.56 per share on the common stock of the American National Bank and Trust Company of Chicago were announced to the bank's stockholders at their annual meeting on January 9th. This compares with \$23.41 per share earned in 1938.

The 1939 earnings of \$295,687.37 represent net operating profits for the year after payment of dividends on preferred stock, and after adequately providing for taxes in addition to reserves for contingencies, against which all known losses have been charged and recoveries credited. The reported earnings are also exclusive of profit on the sale of securities from the bank's investment portfolio. The excess of market value over carrying value of securities now held by the bank was substantially increased during the year.

Dividends of \$6 per share of common stock, totaling \$60,000, were paid during 1939, and \$50,000 was added to the preferred stock retirement fund, bringing this fund to a total of \$100,000. The balance of the bank's profits is reflected in the undivided profits account, which totaled \$554,030.51 on December 30th, compared with \$368,343.14 at the end of 1938.

The American National showed a substantial growth during the year, deposits having increased from \$57,-

Another New Record!

Clinton County bankers are proud of the records made year after year by our cattle feeders and 4-H boys and girls. At the 1939 International Livestock Show in Chicago 26 per cent of the entire Beef Lot entries were from Clinton county and 32 per cent of the prize money in this class went to Clinton county feeders!



**THE
CITY NATIONAL BANK
CLINTON, IOWA**

Member Federal Deposit Insurance Corporation



• IOWA NEWS •

253,578.97 to \$69,611,148.99, while total resources reached a new high for the bank of \$73,855,969.41. Total loans showed at 44 per cent gain for the year. The bank's cash position maintained about the same proportion to total resources at the end of the year as at the beginning, while holdings of United States government obligations decreased slightly in dollars. The bank held \$12,896,817.08 in municipal and other marketable securities on December 30, 1939, as compared to \$9,819,580.13 on December 31, 1938.

Chase National

The statement of the Chase National Bank for December 30, 1939, was made public January 3, 1940. The deposits of the bank on that date were \$2,803,730,000 compared with \$2,817,977,000 on September 30, 1939, and \$2,234,333,000 on December 31, 1938.

Total resources amounted to \$3,085,819,000 compared with \$3,097,011,000 on September 30th, and \$2,523,167,000 a year ago; cash in the bank's vaults and on deposit with the Federal Reserve Bank and other banks, \$1,293,143,000 compared with \$1,316,611,000 and \$861,439,000 on the respective dates; investments in United States government securities, \$820,170,000 compared with \$808,804,000 and \$639,878,000; loans and discounts, \$636,176,000 compared with \$601,290,000 and \$638,734,000.

On December 30, 1939, the capital of the bank was \$100,270,000 and the surplus \$100,270,000, both amounts unchanged.

Because of a change during the year in the schedule of dates for the declaration of dividends, three semi-annual dividends of \$5,180,000 each, totaling \$15,540,000, have been charged against the undivided profits account in the calendar year 1939, whereas in the year 1938 only two such dividends were so charged in the twelve-month period. This explanation is needed in comparing the undivided profits on December 31, 1938, amounting to \$35,247,000, with the balance in the undivided profits account on December 30, 1939, amounting to \$33,022,000.

The net earnings of the Chase National Bank for the year 1939 amounted to \$13,315,000, or \$1.80 per share, compared with \$14,486,000, or \$1.96 per share, in 1938.

Chemical

In its statement for December 30th, the Chemical Bank & Trust Company, New York, reported deposits of \$737,104,292, an increase of \$169,343,939 over December 31, 1938, and total assets of

\$824,327,174 compared with \$658,873,937 a year ago. Cash on hand and due from banks amounted to \$391,152,269 as compared with \$268,283,929; U. S. government obligations to \$170,359,459 against \$108,241,303; bankers' acceptances and call loans to \$39,844,637 against \$57,811,285, and loans and discounts to \$121,540,434 against \$125,340,246.

Capital remained unchanged at \$20,000,000 and surplus at \$50,000,000. Undivided profits were \$6,744,055, an in-

crease for the year of \$1,111,402 after the usual annual dividends of \$3,600,000 (\$1.80 per share). The indicated net earnings on the bank's 2,000,000 shares (par \$10) amounted to \$2.36 per share for 1939 as compared with \$2.30 per share for the preceding year.

Continued Gains

A \$13,543,111 gain in insurance in force, to a total of \$440,570,713 as of December 31, 1939, is reported in the 55th annual statement of Northwest-

Guaranty Trust Company of New York

140 Broadway

Fifth Ave. at 44th St.

Madison Ave. at 60th St.

LONDON PARIS BRUSSELS LIVERPOOL HAVRE ANTWERP

Condensed Statement of Condition, December 31, 1939

RESOURCES

Cash on Hand, in Federal Reserve Bank, and	
Due from Banks and Bankers	\$ 1,040,901,764.23
U. S. Government Obligations	729,600,979.13
Public Securities	57,848,398.56
Stock of the Federal Reserve Bank	7,800,000.00
Other Securities and Obligations	26,378,612.54
Loans and Bills Purchased	500,360,310.08
Credits Granted on Acceptances	14,620,349.24
Items in Transit with Foreign Branches	147,948.35
Accrued Interest and Accounts Receivable	9,052,305.77
Real Estate Bonds and Mortgages	1,803,142.33
	<u>2,388,513,810.23</u>
Bank Buildings	11,754,741.69
Other Real Estate	1,365,713.09
Total Resources	<u>\$2,401,634,265.01</u>

LIABILITIES

Deposits	\$2,074,898,693.39
Outstanding Checks	13,528,652.49
	<u>\$2,088,427,345.88</u>
Acceptances	\$21,716,899.57
Less: Own Acceptances	
Held for Investment	7,096,550.33
	<u>14,620,349.24</u>
Liability as Endorser on Acceptances and	
Foreign Bills	2,201,978.00
Dividend Payable January 2, 1940	2,700,000.00
Miscellaneous Accounts Payable, Accrued	
Taxes, etc.	18,982,637.54
	<u>2,126,932,310.66</u>
Capital	\$ 90,000,000.00
Surplus Fund	170,000,000.00
Undivided Profits	14,701,954.35
Total Capital Funds	<u>274,701,954.35</u>
Total Liabilities	<u>\$2,401,634,265.01</u>

Securities carried at \$18,322,353.74 in the above Statement are pledged to qualify for fiduciary powers, to secure public monies as required by law, and for other purposes.

Member Federal Deposit Insurance Corporation

YOUR GRACIOUS HOST FROM COAST TO COAST



The Gotham



The Drake

The Blackstone



The Town House



Bellevue Biltmore

A.S. KIRKEBY, Managing Director

KIRKEBY HOTELS

ern National Life of Minneapolis. This compares with a gain of \$8,490,777 reported at the end of 1938.

Appearing as usual on New Year's Day, Northwestern National's statement once again is the first complete and final life insurance company balance sheet to be published.

"The fact that the 1939 gain in insurance in force was 60 per cent greater than the 1938 gain—although the volume of new business was only slightly greater—is gratifying and highly significant," said O. J. Arnold, president, in commenting on the statement. "The essential reason is a further improvement in the company's renewal ratio—the ability, and determination, of policyholders to keep their insurance in force. Not only does this reflect a better financial condition on the part of the average American family, but also an encouraging response to the company's thoroughgoing program of lapse prevention. Sales of paid-for new business for the year totaled \$65,052,626 compared with \$64,291,283 in 1938."

Northwestern National's admitted assets show an increase of \$5,063,567 to a total of \$75,205,180, compared with \$70,141,613 as of the end of the preceding year. Contingency reserves and surplus, after setting aside voluntary additions of \$160,911 to special reserves

for disability, annuities, and asset fluctuation, stood at \$5,457,918 as of December 31st, compared with \$5,265,319 the preceding year-end.

Holdings of U. S. government securities and fully guaranteed bonds of government agencies totaled \$24,313,613, compared with \$24,295,794 the year preceding. Other bond holdings amount to \$24,010,911 as against \$24,206,788 a year ago. Total bonds represent 64.3 per cent of assets as compared with 57.9 per cent for the life insurance business as a whole, as estimated by the Association of Life Insurance Presidents. First mortgage loans showed a substantial increase, to a total of \$7,292,650 compared with \$4,525,481 as of the end of 1938. The increase was principally accounted for by expansion in FHA insured loans on city homes. Cash stood at \$4,474,631 as of December 31.

Real estate owned, including Home Office building and real estate sold under contract, decreased to \$2,882,675, compared with \$2,919,471 as of the end of the previous year, or 3.8 per cent of total assets, compared with 7.2 per cent for the business as a whole.

There was a decrease in the company's policy loans to \$9,565,148, from \$9,629,528 at the end of the preceding year, or from 13.7 per cent to 12.7 per cent of total assets.

Opened for Business October 15, 1934

Statement of the

IOWA STATE BANK & TRUST COMPANY

Iowa City, Iowa

DECEMBER 30, 1939

RESOURCES

Cash and Due from Banks.....	\$883,707.43
U. S. Bonds.....	165,014.69
Other Bonds and Securities.....	136,881.44

CASH OR ITS EQUIVALENT.....	\$1,185,603.56
Loans and Discounts.....	1,544,779.99
Overdrafts.....	90.26
Banking House.....	53,300.00
Furniture and Fixtures.....	15,400.00
Municipal Warrants.....	16,504.89
	<hr/>
	\$2,815,678.70

LIABILITIES

Capital Stock.....	\$ 100,000.00
Surplus and Undivided Profits.....	100,143.38
Reserve for Interest.....	293.07
Deposits.....	2,615,242.25
	<hr/>
	\$2,815,678.70

OFFICERS

BEN S. SUMMERWILL, President
DR. E. M. MAC EWEN, Vice President
M. B. GUTHRIE, Cashier
W. F. SCHMIDT, Ass't Cashier
M. E. TAYLOR, Auditor
W. W. SUMMERWILL, Credit Mgr.

DIRECTORS

DR. E. M. MAC EWEN GEORGE J. KELLER
FRANK KRALL M. B. GUTHRIE
GEORGE A. THOMPSON GUY A. STEVENS
BEN S. SUMMERWILL

• IOWA NEWS •

Premium collections amounted to \$10,630,054 in 1939, and total income reached a new peak of \$15,160,680. Payments to beneficiaries of decreased policyholders totaled \$2,571,751; payments to living policyholders, excluding policy loans, totaled \$3,478,712. Since organization in 1885, payments to policyholders and beneficiaries have totaled \$107,193,412.

"Over the 10 year period 1929-39 Northwestern National's insurance in force increased 35 per cent, compared to a 10 per cent gain for the business as a whole; its assets doubled while the assets of all companies grew 67 per cent," Mr. Arnold points out. "For the future, NwNL pledges continued allegiance to these two principles: in the care and management of resources, the utmost caution and conservatism; in the search for ways to make life insurance more economical and more useful, the utmost in progressiveness and open-mindedness," he said.

Deposits Increase Over 16 Per Cent

The Stock Yards National Bank of South St. Paul, Minnesota, had an increase in its deposits of over 16 per cent



J. F. RINGLAND

SELL YOUR BANK

The "Walters" Way
Without Publicity

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

during the past twelve months.

Deposits on December 31, 1938, were \$5,342,792, and on December 30, 1939, they were \$6,212,474, or an increase of \$869,681.

This indicates a very substantial growth in this well-known institution, and reflects a great deal of credit upon the officers, who are: J. F. Ringland, president; J. C. Moore, vice president; A. A. Bibus, vice president and cashier; J. M. Kane, assistant cashier; J. G. McGarrough, assistant cashier, and C. W. Messenger, auditor.

Loans and discounts also increased \$656,194. On December 31, 1938, loans and discounts were \$1,819,509, and at

the call of December 30, 1939, the loans and discounts were \$2,475,703.

The capital of the bank is \$250,000 and the surplus is \$225,000, with reserves and undivided profits of \$23,956.

Living Cost Changes

The "real income" of Mr. and Mrs. American Public, after three months of European War, has suffered little from war-inflated prices. The Publics on December 1, 1939 had a purchasing power twelve cents on the dollar higher than that date a year earlier. This was due largely to an increase of fourteen cents cash income on the dollar which was far more than sufficient

THE NORTHERN TRUST COMPANY

CHICAGO



Statement of Condition

At the close of business, December 30, 1939

RESOURCES

Demand Loans (Secured by Collateral).....	\$ 6,652,583.99
Time Loans (Secured by Collateral).....	7,806,678.80
Other Loans and Discounts.....	23,825,419.89
U. S. Government Securities.....	103,238,348.06
<i>(Including \$16,000,000.00 pledged to secure deposits of U. S. Govt. and other Public monies as required by Law)</i>	
Other Bonds and Securities.....	89,853,037.79
<i>(Including \$500,000.00 deposited with State Authorities under Trust Act)</i>	
Federal Reserve Bank Stock.....	270,000.00
Bank Premises.....	1,400,000.00
Customers' Liability, Account Letters of Credit and Acceptances.....	500,853.83
Other Resources.....	814,297.50
Cash and Due from Banks.....	160,224,400.13
TOTAL.....	\$394,585,619.99

LIABILITIES

Capital Stock.....	\$ 3,000,000.00
Surplus Fund.....	6,000,000.00
Undivided Profits.....	4,522,649.98
Reserve for Taxes, Interest, etc.....	10,018,889.76
Dividend Payable Jan. 2, 1940.....	135,000.00
Letters of Credit and Acceptances Outstanding..	582,799.35
Other Liabilities.....	379,924.52

Deposits:

Demand.....	\$289,524,000.17	
Time.....	80,422,356.21	369,946,356.38
TOTAL.....	\$394,585,619.99	

Member Federal Deposit Insurance Corporation

Northwestern Banker January 1940

to offset a rise of one cent on the dollar in living costs over the like 1938 date, according to a monthly study of what people in the United States get and spend, made public by Investors Syndicate.

Perhaps Mr. and Mrs. Public felt like paraphrasing historian Motley's remark about "give me the luxuries of life and I will gladly dispense with the necessities," as they noted that the three essential living costs — food, shelter and clothing—were unchanged from prices prevailing December 1, 1938, while miscellaneous items, such as shaves, manicures, amusement ad-

missions and the like, were four cents on the dollar higher December 1, 1939, than a year earlier.

Mr. and Mrs. Public, in this study, receive income from wages, investments and other sources in proportion to the national distribution of such payments. Their living expenses likewise are those of average householders. Their "real income," or purchasing power, is their actual ability to buy regularly needed goods and service.

"Real income" of the Publics is not a mere subtraction of cash income from cash outgo, which would be an

index of savings rather than "real income," but an average relative figure of income and outgo designed to show how the cost of living affects the adjusted dollar income.

"Most prices, although up from the low level of last Summer, were almost the same as of December 1, 1938," comments Investors Syndicate's consumer study. "One dollar would go as far in buying food, clothing and housing for a family. For miscellaneous needs, \$1.04 was required to buy what was a dollar's worth the year before (December 1, 1938), but the total living costs of the typical family could be supplied on the basis of \$1.01 to match the dollar of the previous year.

"A rise of twenty-one cents on the dollar over December 1, 1938, enabled wages to lead the gains in all sources of cash income. The flood of dividend payments—extras, increases, resump-tions—near the final month of the year brought the flow of income from investments to \$1.18 compared with only \$1 on December 1, 1938, thereby swelling the national income from this source.

"Salary checks, as well as wage-earners' envelopes and stockholders dividend checks, reflected the upswing in industry and trade toward the last month of 1939. Salary checks were being made out at the rate of \$1.09 for each dollar stamped on them in early December, 1938.

"Other income, such as business men's and farmers' earnings, were at the rate of \$1.06 on December 1, 1939 for each \$1 a year earlier.

Further Increase

The increase in November volume of savings, building and loan association advances over the same month of the previous year was 34.4 per cent, the largest improvement over 1938 business reported for any of the first eleven months of 1939. A. D. Theobald, assistant vice president of the United States Savings and Loan League, says that this was the sixth successive month that saw more lending business than its counterpart month in every year since 1930.

A total of \$86,076,000 was loaned for new home construction, repairs and modernization, purchase of homes, re-financing and miscellaneous purposes, practically two-thirds of it being for

CHEMICAL BANK & TRUST COMPANY

165 Broadway, New York
Founded 1824

CONDENSED STATEMENT OF CONDITION

At the close of business, December 30, 1939

ASSETS

Cash and Due from Banks	\$391,152,269.46
U. S. Government Obligations, Direct and Fully Guaranteed	170,359,459.43
Bankers' Acceptances and Call Loans	39,844,636.93
State and Municipal Bonds	42,882,781.02
Other Bonds and Investments	43,518,644.75
Loans and Discounts	121,540,433.76
Banking Houses	1.00
Other Real Estate	5,333,275.99
Mortgages	2,338,664.51
Credits Granted on Acceptances	5,564,852.81
Other Assets	1,792,154.72
	<u>\$824,327,174.38</u>

LIABILITIES

Capital Stock	\$20,000,000.00
Surplus	50,000,000.00
Undivided Profits	6,744,054.83
Dividend Payable Jan. 2, 1940	900,000.00
Reserves, Taxes, Interest, etc.	3,324,718.84
Acceptances Outstanding	\$8,600,457.24
(less own acceptances held in portfolio)	2,515,902.96
Other Liabilities	169,554.58
Deposits (including Official and Certified Checks Outstanding \$4,878,035.41)	737,104,291.85
	<u>\$824,327,174.38</u>

U. S. Government Obligations and other securities carried at \$16,702,102.90 in the foregoing statement are deposited to secure public funds and for other purposes required by law.

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Member Federal Reserve System
Member Federal Deposit Insurance Corporation

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OMAHA

• IOWA NEWS •

the buying and building of homes. Volume was 6.6 per cent less than in October in line with seasonal expectations, but the fall-off was considerably less than between the two months in 1938.

"The noteworthy volume of construction loans for so late in the year, \$26,607,000, is witness to the growing strength of the revival of interest in home building," said Mr. Theobald. "As would be expected the construction loan volume was largest in the Southeast, in California and adjacent Southwestern states, where the climate favors continued building in winter time, and somewhat surprisingly in the Ohio-Tennessee-Kentucky district. These three areas account for 42 per cent of all the construction lending the associations did in November. A breakdown by states shows New York third to Ohio and California in the number of savings and loan advances going for new home building.

"Illinois and Ohio had the lead in home reconditioning loans, each utilizing more than \$500,000 worth of this kind of credit. Pennsylvania, New York, New Jersey, and Illinois each accounted for more than \$2,000,000 of the loans to buy homes."

Favoritism Unfair

"It has been observed that a square deal for the railroads means a square deal for the taxpayers too."

The water carriers provide an extremely apt case in point. Out of each dollar taken in by these carriers reporting to the Interstate Commerce Commission, about two cents goes for taxes. They do not build or keep in repair the channels on which they operate—those are built and maintained by the government out of general funds contributed to public treasuries in taxes.

The railroads, on the other hand, pay more than nine cents out of each dollar they receive, for taxes. On top of that, they must build and maintain their own roadways without benefit of tax subsidies. This takes 23½ cents out of that dollar of revenue.

It is clear that other common carriers than railroads are generally in much the same favored position as the water carriers, though to a lesser extent. A number of conclusive surveys, for instance, indicate that the taxes paid by the highway carriers, even though they make a superficially imposing total, are far from adequate to pay their share of the building and maintenance cost of the public high-

ways used. Again, the taxpayer must make up the deficit—which runs to tremendous figures.

The evidence overwhelmingly indicates that of all the major carriers, only one, the railroads, pay their own way. The others are subsidized in one way or another—some directly, some indirectly. The others are a burden to the already overburdened taxpayers of city, state and nation. This is one reason why the transportation problem is one of our most important domestic problems.

Help the Borrower

Home-financing institutions too often in the past have placed undue emphasis on dollar delinquencies—

"upon the standing of a mortgage loan on the ledger"—taking the unsound position that a borrower's inability to meet his payments was his problem alone, for which he must find his own solution.

This criticism was made in a recent issue of the Federal Home Loan Bank Review, official organ of the Federal Home Loan Bank Board, in an article which termed such an attitude as archaic and urged financing institutions to probe each borrower's basic difficulties and help him overcome them, rather than restrict their efforts to those of a collection agency.

To prove its point, the Review cites the record of the Home Owners Loan Corporation, the \$3,000,000,000 Government agency which refinanced more

CONDENSED STATEMENT FIRST NATIONAL BANK IN ST. LOUIS

At the Close of Business, December 30, 1939

RESOURCES

Loans and Discounts	\$ 59,641,794.97
U. S. Government Securities	51,773,337.57
Other Securities Guaranteed by U. S. Government	27,983,878.90
Other Bonds and Stocks	9,022,675.42
Stock in Federal Reserve Bank	420,000.00
Banking House, Improvements, Furniture and Fixtures	571,090.62
Other Real Estate Owned	1,772,588.32
Customers' Liability a/c Letters of Credit, Acceptances, etc.	656,626.32
Accrued Interest Receivable	679,449.81
Overdrafts	10,006.09
Other Resources	6,475.78
Cash and Due from Banks	134,559,919.41
	<u>\$287,097,843.21</u>

LIABILITIES

Capital—Common	\$ 10,200,000.00
Surplus and Profits	8,755,052.76
Dividend Declared Payable February 29, 1940	240,000.00
Reserve Unallocated	1,200,000.00
Reserve for Taxes, Interest, etc.	272,986.16
Unearned Discount	218,657.25
Liability a/c Letters of Credit, Acceptances, etc.	665,051.08
Other Liabilities	6,943.15
Individual Deposits	\$121,154,568.16
Savings Deposits	32,463,988.39
Bank Deposits	107,130,074.96
City of St. Louis and Other Public Funds	4,790,521.30
Total Deposits	265,539,152.81
	<u>\$287,097,843.21</u>



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Northwestern Banker January 1940

than a million distressed home owners during the depression—the average then two years delinquent in both principal and interest and between two and three years on taxes—and which today has enabled the vast majority to rehabilitate themselves to a position where they are virtually certain to retain their homes.

Pointing out that the HOLC daily has a wider range of experience in the servicing of home mortgages than most lenders have in the course of a year, the *Review* declares that all

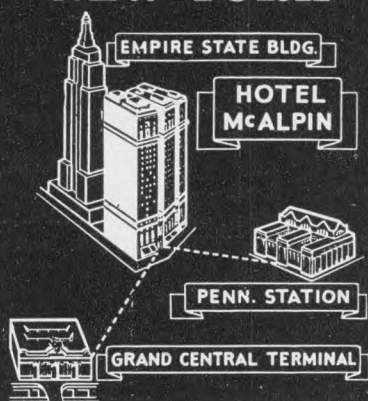
lenders well might study the policies of this Government agency and apply them as far as possible to their own problems. The HOLC, it declares, has learned "how to keep people in their homes."

"Floods and hurricanes, tornadoes and fires, have all played a part in the HOLC's operations," the *Review* points out. "In Louisville, a mortgagor's house is washed two blocks down the street by flood waters; is it possible to restore it to the original site, and, if so, what means shall be used? A divorce suit involving a borrower is initiated in Boston; pending settlement of the court action, the Loan Service Division must adjust the terms of payment temporarily. A borrower dies

in Savannah; while the estate is under adjudication, a satisfactory agreement with the heirs must be negotiated. Such cases are part of the everyday work. . . .

"Today nearly every lender has to face the same problem which has confronted the HOLC because of the general adoption of the long-term amortized loan. During the first years of such a loan, he must assist the borrower in every way to build a steadily increasing equity in the property or be prepared to take the highly probable loss when the borrower defaults on his obligation and turns the house back to the lending institution. Many a high percentage loan, although soundly made, will show a net loss

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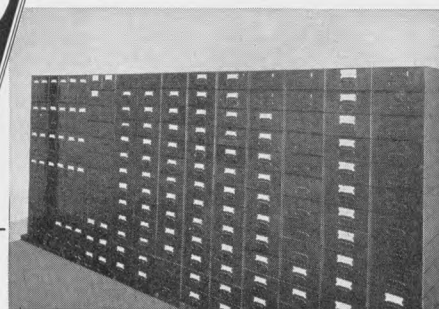
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to the mortgagee if the mortgagor defaults on his obligation within a very few months from the granting of the loan, even before the factors of obsolescence and depreciation begin to take their toll. The only profitable procedure for a mortgage-lending institution today is to help keep the majority of its mortgagors in their homes on an economically sound basis.

"The fundamental belief of the HOLC has been that, when circumstances justify, payments other than those called for in the contract should be temporarily accepted from the mortgagor, pending an anticipated solution of his difficulties. . . .

"The basic policy is that case analysis, not bulk treatment, is essential for successful operation.

"Following out this principle, an examination of the mortgagor's loan history is made and a *personally* dictated letter goes out from the Regional office when a second payment is missed, and no word has been received from the borrower. In many cases, this reminder brings a prompt payment, or else a partial payment with an explanation of the situation, and a proposal to make up the arrears within a definite time. In other instances, the reply from the borrower reveals conditions that apparently make it impossible for him to make any payments at all, or it may be that no answer is received.

"Depending on the individual case, but usually no later than 60 days after the first payment has been missed, a field representative of the HOLC makes a personal call upon the borrower. His object is not simply to arrange for the payment of the amount due. He is trained to ascertain the facts about the borrower's position so that a proper analysis of the account can be made and the real problem of the borrower determined. His aim is to suggest a possible cure for the mortgagor's difficulties. . . .

"The advice of a highly trained specialist in the loan service field has proved invaluable to many borrowers who, unaided, saw no way out of apparently hopeless situations which confronted them. Often home owners are not familiar with existing means of solving their problems. They do not know that in one state a widow is entitled to a reduction in the assessments upon her home; that in another a mortgagor is eligible to apply for homestead tax exemption. In other cases, HOLC borrowers have been qualified to receive assistance in the form of shelter allowance, or pensions from Federal and local welfare agencies, but have been ignorant of the existence of these aids.

"The HOLC sends an experienced

VALLEY

SAVINGS BANK

DES MOINES

Statement of Condition
Close of Business December 30, 1939



RESOURCES

Loans and Discounts.....	\$3,521,971.95	
Other Bonds and Stocks.....	109,300.00	
Overdrafts	None	
Furniture and Fixtures.....	15,181.15	
Customer Liability on Letter of Credit.....	4,050.00	
Customer Liability on Acceptances.....	9,160.20	
Government Obligations, Direct and Fully Guaranteed (par value)	\$ 253,940.00	
Municipal Bonds (par value).....	349,532.44	
Cash and Due from Banks.....	1,499,069.71	2,102,542.15
		\$5,762,205.45

LIABILITIES

Capital—Common	\$150,000.00	
Preferred	None	\$ 150,000.00
Surplus		200,000.00
Undivided Profits		106,133.29
Reserves		5,892.87
Reserves for Dividends		444.00
Unearned Discount		49,091.45
Bank Liability on Letter of Credit.....		4,050.00
Bank Liability on Acceptances.....		9,160.20
Deposits		5,237,433.64
		\$5,762,205.45

OFFICERS

Herbert A. Metcalfe, Chairman of the Board
Frederick M. Morrison, President
Winfield W. Scott, Vice President
J. R. Astley, Cashier
Edward P. Kautzky, Assistant Cashier

DIRECTORS

Walter P. Davis
Lucius W. Fitch
L. S. Hill
Harold J. Howe
Arthur S. Kirk
George Mahnke
Herbert A. Metcalfe
Frederick M. Morrison
Winfield W. Scott
J. E. Toney
Allen Whitfield

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

SECURITY NATIONAL BANK

SIOUX CITY, IOWA

Statement of Condition December 30, 1939

RESOURCES

Cash on Hand and on Deposit with Banks.....	\$3,944,996.35
United States Government Bonds.....	623,137.27
Bonds and Securities.....	41,041.80
Rediscountable Loans	1,786,475.98
Commercial Paper	80,000.00

Liquid Resources	\$6,475,651.40
Other Acceptable Local Loans.....	679,664.30
First Real Estate Mortgages on Income Properties in Sioux City.....	320,245.95
Security Bank Building, Vault and Fixtures....	162,500.00
Federal Reserve Bank Stock.....	14,100.00
Overdrafts	1,495.13

\$7,653,656.78

LIABILITIES

Capital Stock	\$ 250,000.00
Surplus	225,000.00
Undivided Profits and Reserves.....	18,312.44

\$ 493,312.44

Deposits	7,160,344.34
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\$7,653,656.78

OFFICERS

Charles R. Gossett, President
Albert C. Eckert, Vice President
Daniel B. Severson, Frank H. Abel and Alvin G. Nelson, Assistant Cashiers
Delko Bloem, Vice President
R. Earl Brown, Cashier
*U. S. Government bonds and other bonds are all short maturities and carried at less than market.

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representative to the mortgagors who have become delinquent in their payments to acquaint them with just such means of preserving their homes and restoring their accounts to a current status. The resourcefulness of these advisors has often been severely taxed to find ways and means of solving the borrower's problems. They have worked in close cooperation with the employment services, making sure that all delinquent borrowers were correctly registered; this has often made it possible for those without jobs to find employment. They have guided to the proper agencies those entitled to shelter allowance; they have helped those borrowers whose mortgages represented a burden beyond their income to rent or sell their properties.

"It takes patient and untiring work on the part of the field representatives, but this thoroughness has paid dividends. There are many cases on the HOLC books where borrowers are still being given a chance to rehabilitate themselves, despite the fact that they are considerably in arrears at present. By keeping in close personal touch with those who have fallen behind, encouraging them to maintain such payments as are within their means, the Loan Service Division has been

able to bring thousands of mortgagors into current standing after long periods of serious delinquency. . . .

"Just how successful the Corporation has been in working out its technique for protecting the interest of these borrowers is apparent from the fact that out of its original 1,018,000 loans—all to borrowers once faced with foreclosure—more than 53,000 have been paid in full and crossed off the books, 672,500 others are in satisfactory condition, and 126,000 more are being kept open by adjusted payments which give hope that the majority will be liquidated without loss. Approximately 84 per cent of present HOLC accounts are in entirely satisfactory standing; the rest are being carefully serviced to explore every resource by which they can be brought to such a status. To date borrowers have paid back more than \$614,000,000, or more than 19 per cent of their entire principal indebtedness."

Declare Dividend

The board of directors of the Federal Home Loan Bank of Des Moines have authorized payment of the institution's tenth consecutive dividend to stockholders.

The bank, serving North and South Dakota, Minnesota, Iowa and Mis-

souri, declared the dividend applicable to the six months' period ending December 31st and said it would bring the total dividends paid for the year to \$120,324.

The bank's members association received \$27,888 of the total 1939 dividend, the balance of \$92,436 going to the United States Treasury. Total dividends paid stockholders since the bank's organization seven years ago are \$885,670.

Present officers of the bank were re-elected for 1940 by the board. The officers are R. J. Richardson, president and secretary; W. H. Lehman, vice president and treasurer; J. M. Martin, assistant secretary, and A. E. Mueller, assistant treasurer. E. S. Tesdell is counsel for the bank.

Total assets of the institution are \$19,998,000, and outstanding loans to members total \$16,661,500.

In New Connection

Adair D. Ross has become connected with the Polk County Federal Savings and Loan Association, Des Moines, it was announced recently by L. D. Ross, secretary-treasurer.

Adair Ross, who has been connected with the Bankers Trust Company, Des Moines, for the past ten years, will assist in the general business of the association, which maintains offices at 511 Seventh Street in Des Moines.

Elected Directors

Two Iowa men have been elected directors of the Federal Home Loan Bank of Des Moines, according to an announcement from headquarters of the Federal Home Loan Bank system at Washington, D. C.

The men are J. W. Irons, of the Mutual Federal Savings and Loan Association, Mason City; and John R. Loomis, of the Red Oak Building and Savings Association, Red Oak. They will serve two-year terms.

Partnership

Charles P. M. Allen, C. P. A. in Des Moines for several years past, and Arnold F. Schaetzle have formed a partnership to specialize in tax matters and act as tax consultants in Des Moines and vicinity. Mr. Schaetzle formerly was in partnership with the late Clayton B. Stiver.

Elected director

Mr. Harvey D. Gibson, chairman of the board, president and director of the Manufacturers' Trust Company, New York, has been elected director of The Home Insurance Company, 59 Maiden Lane, New York City, to succeed the late Charles L. Tyner.

INSURED PRINCIPAL

--- PLUS ---

Safety for EARNINGS

Bankers will appreciate the sound basis on which the Polk County Federal Savings and Loan Association is building its fast-growing financial structure. Between January 1 and December 16, 1939, this Association made loans totaling \$510,745.00. Of this amount, 86 per cent was loaned on well-built new homes. These better class properties are your assurance of continued liberal earnings for investment and trust accounts.

ASSETS \$1,345,000.00



**POLK COUNTY
FEDERAL SAVINGS & LOAN ASS'N**

511 Seventh St.

of Des Moines

Phone 3-4115

Be Sure You Know Your Insurance Coverage

By Homer Templeton

Special Agent
Crum & Forster, Des Moines

THE building and loan association has made a very definite contribution to the world of finance. It has made it possible for thousands to adopt a systematic method of savings, and also made it possible for countless other thousands to become home-owners, and in that way it has undoubtedly improved the community in which it is domiciled, because we all recognize the fact that the individual with money at his command, or the home-owner, is a better and more constructive citizen than that man who is living from hand-to-mouth, or is a tenant all his life.

However, that responsibility in itself throws a very definite burden upon your shoulders. The depositors of your building and loan association have put their money in your care with the faith that it will be available to them when needed, and you must conduct your business in such a way that their faith will not be broken. You can, of course, select good risks upon which to make your loans through the medium of your appraisal boards; you can be assured that the property is worth considerably more than the loan, thus making good collateral.

Through your personal acquaintance and with the aid of retail credit reports, or financial statements if necessary, you can select borrowers of integrity, borrowers who apparently are well able to meet their obligations.

This, offhand, should look like a good loan, but it is not enough. Conditions over which that borrower may have no control may stop his income, and at the same time the elements may destroy that property upon which you had depended for collateral. Therefore, insurance is necessary to make the loan ironclad.

In taking up the matter of insurance, it seems to me that the first thing to consider is the company itself. We should have good companies behind the contracts that we accept; companies that are well able to meet the obligations and provisions of their contracts.

In discussing the insurance company, or studying the problems from that angle, we must first give some thought to the investments that the company has made. All companies issue financial statements that include

their portfolio — their investment portfolio in detail, and a careful study of this list of investments will assure us whether or not they are liquid, and whether or not they are of sufficient quality to assure us that their contract can be met in the event of an emergency.

After deciding upon this matter, we then come to the statement itself. Unfortunately, the financial statement of an insurance company is rather difficult for the average layman to understand and analyze, or for many insurance men, so far as that is concerned. However, there are a number of formulas available that can be used to help us in this way. To my mind, the most successful formula, and perhaps the easiest to apply, is a comparison of the unearned premium reserve and the surplus to policyholders. The unearned premium reserve is a fund set aside, and should be sufficient to cancel all of the outstanding liabilities of the company and pay back the unearned premiums to the respective policyholders; or, in lieu of this, to purchase reinsurance with some other company. Neither one of these steps would likely be taken unless the carrying company had met with financial reverses, but in either case the policyholder shouldn't suffer financial loss.

A report of the unearned premium reserve is filed with the respective states in which the companies do business, and is on a percentage basis of the premiums written by the company. Since all companies file on the same basis, or approximately so, it should measure and be a fairly accurate yardstick of the loss possibilities that that company has assumed.

To offset this, as I said, you have the surplus to policyholders. In the case of stock companies, this is made up of the capital stock and the surplus only. The larger the surplus the stronger the company. I have heard the argument advanced that some companies had created too much surplus; that

they were stronger than necessary. To my mind, this argument is without foundation. We only need go back a few years to the time when a bank failure was unheard of, and then in the matter of but a few months banks were failing literally by the hundreds, due to unforeseen business conditions. Insurance companies are financial institutions; they are subject to almost all of the conditions that a bank is subject to, and in addition to that, they are subject to conflagration hazards which are over and above the normal run of losses. If history repeats itself, and it always has, we will be again confronted with a San Francisco disaster, a Chicago fire or a St. Louis tornado, at which time the insurance companies will find it necessary to dip deeply into their surplus to meet their losses. So I say, it is impossible for any financial institution to become too strong.

After deciding on the company itself, and making sure that it meets with your requirements, the next thing to take up is the contract. Insurance company contracts or policies, like automobiles, are streamlined today; they have been improved in many respects. The present dwelling house policy covers not only the building, but is extended to cover 5% of the amount of the dwelling on any outbuildings on the property. In other words, a \$4,000 policy on a dwelling will also cover \$200 on a garage or any other outbuilding, providing they are not specifically insured.

It is also extended to cover walks, trellises, pergolas, arbors and fences, and other artistic arrangements on the lot.

The electrical exemption clause has been recently changed in the dwelling house policy only—not in the mercantile policies. Formerly the electrical exemption clause excluded damage to electrical equipment from electricity, whatever the cause, either artificial or natural. The present-day dwelling house policy excludes damages to electrical equipment from electricity of an artificial nature, but not from lightning.

In the dwelling house policy the item covering household goods is extended to cover 10% of the amount of



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Assn. of Chicago

130 S. LaSalle Central 8100

the insurance on personal property in any of the outbuildings on the premises, and, of course the electrical exemption clause applies the same as it does on the dwelling.

After making sure that we have the streamlined policy in our possession, the next thing, to my mind, is to be sure that our contract is properly written. It should show the exact nature of the title and anything pertaining to the title; it should give an accurate and complete legal description of the property covered; it should show the proper construction of the building, and, above all, if there is more than one contract on the property, they should be concurrent in order to avoid litigation or delay in the event of a loss.

The next step we take up is the coverage itself. Today we are selling quite generally the extended coverage indorsement. This indorsement when attached to a fire insurance policy extends the policy to include the following hazards: fire, lightning, tornado, high-winds and hail and in addition thereto explosion, riot and civil commotion, vehicle damage, damage from aircraft, and damage from faulty operation of stationary heating devices. In these modern days with all manner of vehicles on the road; with aircraft flying over our homes; with labor troubles and difficulties, and with all manner of automatic devices for heating in our homes; it seems to me that this additional coverage is very important, and it costs only 20-cents a thousand more than the old-fashioned combined policy.

We have for the protection of the mortgagee three clauses in general use in Iowa. The first clause is known as the loss-payable clause. This clause provides that loss, if any, should be payable to the assured and the mortgagee as their respective interests may appear, subject, nevertheless, to the terms and conditions of the policy. In other words, this clause does not change any of the printed provisions of the policy itself, and if this clause is to be used allow me to suggest that it should be written to cover, first, the

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Statement on request

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INSURED - SAFETY

Current 3% Rate

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Pres. and Sec. Asst. Sec.

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Accounts Insured Up to \$5,000

NORTHWESTERN FEDERAL

Savings & Loan Association

823 Marquette Ave.

MINNEAPOLIS, MINN.

mortgagee and, second, the assured, as their respective interests may appear.

The other two forms or clauses are known as the long-form mortgage clauses. They make certain changes in the provisions of the contract. In other words, they cover a situation where should the policy be invalidated, by any act or neglect of the mortgagor or owner of the within described property, or by any foreclosure or other proceedings, or by change of title, or if the occupancy is one more hazardous than the one described in the policy, any of which would ordinarily invalidate the policy, with the use of this clause the mortgagee is still protected. The company might not pay the assured, but they would be required to pay the interests of the mortgagee.

Many of the companies have provided a blanket form of policy for building and loan organizations. This contract is written in the name of the building and loan association, with certificates to be issued for each property covered. The contract is more or less tailor-made, according to the conditions and requirements of the building and loan itself so we cannot tell very much about it, only mention it in a general way. It naturally provides all of the coverage of the specific policy with the long-form mortgage clause, and in addition to that it usually provides an errors and omissions coverage for the building and loan association. In most cases it will give automatic coverage for a certain number of days after the property has been acquired.

As far as the dwelling house policies are concerned, we are not allowed to use coinsurance in the state of Iowa, according to law. I understand, however, that many of your associations do make loans on properties other than dwellings and on apartment buildings. In those cases you may find coinsurance in the policies that you accept, and I think that is worthy of a lot of study. In this state, the coinsurance clause must be signed by the assured, who agrees to carry a certain percentage of insurance to value for which he gets a reduction in rate. Usually the 80% or 90% clause is used, probably the 80% more often than the 90%.

In taking up this feature, suppose we have a \$10,000 property—that is, its sound value is \$10,000, and, incidentally, that is arrived at by taking the present cost of the building and deducting from that the depreciation for the number of years it has stood; and the 80% clause is used, the assured agrees to carry 80% to value, which in this case would be \$8,000. If the assured carries \$8,000, or 80% of the value, settlement is made in exactly the same manner as if the coinsurance clause was not attached. However, if

the assured does not carry 80% for example, suppose he has \$7,000 insurance; in the event of a loss the company will pay seven-eighths, or that proportion between what he had agreed to carry and that which he actually did carry on any loss that he

might suffer up to the face of the policy.

I would suggest, therefore, in the event you have policies of that kind on your books, or in your files, that you carefully check the sound value of the property and make sure that there

Federal Home Loan Bank of Des Moines

Des Moines, Iowa

Statement of Condition November 30, 1939

RESOURCES

Advances to Members	\$16,813,299.29
U. S. Government Obligations and Securities Guaranteed by U. S.	1,367,000.00
Accrued Interest Receivable	62,651.97
Deferred Charges	13,801.12
Cash	705,669.47
	\$18,962,421.85

LIABILITIES

Government Stock Subscription	\$ 7,394,900.00
Members' Stock Subscription	2,361,050.00
*Debentures Outstanding	7,500,000.00
Premiums on Debentures	3,750.00
Deposits	986,650.00
Accrued Interest Payable	50,410.38
Surplus:	
Reserves	\$426,608.33
Undivided Profits	239,053.14
	\$18,962,421.85

*Participation in \$48,500,000 consolidated Federal Home Loan Bank debentures outstanding, which are the joint and several obligations of the twelve Federal Home Loan Banks.

SAFETY IN INVESTMENT

Accounts insured up to
\$5000.00

Statement on request

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SAVINGS AND LOAN ASSOCIATION**

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HOME FEDERAL SAVINGS AND LOAN ASSOCIATION OF DES MOINES

—our Federally Insured up to
\$5,000 savings accounts are
the solution to your invest-
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Current dividend 4 per cent.

Statement on request.

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Building and Loan Association**

FORT DODGE, IOWA

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\$1,124,000.00**

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216 8th Street

Phone 4-5324

Northwestern Banker January 1940

MERCHANTS MUTUAL BONDING COMPANY

Incorporated 1933

Home Office
VALLEY BANK BUILDING
Des Moines, Iowa

• •

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A progressive company with experienced, conservative management. We are proud of our hundred and fifty bank agents in Iowa.

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• •

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Secretary and Manager

Banking Supplies of Highest Quality—
Courteous Service—Sensible Prices.



L. W. HOLLEY & SONS
Complete BANK and OFFICE Equipment
100 EAST GRAND DES MOINES, IOWA

Lowest Cost

Our policy provides a maximum assessment of $2\frac{1}{2}\%$ in Zones One and Two—and $3\frac{1}{2}\%$ in Zone Three (Western Iowa).

Hawkeye Mutual Hail Insurance Association
Carver Bldg. Fort Dodge, Iowa

Northwestern Banker January 1940

is sufficient insurance to cover.

There was one question presented not long ago that might be worthy of brief comment at this time. In this case the company had made a loan of \$2,500 on a property estimated at \$10,000 in value. The assured carried \$7,500 of insurance in three separate contracts, and he put up one \$2,500 policy with the loan, insisting on retaining the other two himself. The mortgagee was inquiring about the situation. I don't like it for several reasons: In the first place, as I explained a while ago, all policies should be concurrent, and if this mortgagee doesn't have all of the contracts in his possession he has no way of knowing whether they are concurrent, or not. In addition to that, the contract which he holds in his files provides that the policy would pro-rate or contribute with all other valid and collectible insurance. In event of a loss in this particular case his contract would pay only one-third of any loss. I would suggest, therefore, that you have all of the insurance covering that property in your possession.

Assistant Cashier

Karl R. Tuttle, well known Spencer business man, has accepted the position of assistant cashier of the Farmers Trust and Savings Bank at Spencer.

Tuttle has been associated with his brother, R. M. Tuttle, in the popcorn business here many years. He has also been a member of the city council several years.

Manufacturers Trust

The statement of condition of Manufacturers Trust Company, New York, as of December 30, 1939, shows deposits of \$762,763,244 and resources of \$861,154,221. This compares with deposits of \$737,809,059 and resources of \$837,238,027 shown on September 30th and deposits of \$655,486,078 and resources of \$769,305,594 shown on December 31, 1938.

Cash and due from banks is listed at \$267,372,519, as against \$233,593,429 on September 30th and \$197,452,981 on December 31, 1938. U. S. Government securities stand at \$282,493,190; three months ago it was \$273,198,269 and a year ago \$229,471,899. Loans and bills purchased is \$189,415,410 which compares with \$203,423,657 at the end of the previous quarter and \$206,827,429 on December 31, 1938.

Northern Trust

Deposits of The Northern Trust Company, Chicago, on December 30, 1939, were \$339,977,000 for a year's gain of \$30,000,000. Loans increased \$6,-

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1939

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000,000 to \$38,285,000 during 1939 and cash and due from banks rose \$21,000,000 to a total of \$160,224,000. Government securities totaled \$103,238,000—\$5,000,000 under the December, 1938, figure, while other bonds were up \$10,000,000 to \$89,853,000.

Earnings of The Northern Trust Company in 1939 were \$906,914, or \$30.23 per share.

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We are happy to list among our regular guests, a large number of the banking fraternity.

You too will thoroughly enjoy our Courtesy and Hospitality.

Surprisingly Reasonable Rates

Rooms With Bath
\$2.00—\$2.50

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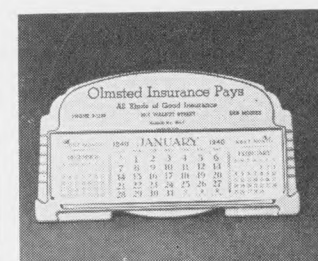
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1939—Our 50th Anniversary Year

IN THE DIRECTORS' ROOM

Thrifty

"Is McPherson in?"
"Aye but he's vurra busy he's sharpening the phonograph needle for the party tonight."

Bouquet Tossing

Margaret Anglin the story goes left this message stuck in the mirror of Mrs. Fiske's dressing room:

"Margaret Anglin says Mrs. Fiske is the best actress in America."

Mrs. Fiske read it, added two com-mas, stuck it in an envelope, and sent it back to Miss Anglin. It read:

"Margaret Anglin, says Mrs. Fiske, is the best actress in America."

And How!

Science Teacher: "What is velocity?"

Johnny: "It's what a person puts a hot plate down with."

And She Was

Glamour Girl: "Yes, I'll endorse your cigarette for fifty thousand dollars."

Agent: "I'll see you inhale first."

Just As Good

Diner: "Yes, I know fish is brain food, but I don't care so much for fish. Isn't there some other brain food?"

Waiter: "Well, there's noodle soup."

Same Thing

School Visitor: "What's the matter, my boy?"

Pupil: "Palpitation and insomnia."

School Visitor: "But you can't be suffering from these things."

Pupil: "It isn't suffering, sir. It's spelling."

To Highest Bidder

Bookkeeper: "I'll have to have a raise, sir, there are three other companies after me."

Employer: "Is that so? What companies?"

Bookkeeper: "Light, 'phone and gas."

At Rest

"Quartermaster, is that our true position?"

"Yes, sir."

"You're positive?"

"Yes, sir."

"Then take off your hat. We're in Westminster Abbey."



Convenient

Horace: "Well, good night, Mazie. I hope I haven't kept you up too late."

Mazie: "Oh, no, Horace, not at all. I should have been getting up soon anyway."

Many Times

She: "They say a bachelor is a man who has been crossed in love."

He: "Yes, and a married man is one who has been double-crossed."

Not In Alcohol

The native student, writing a letter to the superintendent of the mission, desired to end with the words: "May Heaven preserve you."

Not being quite confident of the meaning of "preserve," he looked it up in a dictionary. When the letter reached the superintendent, it ended with the words: "And may Heaven pickle you."

Good Idea

Groom-to-Be: "And now, Doc, that I've told you I'm going to marry Anne, there's one thing I want to get off my chest."

Doc: "You just tell me about it, my boy."

Groom-to-Be: "A tattooed heart with the name Mabel on it!"

Easier To Do

Mrs. Fink: "Did your husband turn over a new leaf New Year's?"

Mrs. Brink: "No, but he turned over a new car."

Smart Wilbur

The dreamy-eyed author clawed frantically through his desk for that recently completed manuscript, then gave up in utter despair. Approaching his wife, he asked:

"Darling, it's gone! My beautiful story. Do you think our little Wilbur ate it up?"

"Now how could he?" asked the wife. "You know he can't read."

They All Do

Woman—Doctor, I want you to help my husband.

Psychiatrist—Well, what's wrong.

Woman — He's worrying about money.

Psychiatrist—Now, now, I'll relieve him of that.

Part Owner

Friend—Ha, ha . . . I see you're a man who blows his own horn.

Horn Player—Your mistake, pal. It won't be mine until I've made six more payments on it.

Stick Around

"Say, what's the idea of putting all that marshmallow and syrup on my sundae?"

"Well, pal, when you gotta goo, you gotta goo!"

That Smelt

He—They say fish is a grand brain food.

Gal—I eat lots of fish.

He—Darn! Another popular theory shot to heck!

Can't Catch Up

"Gee! Married five years and no children. Say, how do you avoid the stork?"

"We live in a trailer."

Shut Up!

The ham actor, noted for his wild hand-waving while arguing, was haranguing an acquaintance.

"It won't do you a bit of good to talk," protested the listener. "I forgot my glasses and I can't hear a word you're saying."

Cheer Up!

One night, as a messenger from the office of an evening paper was passing along the quays on the banks of the river, he heard the sound of someone struggling in the water.

"Are you drowning?" he shouted.

"I am," replied a feeble voice from the water.

"What a pity!" said the lad, consolingly. "You are just too late for the last edition tonight. But cheer up; you'll have a nice little paragraph all to yourself in the morning."



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