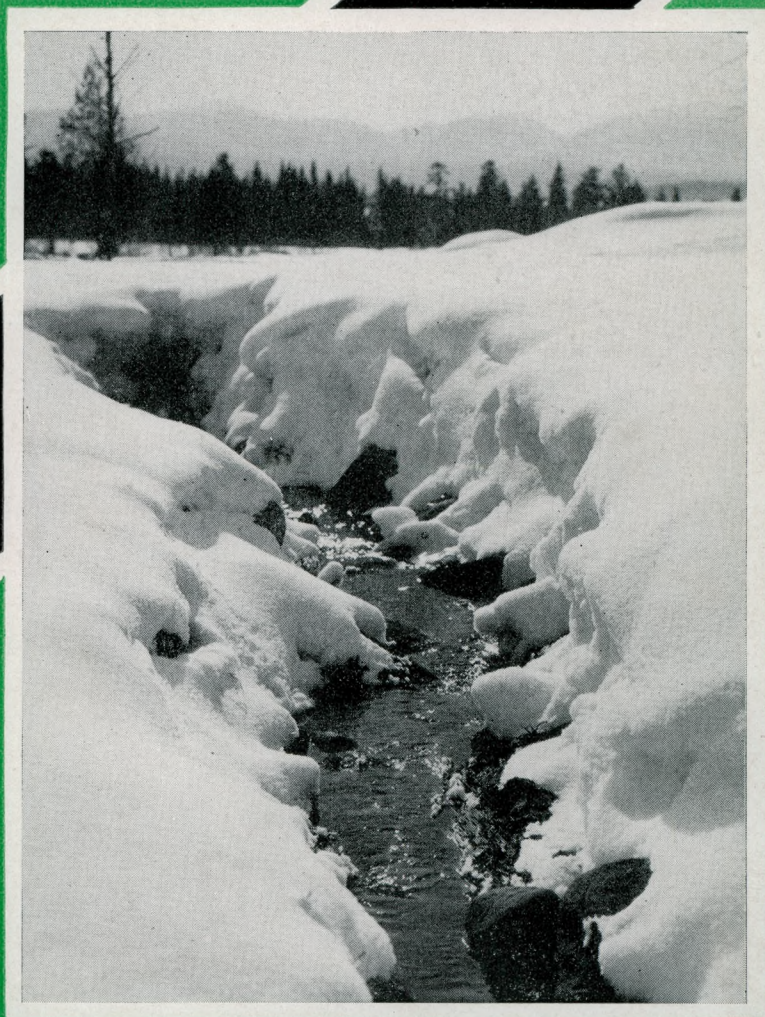


NORTHWESTERN *Banker*

FEBRUARY
1940



Black Water

Your Government Is Your Biggest Competitor

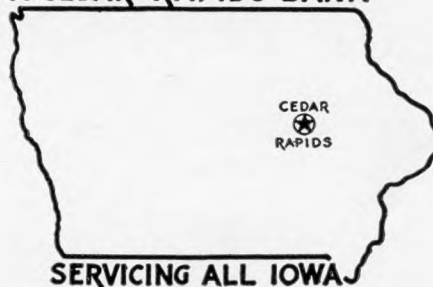


EQUIPPED TO SERVE!

Through the rare combination of favorable location, long experience and an extensive correspondent network the Merchants National Bank is able to render exceptional service to banks throughout Iowa.

To the many banks already using this service, we pledge our cooperation to merit your continued patronage. If you are not using Merchants National service, we invite your account in Cedar Rapids.

A CEDAR RAPIDS BANK



MERCHANTS NATIONAL BANK

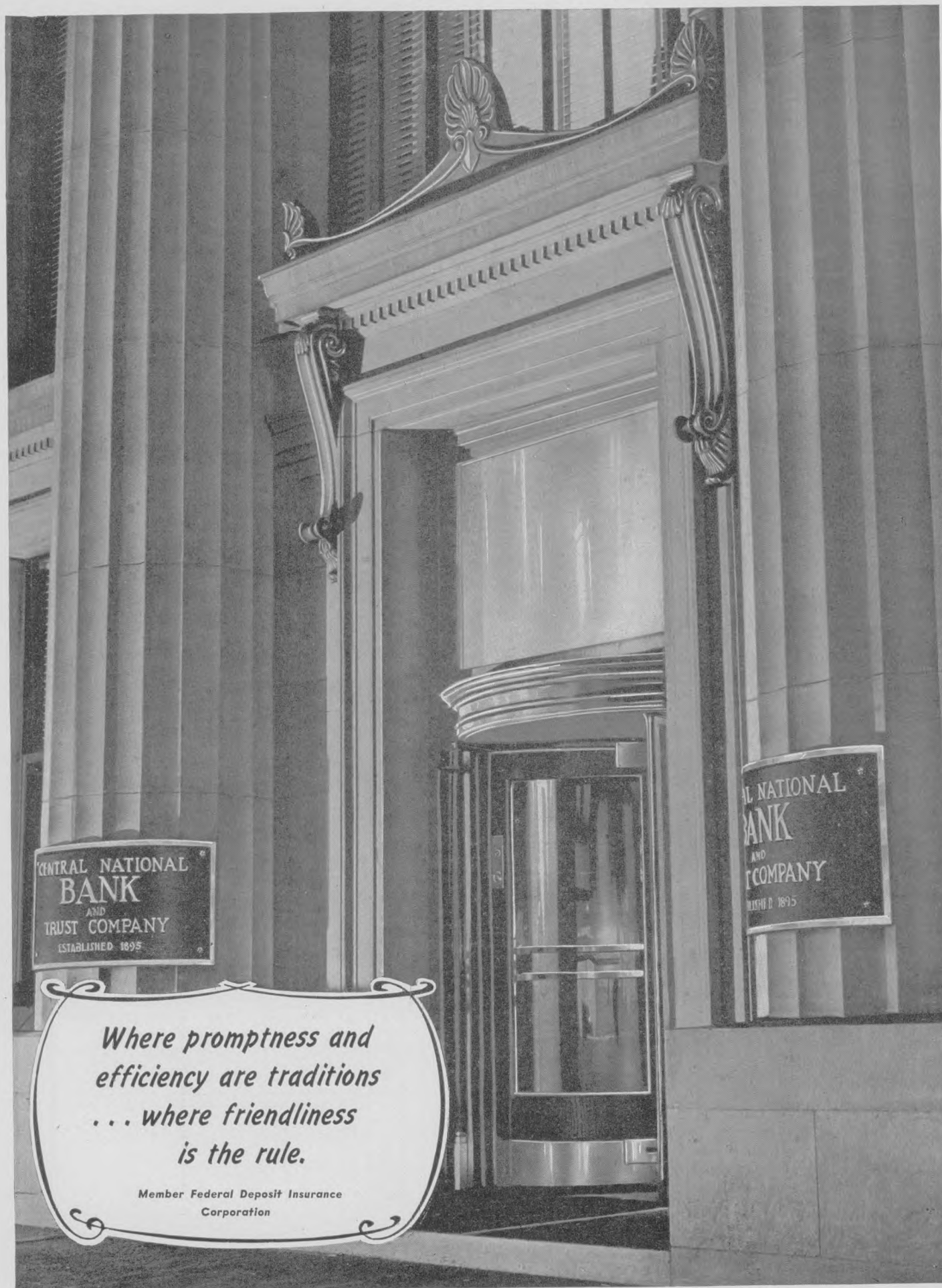
OFFICERS

JAMES E. HAMILTON, Chairman
S. E. COQUILLETTE, President
H. N. BOYSON, Vice President
ROY C. FOLSOM, Vice President
MARK J. MYERS, V. Pres. & Cashier
GEORGE F. MILLER, V. Pres. & Tr. Officer
MARVIN R. SELDEN, Vice President
FRED W. SMITH, Vice President
JOHN T. HAMILTON II, Vice President
R. W. MANATT, Asst. Cashier
L. W. BROULIK, Asst. Cashier
PETER BAILEY, Asst. Cashier
R. D. BROWN, Asst. Cashier
O. A. KEARNEY, Asst. Cashier
STANLEY J. MOHRBACHER, Asst. Cashier
E. B. ZBANEK, Building Manager

Cedar Rapids Iowa

Member Federal Deposit Insurance Corporation





*Where promptness and
efficiency are traditions
... where friendliness
is the rule.*

Member Federal Deposit Insurance
Corporation

Now! A Window-Plan Machine

that is compact
and amazingly
low in price

| Name W.P. Stewart | | | | |
|--------------------------------|------|-------------|----------|----------|
| Address 16503 Wisconsin Avenue | | | | |
| Account Number 432 | | | | |
| DATE | MEMO | WITHDRAWALS | DEPOSITS | BALANCE |
| JAN 6 40 | | | 100.00 | 100.00 S |
| FEB 17 40 | | | 50.00 | 150.00 S |
| MAR 2 40 | | | 75.00 | 225.00 S |
| MAY 11 40 | | 40.00 - | | 185.00 S |
| JUN 30 40 | INT | | 1.70 | 186.70 * |
| AUG 6 40 | | | 50.00 | 236.70 S |
| SEP 7 40 | | | | 236.70 S |
| OCT 7 40 | | | | 236.70 S |

| FIRST NATIONAL BANK BURROUGHSVILLE | | | | |
|---------------------------------------|------|-------------|----------|----------|
| In Acct. With W.P. Stewart | | | | |
| Account No. 432 | | | | |
| DATE | MEMO | WITHDRAWALS | DEPOSITS | BALANCE |
| JAN 6 40 | | | 100.00 | 100.00 S |
| FEB 17 40 | | | 50.00 | 150.00 S |
| MAR 2 40 | | | 75.00 | 225.00 S |
| MAY 11 40 | | 40.00 - | | 185.00 S |
| AUG 6 40 | INT | | 1.70 | 186.70 S |
| AUG 6 40 | | | 50.00 | 236.70 S |
| SEP 7 40 | | 50.00 - | | 186.70 S |
| OCT 7 40 | | | 50.00 | 236.70 S |



This low-priced window-plan machine is one of the most recent Burroughs developments. It posts any type of passbook, including savings, small loans, Christmas clubs, school savings and mortgage loans.

Of course it provides such standard Burroughs features as compactness, speed, ease of operation, and the Burroughs bank keyboard. And it is so much lower in price than any other window-plan machine that any bank may now have one at each savings window regardless of fluctuating volume and peak periods. Due to its flexibility, it may also be used for any adding or subtracting work in the bank.

For complete information, telephone your local Burroughs office. Or, if more convenient, write direct to—

BURROUGHS ADDING MACHINE COMPANY
6994 SECOND BLVD., DETROIT, MICHIGAN

Burroughs

| SAVINGS ACCOUNTS | | | | |
|------------------|------|-------------------------------|-------------------------|------------|
| SMALL LOANS | | | | |
| CHRISTMAS CLUBS | | | | |
| SCHOOL SAVINGS | | | | |
| MORTGAGE LOANS | | | | |
| ACCOUNT No. 123 | | | MONTHLY PAYMENT \$60.00 | |
| DATE | MEMO | INTEREST AND MISC. CHARGES | PRINCIPAL PAYMENTS | BALANCE |
| APR 10 40 | | 6,000.00 | | 6,000.00 S |
| MAY 10 40 | | 25.00 | 35.00 - | 5,965.00 S |
| JUN 11 40 | | 24.85 | 35.15 - | 5,929.85 S |
| JUL 10 40 | | 24.71 | 35.29 - | 5,894.56 S |
| AUG 12 40 | | 24.56 | 35.44 - | 5,859.12 S |

THE HOME INSURANCE COMPANY NEW YORK



STATEMENT—DECEMBER 31, 1939

DIRECTORS

•
LEWIS L. CLARKE
WILLIAM S. GRAY
CHARLES G. MEYER
WILLIAM L. DE BOST
WILFRED KURTH
EDWIN A. BAYLES
GORDON S. RENTSCHLER
ROBERT GOELET
HERBERT P. HOWELL
MORTIMER N. BUCKNER
FRANK E. PARKHURST
GEORGE McANENY
GUY CARY
HAROLD V. SMITH
HARVEY D. GIBSON

ADMITTED ASSETS

| | |
|---|-------------------------|
| Cash in Banks and Trust Companies | \$ 15,295,880.95 |
| United States Government Bonds | 10,753,105.49 |
| All other Bonds and Stocks | 86,911,891.37 |
| First Mortgage Loans | 300,000.00 |
| Premiums uncollected, less than 90 days due | 8,353,236.18 |
| Reinsurance Recoverable on Paid Losses | 1,021,060.43 |
| Other Admitted Assets | 420,923.52 |
| | \$123,056,097.94 |

LIABILITIES

| | |
|---|-------------------------|
| Capital Stock (3,000,000 Shares @ \$5 Par Value Each) | \$ 15,000,000.00 |
| Reserve for Unearned Premiums | 48,121,615.00 |
| Reserve for Losses | 6,190,596.00 |
| Reserve for Taxes | 2,350,000.00 |
| Reserve for Miscellaneous Accounts | 848,768.58 |
| Funds Held under Reinsurance Treaties | 173,600.52 |
| NET SURPLUS | 50,371,517.84 |
| | \$123,056,097.94 |

NOTE: In accordance with Insurance Department requirements—

Bonds are valued on amortized basis. Insurance stocks of affiliated companies are carried on basis of pro-rata share of Capital and Surplus. All other securities at Market valuations. Securities carried at \$3,130,503.00 and cash \$50,000.00 in the above Statement are deposited as required by various regulatory authorities.

FIRE—AUTOMOBILE—MARINE and ALLIED LINES OF INSURANCE

Strength « » Reputation « » Service

I always keep my own books and argue it out with the Income Tax People



THIS is the time of year that most men wish they had the services of a competent accountant to help straighten out the unorganized personal book-keeping which makes income tax blanks such a problem. And every practical business man knows that the knowledge and advice of the expert accountant is worth what it costs many times over.

Modern business raises many tax and legal problems which call for the advice and services of specialists in these fields and can only be solved when there is a clear and sound accounting base underlying the operation of the whole business.

And because he knows the value of skill and experience in his own field, the certified public accountant, auditor, or comptroller does not just say, "\$50 worth of insurance, please." He asks for and gets the advice and full services of an expert purchasing agent in the complex insurance field, like himself an expert middleman. No worries about uncovered risks that might wreck a business.

* * *

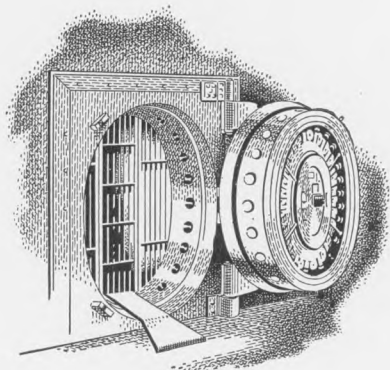
Because we believe so thoroughly in the services of an expert middleman, whether certified public accountant, insurance agent or broker, we refuse to accept business direct because it is not in the interest of the Company or the assured to do so. When *you* buy National Surety Fidelity Bonds, Surety 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 certified public accountants in your city.**

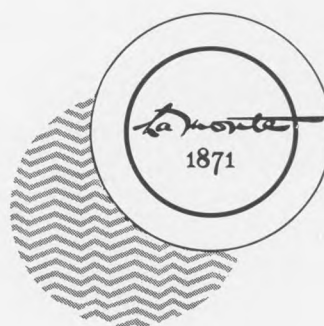
The commercial bank, like the accountant, renders an indispensable service. Its customers and its directors are chiefly independent business men — representative of the American Business System.

NATIONAL SURETY CORPORATION

VINCENT CULLEN, *President*



Bankers wisely place vaults where customers can see them, knowing how well these massive fixtures reflect the safety and permanence of their institutions. And when it comes to checks and other negotiable instruments more than 75% of the nation's largest banks (as well as outstanding business organizations from coast to coast) are today specifying "La Monte Safety Papers" for the protection they offer and the customer-satisfaction and good-will they generate. George La Monte & Son, Nutley, New Jersey.



THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

Statement of Condition, December 30, 1939

RESOURCES

| | |
|---|---------------------------|
| CASH AND DUE FROM BANKS | \$1,293,142,974.89 |
| BULLION ABROAD AND IN TRANSIT | 1,531,789.02 |
| U. S. GOVERNMENT OBLIGATIONS, DIRECT AND FULLY GUARANTEED | 820,169,815.83 |
| STATE AND MUNICIPAL SECURITIES | 115,818,216.32 |
| STOCK OF FEDERAL RESERVE BANK | 6,016,200.00 |
| OTHER SECURITIES | 135,271,736.00 |
| LOANS, DISCOUNTS AND BANKERS' ACCEPTANCES | 636,176,032.45 |
| BANKING HOUSES | 33,230,012.74 |
| OTHER REAL ESTATE | 8,203,128.99 |
| MORTGAGES | 10,423,953.28 |
| CUSTOMERS' ACCEPTANCE LIABILITY | 17,688,487.54 |
| OTHER ASSETS | 8,146,711.44 |
| | <u>\$3,085,819,058.50</u> |

LIABILITIES

CAPITAL FUNDS:

| | |
|--|---------------------------|
| CAPITAL STOCK | \$100,270,000.00 |
| SURPLUS | 100,270,000.00 |
| UNDIVIDED PROFITS | 33,021,785.02 |
| | \$ 233,561,785.02 |
| DIVIDEND PAYABLE FEBRUARY 1, 1940 | 5,180,000.00 |
| RESERVE FOR CONTINGENCIES | 15,314,589.22 |
| RESERVE FOR TAXES, INTEREST, ETC. | 1,850,485.58 |
| DEPOSITS | 2,803,730,326.31 |
| ACCEPTANCES OUTSTANDING | 19,884,330.28 |
| LIABILITY AS ENDORSER ON ACCEPTANCES AND FOREIGN BILLS | 1,570,723.08 |
| OTHER LIABILITIES | 4,726,819.01 |
| | <u>\$3,085,819,058.50</u> |

United States Government and other securities carried at \$104,897,563.40 are pledged to secure public and trust deposits and for other purposes as required or permitted by law.

Member Federal Deposit Insurance Corporation

...
FEBRUARY
1940
...

NORTHWESTERN *Banker* DES MOINES

FORTY-FIFTH YEAR

NUMBER 631

Oldest Financial Journal West of the Mississippi River

IN THIS ISSUE

Editorials

Across the Desk from the Publisher..... 10

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Feature Articles

Frontispiece—"The Welcoming Glow"..... 12
How to Increase Bank Earnings..... *W. E. Brockman* 13
News and Views..... *Clifford De-Puy* 14
How We Help Our Farmer Customers Make More Money..... *M. G. Fabricius* 16
Better Banking the Clearinghouse Way..... *Frank P. Powers* 17
When the Board Meets..... 18
Your Own Government Is Your Biggest Competitor..... 19
Banking Legislation—In Washington..... *Paul F. Lavezzo* 20
Northwestern Banker Digest..... 22, 23

Insurance

Be Persistent—But Friendly..... *Arthur H. King* 25

Bonds and Investments

Continued Industrial Activity..... 33
The Month's Market Maneuvers..... *James H. Clarke* 34
Iowa Investment Banking News..... 36
Pictures—Iowa Investment Banking Annual Meeting..... 37
What Their Statements Show..... 38
Nebraska Investment Banking News..... 43

State Banking News

Nebraska News 45
Omaha Clearings 47
Lincoln Locals 49
South Dakota News..... 51
Minnesota News 53
Twin City News..... 55
North Dakota News 57
Montana News 59
Iowa News 61
Pictures—Iowa Mid-Winter Banking Conference..... 69
Group One Meets in Sioux City..... 61
Group Eleven to Meet in Keokuk..... 73

Savings and Loan

North Central Conference in Chicago..... 75

The Directors' Room

A Few Short Stories to Make You Laugh..... 82

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Audit Bureau of Circulations
Financial Advertisers Association



Across the Desk From the Publisher

By Clifford DePuy

Country Banks Cooperate on Investment Problems

A constant problem for every country bank is what securities to buy, what maturity they should have, and various other questions which have to do with the investment of the bank's funds.

Banks in smaller communities do not always have access to statistical information and other data which large banks may have.

For this reason, G. O. Thorpe, cashier of the First National Bank of Chippewa Falls, Wisconsin, has organized the "Chippewa Valley Club" which is a group of smaller banks in neighboring communities gathered together to meet the problem of investments in their various institutions and to improve investment management of their banks.

The executive officers of these banks have signed an agreement to meet regularly to study reports of investment and business advisory services to which the club subscribes. Members will also receive analyses of their security holdings from a correspondent bank and discuss economic trends—all as a basis for more detailed studies of the securities which their banks hold or may purchase.

This seems to us like a sound idea and one which could be multiplied many times throughout the United States in other communities and with other groups of banks.

When Peace Comes

The part that the United States will play when peace finally comes will be a most important one. We have the greatest supply of gold that any nation has ever held at any time since the world began.

This supply of gold places upon us both a responsibility and an opportunity.

A responsibility to see that it is handled wisely and an opportunity to use it to the benefit not only of the United States but of every country in the world.

When peace comes we must also see that the interchange of goods and services between countries is allowed to move quickly and smoothly. In bringing out this point, Winthrop W. Aldrich, chairman of board of directors of the Chase National Bank, had this to say:

"We must all look forward to the day—and prepare for it—when the world will again find itself at peace. It is too soon to attempt a forecast of the influences which will determine the nature of that peace. But one thing is certain if peace, when it comes, is to have any real permanency, and that is that the multitudinous barriers which at the time of the outbreak of the war prohibited or unduly hampered trade between the nations of the world **must be removed, and that a situation must be created in which goods may move freely and in volume over the international boundaries.** In the accomplishment of this result it is unavoidable that the United States, because of its great economic strength, will play a most important, if not controlling, role. There is no doubt in my mind but that one of the most vital contributions we will be in the position to make to the peace settlement is that which has to do with the problem of the stabilization of the exchanges between the constituent parts of the new political world which will be created by the treaties to be entered into at the end of the war.

"We are already the possessors of 60 per cent of the world's monetary gold stock. Before peace can be achieved this share may have risen further. In a large sense we are and will be the conservators of the world's monetary system."

By studying our tariff situation and by allowing a freer interchange of goods is one way we

can do our part when peace comes. Another way is to see that our gold supply is used to help and not hinder world trade.

Let's Fight Centralization of Government

Unless something is done and done very soon, the United States, like the rest of the countries of the world, is going to be centrally controlled and centrally managed.

If that is the kind of government that our people want to trade for what they have had for 150 years, let them know exactly what they are doing before they do it.

We cannot believe that intelligent, well-read citizens want any such centralized government.

The trouble is that many of them only listen to the misinformation which they may get from some bigoted radio rabble rouser who doesn't care what happens to the government as long as he increases his personal power.

If you want to read a good analysis of "whither we are drifting" read the article by H. G. Wells, in the recent issue of *Liberty*, in which he says: "I dare to prophesy that in another score or so of years there will be no governments in the world worth talking about, there will be a mere welter of brigands and gangsters, unless we are all as collectivized as are Russia and the totalitarian states now, and—which is the riddle in the outlook—in some sort of common accord.

"Collectivization, with a crude disregard of proprietorship and individual enterprise, has taken possession of Russia and the totalitarian states, and in the form of the New Deal it struggles to take possession of America. With infinite reluctance, even the British system is being forced, backward, and protesting, toward the same end. Everywhere we are coming under controls: the rich are being taxed out of power and influence; and yet this system of government, idea-blind, totally unprepared for the task, is under our horrified eyes assuming the management of a new British muddle-headed collectivist state.

"This collectivism which is rolling down upon us from the east knows nothing of the tradition of personal rights. There have been no Magna Chartas east of the Rhine. It is a collectivization in the dark; even when it is honest it is passionate, dogmatic, and impatient of criticism. In the darkness it is bound to blunder into paternalism, absolutism, dishonesty, inefficiency, confusion, and disaster."

If this disaster, inefficiency and confusion is to be kept from the United States, the bankers of America must help to perform that service.

Banking, more than any other function, represents the life blood of the community, and when that life blood is made to flow in only one direction, towards a centralized controlling board, of whatever character it may be, then to that extent is the country doomed and will all of its activities be controlled from one source with the power of life and death.

Let us see that it does not happen in America.

U. S. Savings Bond Competition

For every bond sold by the United States government it is taking money from some productive enterprise and putting it into bureaus and alphabetical organizations where in nine cases out of ten it is nonproductive.

However, the credit of the United States is so high that United States Savings Bonds, to the amount of \$3,010,693,100 have been sold from March 1, 1935 to October 31, 1939.

The sales through post offices have amounted to \$2,606,633,150 and mail order sales have amounted to \$404,059,950.

The United States Savings Bonds purchased by some of the states are as follows:

| | |
|--------------------|---------------|
| Illinois | \$324,630,925 |
| Minnesota | 135,300,550 |
| Missouri | 131,061,500 |
| Iowa | 112,816,700 |
| Kansas | 78,320,175 |
| Nebraska | 60,478,800 |
| Montana | 23,871,775 |
| North Dakota | 19,689,950 |
| South Dakota | 18,479,625 |

It is also an interesting observation that bonds of the \$100 unit accounted for 29 and 39/100 per cent of the total sold or \$3,200,966.

Classification of all the bond units purchased are as follows:

| | | |
|-----------------|-------------|--------|
| \$ 25 Bond..... | \$2,716,292 | 24.94% |
| 50 Bond..... | 1,997,414 | 18.34% |
| 100 Bond..... | 3,200,966 | 29.39% |
| 500 Bond..... | 907,093 | 8.33% |
| 1000 Bond..... | 2,069,272 | 19.00% |

Whatever disadvantages may have resulted because of this competition of United States Savings Bonds with the quotations of other securities, at least one fact stands out prominently, that bonds of \$100 denomination are more popular and bought in larger quantities than any other unit.

In the future as corporate and industrial financing increases, perhaps this thought will be helpful in the future sale of securities, thus allowing the individual with a smaller amount of capital to invest, and purchase bonds of units of smaller denominations.



©

THE WELCOMING GLOW

MA

How to Increase Bank *Earnings*

Bankers Will Find the Financing of Tractors and Other Farm Equipment A Profitable Method of Increasing Bank Earnings

By W. E. Brockman

Vice President
Midland National Bank & Trust Co.
Minneapolis

BANKS located in the better agricultural areas are finding a new and profitable outlet for their surplus funds in financing the sale of tractors and other farm equipment. For many years following the introduction of the farm tractor and other power machinery for farm use, installment sales were handled largely by the manufacturer, and in some cases by responsible dealers who were financially able and willing to take the risk. Only in recent years have banks become an important factor in the extension of this type of credit.

Gradually as machinery has become more perfected it has been possible for a farmer to determine the extent to which the purchase of modern machinery would make his operation more profitable and justify going into debt for equipment. Often the supply, demand and cost of labor are an important factor in arriving at a decision. In recent years the improvement made in farm tractors has revolutionized farming.

There are certain important factors which today make farm tractor paper a desirable investment.

(1) The farm tractor has a greater utility than ever before. The development of the light and speedier type of tractor means that tractors are not restricted to actual cultivation and harvesting but are put to a variety of uses, used throughout the year and in all kinds of weather. Given normal use the cost of repairs during the first few years are nominal. Finally, the range of prices of tractors is such that the cost is low enough on certain types for the small farmer and they can, therefore, be used on both small and large scale operations on an economical basis.

(2) Manufacturers are giving more attention to building up strong dealer organizations. A branch manager must be experienced and competent. Quality sales are looked for by the manufacturer rather than volume. The good dealer or branch manager is expected to be as careful of credits as the banker who finances the sales. Distributors realize their responsibility to the bank that carries the paper and usually can be depended upon

to follow through until the contracts are paid.

(3) The manufacturers are working closely with the banks that are financing sales either by loans extended to dealers, paper purchased from them, or direct loans to farmers. These manufacturers are insisting upon a sound sales and financing program so that not only they themselves but the



W. E. BROCKMAN

dealer, the banker and the purchaser may keep losses to a minimum.

There are three distinct types of financing in which banks may engage in connection with the sale of tractors and the financing of dealers. **The first** has to do with direct lines which may be granted to a dealer who has sufficient capital and who has established himself as a sound operator. **The second** has to do with paper purchased from the dealer covering sales to individual purchasers, and the **third** consists of money loaned direct to the purchaser secured by a chattel mortgage to be paid back on the installment plan.

In the past the manufacturers, either direct or through a subsidiary, have carried the bulk of notes as an accommodation to the dealer. Some still operate on this plan and others do so if the dealer prefers to handle his sales in this manner. There is, however, a growing recognition that the local banker, because of his strategic position and knowledge of the purchaser's financial standing and ability to pay, can contribute materially toward the proper handling of installment loans. Most of the companies are now recommending that their dealers finance a major portion of their sales through the local banks.

Eligible Tractors

New equipment manufactured by established companies is regarded as the most eligible merchandise for this type of financing. There are, of course, cases where loans for the financing of used machinery can be considered but in such cases the responsibility of the borrower becomes the important and deciding factor rather than security offered by a chattel covering the equipment. There are always many purchasers sufficiently strong financially to warrant accommodation on a basis independent of the collateral value of the equipment being purchased. Banks have always made loans of this kind and as a rule such transactions are handled in the same manner as a commercial loan although installment payments are frequently arranged.

From a practical standpoint the procedure usually followed is for a purchaser to go to the bank, sometimes in the company of the dealer, and discuss his proposal and endeavor to arrange for credit that will be satisfactory to all concerned so that the note can be retired at maturity. Often the dealer may check with the bank in advance of a contemplated sale and in this way determine whether or not the prospect is a desirable credit risk.

General Terms of Purchase

A down-payment of 33½ to 40 per cent is usually considered desirable.

(Turn to page 29, please)

NEWS AND VIEWS

OF THE BANKING WORLD

By Clifford DePuy

JOHN BURGESS, vice president of the Northwestern and National Bank and Trust Company of Minneapolis is the only director west of Ohio in the Banker Association for Consumer Credit. The association was organized in June 1939, when 410 bankers attended a meeting at Lake Conneaut, Ohio. Mr. Burgess, in addition to being a director of the association, is also a member of the executive committee.

Last year the Treasury Department gave out a list of all individuals receiving compensation of \$15,000 and upward, but this year the list includes only those who received \$75,000 a year or more in salaries, bonuses and commissions and does not include dividends and other sources of income. A few of the top executives are given in the following list:

Occidental Life Insurance Co.—**Hoyt M. Leisure**, \$177,668.

Continental Illinois National Bank and Trust Company of Chicago—**Walter J. Cummings** \$100,550.

Burroughs Adding Machine Co.—**Standish Backus** \$85,125, **A. J. Dougherty** \$80,150.

National Bank of Detroit—**W. S. McLucas** \$88,800.

Prudential Insurance Company of America—**Franklin D'Olier** \$78,314.

Chase National Bank — **Winthrop Aldrich** \$177,600, **H. Donald Campbell** \$103,320.

Corn Exchange Bank Trust Co. of New York—**Walter E. Frew** \$75,720.

Empire Trust Co. of New York—**Leroy W. Baldwin** \$75,830.

First National Bank of New York—**Leon Fraser** \$75,100.

Irving Trust Co. of New York—**Lewis E. Pierson** \$79,200, **Harry E. Ward** \$75,600.

Morgan Stanley and Co., Inc.—**O. H. Chalkley** \$105,500; **A. E. Lyon** \$104,500.

Mutual Life Insurance Co. of New York—**D. F. Houston** \$125,000.

National City Bank—**James H. Perkins** \$96,420, **Gordon S. Renstchler** \$97,919.

New York Trust Company—**Mortimer N. Buckner** \$95,400, **Artemus L. Gates** \$80,150.

National Life Insurance Co. of Montpelier, Vermont — **Truman H. Cummings** \$95,672, **Edgar T. Wells** \$168,570.

In a recent poll, conducted by the Central High School of Journalism in Omaha, in which they were asked to name the three outstanding men in the news for 1939, the students selected **Joseph Stalin**, internationally, **Franklin D. Roosevelt**, nationally, and **Alvin Johnson**, president of the Live Stock National Bank of Omaha, locally.

Up to now we have always thought that Alvin was really a very fine fellow, but we hate to see him get mixed up with such company.

Two young ladies who receive special copies of the colored frontispiece of the **Northwestern Banker** each month are **Carolyn Brenton**, age 14, and **Jane Brenton**, age 12, shown left



CAROLYN AND JANE BRENTON

to right in the picture. These are the charming daughters of **Mr. and Mrs. W. H. Brenton** of Minneapolis. Mr. Brenton is vice president of the North west Bancorporation.

Royal F. Munger, financial editor of the Chicago Daily News, in speaking before the Iowa Investment Bankers Association, in Davenport, the other day, said not to worry too much about presidential candidates in the coming national campaign, but to "concentrate upon getting rock-ribbed, independent-thinking congressmen into Washington, and you won't need to worry much about who the executive may be.

"The defense of individual liberty has always come through Congress, and not the chief executives. For executives, no matter where they are,

will take all the power that they have a reasonable hope of getting."

This is good advice for all of us—keep an eye on your candidates for Congress.

According to a recent estimate by the Federal Reserve Board the United States has an unprecedented total of over **64 2/5 billion dollars** in bank deposits, or about \$489 for every man, woman and child in the country.

Arnulf Ueland, vice president of the Midland National Bank and Trust Company of Minneapolis, is spending \$50,000 to remodel their bank interior and when this work is completed the Midland will have one of the most modern up-to-date banking homes of any institution of a similar size.

Arch W. Anderson, president of the California Bank of Los Angeles and formerly vice president of the Continental Illinois National Bank and Trust Company of Chicago, has left on a trip from the Pacific to the Atlantic coast and from New York he will embark on the steamship, **City of Norfolk**, making stops at Baltimore, the Canal Zone and Acapulco, Mexico, before he returns to Los Angeles.

Robert Goethe, president of The Charles E. Walters Company, Inc., of Omaha and publisher of "The Confidential Banker," distributed with a recent issue of their publication the bulletin sent out by the **Independent Bankers Association**, which also included a copy of the Wright Patman Bill, "To restrict the establishment of branch offices by financial institutions chartered or insured under the laws of the U. S." In commenting on this bill **Ben BuBois**, secretary of the association at Sauk Center, Minnesota, said, "In Wright Patman's bill to freeze branch banking, a copy of which is enclosed, we have a proposed piece of legislation that will do much to perpetuate our American system of banking. This bill is not destructive. It doesn't tear down what has been done but it does stop those proponents of concentration from carrying out a policy that would be ruinous to the banking fraternity and highly detrimental to the public in general."

When the first annual mid-winter Banking Conference of the Iowa Bankers Association was held in Des Moines recently, a banquet was planned for the evening at which **H. B. Steagall**, chairman of the U. S. House Banking and Currency Committee, was

to speak. At the last minute he was unable to attend. To help fill in this unexpected change in the program a number of officers of the Iowa-Des Moines National Bank and Trust Company entertained about forty-five of their banker friends at a dinner party at the Hermit Club.

Among those who acted as hosts for the bank were **Albert J. Robertson**, **Harry H. Sivright**, **Clarence A. Diehl**, vice presidents; **Harry G. Wilson**, cashier; **Harold P. Klein** and **Everett M. Griffith**, assistant vice presidents.

Rodney T. Lien, formerly in the banking business in Waterloo and Mason City, and more recently executive vice president of the National City Bank of Lima, Ohio, has been appointed Superintendent of Banks for that state.

L. M. Giannini, president of the Bank of America, has threatened to convert his organization from a National Bank into a State Bank unless Secretary of the Treasury Morgenthau stops his antagonism towards the bank management.

"It is not necessary that we belong to the Federal Reserve System," according to Mr. Giannini. He also said that Secretary Morgenthau had been "persecuting him and other Bank of America executives." We think no one would object if the bank system which has endeavored to dominate California banking activities did get out of the Federal Reserve System and let their own banking department of California try to figure out all of their intricate holding companies and affiliates.

Herbert L. Horton, president of the Iowa-Des Moines National Bank and Trust Company, has been elected a trustee and welfare director of the **H. B. Hawley Foundation**, succeeding **John Cowles**, who is now president of the Minneapolis Star-Journal and a resident of Minneapolis. The Hawley Foundation was created by the late Mr. Hawley, president of the Great Western Insurance Company, and will eventually be used to provide a building to house all of the welfare agencies in Des Moines.

Thomas E. Dewey, candidate for the Republican Presidential nomination, has figured out that the Federal government is spending \$17,500 every minute and is taking in only 55 cents for every dollar spent. It is doubtful whether any corporation with a financial statement of that character would be extended any credit anywhere in the United States.

Frank Warner, secretary of the Iowa Bankers Association, received many compliments for the fine one-day mid-year convention which was held in Des Moines last month. The question of Consumer Credit Loans, which was the subject discussed at the afternoon session, created a great deal of interest as also did the other questions on the program including "Government competition in the Banking Field."

In a recent survey conducted among farmers by Successful Farming the question of a third term was asked with the following results:

| | Yes | No |
|-----------------|-----|-----|
| All Farmers | 49% | 51% |
| Midwest Farmers | 41% | 59% |
| Other Farmers | 57% | 43% |

"President Roosevelt's popularity, fluctuating as usual, rises slightly when the war is mentioned. In another part of this survey, his supporters decreased by 6 per cent when a similar question omitted mention of the war. A Coal county, Oklahoma, farmer typifies the pro-Roosevelt group with the comment: "Wouldn't

want to change presidents in the face of the conflict." Against him fumed a man from Sanpete county, Utah: "No war would be sufficient reason to keep that man in office!"

Albert E. Felsted, advertising manager of the First National Bank in St. Paul, was kept busy as a "bee", taking care of the publicity for the annual St. Paul Ice Carnival, which is the outstanding event each year in that city.

Alex Highland, president of the Empire National Bank and Trust Company of St. Paul, with whom we visited the other day, reports a very fine year, and according to their last statement the bank had deposits of over \$8,685,000 and loans and discounts of \$4,086,000.

Lord Alfred Duff Cooper, former first lord of the British Admiralty, spoke in Minneapolis the other night, and as we entered the building where the lecture was to be given, we were handed a mimeographed page, entitled "English Propaganda Is Here". It was sixteen below zero that night, and a young lady, who represented the "Twin City Area Youth Committee

(Turn to page 30, please)

Chase Employee Receives Award



Standing before a portrait of the late **Henry W. Cannon**, former chairman of the Chase National Bank and founder of the bank's annual competitive examination for employees, **H. Donald Campbell**, president of the Chase, looks on as **Reeve Schley**, vice president, awards the first prize in the 1939 competition to **Charles W. Per-Lee** of the bank's public utilities department. Other winners were **George J. Suter**, **Albert W. Widmer**, **George R. Thomson**, **Herbert P. Von der Porten**, **F. N. Garrett, Jr.**; honorable mention was awarded **Arthur Foulks**, **Milton S. Coe**, **Kennedy Buell**, **Charles Newton** and **Clifton B. Wilburn**. Fifteen years ago, Mr. Cannon established a trust fund, the income from which supplies annual cash awards to several employees attaining the highest rating in an examination on banking and related subjects.

How We Help Our Farmer Customers *Make More Money*

I BECAME associated with the Osage Farmers National Bank of Osage, Iowa, on July 1, 1936, with the purpose of adding an additional service to the farmer customers of the bank, and assisting the president in the loan department. I had previously been County Agricultural Agent in Mitchell County for three years, and was an agricultural graduate of Iowa State College.

The first months of my work were spent in making appraisals and observations of some of the problem loans, trying to determine, if possible, why they were not making more progress. During this time we built up a credit file of most of our customers, and others who might be customers sometime. It was our thought to analyze the various loans, and see if there might be some way in which we could be helpful to them, and thereby benefit the bank and the customer alike.

As an illustration, we found one customer who was buying heavy feeder cattle, and feeder pigs instead of lighter cattle, raising his own pigs, and milking a few good cows. We were able, with careful diplomacy, to make him try a little different method. Since then he has been raising two litters of pigs each year on clean

ground, is milking some cows to help pay operating expenses, and feeding less cattle and buying them lighter in weight. He has helped himself and is a better customer for the bank.

We have a customer who owed the bank a large chattel line during the depression. We encouraged him to try to rent a better farm, which he did. He milked a large herd of non-profitable cows which were not paying for the feed. He sold this entire herd of cows and I went with him up to Minnesota to replace his herd. He bought a good foundation herd of high-grade Holsteins which is now one of the good herds in the county. He feeds a few lambs each year and buys light feeder calves. He has eliminated his old chattel, and is now on a current borrowing basis for feeder purchases.

Aside from this type of work, we have tried to build up for future business by assisting in every way possible with 4-H Club work, and rural young peoples organizations. I have been acting as a local 4-H Club leader, and served on the County 4-H committee. I have been invited as speaker for numerous meetings and banquets here and in adjoining counties. The bank gives trophies and awards each year to outstanding club

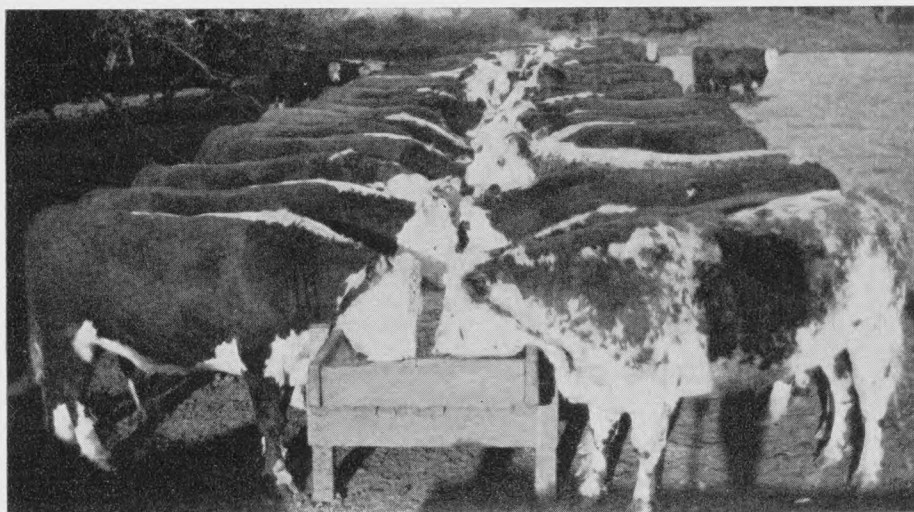
By M. G. Fabricius
Agricultural Advisor
Osage Farmers National Bank
Osage, Iowa

achievement winners. We buy club calves and pigs each year at the fair; thereby helping to establish a good club sale. The bank each year makes loans to club members for the purchase of baby beef calves, market and purebred sows for litter projects, and lamb feeding loans. We ask the parent to sign the note with the 4-H Club member.

We have helped to organize and maintain a Cattle Feeders Association. The association's activities include scheduled meetings with market and feeding experts secured from the Agricultural College at Ames. Each year the association holds an annual banquet where speakers have been invited from the sand-hills of Nebraska, the National Livestock and Meat Board at Chicago, and from the Kansas City market. The year's schedule includes one or two feed-lot tours each year. One tour is held in the summer to see the fat cattle in June in a few representative feed lots. Feeding information is discussed and values of the different lots of cattle are estimated on these tours. Large groups of farmers and invited guests accompany these tours to the enjoyment and education of everyone. We have accompanied cattle feeders to the markets and into the sand-hills of Nebraska on cattle buying trips. Generally we all purchase cattle for our own farms, but we also have bought cattle on orders for our customers.

The president of our bank is in charge of some farms, and we have established farming operations on two of them. We operate them with hired labor, but own all of the equipment and livestock. We carry on a regular farming program—including hog raising, cattle feeding, keep a dairy herd, and flocks of breeding sheep. We keep accurate cost records of our farming enterprise and feel that they

(Turn to page 24, please)



It is by helping its farmer customers develop cattle like these, that the Osage Farmers National Bank is contributing to the agricultural advancement of its community.

Better Banking The Clearinghouse Way

By Frank P. Powers

**President
Kanabec State Bank
Mora, Minnesota**



FRANK P. POWERS

A GREAT deal has been said about centralized banking control, and whether the suggestion comes from persons in politics or from the so-called modern thinking economist, the philosophy expounded in both instances should have no particular weight with people generally unless the suggestions for a change in the banking system can be justified by undisputed facts. The great majority of thinking people, and I believe that you will agree with me in this statement, appreciate the service which has been given to American business, industry and agriculture in the development of our country, and that is particularly true in this great northwest territory. There is, however, a disturbing factor which enters into the discussion of this subject, and one that possibly causes the greatest confusion in the minds of the laymen, and that is the decided lack of uniformity in bank operating policies, service charges, payment of interest on time deposits and savings accounts, and more recently the lack of compliance with the "wage and hour law."

As bankers, we should realize that in order to preserve the kind of a

banking system that you and I believe in, there must exist a clearer understanding on the part of bank people of the necessity to create uniformity along the lines I have just mentioned, and take away through that kind of a cooperative and co-ordinated program the factors which are so disturbing to the men and women on the other side of the banking counter.

If we are agreed in the diagnosis of the difficulty, then the thing left for us to do is to perform the mechanical operation in "stream-lining" our organizations and remove from our banking institutions the troublesome ailment. This may be accomplished in several different ways. Namely, through local clearinghouse associations in towns or cities of sufficient size to justify a local clearinghouse association, county bankers' associations or group associations taking in greater territory.

In agricultural states, there is not a great deal of diversification, and, therefore, it should be an easy matter to concentrate along one line of thought in perfecting organizations within given trade territories, to bring about the desired results. It is my sincere belief that this can be done in the rural dis-

tricts by the organization of regional clearinghouse associations where the territorial boundry lines will be confined not to exceed three or four counties, all of them operating under a co-ordinated program worked out by a representative committee of the State Association.

Two years ago the American Bankers Association urged its membership, and particularly the state associations, to give more serious thought to organizing clearinghouse associations in every state, and shortly after that the Minnesota Bankers Association appointed a committee for that purpose. During the following months, twenty-four associations were organized in Minnesota, which included every county in the state. Our experience in Minnesota is most interesting and the success of our associations demonstrates the worthwhileness of this program. Although we have not reached the points of 100 per cent uniformity, a great deal has been accomplished and a much better banking situation exists than before the regionals started to operate.

The boundaries of the regional associations were established to take in



When The Board Meets

MUCH has been said and written about the duties and responsibilities of men who are directors of a banking institution. A number of years ago, in the smaller banks, at least, members of the board, unless they happened to be active officers, apparently did not take a great deal of interest so far as the operation of the bank was concerned, leaving the management to the officers, and taking the latter's word for what should or should not be done. However, during recent years the majority of bank directors really take an active part in the administration of the bank's affairs, and this is as it should be. In this article three bank directors tell us what they think about their job.

Dr. Andrew H. Woods is a director of the First Capital National Bank of Iowa City, Iowa, and he says:

"The character of the board of directors, as a composite of their individual characters, is the only basis of confidence for a bank in the community. Like Caesar's wife, a bank director must be above suspicion. White-washing and veneering will only accentuate weak features in a man's past record. The stockholders must select as their directors men whose personal habits, integrity, and sound judgment during previous years have built them into the community as solid foundation stones.

"Each director thus chosen must give his judgment as an individual and as a member of committees, without prejudice and without self-seeking, upon every issue that arises. Weak-

ness in a bank begins insidiously. After things have run smoothly for years and after the public has gained confidence in the bank, then the greatest danger begins. The director must be ready to put his finger on beginning looseness of management, particularly as regards loans and investments, and call the management back to established principles before flagrant errors have appeared.

An important director contribution is through direct contacts with prospective patrons. It is not through callow tricks of salesmanship, but by simple, straight-forward statements about the bank to prospective customers that he will convince them of definite particulars in which the bank will serve their interests.

"My advice to newly elected directors is: 'Don't accept service unless willing to give a great deal of time and thought to the bank's problems. Don't go in merely as a personal investment. The bank is a public institution, and it must be viewed as a contribution to the public welfare worth time and effort, or even risk of financial sacrifice, for the general good.'

In expressing his opinion on how directors can best serve their bank, F. G. Parsons, a director of the Iowa Trust & Savings Bank of Estherville, thinks a primary duty is to pass carefully on loans, and see to it so far as possible that all loans are good. Commenting on new business, Mr. Parsons says:

"Get good new customers, not only from old residents, but to keep an eye

out for newcomers. Every community has certain persons whose business does not reflect credit on a bank, and it is just as important to avoid these.

"Mainly, my suggestion to a new director, would be that he keep ever in mind that it is HIS bank, and his duty to help keep it a clean bank, and to be on his toes at all times to get new business.

J. N. Lee, assistant cashier and a director of the Decorah State Bank, mentions the following three points:

"1. Duties and responsibilities of bank director:

To attend each and every meeting, to be punctual at the meetings, to be informal at the meetings, to take an active part in the discussions and assume part of the responsibility after a question has been settled and the policy established. He should be courteous to the clientele of a bank, meet them on common ground. To the employees, he should show respect; respect toward their work, no matter how menial it may appear to them. They are performing their duties and may be doing it well. Reward an employee when reward is due.

"2. Use no information secured in the examination of his bank or secured directly or indirectly through his bank in his daily pursuits.

"3. All the above and be fair at all times, forget personal gain for the interest of the bank, what it is trying to do in its service to the community. Help, directly, in the successful fulfillment of all its endeavors."

territory where banking problems were about the same so that the members would have a common interest, and in all cases their problems would be quite similar. These associations have done such a splendid job that our

council of administration decided to discontinue the group system and confine all of our association fieldwork to the regional association meetings.

Attendance at the clearinghouse association meetings is always splendid

and many bankers who have not been in the habit of attending group or state conventions come regularly. The discussions are always very interesting, and, naturally so because the group is

(Turn to page 77, please)

Your Own Government Is Your Biggest *Competitor*

Nebraska Bankers Association Issues Report on Government Agencies in Competition with Banks

We publish here the report of the committee on "Agencies In Competition With Banks" of the Nebraska Bankers Association, which sets forth in detail the inconsistencies of Government support on one hand and objectionable loan competition on the other. Chairman of this committee is Otto Kotouc, president, Home State Bank, Humboldt. Members of his committee are A. J. Jorgenson, president, American National Bank, Sidney; J. A. Cline, Jr., cashier, Farmers & Merchants Bank, Bloomfield; J. Y. Caste, cashier, McDonald State Bank, North Platte; I. R. Alter, executive vice president, First National Bank, Grand Island; and E. W. Rossiter, president, Bank of Hartington.

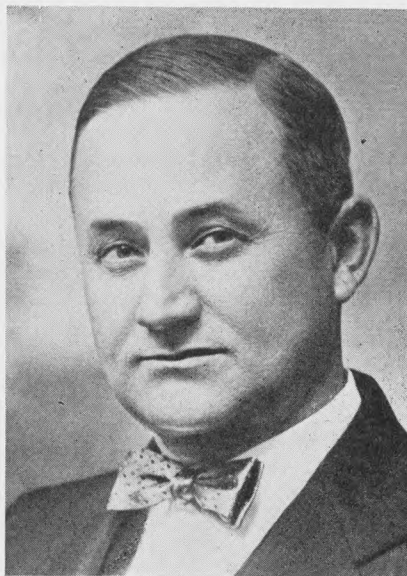
MANY agencies set up by the Federal government and the various states, invade the field of banking. Of such agencies instituted by the government, the Postal Savings system on the one hand, and the Production Credit Associations, on the other, present indeed a strange paradox.

The Postal Savings system, operated by an agency of the government and at the expense of the government, boasts that it is self-supporting and that it does not compete with banks. However, in the three year period ending June 30, 1935, its deposits increased seven-fold. Over one billion dollars was withdrawn principally from banks during that period and re-deposited in the Postal Savings system. It is highly significant that this transition was accompanied by the largest decline in the number of banks in the history of our country. The depression surely became much more acute during this period.

The following table as of June 30, 1938, shows how the competition of the Postal Savings system affects our

important agricultural section of the United States:

| State | Deposits in Postal Savings June 30, 1938 |
|----------|--|
| Illinois | \$173,885,738 |
| Indiana | 38,282,612 |



OTTO KOTOUK

| | |
|-----------|------------|
| Iowa | 59,419,411 |
| Kansas | 24,662,241 |
| Michigan | 96,845,011 |
| Minnesota | 40,373,681 |
| Missouri | 39,302,008 |
| Nebraska | 25,811,732 |
| Ohio | 69,219,128 |
| Oklahoma | 21,546,018 |
| Texas | 33,731,421 |
| Wisconsin | 36,994,890 |

| | |
|-------------------------|-----------------|
| Total | \$660,073,891 |
| Total for United States | \$1,251,799,180 |

Twelve of our foremost central agricultural states have lost over one-half billion dollars to the Postal Savings system, or about 53 per cent of the total deposits in the Postal Savings system. May not this sudden and vast withdrawal of funds from uses of agriculture and earmarked for other purposes have helped to prostrate the

agricultural industry? Certainly the banks in these areas suffered severely when the change took place.

Due to the efforts of the Reconstruction Finance Corporation many banks strengthened their capital structures following the moratorium of 1933 in order to assist the government in rebuilding anew the vast resources and industries of our country. For it is an unquestioned fact that our present dual system of banking has made America prosperous and great. Unhindered, our American system of banking could again accomplish the task. Evidently the framers of the Banking Act of 1933 so felt when they established the Federal Deposit Insurance Corporation. Unfortunately, in the general eagerness to bring about a quick recovery an additional agency was set up which is now completing the strange paradox, the Production Credit associations.

Since their organization, the Production Credit associations have closed a total of 1,078,180 loans, advances on which including renewals, aggregated \$1,120,840,034. The following table indicates how the banks in the twelve central agricultural states mentioned took another lacing through their operations:

| State | Production Credit Asso- ciations' loans closed during year 1938 |
|-----------|---|
| Illinois | \$ 13,553,240 |
| Indiana | 10,445,373 |
| Iowa | 7,737,304 |
| Kansas | 5,260,056 |
| Michigan | 4,074,970 |
| Minnesota | 8,898,859 |
| Missouri | 6,956,377 |
| Nebraska | 6,575,631 |
| Ohio | 9,718,880 |
| Oklahoma | 5,849,205 |
| Texas | 25,744,075 |
| Wisconsin | 8,623,965 |

| | |
|-------------------------|---------------|
| Total | \$113,437,935 |
| Total for United States | 302,622,809 |

(Turn to page 79, please)

Banking Legislation Being Discussed In Washington

By Paul F. Lavezzo

Washington Correspondent
The Northwestern Banker

PRESIDENT Roosevelt opened the second session of the seventy-sixth Congress with a plea for unity and cooperation. How much unity or cooperation will exist after this election-year session grows older remains to be seen but prospects do not seem too bright considering issues to be decided: reciprocal trade program extension, taxes, a proposed cut in farm aid, new emergency powers for the president, national defense spending and Wagner Act revision.

Navy Secretary Charles Edison's proposal for new emergency powers at a time when many legislators think the President's powers already too great, touched off a hot controversy on Capitol Hill. Under the proposed legislation, which Edison called "just a routine part" of preparedness, the Chief Executive could require factory owners producing ships or war materials to put their facilities at the disposal of the government and requisition any plants he determined the government might need. The late Senator William E. Borah denounced the proposal as an attack on the bill of rights and a move toward totalitarianism. He charged that Edison sought to use a "so-called emergency" to justify unconstitutional expansion of executive power. Senator Sherman Minton (D., Ind.), a New Dealer, said the proposal violates "the spirit of a Democratic country." Rep. John McDowell (R., Pa.) introduced a resolution to create a seven-man committee to determine how broad the President's emergency powers already are.

Trade Program

Senate Minority Leader Charles L. McNary (R., Ore.) said any hope for "unity" in Congress on domestic issues disappeared when Roosevelt requested renewal of the trade program and revealed normal government spendings would be reduced to the benefit of an expanded national defense. The Trade Agreements Act, unless extended, will expire June 12.

Breakdown of the Argentine trade talks which had aroused fears among western farmers was generally viewed as a step toward extension of the program. Twenty-five Republicans, fearing a later move which might be

a burden on farmers of this country, issued a statement urging Senate ratification of each treaty.

"The only guarantee against such an event," the statement said, "is amendment of the Trade Agreement Act to provide that all such agreements either must be ratified by the Senate like all other treaties, or confirmed by the House and Senate."

Senator Carter Glass (D., Va.) also feels the treaties should be "subject to ratification by the Senate as the Constitution requires."

Secretaries Hull and Wallace dove into the fight denouncing opponents of reciprocal trading. Wallace declared foes of the program are "preparing for another tariff grab like

those of 1922 and 1930." He said they are "apparently attempting to induce certain farm interests and certain labor interests to act as the shock troops in this campaign, so that they themselves can stay in the rear and come up in time to walk off once more with the major share of the booty." Wallace challenged the charge that farmers have suffered as a result of the 22 pacts already in effect and said that discontinuance of the program would be unfortunate.

"A program of this kind will be particularly important in the days of a post-war world, which all of us, I am sure, sincerely hope are not too far away," he said.

President Roosevelt and Secretary Hull have also defended the trade program as a move toward lasting peace. Hull said the world faces anarchy unless rebuilt by such a method as the treaties provide. He vigorously denied that any "portion of agriculture has been injured by these treaties" and told "unscrupulous" critics the program is the way of advancing domestic prosperity and world peace.

The Business Advisory Council, composed of fifty industrialists and business men who advise the Commerce Department on matters affecting both business and government, has gone on record in favor of extending the program.

"An enlargement of our opportunities for trade investment in foreign countries is now essential to maximum national prosperity," the Council's report said. "These ends, the Business Advisory Council believes, will be served by an extension by Congress for a reasonable period of time of executive power to negotiate and proclaim trade agreements provided for in the trade agreements act."

The report opposed any move to require Congressional approval of agreements.

"As long as the administrative handling of this program is subject to congressional review or adjustment at reasonable periodic intervals, we have no fear of undemocratic abuses of the powers placed in the hands of the executive."

(Turn to page 72, please)





MEMBER
FEDERAL
DEPOSIT
INSURANCE
CORPORATION

The Omaha National Bank



Digest

Collecting Old Loans With Personal Loans

An idea that has placed slow-pay borrowers on the good-pay list has been used to good advantage by J. Irvin Crossett, of the Union Planters Bank and Trust Company of Memphis, Tennessee. He writes about the plan in a recent issue of *Bankers Monthly*, and starts out by saying:

"Our personal loan department was first installed for the purpose of making small monthly payment loans to the people of our community. This department grew very rapidly. Our losses were relatively small, and the efficient and profitable operation of this department was soon noticed by all of the officers of our bank.

"As our new borrowers liked the monthly installment plan and were making payments regularly, we conceived the idea that perhaps other borrowers who were slow in paying their loans might be in a position to make small monthly payments."

The collection procedure outlined by Mr. Crossett is about as follows:

1. The customer is asked if he is willing to pay his loan by the monthly installment method.

2. If he is willing, he is asked to pay the old note by signing an installment note form.

3. The commercial department is given credit for the old note and the new note is placed in the pouch of the personal loan department.

4. All collateral and co-signers continue to protect the new note.

5. Collections are made exactly in the same way as collections on personal loans.

6. If the borrower already has a note in the personal loan department, this is included in the new note, for it costs less to service one note than it does to service two.

Know the Farmers' Needs

Speaking before the recent A. B. A. Conference in Richmond, Walter S.

Cothran, vice president of the National City Bank of Rome, Georgia, made four suggestions for bankers in their contact and business with the farmers in their community. He said in part:

"With the number of banks in the smaller towns, mostly in agricultural sections, reduced to half of what they were 20 years ago; with competition for agricultural paper vastly increased through lending agencies with great reservoirs of funds and with Federal blessing, and in most instances, you must admit, with excellent supervision of the farming methods of the borrowers; with banks everywhere seeking loans which will employ their funds to advantage—then, since the farmer prefers to secure his financing from his friend and neighbor at his home-town bank, this banker must meet his competition by rendering an equal or a superior service in furnishing properly directed credit to his farmer borrower. And agricultural credit can best be directed by a sympathetic and thorough and studied understanding of the farmers' problems and needs.

"Banks have been censured for not making loans, especially agricultural loans. It is not sufficient that we reply that, not having any taxing powers, we could not restore our depositors' money when we made loans which we knew in advance we could not collect. The real answer is this: Use three fundamental principles; namely: require a live-at-home policy of diversified farming; require a program of soil conservation and soil-building; and give to each borrower the benefit of your personal interest and advice and counsel.

"May I summarize in these four suggestions:

- "1. Meet the competition of production credit associations and other agencies by adopting some of their policies which permanently benefit the borrower.

- "2. Study the needs of each individual farmer who applies to you for a loan.

- "3. When you take agricultural paper, know what you are doing for the farmer as well as for your bank.

- "4. Improve the type of your agri-

cultural paper by seeing to it that the funds are used as part of a planned, long-time program for the betterment of the farmers' agricultural, economic, and social condition."

An Investment Supervision Schedule

In investment supervision schedule, some features of which could be adapted to even the smallest bank, appeared in a recent issue of *Banking*, suggested by E. Sherman Adams, investment analyst. It is outlined as follows:

Daily

Assistant cashier works two hours a day preparing lists and reports, keeping up records, analyzing securities, noting news items, etc.

President may sell undesirable holdings at or near liquidating prices set by the committee and may execute other sales in line with "quarterly objectives".

President may buy bonds after investigation if they meet certain requirements and fit "quarterly objectives".

President may check with city correspondent and, in most instances, act upon advice received.

Weekly

President informs the committee regarding any developments relating to the bank's investments.

Committee may authorize purchases and sales within limitations of written investment program.

Committee reviews all undesirable holdings.

Bi-Weekly

Committee reviews entire bond list accompanied by various summaries, gives special consideration to issues moving out of line marketwise.

Monthly

Committee reviews liquidating prices for undesirable holdings.

Any upward revisions are passed upon by the board.

Report on portfolio is submitted to the board.

Committee reviews investment resolutions.

Quarterly

Entire bond list giving liquidating prices for undesirable holdings is sub-

Director Cooperation— Special Services— Personnel Problems



Digest

mitted to city correspondent for review.

This review is summarized for the board and unexecuted sale recommendations are passed upon.

Committee sets "quarterly objectives" for next three months.

Fourth membership on the committee is rotated.

Semi-Annually

President visits city correspondent. Committee reviews written investment program.

Annually

Year-end report presented to the board.

Committee outlines objectives for coming year.

The Good Loaning Officer

Bankers all over the country are interested in loans, and of course this topic was discussed at length at the Illinois Conference on Banking. One of the speakers was W. R. McGaughey, president of the Millikin National Bank of Decatur, Illinois, who said:

"The position of a good loaning officer is one of the most important, if not the most important, in the bank. He is a functionary in a great institution which is the heart of the community's business life. He is in a position to go forward with that institution just as far as his potentialities can possibly be developed—provided he keeps the spark of ambition and initiative alive within himself.

"He must, if he is to enjoy success and happiness in life, see in his job a great opportunity and a great challenge. He must be prepared by a wholesome mental attitude toward his job, to meet these responsibilities with courage and fortitude. He must meet them fortified with a wholesome mental attitude on the one hand toward the bank, its depositors and its stockholders, and on the other hand toward the borrower and toward the community. A loaning officer who is capable of meeting this dual responsibility will develop and maintain the public respect and good will upon which the success of banking has been built and will continue to grow.

"A gruff, undiplomatic loaning officer will do much to defeat the good

work of the tellers and others in their efforts to build good will for the bank.

"The proper handling of applicants for loans will aid in eliminating the feeling on the part of the public that a bank is a cold, heartless institution."

Auditing in a Country Bank

Time was when bankers felt that auditing was something for the larger institutions only—many banks were too small, and the procedure wasn't necessary, anyway. This viewpoint has changed in recent years, fostered in some cases by a sad experience, until now the smaller country banks are putting it into practice. Writing in Burroughs Clearing House, Sheldon B. Cooper, cashier of the Anderson Banking Company of Anderson, Indiana sets forth the following eight points on auditing routine:

1. Work done by an employee should be checked or audited by the employee who performs the next operation in sequence.

2. Send work through the bank in definite steps, with a control balance at every possible point en route.

3. Divide the responsibility for different operations as far as can be done economically. Then definitely assign each bit of responsibility to the proper person.

4. Split custody of assets into units small enough so that there will always be dual control and also so that there will always be full insurance coverage for any possible unit loss.

5. Break the continuity of any one operator's individual control over an operation.

6. Use surprise timing of check-up audits in conjunction with continuity of audit control.

7. Exercise extra vigilance at points where trouble is recognized as peculiarly likely to occur.

8. Audit directly those items which cannot advantageously be handled as incidental to operating routines.

Outlook for Long-Term Money Rates

Summing up the outlook for long-term money rates, an excerpt from an article in *Bankers Magazine* written by A. Philip Wolfson, says:

"The current $2\frac{1}{4}$ per cent level for

long-term Government securities is symptomatic of the present depressed condition of the capital markets, and of the necessity of the commercial banks to earn at least "bread and butter." Continuing unbalanced budgets, the inevitability of a higher commodity price level, the continued diversion of private capital savings through taxation for governmental requirements, the restrictions on the flight of foreign capital to our markets, the increased attractiveness of foreign money markets for investment by foreigners of the refugee capital now located here, all combine to render inevitable a breakdown of the artificial low level of long-term money rates that has prevailed here in recent years, and will in due course restore them to a level approximating that which prevailed in the 1933-1934 period."

Loan Opportunities of Field Warehousing

"In field warehousing, the warehouse goes to the product instead of the product to the warehouse," says Dr. John H. Frederick, professor of transportation and industry at the University of Texas, in an article on the subject in *The Mid-Continent Banker*. Writing of requirements, Dr. Frederick says:

"As has been said, field warehousing is really nothing more than an extension of the financial services of public warehousing organizations. It can be legitimate only when certain requirements are fully met. These requirements are:

- "1. The goods must be stored with a bona fide public warehouseman, operating as such for profit and having no connection with the storer.

- "2. There must be an actual and continuous change of possession, and control of the goods. The possession must be absolutely and unequivocally in the warehouseman who should have the sole right of access to the place of storage.



STATEMENTS

May we make a few in the interest of both of us?

WESTERN MUTUAL

Is your best insurance outlet because it offers an opportunity for you to concentrate your business in a Company whose growth and sound condition prove its stability and progressiveness.

BANKER AGENTS

Throughout Iowa, Nebraska and South Dakota feature Western Mutual insurance because of the high regard of the public for the Company's non-assessable policies and our own complete engineering and loss service. The policyholder gets most for his money with Western Mutual protection and our agents get more because of our high commission schedule.

May we call and explain the advantages Western Mutual can offer you? We can handle all your fire, wind and supplemental lines in addition to all automobile and truck coverages and plate glass.

"Safety and Service with Savings"

WESTERN MUTUAL FIRE INSURANCE

Company

DES MOINES, IOWA



"3. Notice of possession by the warehouseman should be given to the public in such a clear, unmistakable manner that no one can be misled as to the rights of the parties to the goods.

"If a field warehousing operation meets these requirements, transactions arising out of it cannot be successfully attacked in any sort of proceeding, and will be profitable to all concerned.

"Field warehousing loans have, by their application to credits that could not otherwise be properly handled, become an important part of the loaning activities of many banks. As business men and bankers more generally realize the profits from this type of loan it is likely that the use of field warehouse receipts as collateral will increase. This will benefit customers and bank profits where the time and attention is given to the consideration of possible loans of this type and to the careful establishment of methods and systems of servicing."

FARMER CUSTOMERS MAKE MORE MONEY

(Continued from page 16)

help us in our banking business. We are finding our profitable enterprises, and some of the leaks in the farming business. We have operated these farms at a profit each year, and it furnishes us valuable information on cropping practices, such as fertilizers, rotations, seed varieties, etc., which we can use in the bank when talking with customers.

It is our purpose and intentions to keep as well informed on farm matters as possible. We study marketing trends, outlook information, new developments in farming, feeding tests, fertilizer results, and all other types of information regarding farming. We spent considerable time and effort in helping to promote a local "Use More Lard" campaign here in the county. The results have been very gratifying by the increase in sales of lard by our local merchants.

We have encountered some difficulties in the way of being mildly ridiculed for our good intentions. Of course, we try to use our methods to help improve our volume of business and build for future security and profit for our bank. We are sincere in our efforts to try to be more helpful to our customers, and believe that in the end we will be successful in accomplishing our purpose.

Best Way

She: "Doctor, what's the best way to get a wart off my hands?"

He: "Shoot him or marry him."

BE PERSISTENT---

INSURANCE

BUT *FRIENDLY*



A. H. KING

By Arthur H. King

District Manager

*Reliance Life Insurance Company
St. Louis*

FIFTEEN years' experience in the insurance business has convinced me that there are certain rules of the game, and that to apply these rules means more business and greater success to any agent. Just as there is a best way to keep books, lay bricks, or play golf, there is a best way for the underwriter to go about his job of selling life insurance.

Any man who works at a job over a period of years will consciously or unconsciously develop certain habits which will either help him or hinder him in the doing of the job. Just so, every man who has sold life insurance successfully over a period of years will have developed certain constructive attitudes toward his work as an agent; he will have developed certain helpful habits in connection with organizing his time, making his daily calls, securing interviews, presenting his proposition, and closing his prospects. It is, I think, important that these habits be consciously selected and developed rather than letting this matter be left to chance.

Many years ago I wrote down seven simple guides for myself. I have tried to keep these guides in mind and to check my daily performance against them. I set them out here for what they might be worth:

1. I shall **EXPECT** to succeed.
2. I will create a habit of friendly persistence.
3. I will take pains to find the best way or ways of presenting my product. I will try to analyze, visualize, dramatize, and humanize to the best of my ability.
4. I will work consistently, remembering that the ability to do, and to do, are different things, and that an average agent who will work is more valuable than the ace who won't.
5. I will be enthusiastic.
6. I will learn from the experiences

of others. Or, as one agent put it, I'll know my stuff.

7. I'll work hard, and I'll try to be a swell guy.

In trying to follow day by day these simple rules, I feel I have created habits which have a real value to me and which add immeasurably to the pleasure and satisfaction of each day's work.

Recently I called on a man whom I had reason to feel was a good prospect—that is, he had a definite need for insurance, and he had the necessary money with which to buy. On my first call this "good prospect" said, "Mr. King, I don't need insurance. I don't want insurance. I have no money to buy insurance. And, I am busy as you can see. You will excuse me, of course?" His tone and manner were cold and abrupt, leaving no room for stock-in-trade formulas for gaining an interview I might like to try on him. It was only after several calls and a definite system I have followed that I was able to talk to him.

In this case, without a habit of friendly persistence, I am sure I would have dropped this man from my prospect list. But reason tells me that prospects are human and most humans are 85 per cent all right, their general cussedness usually not exceeding 15 per cent. This man was venting his 15 per cent on me because as he thought I wanted something from him—overlooking the fact that I might be able to give him something he needed and needed badly. A prospect such as this is a challenge and success with such a prospect will, I believe, do more to strengthen an agent than a thousand easy ones.

When, finally, I gained the interview I had already had a measure of this man's attitude and thinking on the subject of life insurance, and therefore, opened the discussion by talking Retirement Income. I spoke

about the need in every man's life for a definite monthly income after retirement age—an income that will last as long as he might live.

Surprisingly enough, he readily agreed that a life income was of the greatest importance, and it is every man's problem, and that it was his problem too, but, said he, "What can be done about it? Who can secure an income 25 years from now? Insurance is all right if you want to leave money to someone else, but I don't." This statement revealed several things: First, this man had apparently barricaded himself so effectively against the possible intrusion of an insurance man that he actually didn't know that Retirement Income protection was available on a proven, practical basis. Secondly, not knowing the facts, he had no faith in the integrity and financial soundness of present-day life companies. Thirdly, he, like others, thought of insurance as a die-to-win proposition. He wanted to live, and had no trouble visualizing the problem of living, after 65 as well as before age 65.

By presenting clearly to this prospect in terms of specific facts and figures, in terms of exact costs and benefits, by presenting to him earnestly and convincingly the record of my company and its right to his confidence, together we reached the only logical conclusion, namely, a signed application for a Life Income policy that fitted his needs and pocket-book.

Because this was a case where the most difficult task was not to sell the policy, but to sell the interview, it may be of interest to include a few words about my procedure in this connection. It will be recalled on my first visit the prospect offered such cold resistance that there was practically no possibility of making an effective reply; consequently I made my exit as gracefully as I could. The following day I wrote him a brief but

courteous letter, thanking him for the few moments he had accorded me and emphasized the fact that my purpose was to make his acquaintance and to be of service to him. I also referred to a mutual friend who had spoken highly of him.

Before making the second call, however, I made it a matter of strategy to meet this prospect at a gathering of business men. On this occasion, no comment was made about our previous meeting or to life insurance. A week later I called at his office. On this occasion he was far from cordial. However, I smiled as broadly as possible and assured him my purpose for

calling was not to discuss insurance but to talk with him about a very perplexing problem. I pointed out that a widow of a client had placed the responsibility of investing her funds. I stated that I had been in the life insurance business so many years that it had caused me to have a one-track mind so far as investments were concerned, but that I knew of him as a successful investor of funds and wanted his advice. After a lengthy interview he thanked me for the compliment and assured me that anyone who had as little success as he with investments could not advise a widow. Here the second interview closed. Mr.

Prospect followed me to the door and cordially invited me to return.

This I did. That day I was greeted with a smile. I was careful not to mention insurance. Our conversation lasted about an hour during which time I attempted to paint a few pictures without making any direct reference. It was obvious that he was giving deep thought to what had been said. Not to make myself too presumptuous, I attempted to leave. However, I was greeted with "Say, fellow. Sit down a minute, will you? Tell me something about this Retirement thing." The results have been previously stated. I cannot stress too firmly the effectiveness of Friendly Persistence.

Financial Statement OF AMERICA'S LARGEST EXCLUSIVE DWELLING INSURANCE COMPANY

(Statement as of December 31, 1939)

ADMITTED ASSETS

| | |
|---|-----------------------|
| Cash in Banks and Office..... | \$ 279,483.37 |
| Federal Savings and Building and Loan Associations..... | 289,000.00 |
| Bonds: | |
| U. S. Government..... | \$515,991.17 |
| Canadian Government..... | 65,982.78 |
| Federal Land Banks..... | 89,557.50 |
| State and Municipals..... | 497,922.35 |
| Public Utilities..... | 20,060.00 |
| Railroads..... | 19,860.69 |
| Accrued Interest..... | 13,730.18 |
| Agents' Balances (Not over 90 days)..... | 32,678.87 |
| Other Assets..... | 290.88 |
| Total Admitted Assets..... | \$1,824,557.79 |

LIABILITIES

| | |
|--|-----------------------|
| Reserve for Losses in Process of Adjustment..... | \$ 12,467.29 |
| Reserve for Taxes and Expenses..... | 9,773.95 |
| Unearned Premium Reserve..... | 675,142.88 |
| Guaranty Fund..... | \$200,000.00 |
| Surplus..... | 927,173.67 |
| POLICYHOLDERS' SURPLUS..... | 1,127,173.67 |
| Total..... | \$1,824,557.79 |

Insurance in Force, December 31, 1939—\$517,309,647.00

Town Mutual

DWELLING INSURANCE COMPANY

Organized 1892

Hubbell Building, Des Moines

OFFICERS

B. REES JONES
President

LESTER T. JONES
Vice President

GRANT McPHERRIN
Treasurer

FRANK H. DIRST
Secretary

DIRECTORS

Senator Clyde L. Herring, Des Moines
Frank H. Dirst, Hampton
Lester T. Jones, Des Moines
O. B. McKinney, Denver, Colorado
R. J. Sullivan, New Hampton

R. Lloyd Young, Oelwein
Rex H. Fowler, Des Moines
Harry F. Gross, Des Moines
Grant McPherrin, Des Moines
B. Rees Jones, Des Moines

Study Source of Injuries

A bumper crop of broken bones and sprains from winter sports, with tobogganing as the major source of injuries, is reported in a current study by Northwestern National Life Insurance Company.

Number of injuries has shown a steady uptrend for the past several winters, according to physicians and surgeons reporting to the company, following the nationwide growth of interest in winter sports; injuries reach their seasonal peak early in February. The adult who has not been active in athletics for some years and has recently taken up winter sports, is a frequent casualty.

Spinal fractures of the impacted vertebrae type are much more common than the public realizes, according to the report, and generally result from going over bumps while seated on a toboggan. If not immediately crippling, such injuries are commonly neglected until persistent back pains and impairment result in an X-ray which reveals the seriousness of the injury. Leg, hip and sometimes pelvic fractures result from letting feet project outside of the toboggan. One youngster dropping onto another already on a coaster sled is a frequent cause of spinal injuries.

Ankles, legs and arms suffer the most frequent injuries in skating and skiing, with occasional skull fractures; the favorite "crack-the-whip" game is a frequent source of such casualties, according to the report. Many an "ankle sprain" turns out to be a fracture; a broken ankle will usually knit quickly and perfectly if diagnosed at once and properly treated, the report states, but a permanent limp often results from a neglected fracture mistaken for a sprain.

The Hollywood influence — wearing shorts for outdoor winter sports—

makes nice rotogravure pictures but is an invitation to pneumonia and rheumatism, the report says.

Kittenish spirits aroused by a sleigh ride produce another considerable group of injuries, the study finds; jumping off and on, particularly at the sides of the modern open sleigh, produces most of the casualties.

Precautions recommended are: Lie on your stomach on the toboggan and don't go over bumpy slides or near trees. Stay on the sleigh. Don't crack the whip. If you are 35 or more and have been out of athletics for a number of years, enter winter sports with proper respect for their strenuous nature, and build up the body to meet the strains imposed. Parents should inspect slides used by their children, and see that these are as nearly safe as possible.

In case of an accident, if a broken bone is suspected, there is no hurry unless the bone projects through the flesh.

Excellent Progress

During 1939 the Minnesota Commercial Men's Association made very excellent progress and showed an increase both in resources and policies in force.

The total policies in force are now over 25,639 and the total resources of the association are over \$319,635, thirty-five per cent of which is in cash, twenty-eight per cent in state, county and municipal bonds and fourteen per cent in U. S. Government securities.

For over thirty-five years bankers and business executives have received protection from the Minnesota Commercial Men's Association which has always provided this service at the lowest possible cost.

Bond Supervision

Vincent Cullen, president of National Surety Corporation, has announced that Vice President Russell A. Algire has been given general supervision over the Home Office Departments of National Surety which handle fidelity bonds, blanket bonds, and burglary insurance including forgery, fraud and plate glass. Sam Romolo, for many years assistant to Mr. Algire, has been appointed manager of the Burglary Department.

Mr. Algire has been recognized for many years as an outstanding figure in the development of burglary insurance. He has been noted for his intimate acquaintance with the problems in the field and has sponsored new and valuable forms of protection. He has been in close touch with the problems

Hawkeye Casualty Company

Des Moines, Iowa

FOR 20 years Hawkeye Casualty Company has grown and prospered. Hawkeye has become well known throughout Iowa for its prompt and courteous service to policyholders, claimants and the public. Today its five hundred agents join with the management in pointing with pride to the company's record for 1939. And with that pride in the record up to now there is also a deep and sincere resolve that 1940 and the years to come will see a continuation and improvement of this splendid record of progress based on meritorious performance.

■ ■ ■

COMPARATIVE FINANCIAL STATEMENT

ASSETS

| | 1938 | 1939 |
|--------------------------------|---------------|----------------|
| Cash | \$ 140,181.44 | \$ 210,838.64 |
| U. S. Government Bonds..... | 209,725.89 | 138,111.05 |
| Municipal and Other Bonds..... | 147,199.48 | 137,000.70 |
| Corporation Stocks | 51,400.00 | 78,961.00 |
| Agents' Balances | 110,468.17 | 137,688.62 |
| Other Receivables | 29,474.46 | 82,754.35 |
| Real Estate | 199,033.22 | 185,808.59 |
| Mortgages | 44,476.65 | 42,778.72 |
| Total Assets | \$931,959.31 | \$1,013,941.67 |

LIABILITIES

| | | |
|---------------------------------|---------------|----------------|
| Premium Reserve | \$ 306,162.23 | \$ 353,294.54 |
| Loss Reserve | 123,796.12 | 122,024.96 |
| Commissions and Accrued Exp. | 39,798.32 | 56,586.46 |
| Total Liability and Reserves.. | \$ 469,756.67 | \$ 531,905.96 |
| Capital Paid-up | \$ 200,000.00 | \$ 200,000.00 |
| Surplus | 150,000.00 | 200,000.00 |
| Contingency Reserve | 112,202.64 | 82,035.71 |
| Surplus to Policyholders | \$ 462,202.64 | \$ 482,035.71 |
| Total Capital and Liabilities.. | \$ 931,959.31 | \$1,013,941.67 |



HAWKEYE
CASUALTY COMPANY
DES MOINES, IOWA

Full Coverage Automobile — Compensation — Liability

of the agent and broker in the field. He is nationally known as an authority on his special fields in Casualty and Surety coverage.

Mill Owners Gain

The Mill Owners Mutual Fire Insurance Company of Iowa had a total of \$538,471,885 in insurance in force at the close of 1939. J. T. Sharp, long-time president of the company, said at the annual meeting.

Mr. Sharp stated that there was a gain of \$42,921,782 in insurance in force during 1939 and that premium income was \$2,001,373—a gain of ap-

proximately 6 per cent over that of 1938, which was \$1,891,963.

Assets showed a total of \$2,845,233, as compared with \$2,731,039 for 1938, and premium reserves advanced from \$1,513,636 in 1938 to \$1,649,804 in 1939, he reported.

Mr. Sharp and H. B. Carson, secretary, were re-elected officers of the company. Board members re-elected were, Paul Ketels, Sioux City; C. M. Reed, Guthrie Center; and Mr. Carson.

New Contracts

The insurance associations carrying fire insurance on the properties of

the Home Owners' Loan Corporation and those of many of its borrowers have agreed to waive the cancellation clause covering existing contracts to permit the HOLC to make new contracts in the near future, the Federal Home Loan Bank Board announced.

A deadline of February 15 therefore has been set for the submission of all proposed contracts, officials of the Board said. Full consideration will be given to all proposals received prior to that date, but future negotiations will be confined to companies or groups of companies which observe the deadline.

Both stock and mutual companies have shown keen interest in the HOLC insurance, according to officials of the Bank Board, and a series of conferences and a large volume of correspondence with insurance officials have resulted in definite progress. The Bank Board reiterated that proposals for the insurance—the largest single item of fire insurance written in the United States—are open to all stock and mutual companies, or groups of companies, writing insurance in this country.

For the past several years, HOLC insurance has been placed through the Stock Company Association and the Mutual Company Association. On October 13, 1939, the Bank Board gave notice to the two associations of cancellation of the existing contracts, to take effect May 1, 1940. In negotiations which followed, however, both associations agreed to waive the May 1 cancellation clause to allow the HOLC to make new contracts as soon as they could be agreed upon.

The Bank Board feels that past HOLC insurance costs have been excessive in proportion to the risks involved and that any new agreements should represent a substantial modification of terms, both in the interest of borrowers and in protection of public funds entrusted to the Corporation's care. Its views were expressed to representatives of the Stock Company and Mutual Company Associations and the National Association of Insurance Agents in conferences last month and subsequently announcement was made that all insurance carriers were eligible to propose contracts.

Complete information regarding the scope and type of fire insurance coverage is available for any interested fire insurance carrier. The contracts will cover insurance on all properties acquired by the Corporation through foreclosure and also insurance on behalf of HOLC mortgagors placed at their request by the Corporation.

The "St. Paul" Group

December 31, 1939

SAINT PAUL-MERCURY INDEMNITY COMPANY

ST. PAUL, MINNESOTA

Fourteenth Annual Statement

ASSETS

| | |
|---|-----------------|
| Bonds | \$ 9,828,534.51 |
| Stocks | 396,303.00 |
| Mortgage Loans | 25,000.00 |
| Cash and Bank Deposits..... | 470,740.70 |
| Premiums in course of collection, not over 90 days..... | 1,589,235.87 |
| Due from Re-insurance Companies..... | 38,567.27 |
| Accrued Interest | 86,971.13 |
| | <hr/> |
| | \$12,435,352.48 |

LIABILITIES

| | |
|--|-----------------|
| Reserve for Unearned Premiums..... | \$3,393,477.34 |
| Reserve for Losses and Expenses | 3,164,444.33 |
| Reserve for Unknown and Unreported Losses..... | 500,000.00 |
| Reserve for Taxes..... | 265,000.00 |
| Reserve for Unpaid Commissions, etc..... | 372,051.75 |
| Reserve for Depreciation..... | 195,198.42 |
| Capital Stock | \$1,000,000.00 |
| Surplus | 3,545,180.64 |
| | <hr/> |
| | \$12,435,352.48 |

Securities carried at \$1,238,760.00 in the above statement are deposited for purposes required by law.

Owned, Operated and Controlled by St. Paul Fire and Marine Ins. Co.

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

ST. PAUL, MINNESOTA

Seventy-fifth Annual Statement

| | |
|-------------------------------|-----------------|
| Assets | \$43,680,712.06 |
| Surplus to Policyholders..... | 29,867,435.08 |
| Other Liabilities | 13,813,276.98 |

MERCURY INSURANCE COMPANY

ST. PAUL, MINNESOTA

Fifteenth Annual Statement

| | |
|-------------------------------|-----------------|
| Assets | \$ 6,464,708.79 |
| Surplus to Policyholders..... | 3,958,127.52 |
| Other Liabilities | 2,506,581.27 |

The "St. Paul" Group

Extends All Facilities

Its Expert Service

to All Bankers

Annual Meeting

Carl P. Rutledge was re-elected president of the Farmers Mutual Hail Insurance Association at the annual meeting of the organization held in Des Moines.

Other officers re-elected were R. T. Rutledge, vice president; W. A. Rutledge, secretary, and E. B. Rutledge, treasurer.

Max D. Rutledge, whose term as director expired, also was re-elected.

A net gain of \$151,000 in surplus was reported, giving the company a net surplus of \$1,189,000. Assets now total \$1,488,000.

The meeting, marking the forty-seventh anniversary of the company, honored W. A. Rutledge, one of the founders.

Speakers at the banquet included Charles Fischer, Iowa insurance commissioner; C. Smrha, Nebraska director of insurance, and Herschel Langdon, attorney.

There were 350 agents and guests at the banquet which concluded the meeting. Those attending came from Iowa, Nebraska, Wisconsin, Ohio and Missouri.

Moeller Married

Leonard R. Moeller, executive state agent for the St. Paul Fire & Marine Insurance Company, was married last month to Lucille Honebrink. The wedding took place in Iowa and the couple took their honeymoon in several of the southern states. When he returns he will again be calling on his many banker friends in the northwest.

Miss Honebrink was an employe in the supply department and is a niece of Walter H. Honebrink, vice president, The First National Bank, St. Paul.

Jones Re-elected

B. Rees Jones was re-elected president of the Town Mutual Dwelling Insurance Company at the 47th annual meeting of the company held at the home offices in Des Moines.

Other officers re-elected were: Lester T. Jones, vice president; Frank H. Dirst, secretary, and Grant McPherrin, treasurer. Directors re-elected were: O. B. McKinney, Denver, Colorado; R. Lloyd Young, Oelwein, Iowa; R. J. Sullivan, New Hampton, Iowa, and Harry F. Gross, Des Moines.

General agents and cashiers from Iowa, Colorado, Minnesota, and South Dakota attended the annual meeting, which followed a one-day annual sales conference.

In his annual report President Jones reported that the company has in-

creased its assets \$119,822.29 during the past year and now has total assets of \$1,824,773.62. He also reported a net gain of \$24,509,106 in insurance in force during the past year, bringing total insurance in force to \$517,309,647. Town Mutual is the largest exclusive town dwelling insurance company in America, President Jones reported.

BANK EARNINGS

(Continued from page 13)

If used equipment is accepted as a part down-payment, the actual cash paid should be sufficient so that the purchaser from the start has a new investment and the dealer receives

some cash in addition to the second-hand equipment taken in trade.

Either conditional sales contracts or note and chattel mortgage are used and should be filed as is customary.

The ideal payment program calls for equal monthly payments over the life of the contract. It is recognized, however, that income from agriculture may be dependent upon harvesting of crops and therefore it is desirable to arrange maturities, if possible, so that they will coincide with crop returns. Depending upon the borrower's individual situation terms of payment should be adjusted to conform with the seasons of the year when he is



**Engaged for half a century
in making men and their
enterprises more secure.**

FIDELITY and DEPOSIT
COMPANY OF MARYLAND, BALTIMORE

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

normally with funds. Many are bought on the monthly payment plan. In other words, the terms of payment should be adjusted to meet the borrower's requirements with maximum maturities not to exceed twenty-four months from date of purchase.

Because of the uncertainty of crop production, banks often find it very desirable in making installment loans to include additional security other than the tractor itself. A few head of cattle or grain in the bin will strengthen the loan and in most cases farmers do not object to giving this additional security. In certain cases, chattel laws are such that repossession and recovery by sale of equip-

ment is not possible. Therefore, it is highly important that in such cases adequate additional security be obtained.

As in every type of credit there will be certain defaults and in such an event the banks should obtain additional security before an extension is granted and as a general policy that no paper should be allowed to run over ninety days past due. Anticipating some possessions it is desirable that a repurchase agreement be had with the dealer when it is possible to make such arrangements. In some cases arrangements may be made with the dealer for holding back a reserve to protect the bank against the pos-

sibility of loss on unexpired contracts.

If the banker applies all of the usual dependable yardsticks to the extension of credit for the financing of power farming equipment, then this type of credit offers no more hazards than any other type.

NEWS AND VIEWS

(Continued from page 15)

Against War," was handing out the pamphlets.

The opening paragraph said, "We, young people of the Twin Cities, are sincerely interested in maintaining peace and not having America drawn into the war. Therefore, we give you the following facts about Mr. Duff Cooper. Remember who he is while he speaks, and weigh all facts carefully."

However, after we listened to Mr. Cooper we found no propaganda that suggested we come in on the side of England.

Among other things, he said that Germany was not to be trusted with arms, and that they should not be allowed again to bear arms unless she can prove she will use them only for the betterment of civilization. "Within the memory of any 80 year old man, Germany has three times taken up arms and started a war," he pointed out.

He also said that the German people would have voted against the steps leading to war, if they had been given the opportunity at any time during the last ten years.

H. B. Hammer, vice president of the State Bank of Wapello, Iowa, and secretary of the organization of Officers of County Bankers Association, in speaking before the mid-winter banking conference said that according to a recent survey that he had made 86 per cent of the banks in the state are now engaged in installment lending of a type once left almost entirely to the small loan companies and other agencies.

Kenton R. Cravens, vice president of the Cleveland Trust Company and president of the Bankers Association for Consumer Credit, in speaking before the mid-winter banking conference at Des Moines, said that 75 per cent of the banks now having separate departments for Consumers Credit have opened these departments within the last 8 years, after the depression cut banking commercial credit volume about 50 per cent.

The 20 largest banks in the United States, according to the last bank call, are located in the following cities: 12

Financially Sound

Another successful year has closed, with an increase in resources and policies in force.

Liberal benefits with lowest possible cost have enabled us to provide sound protection to select risks for 35 years past.

FINANCIAL STATEMENT

December 31, 1939

RESOURCES

| | % | |
|--|---------------|---------------------|
| Cash | 35.3 | \$112,928.17 |
| U. S. Government Securities | 14.3 | 45,400.00 |
| State, County and Municipal Bonds | 28.6 | 91,190.00 |
| Public Utility Bonds | 2.8 | 9,000.00 |
| Railroad Bonds | 4.7 | 15,000.00 |
| First Mortgage Loans | 2.4 | 7,770.00 |
| Real Estate (Including Office Bldg.) | 5.8 | 18,600.00 |
| Other Securities (Including Life Endowments) | 5.2 | 16,784.24 |
| Accrued Interest Receivable | 0.3 | 978.20 |
| Advance Payments by Members | 0.6 | 1,985.00 |
| TOTAL | 100.00 | \$319,635.61 |

LIABILITIES

| | |
|---|---------------------|
| Disability Claims Reported, but Proofs not Received | \$ 14,350.00 |
| Death Claims Reported and Awaiting Proofs | 9,000.00 |
| Unearned Assessments | 1,985.00 |
| Reserve for Taxes, Bills, etc. | 2,991.00 |
| RESERVE FOR PROTECTION OF MEMBERS | 291,309.61 |
| TOTAL | \$319,635.61 |

POLICIES IN FORCE 25,639

For further details write

MINNESOTA COMMERCIAL MEN'S ASSOCIATION

PAUL CLEMENT, Secretary

2550 Pillsbury Ave. • Minneapolis, Minnesota

in New York, 3 in Chicago, 1 each in Philadelphia, Detroit, Los Angeles, Boston and San Francisco. The deposits of these banks for 1938 and 1939 are as follows with the last six ciphers omitted (000,000):

| | 1939 | 1938 |
|--------------------------|---------|---------|
| Chase National Bank | \$2,803 | \$2,234 |
| National City, New York | 2,331 | 1,835 |
| Guaranty Trust, New York | 2,088 | 1,619 |
| Bank of America, | | |
| San Francisco | 1,482 | 1,437 |
| Continental Illinois, | | |
| Chicago | 1,324 | 1,257 |
| Bankers Trust, New York | 1,125 | 912 |
| Central Hanover, | | |
| New York | 1,106 | 939 |
| First National, Chicago | 1,053 | 935 |
| Manufacturers Trust, | | |
| New York | 762 | 655 |
| First National, Chicago | 743 | 662 |
| Chemical Bank & Trust, | | |
| New York | 737 | 567 |
| Irving Trust, New York | 695 | 593 |
| First National, New York | 628 | 530 |
| J. P. Morgan & Co., | | |
| New York | 619 | 521 |
| Bank of Manhattan, | | |
| New York | 609 | 522 |
| Security-First National, | | |
| Los Angeles | 580 | 566 |
| Philadelphia National | 564 | 434 |
| National Bank of Detroit | 462 | 391 |
| New York Trust Co. | 419 | 367 |
| Northern Trust, Chicago | 369 | 339 |

David H. Reimers, president of the Live Stock National Bank of Chicago, had so much success with the chart and data he prepared pertaining to the live stock prices, he has now issued similar data on the "Trend of Hog and Corn Prices". If you have not already received a copy of this we are sure that Dave would be glad to send one to you with his compliments.

In South America the ratio of default to investments in dollar bonds had been 70 per cent.

Henry G. Kramer, vice president of the City National Bank of Clinton, had his son, **Allen Kramer**, with him at the Iowa Bankers first annual Mid-Winter Conference which was held in Des Moines recently.

Allen graduated from Grinnell College this year, and has recently become associated with Wolf and Company of Des Moines, well-known firm of accountants.

Everett L. Wright, president of the City State Bank of Hopkinton, Iowa, about eight or ten years ago used to be employed in the transit department of the Merchants National Bank of Cedar Rapids. He was such an ad-

miration of his "boss" when he worked in the big bank that when his wife presented him with a baby boy recently they named him **James E. Hamilton Wright**.

Norman B. Shaffer has tossed the "assistant" in his title out the window and has now become a full fledged **vice president**. This is an honor which Norman well deserves and his many friends will rejoice in this recognition of his fine qualities.

E. O. Fenton, president of the American Institute of Business of Des Moines, has just issued "**Your 1939 Tax Returns**" which gives the highlights of the Federal tax laws which affect them. Included in this folder are individual normal income tax, individual surtax, corporation tax, capital stock tax, excess profits tax, state and gift tax and payroll tax. If you have not received one of these folders we are sure that Mr. Fenton will be glad to send you one with his compliments.

A FINANCIAL STATEMENT that speaks for itself...

A company which any bank can be proud to represent or recommend . . . serving Iowa, Minnesota, Nebraska, the Dakotas and other midwestern states.

FINANCIAL STATEMENT: December 31, 1939

ASSETS

| | |
|--|-----------------------|
| Bonds (Market Value)..... | \$2,731,065.00 |
| No bonds ever owned by the company have been in default as to interest or principal. | |
| Stocks (Market Value)..... | 17,370.00 |
| Real Estate (Home Office Building)..... | 128,451.15 |
| Deposits in Banks..... | 418,647.54 |
| Premiums Receivable (Not Past Due)..... | 478,860.84 |
| Current balances due from agents and policyholders. | |
| Interest Accrued..... | 22,492.40 |
| Federal Savings Certificates..... | 10,000.00 |
| County Warrants..... | 2,792.66 |
| TOTAL ADMITTED ASSETS..... | \$3,809,679.59 |

RESERVES

| | |
|--|-----------------------|
| Reserve for Losses..... | \$1,537,045.95 |
| Funds set aside to fully pay all incurred and expected losses. | |
| Reserve for Unearned Premiums..... | 1,148,150.62 |
| Funds set aside to return to every policyholder the unearned premium in event of cancellation of his policy. | |
| Other Reserves..... | 251,692.37 |
| Taxes, Commissions, Reinsurance, etc. | |
| TOTAL RESERVES..... | \$2,936,888.74 |
| Reserve for Contingencies..... | 100,000.00 |
| Surplus..... | 772,790.85 |
| | \$3,809,679.59 |

EMPLOYERS MUTUAL CASUALTY COMPANY • DES MOINES

John A. Gunn, President

AUTOMOBILE INSURANCE • WORKMEN'S COMPENSATION • TOWN LIABILITY
GENERAL LIABILITY • ELEVATOR INSURANCE • PLATE GLASS

MANUFACTURERS TRUST COMPANY

*Condensed Statement of Condition as at close of business
December 30, 1939*

RESOURCES

| | |
|--|-------------------------|
| Cash and Due from Banks | \$267,372,518.84 |
| U. S. Government Securities | 282,493,189.93 |
| State and Municipal Bonds | 18,941,859.61 |
| Stock of Federal Reserve Bank | 2,254,200.00 |
| Other Securities | 52,733,411.82 |
| Loans, Bills Purchased and Bankers' Acceptances | 189,415,409.78 |
| Mortgages | 19,786,072.17 |
| Banking Houses | 12,862,189.52 |
| Other Real Estate Equities | 3,875,913.21 |
| Customers' Liability for Acceptances | 8,773,476.51 |
| Accrued Interest and Other Resources | 2,645,979.47 |
| | \$861,154,220.86 |

LIABILITIES

| | |
|---|-------------------------|
| Preferred Stock \$ 9,118,520.00 | |
| Common Stock | 32,998,440.00 |
| Surplus and Undivided Profits | 40,151,108.92 |
| Reserves | 82,268,068.92 |
| Reserve for Preferred Stock Sinking Fund | 4,343,678.49 |
| Common Stock Dividend (Payable January 2, 1940) | 54,376.11 |
| Preferred Stock Dividend (Payable January 15, 1940) | 824,959.00 |
| Outstanding Acceptances | 227,963.00 |
| Liability as Endorser on Acceptances and Foreign Bills | 9,543,607.90 |
| Deposits | 1,128,323.22 |
| | \$861,154,220.86 |

DIRECTORS

| | | |
|---|---|---|
| EDWIN M. ALLEN <i>President, Mathieson Alkali Works, Inc.</i> | CHARLES FROEB <i>President, Lincoln Savings Bank</i> | SAMUEL McROBERTS <i>New York City</i> |
| CHARLES K. BEEKMAN <i>Beekman, Bogue, Stephens & Black</i> | PAOLINO GERLI <i>Vice-President, E. Gerli & Co., Inc.</i> | JOHN P. MAGUIRE <i>President, John P. Maguire & Co., Inc.</i> |
| EDWIN J. BEINECKE <i>Chairman, Sperry & Hutchinson Co.</i> | HARVEY D. GIBSON <i>President</i> | C. R. PALMER <i>President, Cluett, Peabody & Co., Inc.</i> |
| EDGAR S. BLOOM <i>President, Western Electric Co., Inc.</i> | CHARLES L. HOGAN <i>President, Lone Star Cement Corporation</i> | GEORGE J. PATTERSON <i>President, Scranton & Lehigh Coal Co.</i> |
| CHARLES A. DANA <i>President, Spicer Manufacturing Corp.</i> | JOHN L. JOHNSTON <i>President, Lambert Company</i> | HAROLD C. RICHARD <i>Chairman, General Bronze Corporation</i> |
| ELLIS P. EARLE <i>President, Nipissing Mines Co.</i> | OSWALD L. JOHNSTON <i>Simpson Thacher & Bartlett</i> | HAROLD V. SMITH <i>President, Home Insurance Co.</i> |
| HORACE C. FLANIGAN <i>Vice-President</i> | CHARLES L. JONES <i>Executive Vice-President, National Distillers Products Corp.</i> | ERNEST STAUFFEN, JR. <i>Chairman, Trust Committee</i> |
| JOHN M. FRANKLIN <i>President, United States Lines Company</i> | GEORGE MACDONALD <i>Chairman, Federal Home Loan Bank of New York</i> | GUY W. VAUGHAN <i>President, Curtiss-Wright Corporation</i> |
| | | HENRY C. VON ELM <i>Vice-Chairman of the Board</i> |

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The Preferred is convertible into and has a preference over the
Common to the extent of \$50 per share and accrued dividends.*

Winfield C. Jackley, president of Jackley and Company of Des Moines, and past president of the Iowa Investment Bankers Association, has a hobby which he plays rather than rides and it is the trombone. He has been "kidded" now and then by his fellow investment bankers, including **Walter E. Vieth** of Davenport, the newly elected president of the state organization. But just to prove that Winfield knows his trombone he was recently elected as manager of the Shrine band in Des Moines, which proves that he is "tooting" right along.

Named Director

Cecil W. Slocum was elected secretary and a director of Burns, Potter & Co. at a meeting of the board in Omaha, according to an announcement



CECIL W. SLOCUM

by A. C. Potter, president. Mr. Slocum joined the firm in 1928 after graduation from an Omaha high school. He is president of the Omaha Junior Chamber of Commerce and was active as chairman in 1939 of the Red Cross campaign.

Drovers, Chicago

At the annual meetings of the Drovers Banks, Chicago, all of the directors and officers were re-elected with the exception of John P. Oleson, who retired as the director of both the Drovers National Bank and Drovers Trust and Savings Bank. The Drovers National Bank declared a semi-annual dividend of 3 per cent, payable 1½ per cent on April 1st to stockholders of record on March 30, 1940, and 1½ per cent on July 1st to stockholders of record June 29, 1940.

Backlog of Unfilled Orders Will Mean

Continued Industrial Activity

OUR index of business activity continued to advance sharply in December for the seventh consecutive month. It stands at 112.4 (preliminary) as compared with 107.5 (revised) for November, 86.9 for May and April, the year's low point, and 93.3 for December, 1938. Since last May, it has risen nearly 30 per cent and is only 3.5 points below the 1937 high mark. Only one component of the combined index, coal production, failed to participate in the December recovery.

As has been the case during most of the recovery, durable goods industries continued to lead the way in December. Average output of these industries, before allowance for long-term growth, is now slightly above the record high level for 1929 and nearly double that at the middle of 1939.

Automobile output increased sharply largely because of the resumption of large scale operations by Chrysler. Assemblies have been placed at the highest for any December on record, with the exception of 1936. Consumer demand for motor cars continued to make a good showing while dealers' stocks remained at a low level. A fairly sizable volume of unfilled orders was carried over into the new year and the industry's strong statistical position has been reflected in heavy output of cars in January. In fact, it is believed that final figures will reveal that a new January output record has been established.

Steel mill operations declined to 85.6 per cent of capacity from 93.3 per cent in November, but normally a sharper recession is recorded in this period. For January, however, the trend has been downward although no marked decrease in operations in the nearby future is indicated. Mills have sufficient orders on their books to guarantee a high level of activity for another month or more, after which buying will have to revive considerably to prevent substantial declines.

An outstanding favorable feature of the 1939 business recovery has been the high volume of demand for ma-

Prepared for
THE NORTHWESTERN BANKER
by an organization of
leading economists

chinery and machine tools. Recently new business has been considerably slower but this is partly due to the fact that most producers booked so much business in September and October that they are unable to promise delivery on additional orders for many months ahead. As a result of these backlogs, production of machine tools has risen to near capacity levels. At the beginning of the year, the industry was operating moderately above the 50 per cent of capacity mark; for December, the figure was slightly over 93 per cent.

Production of nondurable goods continues at a high level but has shown comparatively little change in the last four months. Average output of these goods, moreover, still has not reached the high level of the 1936-37 business recovery. Cotton consumption by mills rose to near record-breaking levels in December, after allowance for seasonal fluctuations, but silk and rayon consumption declined. Silk's showing was very poor, the industry having

been hard hit by the high level of silk prices. Paper mills continued to operate near capacity levels, on a seasonally adjusted basis, while the boot and shoe industry is estimated to have established a new high output record in 1939.

The trend of retail trade indicates that the high volume of production of consumers goods has not piled up as inventories but for the most part has been rapidly absorbed. Sales reports of many retailers revealed the best December showing on record and if unit sales figures were available the picture would appear even brighter. After allowance for retail price changes, it is found, for example, that department store sales in December were above the highest month for 1929 and that the gain in sales for the last six months of the year approximated that in nondurable goods production.

New buying by industry has fallen off sharply from the high September-October level although it appeared for a while in December that the trend would be reversed. The spurt in buying, however, was largely restricted to cotton cloths and the movement failed to spread. Noteworthy was the failure of such important industrial raw materials as nonferrous metals to par-

(Turn to page 35, 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

BUSINESS and the markets drifted lower in January. The downtrend in business was the natural reaction after the sharp upturn of the previous four months—the lower prices for bonds and stocks were the result of numerous uncertainties here and abroad, and the fear complex that such uncertainties generate.

Steel activity in January was approximately 84% of theoretical capacity—a drop of about ten points from early December. On the other hand, 84% is a good rate—but new orders were about 50% of shipments being made and the steel companies were digging into their backlogs. These backlogs are sufficiently large to provide for substantial production for another month or so—then war orders or new domestic commitments must appear—or a sharp decline will result. The Federal Reserve Board Index of Industrial Production, which reached a high of 128 in December, is probably around 120 to 122 now—the official January figure, of course, will not be available until late in February. The 120 to 122 is our guess—whether it proves accurate or not it is a certainty from actual figures on hand that the business trend is downward as we write this on the morning of Saturday, January twenty-seventh.

The stock market reflected the uncertainties by slipping lower during the month. In the twenty-two days of trading—up to last night's close—advances were recorded in the Dow-Jones Averages on ten days and declines on twelve. On the first day of trading of the new year, the industrial average stood at 150.24—yesterday's close was 146.61. As we have mentioned in earlier articles—the stock market reached its high since the war on September twelfth—since that time no gains have been recorded. Considering the sharp upturn in business this has been surprising and disappointing to its followers—but the unknown factors loom so large under present war conditions that the faith necessary for a market boom has not appeared to date.

Only a few of the large companies have released their annual statements for 1939—those which are available are generally good. For instance, Bethlehem Steel reported \$5.75 per share on the common—compared with a loss, after payment of preferred dividends, in 1938. The steel industry's operations in the final quarter were practically at an all-time peak—but the stock market continued to be cautious. The action of Bethlehem Steel stock

itself offers a fine example of how disappointing the stock market has been. On September eleventh—a few days after the war started—the stock sold at 100. This morning's opening was 73½. It is true, of course, that stocks sell at a much lower ratio to earnings in war times—but this time it is apparent that the market is giving less credence to possibilities than ever before.

While investors were receptive to some bond refundings in January—on the other hand markets were generally lower. The Government market, after an early display of strength, eased off as the month progressed despite some buying by New York City banks. The Treasury 2½s of 1952/50, which were quoted 106.2 on the eleventh of the month, are around 105.15 this morning. Similarly, the long 2½s declined from 106.24 to 106.2. Approximately a half point selloff was true throughout the longer issues. Apparently there were no changes in the domestic picture to cause this—the best conjecture is that the fear of a market slump in the spring when Germany starts her well advertised drive—has been responsible for the lower prices.

There was one outstanding bit of refinancing in January—at least notable from the market reception standpoint—namely the offering of \$30,000,000 of American Gas and Electric debentures. Investors scrambled for these bonds and all three maturities went to premiums over selling prices in quick order. Other refundings during the month included an offering of \$11,000,000 of Libby, McNeill and Libby 4s of 1955 and \$10,962,000 of Pennsylvania Water and Power 3½s of 1970. It should also be noted that the Rock Island refunded its equipment 3½s of 1947 with 2½s. There are not a great many prospective offerings on the S. E. C. calendar—except four or five issues which have been deferred from time to time—and a new registration of \$25,000,000 of Dayton Power and Light Company 1st 3s of 1940.

With business slowly declining at this point—and the war abroad deadlocked by winter—it is difficult for the markets to rally out of their lethargy. Another month or two should bring some sharp changes in this situation. One has but to read the newspapers to realize the uncertainties in our markets. Theodore R. Goldsmith of Washington, on the one hand, calls attention to the dangers in our bond market if the war becomes intensified. Allan M. Pipe of New York, on the other, points out the many factors which make for a continuance of low money rates and high bond prices. With such differences of opinion we had best continue a policy of caution plus alertness in our bond portfolios.

CONTINUED INDUSTRIAL ACTIVITY

(Continued from page 33)

ticipate in the improvement. In this respect, the outlook has been further dimmed in recent weeks by weakness in both commodity and security prices.

For January, industrial activity has shown a downward trend from the high December level but no really serious recession is indicated for the time being. It is well known that many leading industries enjoyed large backlogs of unfilled orders at the year-end and, although these alone would not permit record breaking operations, they insure a large volume of output for the nearby months.

So long as war continues in Europe, the possibility of increased shipments of merchandise abroad must be taken into account in an appraisal of the business outlook. Whether the Spring will witness serious fighting and large scale destruction of goods is a matter of conjecture. Latest export figures reveal a sharp rise in shipments to Great Britain and France, but the movement has not approached sufficient proportions to influence our economy appreciably. The outstanding beneficiary so far has been the airplane industry. Any signs, however, of a marked upward trend in European demand would undoubtedly be quickly reflected in domestic orders for many materials. On the basis of statistics now available, it does not appear that inventories of manufacturers have risen sufficiently to prevent such a development from raising production schedules.

One unusual aspect of the 1939 business recovery was the absence of any revival in new capital markets. Instead of improvement usually associated with recovery, the value of corporate issues floated in the open market for the purpose of new capital actually declined and was slightly below the low level for 1935. Some new capital was obtained through private placings while flush cash accounts permitted many companies to buy capital goods without recourse to the public. Uncertainty created by European conditions undoubtedly hampered the new issue markets but problems created by government control and regulations continued as a powerful brake.

Chase National

The board of directors of the Chase National Bank elected Richard H. Mansfield a vice president of the bank; Ralph N. Harder, Arthur D. Lane, George H. Reeves and Lyon F. Terry, second vice presidents. L. Allan

Bucher, John Epprecht, James J. Major, David J. Nielson, Harold Parker, S. Allen Pippitt, Joseph V. Scully, H. Herbert Steinkamp and Charles H. Tompkins were appointed assistant cashiers.

Commerce Trust, Kansas City

A number of changes in officers was reported by the Commerce Trust Company of Kansas City, following their recent annual meeting.

Fred M. Staker, formerly assistant vice president, was advanced to vice president, and M. Bingham was ad-

vanced from assistant cashier to assistant vice president. Two new officers were named—Karl Sagl and Raymond Scott now have the positions of assistant cashiers. Mr. Scott is also head of the transit department.

Directors of the bank, who were all re-elected, voted to take \$100,000 undivided profit and \$500,000 of reserves and add to surplus, which now gives the bank a capital structure of \$12,000,000, the largest any Kansas City bank has ever had. It is divided as capital \$8,000,000; surplus \$3,000,000; and undivided profits \$3,000,000.

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IOWA INVESTMENT BANKERS →

Pictured on the opposite page are a number of those attending the recent annual meeting of the Iowa Investment Bankers Association, held in Davenport. Reading from left to right, they are: 1. **Royal F. Munger** (standing) financial editor of the *Chicago Daily News*, one of the speakers. 2. **Harry B. Graefe**, Des Moines; **Frank Filip**, Association treasurer, Cedar Rapids; **John Quail**, Association second vice president, Davenport; and **Richard Sleep**, Halsey Stuart, Chicago. 3. **Robert Root**, Des Moines; and **Chester Salter**, Davenport. 4. **Erling Larson**, Davenport; **Verne Ehlers**, Davenport; **T. C. Henderson**, Des Moines; and **Matt Steffen**, Davenport.

5. **Blair Phillips**, Davenport; **Roy Lerich**, Association secretary, Des Moines; **Eugene McGuire**, Des Moines; and **W. T. Frame**, Des Moines. 6. **Walter Vieth**, Association president, Davenport; **Frank Warden**, Des Moines; and **A. M. McLaughlin**. 7. **G. C. Fiedler**, Davenport; **Sherman Fowler**, Des Moines; **W. L. Flint**, Cedar Rapids; and **A. L. Augustine**, Cedar Rapids. 8. **Carl Stutz**, Davenport; **James E. Shaw**, Des Moines; and **Marshall Barlow**, Des Moines. 9. **M. D. Dearth**, Association first vice president, Des Moines; **George Peterson**, Des Moines; **Mike Ruhl**, Davenport; and **Winfield Jackley**, Des Moines.



WALTER E. VIETH
President
Davenport

IOWA Investment Bankers Association

Organized 1935



ROY W. LERICHE
Secretary
Des Moines

Annual Meeting In Davenport

WALTER E. VIETH, Vieth, Duncan and Wood, Davenport, was named president of the Iowa Investment Bankers Association at the annual meeting of the organization held last month in Davenport. Other officers elected are M. D. Dearth, Murdoch, Dearth & White, Des Moines,

first vice president; John Quail, Quail & Company, Davenport, second vice president; Roy Leriche, Wheelock & Cummins, Des Moines, re-elected secretary; and Frank Filip, Filip & Company, Cedar Rapids, again fills the post of treasurer.

Three new members were named to

the board of governors: T. C. Henderson, Des Moines; Matt Steffen, Davenport, and Robert Alexander of Davenport. Holdover members on the board are Scott McIntyre, Cedar Rapids; Leo Mak, Waterloo; Frank Warden, Des Moines; Julian White, Des Moines; James Cummins, Des Moines; Marshall Barlow, Des Moines, and Harry Westphal, Des Moines.

Members heard two speakers from outside their ranks, Royal F. Munger, financial editor of the *Chicago Daily News*, and Byron W. Shimp, of B. J. VanIngen & Company, New York City. Mr. Shimp discussed public revenue bonds, outlining in detail the set-up of the Pennsylvania Turnpike Bonds, distribution of which his company heads the syndicate.

Mr. Munger looks for a pretty good year ahead, in 1940, although in his opinion there will be no boom even though the trend is upward. Investmentwise, Mr. Munger thinks the small stockholder and the employee must be better sold on company management, if the latter is to be able to draw votes in the direction the votes should go. He thinks that unless the New York stock exchange permits more odd-lot trading, the SEC will move in, and we will have more government regulation than we have now.

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DES MOINES, IOWA

Northwest Bancorporation

J. C. Thomson, president of Northwest Bancorporation and affiliates, shows consolidated net earnings for 1939 of \$3,385,774 as compared with \$2,602,800 for 1938. Profit on securities sold amounted to \$463,195 as against \$751,181 for 1938.

Consolidated net income, including profit on securities sold, and after deducting dividends on preferred stock and interest on capital debentures, minority interests and provision for losses and depreciation, was \$2,458,797, equivalent to \$1.57 per share on 1,559,831 shares of stock outstanding as compared with \$1,972,111, equivalent to \$1.26 per share on 1,560,878 shares outstanding at the close of 1938.

Capital and surplus at the end of the



What Their Statements Show

Figures Reported by New York, Chicago and St. Louis Banks According to Their Statements of December 30, 1939

| TOWN | BANK | Capital | Surplus and Profits | Loans and Discounts | Bonds and Securities | Cash and Due From Banks | Deposits |
|------------------|------------------------------------|--------------|---------------------|---------------------|----------------------|-------------------------|---------------|
| Chicago..... | American National Bank & Trust... | \$ 1,600,000 | \$ 1,554,030 | \$ 16,957,052 | \$ 27,465,613 | \$ 29,114,183 | \$ 69,611,148 |
| Chicago..... | City National Bank & Trust..... | 4,000,000 | 3,359,072 | 35,435,432 | 49,718,467 | 79,911,189 | 157,215,692 |
| Chicago..... | Continental Illinois National..... | 50,000,000 | 45,086,347 | 146,720,994 | 670,411,846 | 602,293,792 | 1,324,094,604 |
| Chicago..... | Drovers National..... | 1,000,000 | 1,037,172 | 3,279,919 | 8,490,356 | 22,223,660 | 12,652,679 |
| Chicago..... | First National..... | 30,000,000 | 38,952,280 | 250,399,294 | 447,000,320 | 416,592,756 | 1,053,424,362 |
| Chicago..... | Live Stock National..... | 1,000,000 | 1,664,421 | 5,948,209 | 6,213,752 | 19,470,308 | 29,543,426 |
| Chicago..... | Northern Trust..... | 3,000,000 | 10,522,649 | 14,459,261 | 193,091,385 | 160,224,400 | 369,946,356 |
| Detroit..... | National Bank of Detroit..... | 17,500,000 | 14,226,894 | 68,217,885 | 215,389,902 | 208,496,609 | 462,313,209 |
| Kansas City..... | Commerce Trust Co..... | 6,000,000 | 5,496,675 | 39,937,555 | 72,803,162 | 79,950,440 | 184,414,053 |
| New York..... | Central Hanover Bank & Trust..... | 21,000,000 | 72,745,639 | 165,748,814 | 384,708,109 | 627,536,800 | 1,106,736,120 |
| New York..... | Chase National..... | 100,270,000 | 100,270,000 | 636,176,000 | 820,170,000 | 1,293,143,000 | 2,803,730,000 |
| New York..... | Guaranty Trust Co..... | 90,000,000 | 184,701,954 | 500,360,310 | 813,827,999 | 1,040,901,764 | 2,074,898,693 |
| New York..... | Manufacturers Trust..... | 42,116,960 | 40,151,108 | 189,415,409 | 344,168,459 | 267,372,518 | 762,763,244 |
| New York..... | Public National Bank & Trust..... | 7,000,000 | 9,910,268 | 57,856,207 | 49,030,502 | 67,481,494 | 157,360,983 |
| St. Louis..... | First National Bank..... | 10,200,000 | 8,995,052 | 59,641,794 | 88,779,890 | 134,559,919 | 265,539,152 |

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GENERAL MOTORS ACCEPTANCE CORPORATION

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

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

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

GENERAL MOTORS INSTALMENT PLAN

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

EXECUTIVE OFFICE NEW YORK - BRANCHES IN PRINCIPAL CITIES

year totalled \$32,896,173 indicating a book value of \$21.09 a share on shares outstanding exclusive of treasury stock as compared with \$18.80 on shares outstanding at the close of 1938.

The net income of the holding company, Northwest Bancorporation, on the basis of dividends received from affiliates but excluding adjustment re-



J. C. THOMSON

sulting from the increase in value of its investments in affiliates amounted to \$730,682. Cash, marketable securities and other assets, excluding investments in affiliates held by the holding company, increased during the year from \$918,617 to \$1,920,071.

The corporation's report disclosed that loans and discounts at the end of 1939 were \$147,010,194 as compared to \$118,767,609 at the end of 1938.

Bonds and other securities held by Northwestern Bancorporation and affiliated banks at the close of the year were \$169,264,318 as compared with \$162,691,820 at the end of 1938.

During 1939 affiliated banks retired \$622,025 preferred stock and capital debentures, leaving a balance outstanding of \$5,462,475 of the original amount of \$25,705,000 Reconstruction Finance Corporation obligations incurred in 1933.

In line with the general trend, consolidated deposits increased during the year, and at the end of December were \$421,483,431 compared with \$384,739.131 at the end of 1938.

Stern Named President

Lawrence F. Stern was elected president of the American National Bank and Trust Company of Chicago at the bank's annual meeting. He first became associated with a bank a year ago when he was elected a director and chairman of the executive com-



LAWRENCE F. STERN

mittee, in which capacities he will continue to serve in addition to the presidency.

Mr. Stern is widely known in Chicago and New York financial circles, having been an investment banker for many years before joining the American National Bank a year ago. He was born in Chicago in 1888 and attended Dartmouth College. He became associated with S. W. Straus and Company in 1908 and resigned a vice presidency of that concern in 1925 to establish his own firm of Lawrence Stern & Company. In 1938, this firm's securities business and investment supervisory service were transferred to a new company, Stern, Wampler & Co., Inc.

The American National, with Lawrence Stern is president and E. N. Van Horne, executive vice president, is

strongly officered. Mr. Van Horne is well known throughout mid-western banking circles, coming originally from Nebraska, but he has been in Chicago long enough to become well acquainted with Chicago banking problems, as well as the problems of the many correspondent banks in surrounding states which are served by the American National.

Committee Member

George J. Schaller, president of the Federal Reserve Bank of Chicago, was elected by the board of directors of that institution to serve as the member of the Federal Open Market Com-

mittee for the Seventh and Eighth Federal Reserve districts.

Mr. Schaller's term will cover the year beginning March 1, 1940. William McChesney Martin, president of the Federal Reserve Bank of St. Louis, who has been the regular member of the committee during the past year, was selected as the alternate for the coming term.

Continental, Chicago

The board of directors of the Continental Illinois National Bank and Trust Company of Chicago declared a dividend of \$2 a share, payable February 1st to shareholders of record January 20th.

Federal Discount Corporation

Dubuque, Iowa

Automobile Finance

*Time Payment Plans for
Automobile Purchasers*

■ ■ ■

Capital, Surplus and Undivided Profits

Exceed One Million Dollars

■ ■ ■

Short Term

Collateral Trust Notes

*Notes Secured by Collateral Under Trust
Agreement With American National
Bank and Trust Co., Chicago, Ill.*

■ ■ ■

Information on Request

At the annual shareholders' meeting, two new directors were elected. They are Fred J. Fisher, founder of the Fisher Body Corporation and for many years connected with General Motors, and Charles D. Wiman, president of Deere & Co. William F. Hayes, a director of the bank for many years, asked that he be not renominated because of the demands of his other banking and business interests. All other directors were re-elected.

At the directors' meeting following the shareholders' meeting, promotions were made in the official family as follows: In the banking department

Norman B. Shaffer, second vice president, was elected a vice president. Leland S. Ford, John F. Mannion, O. B. Wallace and Ellsworth M. White, assistant cashiers, were made second vice presidents. Anthony D. Arado, Frederic A. Curtis, Robert A. Daly, Victor S. Dixon, Joseph R. Knight and William P. Schneider were made assistant cashiers.

In the trust department Robert S. Drew and Howell W. Kitchell, second vice presidents, were made vice presidents. Paul C. Butcher and Allan B. Hussander, trust officers, were made second vice presidents. David Ander-

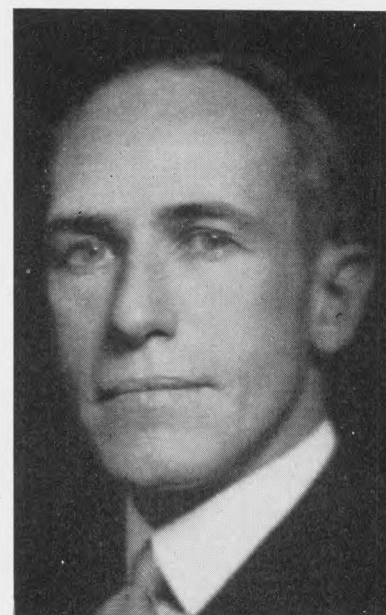
son and Albert E. Burton, assistant secretaries, were made trust officers. Harry C. Birk, Bruce H. De Swarte and Frank R. Kennedy were made assistant secretaries.

Armour Heads Group

Laurance Armour resigned recently as president of the American National Bank and Trust Company and is at present heading a group composed of Marshall Field III, John Nuveen, John N. Nicholson and other prominent business men, to purchase 60 per cent of the common stock in the National Builders Bank of Chicago.

It is expected that the acquirement of the stock will be consummated in the near future and Mr. Armour will become one of the principal stockholders and the chief executive officer. The entire board of directors will be changed and the bank will be given a new name.

The capitalization now consists of



LAURANCE ARMOUR

1,000 shares of \$100 par value preferred stock and 8,000 shares of common of \$50 par value. Deposits at the close of business December 31, 1939, were \$6,787,000 with a surplus of \$130,000.

As soon as the new interests have acquired control, work will commence immediately preparing adequate and attractive quarters on the ground floor of the Field Building and the bank will be moved from its present location about June 1st.

Mr. Armour's many friends throughout the middle west are wishing him every success in his new bank connection.

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

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

Turner Transferred

Huntington M. Turner, former assistant secretary of the Chemical Bank & Trust Company, New York, who was appointed an assistant vice president of the bank, until recently was



H. M. TURNER

the Chemical's representative located in Chicago.

A short time ago Mr. Turner was transferred to New York, from where

he expects to make frequent trips to the middle western territory.

First National, St. Louis

Last year the First National Bank in St. Louis installed in its lobby an Audichron, a machine which automat-

ically gives the time over the telephone when its number is called or dialed. William M. Sherrill, advertising and publicity manager of the bank, states that during the first year of operation it answered 11,444,854 calls. At present time calls average approxi-

Iowa Guarantee, Inc.

... SAFETY ...

COLLATERAL TRUST NOTES

Secured by:

1. Individual responsibility of several thousand borrowers.
2. Obligation of Dealers.
3. The collateral itself.
4. Insurance of the collateral.
5. Margin of 20% or more with Trustee, The Central National Bank & Trust Co. of Des Moines.
6. Active supervision by the Trustee.
7. Net worth of the company itself, with twenty-two years successful operation.

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

• • •

Shops Building

Des Moines, Iowa

WHY EVERY MAN SHOULD HAVE THREE KINDS OF MONEY



SOONER OR LATER, a man comes to realize that instead of just one kind of money, he needs three.

For illness or other emergencies, he needs the kind of money he can lay hands on in a hurry. He needs cash in a bank.

To protect his family, he needs another kind of money. He needs a reservoir of dollars which will lie untouched during his lifetime, but which will spring to his family's aid if he should die.

The need for these two types of money is well recognized. One out of every 3 families in the country has a savings account. One out of every 2 has insurance.

But more and more people are beginning to realize the need for a *third* kind of money. Money which will be accumulated step-by-step during a man's productive years—and which will provide

him with a substantial sum when his working days are done.

This is the kind of money on which many people have come to depend as an aid to financial security in old age—as a means of protection against the time when earning powers decline.

*** The First Step ***

The first and most important step toward the solution of your money problems is to find out *where your money goes*. Keeping a record of what you spend is essential if you want to make the most of your income.

Investors Syndicate offers, without obligation, a copy of "Living Expenses"—*not a budget book*—a simple, easily-kept record showing where your money goes. For your free copy, write Investors Syndicate, Department 620, Minneapolis, Minn.

This message is typical in character of a series of advertisements, sponsored by Investors Syndicate, now appearing in national magazines.

INVESTORS SYNDICATE

Living Protection

Established 1894

mately 36,000 per day. For the 24-hour period to 7 a. m. New Year's day, calls totalled 41,361. For several months calls average about 30,000 per day, but in recent months have been gradually increasing.

Numerous telephone inquiries as to "how it works" have been answered by the bank since the Audichron was

installed, and thousands of people have been in to see for themselves. They are usually surprised at the apparent simplicity of the machine. It operates almost silently, and the one to forty calls being answered simultaneously are indicated only by the flashing of the light which causes the sound films to function.

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)

We are pleased to announce the election

of

MR. CECIL W. SLOCUM

as

Secretary and Director
of this firm

BURNS, POTTER & COMPANY

202 South 17th St.

Established 1902

Omaha, Neb.

V. W. BREWER CO. MUNICIPAL BONDS

"Incomes From the Large Permanent School Funds of North and South Dakota Pay a Substantial Portion of the Educational Costs of the States."

FIRST NAT - SOO LINE BLDG.
MINNEAPOLIS

Northern Trust, Chicago

At the annual meeting of the directors of the Northern Trust Company, Chicago, the following promotions were effected: In the trust department Nathaniel M. Symonds and John C. Smith were elevated from assistant



G. LYLE FISCHER

secretaries to second vice presidents, while the following banking department officers, Robert H. Garrett, Alfred Brittain, Jr., and G. Lyle Fischer were promoted from assistant cashiers to second vice presidents.

The directors also elected John R. Hoyle an assistant cashier and E. LeRoy Hall an assistant comptroller. All other officers were re-elected.

R.E. CRUMMER & COMPANY
EST. NAT. BANK BLDG. CHICAGO, ILLINOIS
Established 1897

MUNICIPAL BONDS

□

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

□

DES MOINES OFFICE
314 Equitable Bldg.
WALTER P. DAVIS, Mgr.



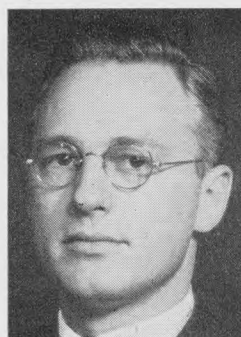
ABE MARTIN
President
Lincoln

NEBRASKA

Investment Bankers

Association

Organized 1920



ROBERT P. ELICK
Secretary
Omaha

MR. AND Mrs. Thomas N. Rutter left by automobile in January for Florida. They expected to spend some time in Miami before going to New Orleans, and to return the first of March.

A dividend totaling more than \$36,000 was declared for the last quarter of 1939 on savings invested with the Occidental Building and Loan Association of Omaha, it was announced by **President Ford E. Hovey**. Dividends have been paid at the rate of 3 per cent annually since April, 1931.

Directors of the Commercial Savings and Loan Association of South Omaha declared the association's semiannual 3 per cent dividend, payable January 1. It was the one hundred and fifth consecutive semiannual dividend paid by the institution.

More than 1,600 Nebraska farm tenants and other farmers have become homeowners through the Federal Land Bank of Omaha since passage of the farm credit act of 1935, **Charles McCumsey**, land bank president, reported at a recent meeting of the farm credit board at Omaha.

During the past four years, the Omaha land bank advanced more than \$6,000,000 in mortgage loans and other credit, McCumsey said.

Panel discussions and an address by **Frank Robotka**, professor of agricultural economics at Iowa State College, Ames, featured sessions of the annual stockholders' conference of the Omaha Bank for Co-operatives. The two-day meet was held in Omaha recently.

Representatives of farmer co-operatives from Nebraska, Iowa, Wyoming and South Dakota attended.

Elmer N. Bovell, 76, treasurer of the Occidental Building and Loan Association of Omaha and associated with that institution since 1895, died re-

cently. He had been active until three months before his death.

When Mr. Bovell began with the firm, he was the entire office staff—stenographer, bookkeeper and teller. In 1908 he was elected secretary, in 1937 treasurer. He was born in Oskaloosa, Iowa. He was active in the Kiwanis club and in Masonic bodies, including the Scottish Rite, Knights Templar and Shrine.

His wife and sister survive.

Departure of **James T. Wachob**, Omaha investment banker, on his annual winter tour was delayed a short time by illness. His destination was Fort Lauderdale, Florida, and he expected to remain there until early spring.

Friends of **A. W. Gordon**, president of the Omaha Loan and Building Association and chairman of the board of the Association of Omaha Taxpayers, received unique New Year's greetings from him.

"In accordance with our constitutional rights," he wrote, "I am free to express this untaxed wish to you and yours. I hope you will have a full measure of prosperity in order that you may pay your proportion of the privileges enumerated below."

Below were enumerated, month by month, the various taxes which Mr. Average Citizen has to pay. The greeting was about two feet square.

**Over-Counter Facilities
in All Markets
Primary Markets in Iowa
Securities**

McGUIRE, WELCH & CO.
231 So. LaSalle
CHICAGO
Bankers Trust Bldg.
DES MOINES

Harold T. Landeryou, investment banker at Omaha, was elevated to Illustrious Potentate of Tangier Temple of the Shrine at Omaha recently. He succeeded William H. Karnett. Installation was held January 25 in the Omaha City Auditorium, and was open to the public for the first time.

First steps toward refinancing the four million-dollar public housing debt of the Omaha housing authority at a lower interest rate, by sale of bonds to private investors, were taken recently.

The local authority was considering a merger of federal construction loans for the South Omaha and Logan Fontenelle extension projects. Total cost of the 522-unit South Side Terrace Homes is expected to be \$2,600,000 when completed in March. The estimated development cost for the 272-unit Logan Fontenelle extension, to go into construction early this spring, is \$1,400,000.

On both projects, the United States housing authority has contracted to furnish 90 per cent of the cost by 60-year self-liquidating mortgage loans at three and one-half per cent interest.

LAMSON BROS. & Co.

ESTABLISHED 1874

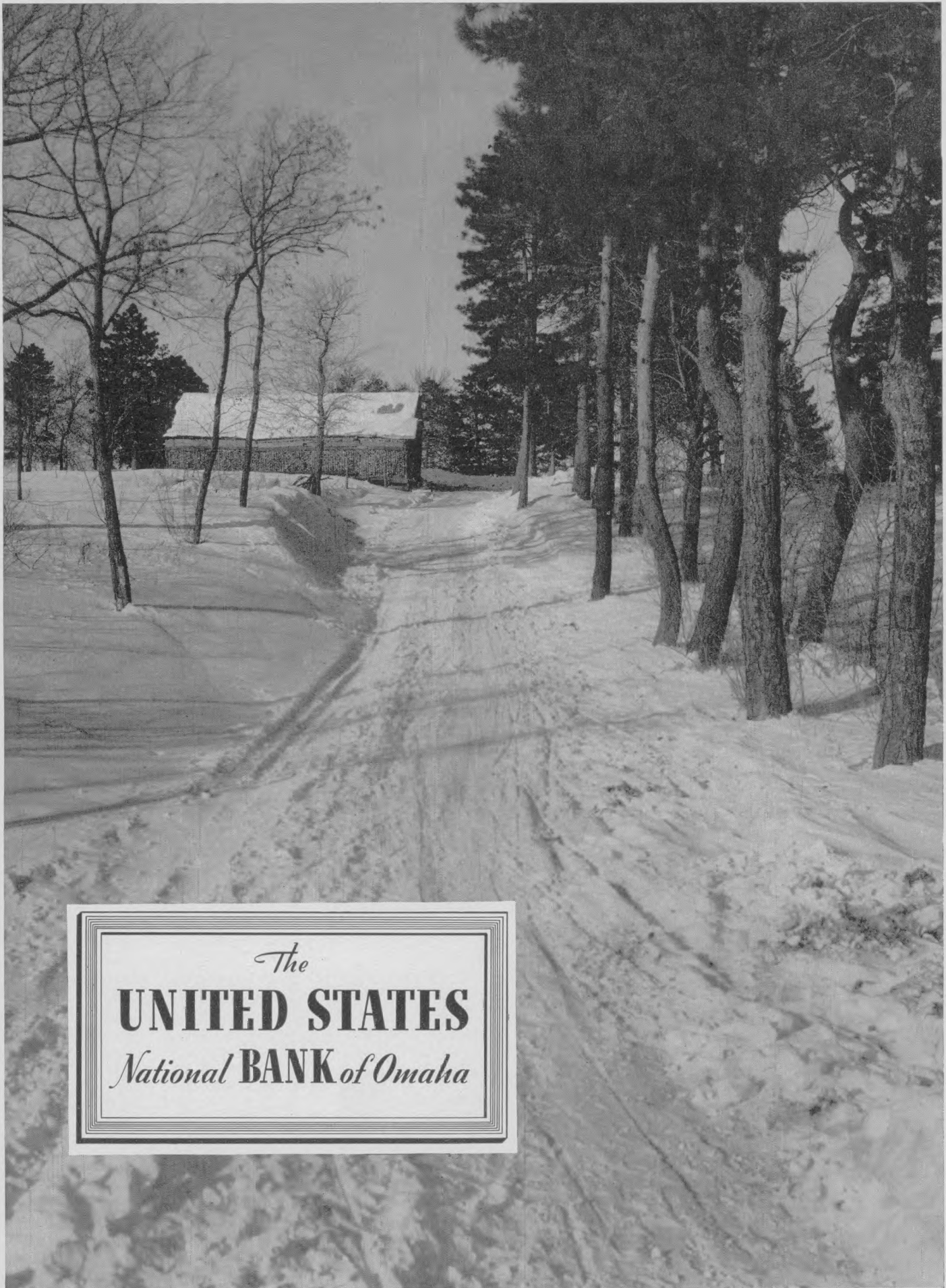
141 W. Jackson Blvd., Chicago
50 Broadway, New York

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



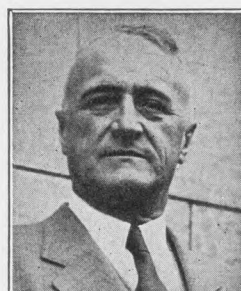
The
UNITED STATES
National BANK of Omaha

Member Federal Deposit Insurance Corporation



C. C. NEUMANN
President
Oakland

NEBRASKA NEWS



WM. B. HUGHES
Secretary
Omaha

Rushville

J. J. Linehan, H. A. Dale, A. N. Gehrt, Mrs. Eugene Williams and Joe Dierix were elected directors for the ensuing year at the annual meeting of the stockholders of the Stockmen's National Bank, Rushville.

Mr. Linehan was elected president of the bank, H. A. Dale, executive vice

president; J. G. Brewster, vice president; Edw. B. Otteman, cashier; Jerene Ward, assistant cashier; Bennett Johnson and Wayne Messenger, tellers.

Dies In Omaha

Funeral services for Dr. Frank M. Knight, president of the **Alliance National Bank**, were held recently. A

large number of out-of-town business associates and friends of the deceased banker joined with many local people in paying respects to the Alliance financier who died in Omaha.

Stamford

Resignation of A. E. Brown as cashier of the City Bank and Trust Company, Stamford, advancement of Ben L. Mohney to succeed him, and addition of Burton Hughes of Salem, Missouri, to fill Mr. Mohney's former post was announced by the bank. The changes are effective at once.

Plainview

O. M. Jeffrey, who up to the first of this year had been associated with the Commercial Bank of Bassett, purchased a controlling interest in the Plainview State Bank at Plainview.

Mr. Jeffrey will have his son, Adon,

What Nebraska Statements Show

DECEMBER 30, 1939

The Northwestern Banker is pleased to publish Bank Statements received before going to press—put us on your mailing list and send us your statements immediately after each call. If your bank is not included in the list below it is because YOU did not send in your statement. Please do so next time.

| TOWN | BANK | CASHIER | Capital | Surplus and Profits | Loans and Discounts | Bonds and Securities | Cash and Due From Banks | Deposits |
|---------------|------------------------|--------------------|-------------|---------------------|---------------------|----------------------|-------------------------|--------------|
| Alliance | Alliance National | F. W. Harris | \$ 150,000* | \$ 10,982 | \$ 139,331 | \$ 278,815 | \$ 1,602,483 | \$ 1,894,750 |
| Alliance | Guardian State | C. H. Sudman | 125,000 | 48,043 | 1,001,712 | 203,732 | 737,009 | 1,767,197 |
| Beatrice | Beatrice National | Ed C. Austin | 100,000 | 117,821 | 1,011,113 | 982,266 | 1,066,894 | 2,868,452 |
| Clarkson | Clarkson Bank | J. A. Kucera | 40,000 | 7,535 | 105,679 | 152,856 | 72,787 | 286,318 |
| Columbus | Central National | Howard Burdick | 100,000 | 60,667 | 964,179 | 700,810 | 845,058 | 2,354,389 |
| Creighton | American National | D. A. Van Derveer | 25,000 | 26,217 | 265,652 | 329,089† | | 551,735 |
| Fairbury | First National | Ivan C. Riley | 150,000 | 108,746 | 1,219,750 | 553,037 | 714,586 | 2,390,197 |
| Fairmont | Farmers State | Chas. F. Tous | 25,000 | 13,162 | 42,759 | 61,262 | 156,648 | 228,012 |
| Fremont | Stephens National | J. G. Edloff | 100,000 | 79,039 | 762,710 | 289,146 | 850,364 | 1,727,333 |
| Gordon | First National | B. D. Berkheimer | 50,000 | 95,000 | 405,899 | 239,612 | 430,784 | 935,950 |
| Grand Island | Commercial National | Edward Huwaldt | 100,000 | 120,816 | 514,610 | 949,280 | 624,754 | 1,905,491 |
| Grand Island | First National | J. F. Cleary | 200,000 | 417,899 | 1,344,997 | 2,838,848 | 898,042 | 4,554,027 |
| Grand Island | Overland National | Harald Noland | 100,000 | 40,895 | 409,569 | 273,380 | 359,687 | 909,577 |
| Hartington | Bank of | Edgar Hoar | 25,000 | 23,289 | 338,480 | 56,359 | 148,350 | 501,974 |
| Hastings | City National | Floyd A. Hansen | 100,000 | 64,530 | 703,938 | 382,519 | 537,987 | 1,466,543 |
| Hastings | Hastings National | Chas. E. Deets | 130,000 | 141,622 | 1,087,786 | 874,577 | 796,571 | 2,544,580 |
| Hebron | Thayer County | H. R. Killing | 50,000 | 22,931 | 240,066 | 94,857 | 121,704 | 396,714 |
| Hutchinson | Citizens Bank | H. R. Jensen | 100,000 | 26,021 | 1,060,394 | 180,867 | 289,046 | 1,473,143 |
| Kearney | Port Kearney State | Paul H. Kanno | 50,000 | 68,093 | 350,614 | 181,979 | 975,850 | 1,406,062 |
| Keystone | The Bank of | T. B. Cole | 15,000 | 13,713 | 153,735 | 35,868 | 137,693 | 293,639 |
| Kenesaw | Adams County | S. H. Itzen | 25,000 | 10,064 | 119,485 | 46,330 | 29,083 | 161,239 |
| Lexington | Farmers State | Peter Jensen | 35,000 | 10,028 | 206,579 | 51,908 | 162,707 | 387,654 |
| Lincoln | Continental National | C. W. Battey | 602,500 | 257,949 | 3,388,526 | 4,644,037 | 4,099,680 | 11,312,270 |
| Lincoln | First National | Howard Freeman | 935,000 | 505,105 | 3,153,022 | 13,593,605 | 6,981,559 | 22,753,082 |
| Leigh | Bank of | Geo. C. Kumpf | 25,000 | 9,255 | 159,201 | 22,580 | 70,474 | 222,732 |
| Loomis | First National | W. H. Swartz | 25,000 | 25,000 | 119,020 | 101,700 | 118,107 | 281,585 |
| Loup City | First National | C. H. Ryan | 25,000 | 27,469 | 221,517 | 314,762† | | 478,922 |
| McCook | First National | H. M. Krogh | 75,000 | 63,510 | 450,039 | 477,075 | 828,210 | 1,612,248 |
| Morrill | First National | Robt. T. Covington | 25,000 | 34,476 | 429,814 | 14,654 | 154,665 | 504,221 |
| Nebraska City | The Farmers Bank | J. R. Stevenson | 170,583* | | 295,100 | 488,617 | 712,671 | 1,326,805 |
| Nebraska City | Otoe County National | J. D. Stocker | 50,000 | 39,665 | 240,105 | 91,665 | 359,821 | 619,810 |
| Norfolk | National Bank of | Robert Weidenbach | 100,000 | 28,339 | 509,984 | 294,837 | 422,727 | 1,109,054 |
| North Platte | First National | W. H. Munger | 100,000 | 115,588 | 807,782 | 557,994 | 924,094 | 2,073,241 |
| North Platte | McDonald State | J. Y. Castle | 100,000 | 40,680 | 409,082 | 226,173 | 615,543 | 1,113,670 |
| Ord | First National | R. E. Misko | 60,000 | 34,836 | 255,233 | 118,284 | 224,836 | 562,828 |
| Omaha | First National | J. T. Stewart III | 1,500,000 | 1,000,000 | 10,079,487 | 7,613,631 | 13,042,929 | 29,703,281 |
| Omaha | Live Stock National | Paul Hansen | 500,000 | 553,480 | 6,773,655 | 3,911,346 | 5,225,458 | 14,771,875 |
| Omaha | Omaha National | Clyde O. Darner | 2,000,000 | 1,821,136 | 15,652,338 | 16,995,571 | 20,418,015 | 49,930,692 |
| Omaha | Packers National | L. Dale Matthews | 200,000 | 87,707 | 1,479,716 | 504,868 | 963,414 | 2,693,142 |
| South Omaha | Stock Yards National | John McCumber | 450,000 | 51,958 | 506,120 | 316,272 | 183,383 | 932,902 |
| Omaha | United States National | H. E. Rogers | 1,100,000 | 834,321 | 5,330,500 | 13,445,791 | 9,874,982 | 27,239,701 |
| Pierce | Cones State | E. G. Schellpeper | 50,000 | 13,463 | 166,024 | 52,600 | 214,166 | 389,127 |
| Plattsmouth | Plattsmouth State | Frank A. Clodt | 50,000 | 100,053 | 601,315 | 281,008 | 243,202 | 980,661 |
| Scottsbluff | Scottsbluff National | J. L. Witters | 100,000 | 129,665 | 1,073,908 | 128,408 | 1,135,059 | 2,135,711 |
| Spalding | Spalding City | M. J. Dolce | 30,000 | 20,519 | 137,828 | 18,577 | 51,193 | 170,948 |
| Tekamah | First National | H. J. Wragge | 62,500 | 78,426 | 590,499 | 129,073 | 347,346 | 944,431 |
| Wahoo | First National | Ernest Hanson | 80,000 | 82,457 | 470,803 | 349,381 | 307,336 | 993,907 |
| Wakefield | Wakefield National | Robert E. Anderson | 25,000 | 18,672 | 233,269 | 80,404 | 136,972 | 415,815 |
| Wisner | First National | Neil D. Saville | 50,000 | 56,147 | 361,211 | 97,500 | 119,104 | 446,901 |
| Wymore | Wymore National | L. Boyd Rist | 50,000 | 16,172 | 146,976 | 167,944 | 161,107 | 414,524 |
| York | First National Bank | H. E. Nordlund | 150,000 | 205,344 | 626,069 | 876,383 | 679,099 | 1,880,954 |

* Includes Surplus and Profits

† Includes Cash and Due From Banks

associated with him in the management of the bank.

Officers of the bank will be: O. M. Jeffrey, president; W. L. Johnson and Dr. M. L. Cline, vice presidents; Adon Jeffrey, cashier; Meldy Peterson and L. A. Larson, assistant cashiers, all of Plainview.

With First Trust

The First Trust Company of Lincoln, takes pleasure in announcing

that upon March 1, 1940, Mr. Milton F. Barlow will become a member of the organization.

Mr. Barlow was born in Omaha, the son of the late Milton T. Barlow, one of the pioneer bankers of the state, who became associated with the United States National Bank in 1863, and was its directing head and president for many years.

In 1926 Milton Barlow was graduated from Yale University. After graduation

he returned to Omaha and was employed by the United States National Bank as messenger, advancing during his ten-year training course to the post of assistant cashier, which post he held until November 1, 1936. During this time study at the Night Law School at Omaha Municipal University enabled him to be admitted to the practice of law in 1931.

Mr. Barlow left Omaha in November, of 1936 to become cashier of an affiliated institution, The National Citizens Bank of Mankato, Minnesota, where he has been located the past three years.

COMMERCIAL • CHECKING



SAVINGS • TRUSTS

... your Chicago transactions

Complete correspondent facilities—for transit, collections, handling of securities, credit and investment information—are offered by the American National Bank and Trust Company of Chicago.

In addition, you find in each member of our staff a personal interest in this relationship that is unusual in a major financial and business center.

We will be pleased to discuss your correspondent requirements with you when you are in Chicago.

AMERICAN NATIONAL BANK AND TRUST COMPANY *of Chicago*

LA SALLE STREET AT WASHINGTON

Member Federal Deposit Insurance Corporation



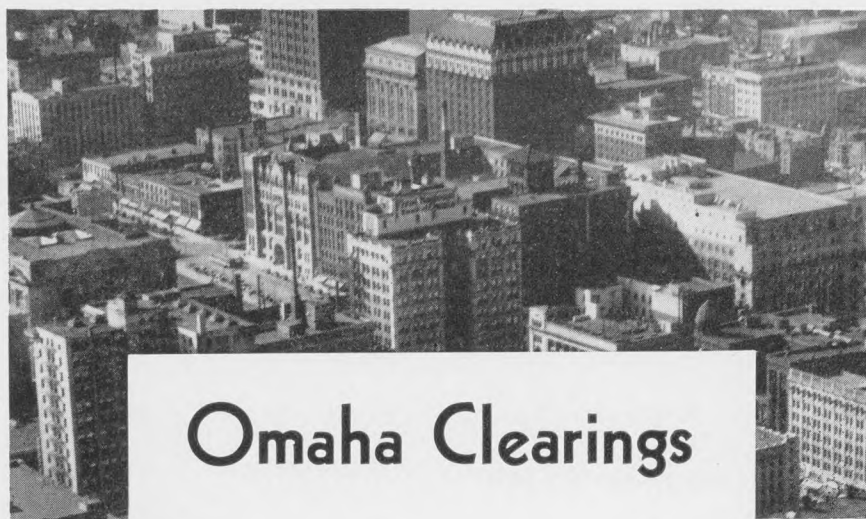
MILTON F. BARLOW

During his early banking training in Omaha, Mr. Barlow became interested in and completed courses of the American Institute of Banking. In 1933 he was elected a member of the Executive Council, and this past year he was honored by being chosen as the president of the American Institute of Banking.

Check Plan

The Farmers National Bank of Grant announces that it has installed a new "PAYC" (pay as you check) plan, and is now ready to accept deposits under this new system.

The "PAYC" plan is a checking account system especially designed for those who cannot meet present minimum balance requirements or who prefer not to pay prevailing service charges. The new checking plan offers the same conveniences and advantages that the regular checking account does.



NEW president of the Omaha Clearing House Association is **H. M. Bushnell**, president of the United States National Bank of Omaha. He succeeds **T. L. Davis**, president of the First National Bank of Omaha.

W. A. Sawtell, president of the Stock Yards National Bank of South Omaha, was elected vice-president and chairman of the clearing house committee. **William B. Hughes** was re-elected secretary-treasurer.

Others elected members of the clearing house committee are Mr. Davis, Mr. Bushnell, **W. Dale Clark**, president of the Omaha National Bank; **Alvin E. Johnson**, president of the Live Stock National Bank of South Omaha; **J. F. Coad**, chairman of the board of the Packers National Bank of South Omaha.

Few changes were made by Omaha banks at the annual meetings in January.

At the United States National Bank of Omaha, **Harry E. Rogers**, former cashier, became assistant vice-president in charge of the installment loan department. He has been with the bank 28 years. The United States National also advanced **Austin L. Vickery**, former assistant cashier, to cashier. He has been with the bank 31 years. **Harold T. Uehling** was named assistant trust officer of the United States National. He has been with the bank seven years as manager of the investment division of the trust department.

No other major changes in officers or directors were announced by any other banks.

Colonel Nelson A. Morris of Chicago, grandson of the founder of the former Morris Packing Company, had planned to attend the annual meeting of the Live Stock National Bank, of which he is a stockholder, but illness prevented the trip to Omaha.

At the meeting of the **Live Stock National**, a striking report was presented. It showed that during the past year, capital stock and surplus were increased to one million dollars through payment of a stock dividend to stockholders and an addition to surplus. Besides, the bank has paid regular dividends throughout the depression period at the rate of 6 per cent annually. Since December 31, 1933, the bank's deposits have increased from \$4,910,000 to \$14,771,000, and loans from \$1,566,000 to \$6,773,000.

Bank loans in Omaha reached an eight-year high, it was disclosed by figures in response to a bank call as of December 31.

Loans totaled \$42,738,438, highest since September 29, 1931, when the figure was \$44,777,101, and an increase of more than \$6,000,000 since last October and of nearly \$7,000,000 since December 31, 1938.

Deposits of all Omaha banks soared to \$134,992,039, higher by \$1,528,663 than the previous record figure of \$133,464,376 reported last October. A check of records showed no higher figure since 1900. The deposits were \$14,790,528 higher than a year ago.

Figures by individual banks for December 31, 1939:

| | Deposits | Loans |
|-------------------|--------------|--------------|
| Omaha National | \$49,930,692 | \$15,653,824 |
| First National | 29,703,281 | 10,079,488 |
| U. S. National | 27,239,701 | 5,330,500 |
| Live Stock Nat'l | 14,771,875 | 6,773,635 |
| Stock Yards Nat'l | 8,026,391 | 2,150,870 |
| Packers Nat'l | 2,693,139 | 1,467,796 |
| Douglas Cty. Bk. | 1,131,615 | 506,120 |
| North Side Bk. | 562,443 | 340,109 |

Re-elected directors of the Omaha & Council Bluffs Street Railway Company at the annual meeting were **W. B. Millard, Jr.**, vice president of the Omaha National Bank, and James

Live Stock National Bank Omaha

Statement of Condition December 30, 1939

| RESOURCES | | LIABILITIES | |
|-------------------------------------|---------------|--------------------------------------|---------------|
| Loans and Discounts..... | 6,773,655.66 | Capital Stock (Common)..... | 500,000.00 |
| Bonds and Other Securities..... | 15,029.73 | Surplus | 500,000.00 |
| Stock in Federal Reserve Bank..... | 30,000.00 | Undivided Profits | 53,480.98 |
| Banking House and Fixtures..... | 1.00 | Unearned Discount | 6,103.82 |
| Other Real Estate..... | None | Reserve for Taxes, Interest, Etc.... | 116,531.67 |
| U. S. Gov't Securities 3,911,346.16 | | Dividend Payable January 2, 1940. | 7,500.00 |
| Cash, Sight Exch. and | | Deposits: | |
| Due From Fed. | | Banks | 7,755,753.03 |
| Res. Bank | 5,225,458.98 | Other Deposits | 7,016,122.03 |
| | | | 14,771,875.06 |
| | 15,955,491.53 | | 15,955,491.53 |
| CAPITAL AND SURPLUS | | LOANS AND DISCOUNTS | |
| December 30, 1933 - - - - | 550,000.00 | December 30, 1933 - - - - | 1,566,262.23 |
| December 30, 1935 - - - - | 650,000.00 | December 30, 1935 - - - - | 2,035,087.78 |
| December 30, 1937 - - - - | 760,000.00 | December 30, 1937 - - - - | 5,640,905.35 |
| December 30, 1939 - - - - | 1,000,000.00 | December 30, 1939 - - - - | 6,773,655.66 |
| DEPOSITS | | | |
| December 30, 1933 - - - - | 4,910,106.01 | | |
| December 30, 1935 - - - - | 10,140,900.52 | | |
| December 30, 1937 - - - - | 12,874,403.86 | | |
| December 30, 1939 - - - - | 14,771,875.06 | | |

We offer to our banking friends our facilities in cooperating with them in the financial problems of their Live Stock, Agricultural and Commercial customers.

ALVIN E. JOHNSON, President.

This Bank has no affiliated companies
(Member Federal Deposit Insurance Corporation)

P. Lee, former Omaha banker. Fred P. Hamilton, Jr., was promoted to third vice president of the company. He is also a director. His father, Fred P. Hamilton, Sr., is president. Mr. Lee is second vice president.

Gross revenue of the company in 1939 was \$2,331,563, a decrease of \$25,526 compared with 1938. The company reported a net loss of \$165,613.60 in 1939, after payment of taxes, interest on outstanding bonds and other obligations.

Mr. and Mrs. **J. F. McDermott** were hosts to Cornelius Vanderbilt, Jr., when he was in Omaha recently for a lecture. Mr. McDermott is vice president of the First National Bank of Omaha. Mr. Vanderbilt recalled that on a visit to Omaha in 1938, he won first prize for his "bum" costume at a party during the Ak-Sar-Ben horse show.

Royal D. Miller of the new business department of the Omaha National

Bank, ill for several weeks, returned to his desk recently.

Employees of the Live Stock National Bank of South Omaha took advantage of the snow recently and went on a bobsled party which started at the Fort Crook home of the parents of Robert Iske, a bank employe, and ended at the Fort Crook Presbyterian Church.

Mrs. W. Dale Clark, wife of the president of the Omaha National Bank, went to Chicago to attend the concert by Kirsten Flagstad. Mrs. Clark is a leader in Omaha music circles.

When a daughter was born recently to Mr. and Mrs. **John F. Davis** in Omaha, the baby, first child of the Davises, became the youngest member of a four-generation group. The baby's father is the son of **T. L. Davis**, president of the First National Bank. The child's great-grandmother is Mrs. F. H. Davis, widow of the former president and board chairman of the bank, who went to Omaha in 1854.

During 1939, only three of Omaha's 27 major business indicators showed a decline from 1938 totals.

Bank clearings gained 6.7 per cent, call deposits were up 14.6 per cent, bank loans 14.1 per cent. Outstanding improvement was the gain in building, 176.6 per cent.

Omaha's favorable position in the American business picture was brought out in the recent Federal Department of Commerce survey which placed the city "above average" in yearly sales volume per resident, in consumer purchasing power and in other indicators.

During 1939, bank deposits reached the highest mark since the turn of the century.

T. L. Davis, president of the First National Bank of Omaha, was selected a director of the Omaha branch, Federal Reserve Bank of Kansas City, at a recent meeting in Kansas City. He succeeds **W. Dale Clark**, president of the Omaha National Bank, who completed two three-year terms (the maximum) January 1.

H. L. Dempster of Beatrice, Nebraska, was named a director for a second three-year term. **J. J. Thomas** of Seward, Nebraska, was appointed deputy chairman of the parent bank.

Walter W. Head, former Omaha banker and president of the National Council of Boy Scouts, was principal

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO

Statement of Condition, December 30, 1939

RESOURCES

| | |
|--|---------------------------|
| Cash and Due from Banks | \$ 602,293,792.28 |
| United States Government Obligations, Direct and Fully Guaranteed | 607,936,253.46 |
| Other Bonds and Securities | 62,475,593.52 |
| Loans and Discounts | 146,720,994.71 |
| Stock in Federal Reserve Bank | 2,400,000.00 |
| Customers' Liability on Acceptances | 781,076.51 |
| Income Accrued but Not Collected | 2,639,106.47 |
| Banking House | 12,600,000.00 |
| Real Estate Owned other than Banking House | 3,307,302.23 |
| | <u>\$1,441,154,119.18</u> |

LIABILITIES

| | |
|--|---------------------------|
| Deposits | \$1,324,094,604.28 |
| Acceptances | 786,810.26 |
| Reserve for Taxes, Interest and Expenses | 4,915,569.69 |
| Reserve for Contingencies | 16,048,151.35 |
| Income Collected but Not Earned | 222,636.07 |
| Common Stock | 50,000,000.00 |
| Surplus | 30,000,000.00 |
| Undivided Profits | 15,086,347.53 |
| | <u>\$1,441,154,119.18</u> |

United States Government obligations and other securities carried at \$158,542,814.02 are pledged to secure public and trust deposits and for other purposes as required or permitted by law

Member Federal Deposit Insurance Corporation

speaker at the annual dinner of the Southwest Iowa Boy Scout Council in Council Bluffs recently. He is now head of the General American Life Insurance Company, St. Louis.

He also addressed a combined meeting of Kiwanis, Rotary, and Lions Clubs in Council Bluffs.

John A. Changstrom, vice president of the Omaha National Bank, has purchased the Richard F. Knox farm four miles north of Sidney, Iowa, from the Federal Farm Mortgage Corporation. He owns other land in the Sidney area.

Nebraska banks made more than 225,000 new loans, totaling \$83,000,000, and renewed 240,000 loans totaling \$102,000,000, in six months, according to a recent report by the American Bankers Association.

Mr. and Mrs. **Daniel J. Monen** were among the hosts at Omaha holiday parties. They received at an open house on December 31. Mr. Monen is vice president in charge of the trust department of the Omaha National Bank. Perry Hendricks, Jr., son of Mr. and Mrs. **Perry Hendricks**, was host at a buffet supper at his home. He is a high school senior. His father is vice president of the United States National Bank. Mr. and Mrs. Hendricks and their son went to Chicago to spend Christmas with Mr. and Mrs. Benjamin Vance Halstead, son-in-law and daughter of Mr. and Mrs. Hendricks.

Mr. and Mrs. **T. L. Davis** recently were in Minneapolis to visit their daughter, Mrs. John R. Lauritzen, and Mr. Lauritzen. The Lauritzens were Omaha visitors for New Year's.

Among the letters pouring in on **Alvin E. Johnson**, president of the Live Stock National Bank, congratulating him as general chairman of the successful Omaha Community Chest drive, was one from an Amarillo, Texas, man, who said he believed Johnson "would make a better president than the country has had recently."

But Mr. Johnson thinks he'll stick to banking.

Depositories

The First National Bank of Walthill and the Bank of Hartington were named depositories by the Thurston county Board of Commissioners last week. Both banks were county depositories in 1939.

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



Lincoln Locals

STOCKHOLDERS of Lincoln's four national banks held their annual meetings last month.

The First National Bank stockholders approved a proposal for a stock dividend which placed the bank in the "million dollar" class of capitalization, making it one of the four national banks in the state of that classification.

At the same time the Continental National Bank declared a \$37,500 stock dividend which increased the capital structure there to \$768,000.

The National Bank of Commerce stockholders met and then adjourned until February 8 to comply with certain formalities.

At the First National, **E. U. Guenzel**, who entered the bank's employ last year was promoted to assistant vice president. At the Continental National, **Harold Leinberger** was named assistant cashier.

M. Weil, National Bank of Commerce, was appointed chairman of the budget committee of the Lancaster county chapter of the National Foundation for Infantile Paralysis, Elmer Magee, president, announced. He replaces Archie Furr.

Miss Edith Woodward, for some years assistant cashier of **Nebraska State Bank** in Lincoln, was made secretary of the Upper Avenue National Bank in Chicago at its annual meeting, the position being a newly created one.

Harry S. Freeman, 79, died recently less than a day after being taken to the hospital. He was chairman of the executive board of First National Bank, with which institution he had been connected for 48 of the 58 years he lived in Lincoln.

Born in Clarksburg, West Virginia,



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

**The
CONTINENTAL NATIONAL
BANK
of
LINCOLN**

Member Federal Deposit Insurance Corporation

Mr. Freeman attended University of West Virginia for three years, and in 1881 came to Nebraska, living at York for a year. In 1882 he entered the grain business at Lincoln and for the next four years was associated with S. W. Little & Co., and T. W. Lowry.

Mr. Freeman's banking career began in 1885, when he entered the State National Bank, then located at 10th and O streets. Seven years later he became connected with First National Bank, which for years he served as president. Thus for 55 years he was

in business at the same location. He has also been president of Lincoln Clearing House Association, and vice president of First Trust Company.

McCloud Dies

William E. McCloud, 68, assistant cashier of **First National Bank**, and a brother of the late Charles A. McCloud, former republican state leader, died in York after suffering a stroke.

A native of Iowa, McCloud came to York county with his parents in 1878. He graduated from Stromsburg Business College and engaged in busi-

ness at Holdrege. His banking career began at Bradshaw and Lushton.

In Fremont

C. C. Neumann and Chase Neumann of the Farmers & Merchants National Bank, Oakland, were guests of the Stephens National Bank at Fremont recently at the third in a series of Chamber of Commerce "Parade of Opportunity" meetings at the Pathfinder hotel. Bankers from seven eastern Nebraska cities were guests.

C. C. Neumann is president of the Nebraska Bankers' Association. Another guest was William B. Hughes of Omaha, secretary of the state association.

Remodeling

Work has started on the complete remodeling and redecorating of the interior of the Burt County State Bank, Tekamah.

The plans call for new walls, new ceiling, modern electrical fixtures and modernizing and streamlining of interior fixtures. The walls will be of Nu-Wood insulation in ivory and tan two-tone effect. The ceiling will be of a similar material in modern white tone. Venetian blinds will adorn the windows.

The fixtures will be converted into the modern low-type style and the grill will be done away with. The plans also call for various rearrangements in the directors' room and a number of other improvements for facilitating of business and for the convenience of patrons.

Gordon

Dale Sorensen was made cashier of the First National Bank at their annual meeting in Gordon. Mr. Sorensen has been with the institution for about twelve years and has been an assistant cashier.

B. D. Berkheimer will continue as vice president of the bank.

Ewing

At the last meeting of the board of directors of the Farmers State Bank, Ewing, Wm. Rutledge was elected assistant cashier.

Grand Island

Claude A. Davis, attorney, was elected a director of the First National Bank, Grand Island. Mr. Davis, a member of the law firm of Cleary, Suhr and Davis, succeeds the late J. L. Cleary on the bank's directorate.

Other directors chosen, all of them re-elected, were E. J. Wolbach, I. R. Alter, V. E. Evans, F. J. Cleary and Oscar Reimers.



"The Bank at the Yards"

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. Silknitter, 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

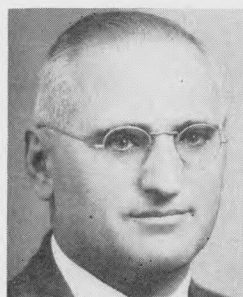
"From Corn to Beefsteak"

From corn to beefsteak . . . from feedlot to packing plant, officers and employees of the Live Stock National Bank know every phase of the live stock business.

In addition, every day we are engaged in financing the raising and marketing of live stock. Assure the speedy handling of your Sioux City items by using this bank in the heart of the Stock Yards of Sioux City.

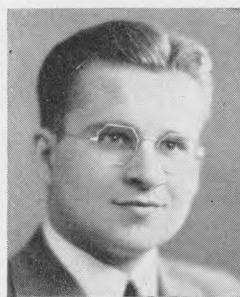


Sioux City, Iowa



WILLIAM C. REMPFER
President
Parkston

SOUTH DAKOTA NEWS



GEORGE M. STARRING
Secretary-Treasurer
Huron

Land Bank Sales

The Fall River and Custer counties Federal Land banks division, of which B. F. Rickenbach is secretary-treasurer, broke all its records for sale of farms in 1939, along with the Federal Land banks and the state of South Dakota.

A total of fifteen farms were sold in the two counties during the year. In the week before Christmas alone, Mr. Rickenbach reported, 3,100 acres, mostly Custer land, were sold for \$10,745.

The South Dakota record was 857 farms sold for \$2,003,082.11 during 1939. In the district comprising South Dakota, Iowa, Nebraska and Wyoming, 979 farms were sold for a total consideration of \$4,023,328.50 during the year.

For Relief

Two Finnish flags crossed over a sign telling that funds for Finnish relief are accepted are featured in the display space in the lobby of the Northwest Security National Bank, Brookings.

According to R. M. DePuy, this display space will be made available to various of the bank's customers.

All other banks in the county are collecting Finnish relief funds, according to officials of the drive. The banks make no exchange charges, handling the money solely as a convenience to the committee collecting it.

Deadwood

D. J. Hull, vice president and manager of the Newell branch of the Black Hills National Bank, was chosen to the board of directors. He succeeds P. A. Gushurst of Lead, who has retired. Other board members are Chambers Kellar, chairman; T. D. Murrin, John M. Ryan, Mason Tyler, Lead; H. S. Black, A. A. Coburn, C. O. Gorder, Dr. F. S. Howe and W. G. Rice, Deadwood; W. B. Penfold, Belle Fourche; Fred Hampton, Sturgis; C. C. Anderson, John A. Boland, R. E. Driscoll, W. H. Johnson and George Philip, Rapid City.

Managers of branches are John Ryan, Lead; C. O. Gorder, Deadwood; W. B. Penfold, Belle Fourche; Walter L. Voight, Hot Springs; D. J. Hull, Newell; W. E. Dickey, Spearfish, and G. A. McGarraugh, Sturgis. R. E. Driscoll is president of the Rapid City office.

Federal Member

President C. A. Christopherson of the Union Savings Bank, Sioux Falls, announced the bank had become a member of the federal reserve system, facilities of which are now available at the bank.

The new step is another progressive stride in the affairs of the bank, which was organized in 1894 as the Union Savings Association, Christopherson said. It became a commercial bank in 1925.

On Bank Staff

Two new members were added to the staff of the Miller First National Bank. They are Melvin Bondelid, bookkeeper, and David Hylee, teller. Bondelid was formerly employed in a bank at Lidgerwood, N. D., and Hylee came here from Grand Forks, N. D.

Bank Resources

During the calendar year of 1939, the resources of all South Dakota state banks have increased \$5,519,484.20 or 14.3 per cent. Total deposits have increased from \$32,636,815.17 to \$37,891,440.79, an increase of \$5,254,625.62 or 16.1 per cent. Loans and discounts have increased from \$14,818,209.02 to \$17,829,766.46, an increase of \$3,010,846.44 or 20.2 per cent, while the increase in United States Government, State and Municipal Bonds is only \$675,048.29 and other bonds and securities have actually decreased \$380,055.51. This clearly indicates that banks would rather invest their funds in good sound local loans than purchase securities. Investment in banking house, furniture and fixtures, other real estate, and other property has decreased \$109,796.98 during the year.

What South Dakota Statements Show

DECEMBER 30, 1939

The Northwestern Banker is pleased to publish Bank Statements received before going to press—put us on your mailing list and send us your statements immediately after each call. If your bank is not included in the list below it is because YOU did not send in your statement. Please do so next time.

| TOWN | BANK | CASHIER | Capital | Surplus and Profits | Loans and Discounts | Bonds and Securities | Cash and Due From Banks | Deposits |
|--------------|-----------------------------|-----------------|------------|---------------------|---------------------|----------------------|-------------------------|--------------|
| Aberdeen | Aberdeen National | Clayton Walker | \$ 100,000 | \$ 157,307 | \$ 679,379 | \$ 1,408,236 | \$ 594,189 | \$ 2,492,113 |
| Centerville | The Bank of | John N. Thomson | 50,000 | 9,128 | 272,447 | 92,969 | 157,966 | 467,314 |
| Eureka | Eureka State | Eugene Liedle | 25,000 | 14,052 | 53,610 | 72,500 | 91,835 | 191,737 |
| Lake Preston | Community State | Gorden Maxam | 25,000 | 36,815 | 146,845 | 81,828 | 103,203 | 287,145 |
| Mitchell | Mitchell National | J. N. Shelby | 150,000 | 28,201 | 655,270 | 363,844 | 562,878 | 1,461,857 |
| Pierre | First National | L. L. Branch | 50,000 | 19,989 | 165,663 | 226,865 | 245,345 | 577,179 |
| Sioux Falls | First National | W. E. Perrenoud | 385,000 | 241,364 | 1,881,981 | 2,186,144 | 2,360,146 | 6,013,594 |
| Sioux Falls | Northwest Security National | L. Virgil Lowe | 800,000 | 208,577 | 4,336,014 | 3,384,377 | 4,073,348 | 11,227,897 |
| Rapid City | First National | Noel W. Klar | 675,000 | 396,697 | 4,686,552 | 4,414,699 | 2,996,028 | 11,245,958 |
| Vermillion | Citizens Bank & Trust | | 50,000 | 16,146 | 331,356 | 106,698 | 103,139 | 474,698 |
| Watertown | Farmers & Merchants | | 50,000 | 38,887 | 413,094 | 313,031 | 204,555 | 861,139 |
| Watertown | First Citizens National | Bert Morgan | 150,000 | 135,725 | 920,495 | 943,470 | 833,733 | 2,546,285 |
| Yankton | First Dakota National | H. C. Danforth | 50,000 | 62,419 | 486,609 | 304,855 | 644,628 | 1,346,685 |

Northwestern Banker February 1940

No Changes

One change was made as Sioux Falls banks held their annual elections.

The Northwest Security National Bank, which has branches at Brookings, Chamberlain, Dell Rapids, Gregory, Huron and Madison, made the change. Walter K. Johnson, was added as assistant manager at Gregory, where H. E. McKee is vice president and manager.

No changes in personnel were made

at the Union Savings Bank, of which C. A. Christopherson is president and trust officer.

Officers and directors of the National Bank of South Dakota also remained the same, with W. E. Stevens as president.

Issues Chart

An abbreviated chart on the several provisions of the Social Security law has been prepared by George Starring, secretary of the South Dakota Bank-

ers Association, and distributed among the banks of the state. Beginning January first, this year, all banks come under the provisions of the act. The chart should be of great assistance to the banks of South Dakota.

Club President

F. J. Cinkle, cashier of the National Bank of South Dakota, Sioux Falls, was recently elected president of the Cospopolitan Club of that city, and took office a short time ago.

WHICH GOVERNMENT ISSUES ARE "OUT OF LINE"?

When you are about to buy or sell "Governments," how do you select the issue most advantageously priced?

The "Northwestern's" Bond Department annually trades millions of government bonds. Its staff is ready to give all correspondent banks the benefit of years of experience and close contact with the market.

Service is no farther away than your telephone, typewriter or telegraph.

Department of Banks and Bankers

| | | | |
|----------------|----------------------|---------------|---------------|
| WM. N. JOHNSON | F. W. CONRAD | D. E. CROULEY | L. P. GISVOLD |
| Vice-President | Asst. Vice-President | Asst. Cashier | Asst. Cashier |

Bond Department

| | | |
|----------------------|-----------------|------------------|
| WENDELL T. BURNS | E. ROSS COLBURN | JOHN A. MOORHEAD |
| Asst. Vice-President | Asst. Secretary | Asst. Secretary |

NORTHWESTERN NATIONAL BANK AND TRUST COMPANY

Marquette Avenue: Sixth to Seventh Street
MINNEAPOLIS, MINNESOTA

Member Federal Deposit Insurance Corporation

Northwestern Banker February 1940

Last year for the third time since 1919, there were no bank failures in South Dakota. Historians will record 1939 as the only year since 1919 when all South Dakota banks remained sound without government assistance. There were no bank failures in 1934 and 1935 because many banks received financial stimulants from the Reconstruction Finance Corporation.

Observers attribute considerable credit for the recovery of South Dakota's financial health to Erling Haugo, state superintendent of banks, who admits "it's much easier to close a bank than to help it solve its difficulties."

Since taking office January 3, Haugo has made and impartiality cardinal rules in dealing with state banks.

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.

Heads Bank

According to word received from Dixon, Ill., where he now resides, Wm. H. McMaster, formerly a resident of Gayville and Yankton, and who served South Dakota both as governor and as United States senator, has been elected to the presidency of the Dixon National bank.

McMaster took up residence in Dixon about six years ago, at the expiration of his term in the senate. Of his election to the bank



A. B. LATHROP
President
St. Paul

MINNESOTA NEWS



WILLIAM DUNCAN, Jr.
Secretary
Minneapolis

with the Citizens National Bank, has succeeded him as president of the local institution.

Mr. Kenefick's time is so taken up at Mankato that he declined re-election to the post and the stockholders unanimously named Mr. Hoodecheck to succeed him.

At the same time the stockholders elected O. C. Newman vice president, promoting him from the assistant cashiership.

Brainerd

Resignations of B. L. Lagerquist as cashier and of H. R. White as auditor of the First National Bank, Brainerd, were announced. Both men also resigned their seats on the board of directors.

The resignations were accepted by the board at the annual meeting.

At the same time, the board announced the election of G. C. Flaata, employe of the bank since 1919 and assistant cashier since 1925, as cashier, and the elevation of R. J. LeCourse, an employe since 1929 to the post of assistant cashier.

Lamberton

Stockholders of the Farmers & Merchants State Bank re-elected all directors and heard a splendid report of the year's business. The bank increased its surplus \$5,000, making it \$20,000, added \$3,000 to the building fund and paid a 10 per cent dividend. The stockholders also voted to amend the articles of incorporation to increase the deposit liability to \$1,000,000, which

Owatonna

Entering upon its seventy-fourth year as a banking institution in Owatonna, and as the eleventh oldest bank in operation in the State of Minnesota, the stockholders of the First National Bank of Owatonna, at their annual meeting elected the following directors, for the ensuing year: A. C. Chapman, J. H. Meyer, H. E. Hanna, F. H. Joesting, and Albert Wilker.

Following the stockholders' meeting the board of directors elected A. C. Chapman, president; J. H. Meyer, vice president and cashier; M. E. Brewster, assistant cashier; C. J. LaRoue, assistant cashier.

Mr. LaRoue succeeds G. R. Tuttle as assistant cashier of the bank.

Mankato

B. W. Kough, a former assistant cashier of an Austin bank, was elected assistant cashier of the First National Bank, Mankato, at the annual bank meeting. Kough, who joined the bank

staff last year, was in the Minneapolis office of the First Service corporation, an affiliate of the First Bank Stock Corporation.

Officers of the three national banks in Mankato were re-elected at the annual meeting.

Virginia

S. R. Kirby was re-elected president of the board of directors of the First National Bank, Virginia, at the annual re-organization meeting.

The board meeting followed the annual stockholders' meeting at which time Fred W. Potter was named cashier to replace A. E. Shipley, who resigned, and Byron E. Staver was named a director.

Slayton

A. W. Hoodecheck, who succeeded P. R. Kenefick as resident manager of the Murray County State Bank, Slayton, upon the departure of the latter for Mankato, where he has a position

What Minnesota Statements Show

DECEMBER 30, 1939

The Northwestern Banker is pleased to publish Bank Statements received before going to press—put us on your mailing list and send us your statements immediately after each call. If your bank is not included in the list below it is because YOU did not send in your statement. Please do so next time.

| TOWN | BANK | CASHIER | Capital | Surplus and Profits | Loans and Discounts | Bonds and Securities | Cash and Due From Banks | Deposits |
|-------------------|-----------------------------|------------------------|------------|---------------------|---------------------|----------------------|-------------------------|--------------|
| Albert Lea..... | First National..... | E. A. Campion..... | \$ 150,000 | \$ 44,943 | 3 561,427 | \$ 877,248 | \$ 540,991 | \$ 1,849,404 |
| Bemidji..... | First National..... | R. H. Welle..... | 100,000 | 40,260 | 367,310 | 581,543 | 409,342 | 1,246,725 |
| Bertha..... | First National..... | A. J. Hilpert..... | 25,000 | 25,064 | 228,855 | 149,704 | 81,470 | 413,365 |
| Brainerd..... | Citizens State..... | J. K. Tinkelpaugh..... | 50,000 | 48,878 | 551,152 | 773,843 | 454,387 | 1,625,592 |
| Conger..... | State Bank..... | H. C. Hanson..... | 10,000 | 23,643 | 178,906 | 71,131 | 39,383 | 257,510 |
| Cloquet..... | First National..... | Lynn S. Olson..... | 100,000 | 151,572 | 274,916 | 1,580,777 | 766,474 | 2,395,070 |
| Cosmos..... | First State Bank..... | H. L. Swanson..... | 10,000 | 3,156 | 84,283 | | 40,864 | 107,043 |
| Crookston..... | First National..... | H. A. Wilson..... | 100,000 | 56,280 | 288,473 | 36,607 | 535,510 | 1,232,471 |
| Duluth..... | Minnesota National..... | Jorice E. Brown..... | 100,000 | 237,027 | 1,606,024 | 3,532,361 | 2,547,219 | 7,240,365 |
| Duluth..... | Northern National..... | L. O. Anderson..... | 1,000,000 | 371,640 | 3,576,449 | 4,881,562 | 5,714,000 | 12,832,917 |
| Dunnell..... | First National..... | G. E. Heyman..... | 30,000 | 16,140 | 15,992 | 68,001 | 26,826 | 225,751 |
| Elk River..... | First National..... | R. A. Ellingson..... | 25,000 | 24,540 | 233,536 | 143,190 | 109,202 | 455,335 |
| Ely..... | First National..... | G. T. Somero..... | 50,000 | 51,237 | 220,410 | 331,425 | 746,972 | 1,183,642 |
| Eveleth..... | Miners National..... | J. R. Schuknecht..... | 45,000 | 11,227 | 199,918 | 315,253 | 210,069 | 697,500 |
| Fairmont..... | Martin County National..... | C. F. Holden..... | 110,000 | 10,944 | 632,725 | 305,583 | 222,196 | 1,045,233 |
| Faribault..... | State Bank..... | Ray Meyer..... | 50,000 | 37,541 | 359,813 | 271,491 | 130,838 | 703,832 |
| Faribault..... | Security National..... | Geo. E. Kaul..... | 125,000 | 158,408 | 1,027,860 | 891,095 | 514,609 | 2,214,161 |
| Fergus Falls..... | Fergus Falls National..... | Henry G. Dahl..... | 100,000 | 142,293 | 564,081 | 1,352,621 | 483,019 | 2,208,824 |
| Fergus Falls..... | First National..... | R. E. Lincoln..... | 100,000 | 170,743 | 821,039 | 825,683 | 564,802 | 1,969,096 |
| Hopkins..... | First National..... | S. H. Severson..... | 50,000 | 63,606 | 181,131 | 600,638 | 318,153 | 1,005,815 |
| Jeffers..... | State Bank of..... | C. R. Duroe..... | 25,000 | 49,195 | 396,584 | 87,978 | 43,569 | 457,822 |
| Lonsdale..... | State Bank of..... | F. J. Machacek..... | 20,000 | 15,958 | 229,938 | 124,433 | 73,762 | 400,751 |
| Madison..... | Klein National..... | Leo A. Nikolai..... | 50,000 | 56,266 | 277,236 | 575,710 | 192,337 | 929,083 |
| Mankato..... | National Citizens..... | M. F. Barlow..... | 200,000 | 231,252 | 1,591,780 | 1,219,095 | 1,591,987 | 4,084,073 |

Northwestern Banker February 1940

| TOWN | BANK | CASHIER | Capital | Surplus and Profits | Loans and Discounts | Bonds and Securities | Cash and Due From Banks | Deposits |
|-------------------|---------------------------|---------------------|-----------|---------------------|---------------------|----------------------|-------------------------|-------------|
| Minneapolis | First National | J. G. MacLean | 6,000,000 | 8,293,343 | 39,818,104 | 52,506,245 | 67,073,729 | 153,209,494 |
| Minneapolis | Marquette National | Merth E. Mortenson | 362,000 | 280,425 | 3,249,442 | 691,947 | 2,852,314 | 6,328,972 |
| Minneapolis | Midland National | Lawrence O. Olson | 974,375 | 607,393 | 7,606,845 | 5,644,817 | 5,794,295 | 17,471,693 |
| Minneapolis | Northwestern National | Guy E. Masters | 6,350,000 | 4,534,130 | 44,686,537 | 52,907,892 | 47,336,584 | 136,666,283 |
| Montevideo | Security National | W. A. Grunert | 50,000 | 101,517 | 220,876 | 710,360 | 307,895 | 1,090,279 |
| Montevideo | Union State | B. E. Bonn | 50,000 | 31,141 | 418,266 | 127,002 | 92,148 | 578,741 |
| Moorhead | First National | Lawrence Mauritsen | 100,000 | 70,685 | 699,965 | 338,446 | 370,557 | 1,284,928 |
| Mora | Kanabec State | H. R. Ness | 60,000 | 57,424 | 529,553 | 254,005 | 282,413 | 1,063,022 |
| Northfield | First National | H. O. Dille | 75,000 | 72,664 | 295,416 | 600,361 | 280,499 | 1,035,514 |
| Northfield | Northfield National | P. M. Odegaard | 50,000 | 58,171 | 142,483 | 439,094 | 108,569 | 600,596 |
| Red Wing | Goodhue County | H. J. Croke | 150,000 | 102,779 | 608,542 | 1,318,210 | 631,101 | 2,376,420 |
| Redwood Falls | Citizens State | M. O. Hanson | 25,000 | 18,826 | 410,492 | 246,354 | 621,861 | 1,184,161 |
| Rochester | Union National | A. C. Burgan | 125,000 | 75,300 | 585,258 | 787,996 | 772,684 | 1,977,689 |
| Ruthon | Farmers & Merchants State | Hans C. Pedersen | 20,000 | 18,826 | 242,068 | 65,870 | 63,387 | 350,630 |
| St. Charles | First National | Geo. Eckles | 50,000 | 26,818 | 330,028 | 307,827 | 130,385 | 705,244 |
| St. Cloud | St. Cloud State | E. W. Wendt | 25,000 | 23,831 | 283,966 | 20,044 | 109,383 | 378,870 |
| St. Paul | American National | P. E. F. Smith | 1,682,000 | 610,342 | 5,215,373 | 16,545,073 | 10,102,385 | 29,318,507 |
| St. Paul | Empire National | C. T. Dedon | 455,000 | 263,613 | 4,086,003 | 1,914,675 | 3,542,858 | 8,685,448 |
| St. Paul | Farmers & Merchants | John Entenmann, Jr. | 50,000 | 45,633 | 334,301 | 886,152 | 666,798 | 1,786,874 |
| St. Paul | First National | Arthur W. McNee | 6,000,000 | 7,701,247 | 49,975,684 | 28,041,046 | 74,999,781 | 141,706,202 |
| St. Paul | First State | Walter E. Olson | 100,000 | 115,908 | 413,342 | 1,827,201 | 299,051 | 2,364,375 |
| St. Paul | Midway National | T. H. Magee | 235,000 | 189,500 | 1,552,155 | 2,536,032 | 1,717,574 | 5,289,072 |
| St. Paul | St. Anthony Park State | G. H. Greaves | 30,000 | 15,555 | 213,443 | 183,513 | 246,712 | 594,024 |
| South St. Paul | Drovers Exchange State | H. G. Swanson | 100,000 | 65,674 | 1,101,609 | 761,398 | 477,822 | 2,119,277 |
| South St. Paul | Stock Yards National | A. A. Bibus | 250,000 | 248,956 | 2,475,703 | 1,595,576 | 2,608,617 | 6,212,474 |
| Thief River Falls | Union State | E. O. Peterson | 50,000 | 69,253 | 370,864 | 475,475 | 245,125 | 997,064 |
| Virginia | State Bank of | R. H. Willenbring | 50,000 | 59,360 | 355,567 | 594,523 | 376,759 | 1,215,593 |
| Wayzata | Wayzata State | W. T. Blackmarr | 25,000 | 35,458 | 344,278 | 112,455 | 82,304 | 493,465 |
| Wells | Peoples State | | 35,000 | 35,000 | 213,169 | 140,950 | 155,558 | 445,178 |
| White Bear Lake | First State | | 25,000 | 15,400 | 137,593 | 120,661 | 197,301 | 428,663 |
| Willmar | Security National | George W. Odell | 100,000 | 26,705 | 264,751 | 626,880 | 309,400 | 1,120,208 |
| Winona | First National | C. F. Witt | 350,000 | 232,301 | 1,488,444 | 3,177,503 | 1,419,277 | 5,726,679 |
| Winona | Winona National | John Ambrosen | 200,000 | 267,167 | 1,252,843 | 2,317,516 | 939,499 | 4,235,159 |

was made necessary by the growth of the bank. Deposits on December 30 had reached \$483,299.71.

Brief News

The First National Bank, Fremont, recently completed remodeling of the interior of the bank. The high grill work was removed from around the tellers' cages and new low type counters installed in its place. Composi-

tion board was installed on the ceiling and tile floors laid. Indirect lighting was also installed.

The National Citizens Bank, Mankato, has completed remodeling the tellers' cages in the commercial department.

Workmen were busy last month on an extensive remodeling job of the in-

terior of the Midland National Bank & Trust Company, Minneapolis. The high grill work around the tellers' cages is being replaced with new low box type cages. Workrooms are being renovated and enlarged and the lighting arrangement improved. Employees' recreation and rest rooms have been added and the entire interior will be redecorated as well as many other improvements.

Midland National Bank and Trust Company of Minneapolis, Minnesota

Statement of Condition as of December 30, 1939

| RESOURCES | | LIABILITIES | |
|---|-----------------|---|-----------------|
| Cash and Due from Banks | \$ 5,794,295.49 | Deposits: | |
| U. S. Government | | Demand | \$14,457,936.58 |
| Securities | \$4,404,534.28 | Time | 3,013,756.56 |
| State, County and Municipal Bonds | 874,500.00 | | \$17,471,693.14 |
| Other Bonds and Securities | 365,783.57 | Reserve for Interest, Taxes and Contingencies | 38,194.54 |
| | | Reserve for Unearned Income | 105,001.75 |
| Loans and Discounts | 7,606,845.40 | Bank's Liability on Letters of Credit | 18,854.26 |
| Overdrafts | 2,320.99 | Capital Account: | |
| Income Accrued | 34,288.53 | Preferred Stock | \$224,375.00 |
| Real Estate | 127,204.84 | Common Stock | 750,000.00 |
| Furniture and Fixtures | 13,509.61 | Surplus | 400,000.00 |
| Customers' Liability on Letters of Credit | 18,854.26 | Undivided Profits | 207,393.28 |
| | | Preferred Stock Retirement Fund | 1,000.00 |
| | | Reserve for Dividend Payable in Common Stock | 25,625.00 |
| | | | 1,608,393.28 |
| | \$19,242,136.97 | | \$19,242,136.97 |

Government and Other Bonds carried at \$4,064,300.00 are pledged to secure public and trust funds and for other purposes required by law.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

TWIN CITY NEWS



THIRD Northwestern National Bank, Minneapolis, added two men to its board of directors: **N. P. Eklund** of Eklund Clothing Company, and **L. W. Schirmer**, Schirmer-Strasburg Transportation Co.

Nearly 70 bankers attended the annual conference in St. Paul of representatives of Bremer banks, held at the Athletic Club. **George J. Johnson**, vice president, American National Bank, was chairman and toastmaster at the annual banquet. Many of the delegates visited **Otto Bremer**, where he was recuperating from injuries suffered in a fall which prevented his attending the meeting.

Technical problems of loaning officers were discussed at a regional conference of Robert Morris associates, sponsored by its Minnesota chapter.

Nearly 100 bankers from six mid-west states attended and heard talks by **R. M. A. President Raymond F. Leinen**, Secretary **Alexander Wall** and three industrialists: **W. T. Dietrich**, secretary, Minnesota Valley Canning Co.; **Donald D. Davis**, president, General Mills, Inc., and **W. H. Eastman**, vice president, Archer-Daniels-Midland Co.

William J. Gratz, St. Paul, Minnesota chapter president, presided. The one-day conference wound up with a reception and dinner.

J. R. Ridgway, Jr., has been named manager of the Minneapolis agency of Investors Syndicate by **G. G. Young** and **Paul Koughan**, co-divisional managers of the Minnesota and Dakota territories.

Active with the company in an executive capacity for six years, Mr. Ridgway has been in the mortgage loan division of the company. **James S. Lane**, assistant advertising man-

By James M. Sutherland
Special Correspondent

ager, has joined Mr. Ridgway in the sales organization. Lane will continue to edit the company's field magazine.

Farmers & Mechanics Savings Bank added two officers to the staff at the annual meeting. **Peter D. Esau**, manager of the school savings department and with the bank 15 years, was named assistant secretary, and **Lowry S. Moore**, who has served in the mortgage department a similar time, was made assistant treasurer.

Edgar L. Mattson, president, Midland National Bank & Trust Company, was elected president of the Minneapolis Clearing House Association at



EDGAR L. MATTSON

the annual meeting. **Lyman E. Wakefield**, president, First National Bank & Trust Co., was named vice president. **J. S. Pomeroy**, vice president, First National, continues as manager.

Minnesota state banks increased loans and discounts \$14,821,000 during 1939, according to a report of **F. A. Amundson**, state banking commissioner. The report covered 484 banks, one savings bank and five trust companies.

Miss C. Mildred Speranza, daughter of Santo Speranza, president of the Produce Exchange Bank, St. Paul, was elected second vice president of the bank at the annual meeting.

**This is the season for
marketing
feed lot livestock**

An account with us will be profitable to any bank located in the feeding territory tributary to this market.

We invite you to make use of our facilities.

We Invite Your Account

**STOCK YARDS
NATIONAL BANK**

SOUTH ST. PAUL, MINNESOTA

Member Federal Deposit Insurance Corporation

Northwestern Banker February 1940

• MINNESOTA NEWS •

Annual meetings of Twin City banks resulted in few changes in major officers, but the usual changes in junior officers and directors.

At Northwestern National Bank & Trust company, **Fred W. Conrad** and **Frank C. O'Brien** were promoted from assistant cashiers to assistant vice presidents, and **Wendell T. Burns** from assistant secretary to assistant vice president. **John W. Moorhead** was elected assistant secretary and **Herman P. Meder** assistant cashier. **J.**

Nicholas Renckens was made assistant manager of the North American office and **Raymond J. Severson** was made assistant manager of the Lake Street office.

First National Bank & Trust Co. directors elected **Alan Moore** assistant cashier and appointed **M. M. Hansmann** assistant manager of the North Side office. Moore is the son of the late B. V. Moore, vice chairman of the bank's trust committee at the time of his death last August.

Midland National Bank & Trust Co. stockholders elected three new directors: **Charles B. Jordan**, president and manager, Jordan-Stevens Company; **J. R. Randall**, president, Reserve Supply Company, and **Ben C. McCabe**, president, McCabe Brothers Company and International Elevator Co.

At Second Northwestern State Bank, **Carl P. Gerber**, vice president, was named a director also.

Ronald B. Harrison was elected an assistant cashier of Marquette National Bank.

Fourth Northwestern National Bank stockholders added **C. L. Nasby** and **E. J. Simons** to the board of directors. Mr. Nasby is auditor of the Norwegian Lutheran Church of America, Mr. Simons is vice president and general manager of Simons, Inc., and treasurer of the Henry Simons Lumber Company.

R. O. Thayer was promoted from cashier to vice president of Fifth Northwestern National Bank, with **Martin McDonough** advanced from assistant cashier to cashier and **Stanley A. Frees** named assistant cashier.

Bank Shares corporation, Minneapolis, voted a dividend of 50 cents a share for the last half of 1939 at the annual meeting. The dividend amounts to \$17,500 on 35,000 shares outstanding.

William E. Brockman, new vice president of Midland National Bank & Trust Co., was guest speaker at a meeting given by Allis-Chalmers Manufacturing Co. at Mason City, Iowa. It was attended by more than 100 distributors of southern Minnesota and northern Iowa.

Net operating earnings of First National Bank of St. Paul were \$965,177 in 1939, **R. C. Lilly**, president, reported at the annual meeting. This is \$4,029 less than in 1938. Dividends totaling \$600,000, or ten per cent on the capital stock, were paid in 1939.

The Minneapolis Clearing House association will play host February 22 to the annual meeting of Group one, Wisconsin Bankers Association. On the clearing house committee for the meeting are **O. H. Odin**, executive vice president, Marquette National bank; **L. O. Olson**, cashier, Midland National Bank & Trust Co., **J. J. Maloney**, assistant cashier, First National Bank & Trust Co., and **Fred W. Conrad**, new assistant vice president, Northwestern National Bank & Trust Co.

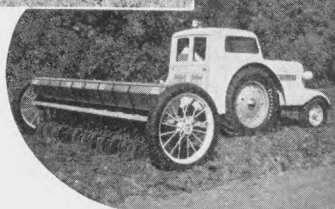


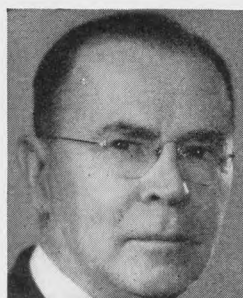
Economic trends come and go, but **FARMING** remains the foundation of American prosperity. And farming is profitable in direct ratio to the time and labor-saving capacity of the farm machinery used. . . . The modern point-of-view demands more and more **CO-OPERATION** between the leading elements of our economic structure. Farmer, dealer, banker, are three of these elements, and Minneapolis-Moline Modern Machinery is an **IMPORTANT** point of mutual contact.

In 1940 thousands of deserving farmers will want and need new **MM Tractors and Machines**, and often only through the "credit" co-operation of **MM dealers and bankers** will purchasing be possible. Amazing new Tractors and Farm Machines are featured among the 1940 **MM Headliners**. Farmers enabled to use this better equipment will not only be raising their own incomes but indirectly creating better business for **MM dealers, bankers, and the community at large**.

BRANCHES NEAR EVERYWHERE

MINNEAPOLIS - MOLINE
POWER IMPLEMENT COMPANY MINNEAPOLIS MINNESOTA





FRANK R. SCOTT
President
Fargo

NORTH DAKOTA NEWS



C. C. WATTAM
Secretary
Fargo

Valley City

All officers and directors of Valley City's two banking institutions—The American National Bank and The First National Bank—were re-elected at annual meetings.

A. C. Thorkelson continues as president of The American National Bank, with R. M. Hougen, vice president and cashier, and Magne Mickelson, assistant cashier. The directors are Karl J. Olsen, Roy A. Ploylar, William L. Paulson, Mr. Thorkelson and Mr. Hougen.

Erle L. Foulks remains as president of The First National Bank. L. T. Sproul is vice president; J. T. Sanger, cashier; Donald W. Bucknan, assistant cashier, and J. M. Connors and L. H. Ickler, Jr., directors.

Williston

Improved business in 1939 and prospects for a better year in 1940 were reported to stockholders of the First and Commercial National Bank, Williston, at their annual meeting.

"The past year was the best for a number of years," declared President J. Arthur Cunningham, "and considering the price of grain and the amount of produce (including live-

stock) in the country, I look for much better conditions in 1940."

Officers elected are Mr. Cunningham, president; R. G. Rasmussen, cashier, Mrs. A. F. Windell and Wm. E. Monroe, vice presidents, and Lotta L. Cunningham, director.

Rhame

Earnings and dividends of the Bank of Rhame have shown a substantial increase during the past year, Vice President C. Hestekin informed directors and stockholders at the annual meeting.

Donald Stewart of Bowman was elected a director to fill the place vacated by L. Skielset, Drayton, resigned. Officers elected are E. J. Watson, president; C. Hestekin, vice president, and R. Hestekin, cashier.

Minot

Officers of two banks, the Union National and the First National, Minot, were re-elected at annual directors' meetings.

At the First National Bank R. E. Barron, president; Dr. Archie McCannel, R. A. H. Brandt and H. E. Byorum, vice president; W. E. Tooley, cash-

ier, and H. C. Dahl and C. F. Anderson, assistant cashiers, were renamed.

Harry M. Grant, president; C. H. Zehringer, vice president; J. S. Westlake, cashier, and Arthur R. Freeh, assistant cashier, of the Union National Bank, were re-elected.

Charter Changed

The First National Bank of Hunter will operate under a state charter, O. W. Parkhurst, president, announced. Directors of the new Security State Bank have already secured the charter from the state. Decreased cost of operation is the reason for the change.

Debits

Fargo in 1939 established the best record of bank debits in the last eight years, which is as far back as the debit figures are available.

According to the official records, except for the last two days of the year which are estimated as averaging with the rest of December, Fargo's 1939 bank debits ran to \$218,651,000, compared with \$208,168,000 last year and the previous high year, 1937, when they were \$217,805,000.

Bismarck

J. P. Wagner, vice president of the Dakota National Bank and Trust Co., Bismarck, for the last 10 years, announced his resignation from that position.

He intends, he said, to enter the insurance, loan and investment business in Bismarck and will announce further plans shortly.

No action was taken to appoint a successor and the position probably will be left vacant for a time. If necessary, President F. B. Heath said, one of the present members of the board of directors will be named to

What North Dakota Statements Show

DECEMBER 30, 1939

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| TOWN | BANK | CASHIER | Capital | Surplus and Profits | Loans and Discounts | Bonds and Securities | Cash and Due From Banks | Deposits |
|--------------|---------------------------|-----------------|---------|---------------------|---------------------|----------------------|-------------------------|--------------|
| Bismarck | Dakota Nat'l Bank & Trust | A. A. Mayer | 100,000 | \$ 66,958 | \$ 586,858 | \$ 462,199 | \$ 294,710 | \$ 1,241,487 |
| Bismarck | First National | B. F. Lawyer | 200,000 | 218,816 | 1,047,949 | 1,642,462 | 898,969 | 3,285,303 |
| Carrington | Foster County State | Guy Cook | 30,000 | 73,339 | 224,203 | 131,232 | 113,065 | 442,323 |
| Drake | First National | H. M. Rossebo | 25,000 | 31,812 | 316,810 | 127,393 | 74,006 | 453,380 |
| Fargo | First National | J. P. Farrell | 500,000 | 218,167 | 3,003,319 | 1,984,525 | 2,419,413 | 7,064,608 |
| Fargo | Merchants National | C. H. Olson | 150,000 | 225,742 | 1,642,177 | 1,447,186 | 1,139,794 | 3,903,235 |
| Jamestown | The National Bank | E. W. Mueller | 100,000 | 42,550 | 465,088 | 549,812 | 295,516 | 1,197,953 |
| Minot | Union National | J. S. Westlake | 100,000 | 38,559 | 385,378 | 430,593 | 277,131 | 1,040,680 |
| Rugby | Citizens State | L. N. Sessing | 25,000 | 26,457 | 119,750 | 395,468 | 105,835 | 569,338 |
| Valley City | American National | R. M. Hougen | 50,000 | 24,466 | 281,674 | 218,324 | 166,751 | 643,255 |
| Valley City | First National | J. T. Sanger | 50,000 | 65,315 | 341,114 | 300,381 | 194,762 | 762,772 |
| Watford City | First International | O. N. Stenehjem | 15,000 | 3,138 | 60,240 | 95,415 | 74,764 | 198,634 |

Northwestern Banker February 1940

the post but will not be expected to perform executive duties.

Directors of the bank who were re-elected at the annual stockholders meeting are A. M. Brandt, F. M. Davis, J. E. Davis, Theodore Quanrud, Louis Rubin, R. B. Webb, J. C. Oberg, J. C. Taylor and F. B. Heath.

Heath was re-elected president.

All directors of the First National Bank of Bismarck were re-elected and all officers were re-elected except one. He was Richard Barry, assistant cashier, who resigned his position to accept another in Fargo.

Re-elected by the directors were C. B. Little, president; E. D. Saltzman, vice president; N. I. Roop, vice president; B. F. Lawyer, cashier; H. E. Hanson, assistant cashier; and L. P. Warren, assistant cashier.

Jamestown

The James River National Bank and the National Bank of Jamestown elected officers at annual meetings.

R. W. Delaney was elected president of the James River National Bank and the other officers are: A. J. Rulon, vice president; M. J. Gret-

tenberg, cashier; E. W. Hauser, assistant Cashier; Mr. Delaney, Mr. Rulon, Mr. Grettenberg, Mr. Hauser and Clifton Johnson, members of the board of directors.

L. H. Ickler, Jr., was elected president of the National Bank; Dr. P. G. Arzt, vice president; F. A. Burton, vice president; E. W. Mueller, cashier; R. R. Wolfer, chairman of the board of directors with Mr. Ickler, Dr. Arzt, Mr. Burton, Mr. Mueller and H. G. Procter, Sr., members.

Mott

E. H. Trousdale was named president of the First National Bank of Mott at annual meeting of directors and stockholders. W. T. Mitchell was named cashier, John Gifford, assistant cashier and R. V. Trousdale, assistant cashier. Renamed as directors were E. H. Trousdale, W. T. Mitchell, W. F. Rueter and Charles Mutschelknaus.

Bowbells

At a meeting of the board of directors of First National Bank in Bowbells, Fay C. Wiper was elected president of the bank to succeed his father, the late A. C. "Sandy" Wiper.

Robert Wiper, another son, was elected vice president. H. M. Westrum was renamed cashier, and Harold Westrum was named assistant cashier.

Grand Forks

Annual stockholders meetings and elections were conducted recently in Grand Forks.

One new director, Carther Jackson, was added and other officers and directors of the First National Bank were renamed. Other directors are Dr. R. D. Campbell, George O. Colborn, C. J. Murphy, M. W. Murray, Fred R. Orth and W. R. Vanderhoef.

Officers are Dr. Campbell, chairman of the board; Orth, president; Murray, vice president; Jackson, cashier and trust officer; Harold S. Pond, Martin Lystad, Oscar Norby and A. M. Lommen, assistant cashiers.

Officers and directors of the Northwestern Trust Co. were re-elected. Officers are Fred L. Goodman, president; Dr. J. Grassick, vice president; M. C. Bacheller, secretary and treasurer; and B. Westley, assistant secretary.

Board members elected by the Red River National were A. G. Bjerken, O. B. Burtness, E. F. Chandler, F. C. Gustafsson, Henry Holt, J. E. MacLean, Dr. W. H. Witherstine, John L. Ryan and Don E. Whitman.



The First National Bank of Chicago

Statement of Condition December 30, 1939

ASSETS

| | |
|---|--------------------|
| Cash and Due from Banks, | \$416,592,756.48 |
| United States Obligations—Direct and fully Guaranteed, Unpledged, | \$282,805,582.62 |
| Pledged—To Secure Public Deposits and Deposits Subject to Federal Court Order, | 33,568,740.98 |
| To Secure Trust Deposits, | 53,126,853.58 |
| Under Trust Act of Illinois, | 550,000.00 |
| Other Bonds and Securities, | 370,051,177.18 |
| Loans and Discounts, | 76,949,143.03 |
| Real Estate (Bank Building), | 250,399,294.13 |
| Other Real Estate, | 5,829,404.21 |
| Federal Reserve Bank Stock, | 1,143,416.06 |
| Customers' Liability Account of Acceptances, | 1,950,000.00 |
| Interest Earned, not Collected, | 2,137,990.54 |
| Other Assets, | 2,967,561.32 |
| | 141,860.19 |
| | \$1,128,162,603.14 |

LIABILITIES

| | |
|--|--------------------|
| Capital Stock—Common, | \$30,000,000.00 |
| Surplus Fund, | 35,000,000.00 |
| Other Undivided Profits, | 3,952,280.00 |
| Discount Collected but not Earned, | 590,425.76 |
| Dividends Declared, but Unpaid, | 600,000.00 |
| Reserve for Taxes, etc., | 2,166,978.86 |
| Liability Account of Acceptances, | 2,428,387.97 |
| Time Deposits, | \$183,122,497.77 |
| Demand Deposits, | 796,287,865.44 |
| Deposits of Public Funds, | 74,013,999.43 |
| Liabilities other than those above stated, | 1,053,424,362.64 |
| | 167.91 |
| | \$1,128,162,603.14 |

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



O. M. JORGENSON
President
Billings

MONTANA NEWS

ETHEL W. WALKER
Secretary-Treasurer
Helena

Board Member

Alex Cunningham, vice president and treasurer of the Western Life Insurance Co., was named chairman of the board of directors of the Helena Federal Reserve Branch Bank at the annual meeting.

Mr. Cunningham was named to the board last year.

Other members of the board are: H. D. Myrick, Square Butte; A. R. McDermott, Billings; Peter Pauly, Deer Lodge, and R. E. Towle, managing director of the bank. Mr. Towle was named chairman of the executive committee.

Billings

Officers and directors of Billings three banks for 1940 were announced following annual stockholders meetings. The staffs of each bank remain the same as last year.

At the Midland National Bank, E.

T. McCanna will continue as president; F. T. Merrill, vice president; A. R. Hammer, cashier; E. P. Frizelle and F. S. Webb, assistant cashiers; M. A. Brown, assistant trust officer, and R. E. Hunt, auditor.

There were no changes in the directorship which is composed of C. M. Bair, F. C. Cline, J. W. Currie, J. B. Arnold and Mr. McCanna.

A. H. Marble was renamed president of the Montana National Bank, and A. R. McDermott and F. W. Marble, vice presidents. The remainder of the staff is composed of F. N. Sauer, cashier; J. E. Vogel and H. E. Kinsley, assistant cashiers. These men make up the board of directors, with the exception of F. W. Marble.

W. E. Waldron was renamed president of the Security Trust and Savings Bank; W. B. Vaughan, vice president; O. M. Jorgenson, cashier and R. M. Waters, assistant cashier. These

men together with H. T. Hedden comprise the board of directors.

Lewiston

At the annual meeting of the National Bank of Lewistown, the following were elected as directors for the ensuing year: Harry E. Lay, Cassius C. Williamson, Richard S. Baker and A. W. Johnson.

The administrative staff for 1940 was completed later by the re-election of all officers: A. W. Johnson, president; Harry E. Lay, vice president; R. S. Baker, cashier.

Deer Lodge

Officers of the Deer Lodge Bank and Trust Company were elected for the year 1940.

Peter Pauly was re-elected president; S. J. Pauly, vice president; J. Maurice Dietrich, cashier; H. W. Howell, assistant cashier; T. C. Laughlin, assistant cashier, were all re-elected, also.

The same personnel of the bank, including Miss Ruth Lintz, Henry Hukill and Jack Athearn was retained.

Dillon

Recently officers and members of the board of directors of the two Dillon banks were named at annual business meetings.

Re-elected to the board of directors of the First National Bank were J. A. Sanderson and O. B. Silvey, both of Anaconda; W. W. Hawkins, J. W. Rees and G. D. Combes, all of Dillon. Officers re-elected for 1940 include G.

What Montana Statements Show

DECEMBER 30, 1939

The Northwestern Banker is pleased to publish Bank Statements received before going to press—put us on your mailing list and send us your statements immediately after each call. If your bank is not included in the list below it is because YOU did not send in your statement. Please do so next time.

| TOWN | BANK | CASHIER | Capital | Surplus and Profits | Loans and Discounts | Bonds and Securities | Cash and Due From Banks | Deposits |
|--------------|--------------------------|-----------------|---------|---------------------|---------------------|----------------------|-------------------------|--------------|
| Anaconda | Daly Bank & Trust Co. | O. B. Silvey | 200,000 | \$ 123,380 | \$ 650,485 | \$ 2,367,941 | \$ 1,134,470 | \$ 3,893,392 |
| Big Timber | Citizens Bank & Trust | Alva L. Lamb | 100,000 | 29,450 | 296,856 | 185,337 | 541,632 | 904,187 |
| Billings | Midland National | A. R. Hammer | 200,000 | 210,428 | 1,144,134 | 2,077,180 | 2,420,196 | 5,338,188 |
| Billings | Security Trust & Savings | O. M. Jorgenson | 100,000 | 140,881 | 1,849,977 | 625,767 | 1,378,450 | 3,594,369 |
| Bozeman | Security Trust | J. D. Street | 100,000 | 57,599 | 339,635 | 216,941 | 481,907 | 904,384 |
| Butte | Metals Bank & Trust | R. W. Place | 600,000 | 625,838 | 1,621,352 | 6,120,826 | 6,433,552 | 13,055,074 |
| Butte | Miners National | T. J. Fenlon | 100,000 | 42,217 | 318,327 | 463,401 | 718,171 | 1,417,192 |
| Columbus | Yellowstone Bank | L. J. Wallace | 70,000 | 33,221 | 285,340 | 136,647 | 108,362 | 503,720 |
| Cut Bank | Bank of Glacier Co. | | 30,000 | 12,536 | 149,952 | 126,398 | 194,320 | 431,061 |
| Dillon | First National | J. W. Rees | 100,000 | 122,370 | 337,055 | 762,830 | 519,002 | 1,426,309 |
| Dillon | State Bank & Trust | J. M. Stone | 100,000 | 70,000 | 1,095,064 | 446,315 | 281,639 | 1,672,020 |
| Forsyth | Forsyth State | Dan Traub | 25,000 | 41,414 | 179,616 | 347,713 | 160,049 | 633,199 |
| Froid | First State Bank | Oscar Svendsen | 40,000 | 3,614 | 167,705 | 79,454 | 92,272 | 312,918 |
| Glendive | Merchants National | A. C. Schrupf | 60,000 | 45,230 | 52,799 | 370,632 | 318,263 | 661,966 |
| Great Falls | First National | L. F. Curry | 600,000 | 417,000 | 2,167,166 | 4,282,069 | 4,238,393 | 10,042,369 |
| Great Falls | Montana Bank & Trust Co. | Louis R. Fousek | 100,000 | 157,755 | 1,040,096 | 1,275,666 | 857,252 | 2,991,491 |
| Kalispell | Conrad National | F. G. Edmiston | 250,000 | 88,647 | 755,289 | 1,143,230 | 1,483,802 | 3,134,545 |
| Missoula | First National | F. M. Elliott | 200,000 | 158,738 | 627,129 | 1,144,987 | 2,962,993 | 4,487,617 |
| Plentywood | Security State | R. O. Nelson | 30,000 | 10,153 | 92,548 | 135,462 | 194,442 | 389,840 |
| Ronan | Ronan State | | 25,000 | 34,882 | 229,231 | 77,133 | 220,274 | 473,060 |
| Sidney | Sidney National | O. L. Anderson | 30,000 | 12,651 | 178,404 | 87,725 | 192,220 | 438,349 |
| Stanford | Basin State Bank | N. B. Matthews | 25,000 | 17,000 | 249,872 | 157,081 | 136,196 | 506,214 |
| Stevensville | First State | Oscar E. Enebo | 35,000 | 6,501 | 198,934 | 51,788 | 69,713 | 288,860 |
| Whitefish | First National Bank of | P. C. Lilly | 50,000 | 8,196 | 142,215 | 346,195 | 204,641 | 670,109 |

Northwestern Banker February 1940

IF one-third of your deposits consisted of funds of customers engaged in one industry, it would be to your interest to keep well posted as to the needs of such industry so that you might serve these depositors well.

We accept that theory as sound policy. We therefore specialize in the facilities we provide for and extend to our bank correspondents whose funds in our hands constitute one-third of our deposit liabilities.

... THE ...

PHILADELPHIA NATIONAL BANK

ORGANIZED 1803

PHILADELPHIA, PA.

Capital, Surplus and Undivided Profits
\$42,000,000

Member of Federal Deposit Insurance Corporation

D. Combes, president; W. W. Hawkins, vice president; J. A. Sanderson, vice president; J. W. Rees, cashier, and A. M. Jones, assistant cashier.

At the Union Bank and Trust Company R. M. Barrett was re-elected president, Sam Wilkinson, vice president; R. M. Stone, cashier, and Morris Adams, assistant cashier. These same officers constitute the board of directors.

Havre

Old officers and directors of the Montana National Bank, Havre, were re-elected at the recent annual meeting. The officers include the following: F. M. Cowan, president; William Kendig, vice president; A. F. Lamey, vice president; Irl Watson, vice president, also continuing as manager; Don Creel, cashier; and Raymond F. Achen, assistant cashier.

Miles City

Claude M. Jones was re-elected president of the First National Bank, Miles City.

Other officers named include H. F. Lee and John Finn, vice presidents; W. H. Williams, cashier; G. A. Anderson, assistant cashier, and the following directors: Messrs. Jones, Lee and Williams and Fred W. Woolsey and P. S. Richardson.

Helena

The Union Bank and Trust Company, Helena, did the largest business in 1939 in its history, reports showed following the organization's annual meeting.

Directors who were re-elected at the annual meeting were Frank Bogart, M. S. Gunn, A. T. Hibbard, E. D. MacHaffie, E. J. Murphy, J. G. Reitsch, H. C. Schuyler and R. P. Porter. The directors then re-elected the following officers:

A. T. Hibbard, president; J. G. Reitsch, vice president and cashier; Frank Bogart, vice president, trust officer and secretary; C. E. McGuinness, assistant cashier and assistant secretary; Ben R. Draper, assistant cashier; John Carlson, Jr., assistant cashier; Richard C. Hinze, assistant trust officer and assistant secretary, and Lynn L. Leggett, auditor.

Clearing House

At the annual meeting of the **Great Falls Clearing House Association**, representing all three banks in Great Falls, D. J. Dundas, vice president of the Great Falls National was elected president. He will be the successor of L. F. Curry, who served through 1939.



C. R. GOSSETT
President
Sioux City

IOWA NEWS



FRANK WARNER
Secretary
Des Moines

Group One to Meet in Sioux City on February 12

DEPARTING from its usual custom of holding its Group Meeting in the spring, Group One of the Iowa Bankers Association will hold its 1940 meeting in Sioux City on Monday, February 12th. Headquarters will be at the Martin Hotel.

The program, as outlined, provides for a meeting of junior officers and employees in a morning session. The larger meeting will start with a luncheon, with several speakers. Among these will be three farmers from that section of the state who will discuss their views on banking service.

Other speakers will be G. H. Ayres of Sibley, and Harry Schaller, president of the Citizens First National Bank, of Storm Lake. There will be one other speaker whose name has not been announced as this goes to press.

Entertainment in the evening will be a dinner and floor show, followed by a dance. The program and other Group Meeting details are being arranged by E. E. Manuel, president of the George State Bank, and A. J. Bertelsen, cashier of the Morningside Savings Bank, of Sioux City.

Keokuk

In the annual meeting of the stockholders and directors of the Keokuk Savings Bank and Trust Co., the resignation of O. S. Stanbro, cashier,

was accepted, four new directors were elected and a new cashier appointed.

Edward K. Johnstone was re-elected to the office of president; Thomas F. Talbot, vice president; and Walter

Thiele named to succeed Mr. Stanbro as cashier.

The election of a new director, the re-election of all other officers marked the annual meeting of stockholders and directors of the Security State Bank.

Dr. William Rankin was named to the board of directors succeeding William P. Sutton who retired.

George E. Smith continues in his office as president; R. J. McCleary as vice president; and H. F. Martin as assistant cashier.

One promotion was announced along with a report that all directors and officers were re-elected for 1940 following the annual meeting of stockholders and directors of the Keokuk National Bank.

The promotion affects Miss Elizabeth Laurinson, who was appointed to the office of assistant cashier.

Cedar Falls

Edwin L. Unger, teller for ten years with the First National Bank, Cedar Falls, and its predecessor institutions, was elected assistant cashier of the bank, at the annual stockholders and directors meeting. All other directors and officers were re-elected.

Newton

Walter T. Robinson, cashier of the Newton National Bank, was named to the board of directors to fill a vacancy created by the death of S. S. Marshall. All bank officers were re-elected at the annual meeting.

What Iowa Statements Show

DECEMBER 30, 1939

The Northwestern Banker is pleased to publish Bank Statements received before going to press—put us on your mailing list and send us your statements immediately after each call. If your bank is not included in the list below it is because YOU did not send in your statement. Please do so next time.

| TOWN | BANK | CASHIER | Capital | Surplus and Profits | Loans and Discounts | Bonds and Securities | Cash and Due From Banks | Deposits |
|------------|-----------------------------|------------------|-----------|---------------------|---------------------|----------------------|-------------------------|------------|
| Adel | Dallas County State | O. D. Ellsworth | \$ 25,000 | \$ 24,036 | \$ 281,407 | \$ 61,622 | \$ 404,105 | \$ 695,163 |
| Algona | Iowa State | H. L. Gilmore | 50,000 | 77,854 | 516,969 | 145,119 | 817,372 | 1,669,646 |
| Algona | Security State | E. A. Schemel | 50,000 | 13,300 | 336,628 | 31,370 | 193,368 | 516,673 |
| Ames | Ames Trust and Savings | Clay W. Stafford | 75,000 | 87,608 | 735,520 | 647,438 | 277,120 | 1,477,312 |
| Ames | College Savings | T. E. LaVelle | 50,000 | 81,177 | 492,659 | 594,955 | 405,533 | 1,382,301 |
| Ames | Union Story Trust & Savings | F. H. Schleiter | 100,000 | 36,251 | 629,422 | 359,010 | 393,747 | 1,261,280 |
| Anamosa | Citizens Savings | L. D. Murfield | 60,000 | 10,436 | 1,129,281* | | 273,664 | 1,357,088 |
| Arlington | American National | H. R. Young | 25,000 | 32,504 | 283,593 | 44,100 | 111,719 | 385,455 |
| Atlantic | Atlantic State | W. R. Remien | 50,000 | 105,359 | 634,283 | 630,682 | 490,587 | 1,617,692 |
| Aurelia | The First Trust & Savings | H. H. Deyloff | 25,000 | 36,016 | 437,311 | 109,148** | | 490,245 |
| Baxter | State Savings | George R. Geise | 50,000 | 15,149 | 404,045 | 152,940 | 131,036 | 641,210 |
| Beaman | Farmers Savings | W. E. Whorrall | 25,000 | 32,520 | 228,216 | 45,100 | 74,031 | 292,955 |
| Boone | Boone State Bank & Trust | R. J. Meyers | 150,000 | 54,016 | 1,899,327 | 224,572 | 591,902 | 2,514,959 |
| Boone | The Citizens National | E. E. Wiemer | 100,000 | 61,255 | 896,701 | 449,496 | 743,101 | 1,959,293 |
| Breda | Breda Savings | F. Van Erdewyk | 50,000 | 19,110 | 340,975 | 37,500 | 155,313 | 469,396 |
| Burlington | Burlington Savings | W. H. Swiler | 100,000 | 177,370 | 1,537,503 | 1,019,566 | 1,300,881 | 3,605,136 |
| Burlington | Farmers & Merchants Savings | H. E. Simon | 125,000 | 77,123 | 456,722 | 1,301,931 | 739,844 | 2,367,018 |
| Burlington | National Bank of Burlington | Thomas L. Dyer | 200,000 | 73,961 | 1,104,859 | 1,311,884 | 845,835 | 3,043,192 |
| Carlisle | Hartford-Carlisle Savings | G. D. Schooler | 25,000 | 32,877 | 421,658 | 42,679 | 78,251 | 488,480 |

(Turn to page 64, please)

PRODUCING GREATER

than the Western Hemisphere's gold mines



WEALTH

Agriculture is recognized as Iowa's greatest industry, but few people stop to consider it in the light of its proportion to other great industries.

It is difficult, for instance, to visualize the annual agricultural income of the state as greater than the annual gold production of the entire western hemisphere and almost half as great as the gold production of the entire world.

Also, it is difficult to visualize the fact that the 967,979 people on Iowa farms—approximately 40% of the residents of the state—would populate a city which would be sixth in size in the United States.

There are in Iowa, 221,986 farms—each an individual business. In the entire United States, there are only two business classifications—food stores, and eating and drinking places—in which there are more individual operators.

Iowa agriculture is a half billion dollar a year industry. 1939 agricultural income is listed at \$659,359,000. But different than many agricultural states in which income follows crop season, Iowa farmers enjoy a year 'round income. Average figures show that in no one month do Iowa farmers receive less than 7 per cent of their total year's income, and in no month do they receive more than 10 per cent.

More than "just farming," Iowa's agriculture is a great industry. Broken up as it is in small units, Iowa bankers have had the opportunity of serving it well in helping to increase production through the financing of farm machinery, livestock, produce and grain.

Bankers Trust Company is happy to have been able to serve Iowa agriculture in many ways directly—and indirectly as Des Moines correspondent for a large number of banks over the state.

Top: Such farmsteads as these rank Iowa first among all states in value of farm land and buildings. ● *Center and Lower Left:* Iowa, first in value of farm machinery, has taken mechanized farming to its heart. Here are modern tractors in use in soil preparation, cultivating and harvesting of Iowa's premier crop—corn. ● *Lower Right:* Only about one fifth of Iowa's crops reach market in form of grain. This feedlot scene pictures how a big share of it is converted for market.



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

Member Federal Deposit Insurance Corporation

Member Federal Reserve System

WHAT IOWA STATEMENTS SHOW

(Continued from page 61)

| TOWN | BANK | CASHIER | Capital | Surplus and Profits | Loans and Discounts | Bonds and Securities | Cash and Due From Banks | Deposits |
|-----------------|-------------------------------|----------------------|-----------|---------------------|---------------------|----------------------|-------------------------|------------|
| Cedar Falls | Cedar Falls Trust | H. C. Smith | 50,000 | 28,239 | 457,149 | 55,390 | 717,653 | 1,752,003 |
| Cedar Rapids | Guaranty Bank & Trust | Reginald B. Figge | 200,000 | 110,779 | 939,485 | 743,282 | 902,022 | 2,920,513 |
| Cedar Rapids | Merchants National | Mark J. Myers | 500,000 | 2,060,702 | 7,864,442 | 13,460,665 | 14,176,273 | 34,040,779 |
| Cedar Rapids | The Peoples Savings | Wm. Rinderknecht | 250,000 | 17,337 | 2,614,445 | 883,337 | 1,749,395 | 4,900,053 |
| Centerville | First National | Roy E. Oughton | 50,000 | 58,023 | 174,369 | 794,513 | 468,141 | 1,304,090 |
| Chariton | First State Bank | Lester F. Smith | 50,000 | 19,454 | 276,392 | 231,225 | 312,955 | 756,430 |
| Chariton | National Bank & Trust Co. | E. L. Gookin | 100,000 | 48,547 | 337,950 | 832,187 | 318,140 | 1,397,052 |
| Charles City | First Security | Mertem J. Klaus | 100,000 | 59,044 | 883,430 | 115,709 | 846,271 | 1,684,652 |
| Clarinda | Page County State | C. E. Bradley | 50,000 | 47,965 | 515,623 | 134,850 | 442,317 | 1,018,367 |
| Clinton | City National | J. H. Nissen | 400,000 | 328,517 | 2,212,911 | 1,837,066 | 1,939,154 | 5,516,502 |
| Clinton | Clinton National | L. J. Derflinger | 60,000 | 85,278 | 293,259 | 503,452 | 695,929 | 1,376,242 |
| Colfax | First National | H. E. Bell | 25,000 | 50,317 | 398,488 | 175,424 | 190,996 | 697,335 |
| Coon Rapids | First State | Paul H. Kinnick | 25,000 | 13,143 | 227,924 | 101,575 | 141,785 | 432,798 |
| Coon Rapids | Iowa Savings | Walter Buenneke | 25,000 | 14,320 | 151,713 | 73,241 | 150,764 | 337,707 |
| Council Bluffs | Council Bluffs Savings | E. H. Spetman | 150,000 | 198,368 | 2,341,684 | 986,341 | 1,363,453 | 4,406,340 |
| Council Bluffs | State Savings | H. L. Tinley | 100,000 | 88,185 | 1,270,685 | 259,819 | 588,064 | 1,930,970 |
| Crawfordsville | Peoples Savings | K. A. Coates | 20,000 | 25,038 | 215,803 | 36,400 | 144,447 | 357,798 |
| Cromwell | Cromwell State Savings | A. Omar Cannon | 15,000 | 14,460 | 147,893 | 33,900 | 33,059 | 184,593 |
| Davenport | Davenport Bank & Trust | Herman Staak | 600,000 | 1,365,340 | 7,506,373 | 15,731,309 | 9,674,437 | 30,390,871 |
| Davenport | First Trust & Savings | F. A. Johnson | 135,000 | 56,956 | 1,220,831 | 614,279 | 1,111,870 | 2,663,297 |
| Denison | First National | H. C. Linduski | 100,000 | 50,996 | 530,609 | 271,510 | 333,571 | 1,005,667 |
| Des Moines | Bankers Trust Co. | F. C. Atkins | 1,000,000 | 804,729 | 7,409,704 | 8,370,000 | 5,895,868 | 19,591,962 |
| Des Moines | Capital City State | Raymond C. Miller | 150,000 | 105,149 | 1,093,456 | 1,381,606 | 681,522 | 2,978,365 |
| Des Moines | Central National | J. R. Capps | 1,000,000 | 732,565 | 8,497,745 | 5,845,519 | 9,470,713 | 22,015,617 |
| Des Moines | Iowa-Des Moines Nat'l & Trust | Harry G. Wilson | 3,000,000 | 977,205 | 13,381,281 | 12,897,157 | 17,801,694 | 41,667,682 |
| Des Moines | The Valley Savings | J. R. Astley | 200,000 | 306,133 | 3,521,971 | 603,472 | 1,499,069 | 5,237,433 |
| Dubuque | American Trust & Savings | Albert C. Lantzky | 250,000 | 128,675 | 1,057,635 | 3,245,752 | 1,239,330 | 5,169,460 |
| Dubuque | First National | Joseph V. Keppler | 300,000 | 412,901 | 1,589,306 | 6,816,063 | 2,365,202 | 10,058,465 |
| Dunlap | Dunlap Savings | Glen H. Millard | 25,000 | 25,512 | 183,428 | 131,064 | 118,334 | 391,550 |
| Durant | Liberty Trust & Savings | R. D. Ryan | 100,000 | 112,393 | 808,855 | 72,390 | 249,053 | 1,024,753 |
| Eldora | Hardin County National | Eastman W. Nuckolls | 75,000 | 56,983 | 334,601 | 503,210 | 480,138 | 1,234,369 |
| Emmetsburg | Central Savings Bank & Trust | J. W. Edge | 60,000 | 93,552 | 605,043 | 317,887 | 247,264 | 1,030,224 |
| Emmetsburg | Iowa Trust & Savings | Chas. J. Spies | 25,000 | 130,263 | 586,024 | 199,768 | 392,790 | 1,023,422 |
| Estherville | Iowa Trust & Savings | Donald T. Lawler | 25,000 | 37,253 | 411,990 | 248,628 | 775,224 | 1,023,422 |
| Fort Dodge | The State | Harry T. Huff | 100,000 | 146,863 | 1,029,134 | 747,557 | 1,096,594 | 2,727,948 |
| Fort Madison | Fort Madison Savings | H. H. Mohrfield | 205,000 | 53,930 | 708,636 | 1,667,423 | 1,013,863 | 3,154,773 |
| Fort Madison | Iowa State | Milton E. Lehning | 100,000 | 31,369 | 224,863 | 255,355 | 254,544 | 610,867 |
| Garner | Hancock County National | H. L. Ollenburg | 50,000 | 20,541 | 325,230 | 132,540 | 362,678 | 756,814 |
| Garwin | Farmers Savings | A. F. Akena | 20,000 | 25,168 | 115,863 | 118,635 | 128,677 | 319,137 |
| Glidden | First National | H. W. Porter | 50,000 | 17,654 | 237,865 | 56,950 | 340,862 | 571,921 |
| Gladbrook | State Bank | J. S. Bauch | 50,000 | 41,450 | 691,056 | 20,050 | 140,149 | 765,787 |
| Grinnell | Grinnell State | L. M. Lanning | 60,000 | 31,557 | 489,028 | 130,000 | 439,894 | 986,395 |
| Grundy Center | Farmers Savings | A. V. Dieken | 20,000 | 16,927 | 230,676 | 58,436 | 130,465 | 532,494 |
| Grundy Center | Grundy National | Wesley T. Heckt | 50,000 | 26,451 | 319,331 | 135,128 | 228,150 | 615,171 |
| Guthrie Center | Guthrie County State | H. B. Gillespie | 30,000 | 45,043 | 273,430 | 191,362 | 500,742 | 1,055,721 |
| Hartley | Security State | A. F. Hansen | 37,500 | 33,630 | 234,524 | 178,453 | 130,376 | 498,344 |
| Hawarden | First National | H. Visser | 50,000 | 32,208 | 258,477 | 59,147 | 92,405 | 415,497 |
| Independence | Farmers State Savings | C. L. Fiester | 100,000 | 66,842 | 546,311 | 1,185,370 | 544,388 | 2,077,205 |
| Indianola | Peoples Trust & Savings | M. F. Henderson | 100,000 | 78,698 | 674,995 | 675,386 | 405,094 | 1,604,240 |
| Iowa City | Iowa State Bank & Trust | M. B. Guthrie | 100,000 | 100,143 | 1,544,779 | 301,895 | 883,707 | 2,615,242 |
| Iowa Falls | Citizens State | E. H. Klisart | 35,000 | 40,017 | 505,592 | 303,622 | 257,602 | 1,002,390 |
| Jefferson | Jefferson State | Verne W. Miller | 50,000 | 95,342 | 783,759 | 160,000 | 797,993 | 1,607,623 |
| Kellogg | Kellogg Savings | J. D. Roth | 50,000 | 57,059 | 415,010 | 131,723 | 212,291 | 687,152 |
| Knoxville | Community National | J. R. Dyer | 50,000 | 54,248 | 703,295 | 161,941 | 525,840 | 1,240,254 |
| Lansing | Kerndt Bros. Savings | C. M. Kerndt | 30,000 | 42,452 | 302,329 | 209,395 | 202,979 | 658,517 |
| Le Mars | First National | R. E. Tool | 60,200 | 18,422 | 136,781 | 438,130 | 232,804 | 762,964 |
| Leon | Decatur County State | Wm. Zunkel | 30,000 | 46,261 | 308,059 | 216,624 | 295,736 | 748,197 |
| Lisbon | Lisbon Bank & Trust | G. L. Hill | 50,000 | 41,989 | 387,579 | 206,998 | 168,456 | 675,387 |
| Lytton | Lytton Savings | Theo. J. Tokheim | 15,000 | 25,907 | 297,687 | 40,802 | 124,486 | 428,309 |
| Manson | Manson State | G. L. Scoles | 25,000 | 29,265 | 372,974 | 111,514 | 195,919 | 629,002 |
| Maquoketa | Jackson State Savings | John Jargo | 75,000 | 76,600 | 1,256,359 | 34,460 | 818,895 | 1,986,672 |
| Marshalltown | Fidelity Savings | A. T. Davis | 100,000 | 165,518 | 1,064,715 | 1,225,522 | 2,098,961 | 4,183,825 |
| Martelle | Farmers Savings Bank | Guy C. Martin | 25,000 | 18,318 | 110,459 | 159,535 | 26,053 | 251,568 |
| Mason City | First National | William W. Boyd | 450,000 | 232,914 | 2,506,689 | 2,516,211 | 2,551,472 | 7,282,048 |
| Mason City | United Home Bank & Trust | R. A. Potter | 100,000 | 58,535 | 1,399,654 | 79,712 | 420,709 | 1,771,243 |
| Missouri Valley | First National | H. F. Foss | 50,000 | 35,162 | 199,639 | 394,145 | 180,396 | 697,829 |
| Monticello | Monticello State | H. M. Carpenter, Jr. | 400,000 | 98,517 | 3,199,159 | 845,131 | 652,142 | 4,152,369 |
| Monona | Union State | Kenneth W. Rash | 52,500 | 30,500 | 99,370 | 116,618 | 275,430 | 526,550 |
| Mount Vernon | Mount Vernon Bank | D. U. Van Metre | 50,000 | 59,798 | 524,428 | 211,331 | 106,450 | 730,370 |
| Muscataine | Central State | Glen Downing | 125,000 | 52,015 | 744,604 | 1,018,744 | 878,096 | 2,449,991 |
| Newell | First National | L. A. Erickson | 25,000 | 34,862 | 301,039 | 78,339 | 95,760 | 421,364 |
| Newton | Jasper County Savings | A. E. Hindorff | 100,000 | 164,646 | 2,388,994 | 442,189 | 764,748 | 3,377,700 |
| Newton | Newton National | Walter T. Robinson | 100,000 | 62,340 | 534,551 | 487,358 | 466,425 | 1,374,325 |
| Oakland | Oakland Savings | M. H. Evans | 35,000 | 35,000 | 360,642 | 115,650 | 188,740 | 644,489 |
| Oakland | Citizens State | D. F. Busse | 40,000 | 28,546 | 396,745 | 106,078 | 209,493 | 652,000 |
| Oelwein | First National | M. C. Hanson | 50,000 | 100,348 | 320,661 | 575,171 | 434,169 | 1,396,491 |
| Onslow | Onslow Savings | Geo. H. Paulsen | 20,000 | 34,847 | 266,025 | 111,100 | 156,253 | 478,532 |
| Orange City | Northwestern State | H. C. Moret | 65,000 | 49,701 | 738,005 | 15,000 | 336,768 | 996,078 |
| Osage | Osage Farmers National | E. A. Heiden | 100,000 | 86,510 | 699,234 | 280,570 | 321,348 | 1,193,081 |
| Osceola | Clarke County State | R. K. McGee | 25,000 | 39,984 | 333,666 | 242,378 | 236,345 | 747,733 |
| Ottumwa | Union Bank & Trust Co. | Max Von Schrader | 300,000 | 233,617 | 1,956,636 | 2,071,804 | 2,138,942 | 5,781,390 |
| Perry | First National | E. R. Burkett | 50,000 | 99,934 | 589,587 | 57,886 | 704,908 | 1,221,566 |
| Randolph | Randolph State | J. S. Zduchne | 25,000 | 14,146 | 138,003 | 66,263 | 68,444 | 241,333 |
| Red Oak | The Montgomery City National | Ivan Erickson | 50,000 | 33,624 | 439,936 | 77,080 | 526,241 | 1,006,204 |
| Rock Valley | Valley State | J. P. Schutt | 35,000 | 38,078 | 480,123 | 119,011 | 208,699 | 742,298 |
| Sheldon | Security State | R. A. Schneider | 50,000 | 33,459 | 388,162 | 152,781 | 349,536 | 821,155 |
| Sioux City | First National | Fritz Fritzon | 400,000 | 215,636 | 2,215,636 | 1,259,300 | 3,742,221 | 6,720,186 |
| Sioux City | Live Stock National | M. A. Wilson | 250,000 | 263,047 | 2,566,547 | 949,347 | 3,477,370 | 6,442,350 |
| Sioux City | Security National | R. Earl Brown | 250,000 | 243,312 | 1,786,475 | 664,178 | 3,944,996 | 7,160,344 |
| Sioux City | Toy National | E. E. Erickson | 300,000 | 374,826 | 1,670,714 | 2,985,868 | 3,601,674 | 7,721,139 |
| Sioux City | Woodbury County Savings | C. T. McClintock | 100,000 | 90,143 | 1,633,443 | 592,882 | 1,933,483 | 2,608,383 |
| Spencer | Clay County National | A. E. Anderson | 85,000 | 94,531 | 958,189 | 283,889 | 834,877 | 1,941,539 |
| Storm Lake | Citizens First National | Wayne A. Myers | 75,000 | 194,359 | 1,033,828 | 184,740 | 1,042,066 | 1,975,965 |
| Storm Lake | Commercial Trust & Savings | E. J. Knebel | 50,000 | 40,492 | 279,621 | 235,500 | 203,622 | 644,539 |
| Stratford | Farmers Savings | E. J. Johnson | 20,000 | 11,694 | 185,614 | 66,600 | 66,783 | 290,589 |
| Stuart | First National | C. L. Beech | 65,812*** | | 151,323 | 157,409 | 134,134 | 391,844 |
| Vinton | State Bank of | Charles B. Barron | 65,000 | 87,005 | 727,735 | 361,230 | 507,600 | 1,449,738 |
| Wall Lake | Wall Lake Savings | C. W. Shaw | 30,000 | 58,393 | 360,239 | 76,512 | 264,533 | 630,464 |
| Washington | National Bank of | E. F. Miick | 80,000 | 41,520 | 375,134 | 546,473 | 434,266 | 1,230,491 |
| Washington | Washington State | Frank L. Kos | 50,000 | 108,721 | 543,705 | 275,321 | 814,336 | 1,493,733 |
| Wapello | State Bank of | H. B. Hammer | 25,000 | 10,922 | 269,849 | 39,952 | 182,062 | 453,555 |
| Waterloo | National Bank of | R. L. Penne | 239,800 | 267,217 | 2,128,590 | 2,665,720 | 2,614,716 | 6,897,341 |
| Waterloo | Waterloo Savings | J. J. Miller | 175,000 | 187,021 | 2,601,410 | 1,219,571 | 2,790,382 | 6,354,904 |
| Wayland | Wayland State | Melvin C. Roth | 25,000 | 29,305 | 241,843 | 131,577 | 139,806 | 461,373 |
| What Cheer | First State Bank | Harry W. Enger | 25,000 | 15,439 | 179,677 | 64,185 | 230,163 | 431,832 |

* Includes Bonds and Securities.

** Includes Cash and Due from Banks.

*** Includes Surplus and Profits.

Northwestern Banker February 1940

Council Bluffs

Only three changes were made at the annual elections of bank officers and directors in Council Bluffs.

Charles R. Hannan III and Dwayne L. Evans, former tellers, were elected assistant cashiers at the City National Bank. At the State Savings Bank, Clyde A. Blanchard was elected director, succeeding Florence Blanchard.

Des Moines

Edward P. Kautzky was promoted from assistant cashier to assistant vice president of the Valley Savings Bank.

The bank's board of directors also voted two other promotions. Marvin L. Payne and Frank M. Thompson were elected assistant cashiers.

At the Iowa-Des Moines National Bank and Trust Co., Gardner Cowles, Jr., associate publisher of *The Des Moines Register and Tribune*, president of Look, Inc., and president of the Iowa Broadcasting Co., was named a director.

At the same time Harry G. Wilson,

bank. All officers and directors were re-elected.

At the Bankers Trust, L. Nevin Lee was promoted from assistant cashier to assistant vice president, and G. A. Moeckly was named an assistant cashier. Mr. Lee will continue as manager of the mortgage loan department, and Mr. Moeckly will remain as head of the personal loan department.

Bankers Trust stockholders were advised that as of February 1, the bank was paying \$250,000 on the preferred "A" stock held by the R. F. C.

and issuing 50 per cent common stock dividend to stockholders of record as of February 1, 1940. This was in addition to the usual cash dividend.

West Des Moines

Roy M. Messerschmidt was re-elected president of the First National Bank of Des Moines.

His son, Albert L. Messerschmidt, was elected to the board of directors to fill a vacancy. The other directors, B. L. Stewart and Chelious Vandenburg, were re-elected.



IN SIOUX CITY ...

Sioux City is one of the outstanding grain markets of the Northwest. It is the home of the Sioux City Grain Exchange, serving farm and commercial interests of Iowa, Nebraska, South Dakota and Minnesota.

The First National Bank of Sioux City is well equipped to handle your grain and hay items in this market. Let us help you on these . . . and your other correspondent items . . . in Sioux City.



CHAS. D. MCCOY

veteran officer, was elevated from the position of cashier to that of vice president and cashier; and Charles D. McCoy was promoted from manager of the credit department to assistant cashier.

Walter L. Stewart, Des Moines attorney, member of the law firm of Gibson, Stewart and Garrett, was elected a member of the board of directors of the Central National Bank & Trust Co.

This was the only change at this

OFFICERS

A. S. HANFORD
President
A. G. SAM
Vice President
J. P. HAINER
Vice President

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

FRITZ FRITZSON, Vice President & Cashier

Member Federal Deposit Insurance Corporation

Sioux City

Only one change was reported following the election of officers and directors at the Security National Bank. R. W. Lewis is the new assistant cashier.

At the Woodbury County Savings Bank, M. C. Eidsmoe, former vice president, was named president. He succeeds L. R. Manley. C. T. McClintock was advanced from cashier to vice president and cashier. Mr. Manley was named vice president and A.

L. Chesebro and A. R. Miller were re-elected assistant cashiers.

The First National Bank added S. F. Cusack to the directors and re-elected W. J. Downey, R. H. Foutz, Fritz Fritzson, J. P. Hainer, A. S. Hanford, A. G. Sam, D. W. Stewart, C. M. Stillwill and C. S. Van Eaton.

Waterloo

Two new directors, George E. Pike and Lowell J. Walker, were elected to the board of the Waterloo Savings

Bank—making a directorate of 13 men—at the annual meeting.

Pike is a member of the law firm of Pike, Sias & Butler.

Walker is assistant manager of the Walker Remedy Company.

Oliver J. Schutte, who has been a teller of the bank since 1932, was promoted to assistant cashier.

Newton

Fred Maytag II, vice president of the Maytag Company, was elected a vice president of the Jasper County Savings Bank, Newton.

H. H. Morrison was elected assistant cashier, filling a vacancy left by J. B. Wasson, who recently resigned because of ill health.

Decorah

At the annual meeting of the officers and directors of the Decorah State Bank several changes were made in officers.

G. E. Soland, who had been president for some years, declined a re-election on account of his age, and Cashier E. R. Haines was elected to fill the president's office.

Dr. T. Stabo was re-elected first vice president and C. A. Johnson, formerly assistant cashier, was made a second vice president, and J. N. Lee was elected cashier.

McGregor

J. J. Goheen, 57, Garnaville, Iowa, formerly an examiner in charge of closed banks in northeastern Iowa, has joined the staff of the First State Savings Bank at McGregor.

Mr. Goheen, who formerly was associated with the First States Savings Bank at Lawler, has been affiliated with Iowa banking interests the last 22 years.

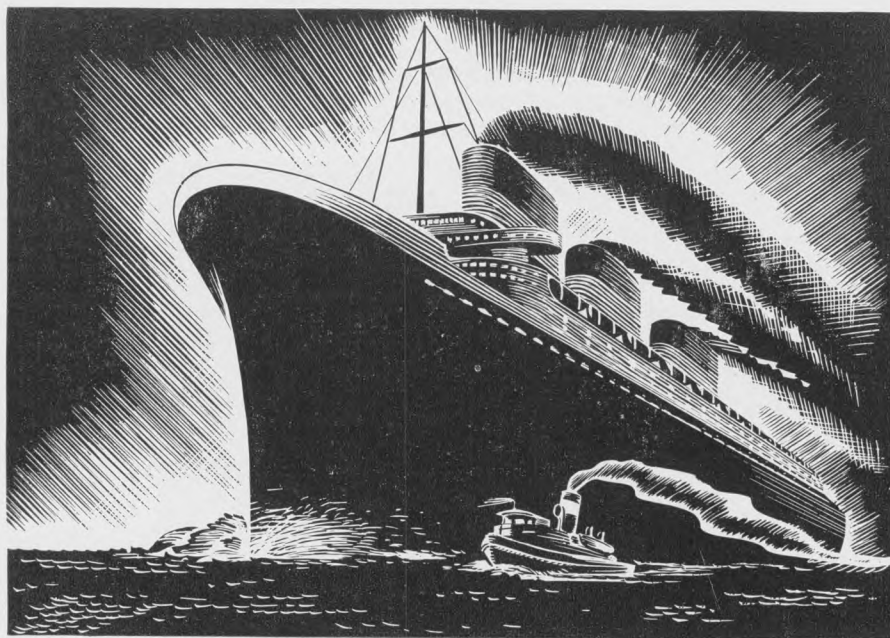
Spencer

L. A. Witter was elected president of the Farmers Trust and Savings Bank of Spencer at a meeting of stockholders and directors. Witter succeeds the late H. Bruce Noll in the bank's presidency.

Randall Tuttle was elected by the directors to succeed Witter as vice president of the bank, and Otto A. Bjornstad was elected to the board of directors. Directors re-elected were Dr. C. C. Colleston and D. E. Cole.

Waverly

F. P. Hagemann was named president of the State Bank at Waverly at the annual meeting. Otto Walther, F.



MEAT PRODUCTS FROM THE MIDWEST

Are Sold on World-Wide Markets

Meat products, originally produced on Midwestern farms, are served in homes and famous restaurants throughout the civilized world. Breakfast bacon from corn-fed Durocs, is prepared for well appointed tables by fastidious chefs in Paris. The choice roasts served daily in many London clubs, come from Midwestern baby beeves. While hotel menus in Bombay, Panama, Manila and New York feature steaks originating in the feed lots of the Corn Belt.

In all this—from the time live stock is grown until meat products reach the ultimate consumer—the Banks of the Midwest are an integral part. They provide a myriad of financial services which speed trade along every channel of distribution.

And the Drovers National Bank is a logical choice as the Chicago correspondent of Mid-western Banks whose customers ship live stock to the Union Stock Yards.

Your Inquiry is Invited

Members, Federal Deposit Insurance Corporation

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

• IOWA NEWS •

W. Osincup and H. A. Fritschel were added to the board of directors.

Mr. Hagemann follows the late A. J. Wile as bank president.

Avoca

Frank C. Viehus, a director and for a number of years cashier of the Avoca State Bank, has been elected president to succeed Rudolph Stender, who died last November. Other officers are William Thies, vice president; Edwin Doll and Geneva Foje, assistant cashiers.

Menlo

Miss Elaine Brinton of Stuart has been chosen to take the position in the Menlo Savings Bank at Menlo, left vacant by the resignation of Ferne Varley Colbert.

Miss Brinton qualified for this position when she attended college in Grand Island, Nebraska.

Muscatine

W. E. Downer was elected president of the Muscatine Bank and Trust Company at the annual meeting. Arthur Hoffman was named vice president of the bank. B. L. McKee, vice president and cashier of the institution. C. R. Musser was elected chairman of the board of directors.

Brooklyn

Only one change in the list of directors of the Poweshiek County Savings Bank was made as stockholders convened at Brooklyn. Andrew Shadel, who had served on the board for about 15 years, several years as president, was succeeded by Harley H. Burch.

Other directors, all re-elected, include T. F. Buchenau, Otis Wood, C. W. Fowler, L. E. Dunton, C. C. Ecklund and H. R. Light.

Sheffield

W. K. Bramwell, president of the First National Bank at Hampton, was elected president of the Sheffield Savings Bank at a meeting of the board of directors. Mr. Bramwell succeeds Dr. F. H. Rodemeyer, who has been president of the bank since it was organized five years ago.

Stockholders reduced the number of directors of the Sheffield bank from seven to five and elected W. K. Bramwell, D. D. Bramwell and R. R. Stuart, of Hampton; J. L. Straw of Hansell, and C. M. Wood of Sheffield. Dr. Rodemeyer, S. O. Ingebretson and H. O. Webb were all dropped from the board as control was taken over by the

Bramwell interests who own a majority of the stock of the institution.

The new directors elected C. M. Wood as vice president.

Waverly

A. T. Leslie, well known Waverly resident and formerly active in mercantile circles for many years, was named president of the Waverly Savings Bank.

Mr. Leslie, a director of the bank for a number of years, succeeds the late A. J. Wile as president.

Other officers of the bank chosen at that time were:

E. H. Meyer, vice president; E. G. Engelbrecht, cashier; W. D. Babcock, assistant cashier; F. V. Culbertson, teller, and Hulda Luesenhop, teller.

In Wisconsin Bank

C. M. Amann, formerly with the Iowa State Bank, West Bend, has recently been made the assistant cashier of the Auburndale State Bank at Auburndale, Wisconsin. "Chuck," as he is known to many of the junior bank-

★ HEADQUARTERS

FOR NORTHEASTERN IOWA BANKERS ★

THE NATIONAL BANK OF WATERLOO



STATEMENT OF CONDITION

as at the close of business December 30, 1939

RESOURCES

| | |
|---|----------------|
| Cash and Due from Banks..... | \$2,614,716.66 |
| Loans and Discounts..... | 2,128,590.95 |
| United States Government Securities..... | 863,217.40 |
| State, County and Municipal Securities..... | 1,580,956.66 |
| Other Bonds | 221,547.82 |
| Stock in Federal Reserve Bank..... | 8,700.00 |
| Overdrafts | 748.37 |
| Furniture and Fixtures..... | 4,113.38 |
| Accrued Interest Receivable..... | 29,458.58 |
| | \$7,452,049.82 |

LIABILITIES

| | |
|---|----------------|
| Capital | \$ 239,800.00 |
| Common Stock | \$200,000.00 |
| Preferred Stock..... | 39,800.00 |
| Surplus and Undivided Profits..... | 267,217.38 |
| Reserve for Taxes, Interest, etc..... | 36,600.60 |
| Interest Collected But Not Earned | 11,090.12 |
| Deposits | 6,897,341.72 |
| | \$7,452,049.82 |

Member Federal Reserve System

Member Federal Deposit Insurance Corporation



OFFICERS

| | |
|---------------------------------|---------------------------------|
| James M. Graham.....President | H. F. Hoffer.....Asst. Cashier |
| Chas. S. McKinstry.....V. Pres. | R. L. Kilgore.....Asst. Cashier |
| R. L. Penne.....Cashier | A. J. Burk.....Asst. Cashier |

AT THE IOWA MID-WINTER CONFERENCE →

The Iowa Bankers Association held its first annual Mid-Winter Conference in Des Moines last month, with an attendance of more than 400. Pictured on the opposite page are a number of those who were at the meeting. Reading from left to right, they are: 1. **Governor Wilson**, of Iowa; **Van Vechten Shaffer**, president, Guaranty Bank & Trust Company, Cedar Rapids; and **D. W. Bates**, Iowa banking superintendent. 2. **Clark Bardole**, assistant cashier First National, Rippey; **Arthur Donhowe**, vice president, Central National, Des Moines, who presided at the Conference; and **Claus Loof**, president, Peoples Trust and Savings Bank, Grand Junction. 3. A luncheon meeting of the Association legislative committee, with **Frank Kauffman** presiding. 4. **C. R. Gossett**, president, Security National Bank, Sioux City, and president of the Iowa Bankers Association; **Ira Wright**, trust officer, Central National, Des Moines; and **F. S. Lockwood**, secretary and trust officer, Bankers Trust, Des Moines. 5. **Frank Warner**, Association secretary; **W. G. C. Bagley**, treasurer of Iowa; and **Frank Kauffman**, president, Bankers Trust, Des Moines. 6. **Charles McKinstry**, president,

The National Bank, Waterloo; **Will Lane**, president, Security Savings Bank, Marshalltown; and **Edwin Van Horne**, executive vice president, American National, Chicago. 7. **Harold P. Klein**, assistant vice president, Iowa-Des Moines National, Des Moines; and **Fritz Fritzson**, vice president and cashier, First National Bank, Sioux City. 8. **W. R. Warner**, assistant cashier, Union National, Kansas City; and **Jack Maloney**, assistant cashier, First National, Minneapolis. 9. **C. H. Stephenson**, vice president, Bankers Trust, Des Moines; **Julian Frost**, vice president, Clarke County State, Osceola; **William Zunkel**, cashier, Decatur County State, Leon; **Fred C. Cummings**, Drovers National, Chicago; **Ward Macfadden**, Cedar Rapids, and **Bob Kube**, Des Moines, both of Scarborough & Company, Chicago. 10. **G. N. Barclay**, president, Washington State Bank, Washington; and **Frank C. Crone**, vice president, National Bank of Washington. 11. **Clyde H. Doolittle**, trust officer, Iowa-Des Moines National, Des Moines; **Frank Warden**, vice president, Central National, Des Moines; and **H. N. Rye**, vice president and cashier, Forest City National Bank.

ers in Iowa through his activities in the A. I. B., is now located up in the heart of northern Wisconsin's vacationland. The bank Chuck is now connected with has about a half million dollars on deposit, is thirty years old, and has always paid its depositors one hundred cents on the dollar.

Des Moines A. I. B.

The American Institute of Banking classes have resumed after the Christmas holiday interval.

On January 15th the women's division of the American Institute of Banking had the book "Kitty Foyle," by Christopher Morley, reviewed by Mrs. Zella Wallace.

The American Institute of Banking men's bowling league had scheduled a roll off for January 18th. Prizes were given to the winners.

Keokuk A. I. B.

By the time this goes to press, programs, in the form of a "newspaper"

for the Group Eleven get-together, being held in Keokuk, February 21st and 22nd, will be in circulation. And one of Keokuk's most prominent bankers unfolds a latent talent in his role of editor of the "First and Last Edition"—a chuckle sheet, abounding in "personal touches," and setting forth in a merry manner the goings on of the two-day session. The First and Last Edition tells you what to expect in Keokuk, and we're expecting YOU.

Well, I guess that worry I expressed last month about Iowa not having had any Christmas weather up to that time was sort of unnecessary. Keokuk has practically been submerged in snow ever since. It's fun, though.

Miss Elizabeth Laurinson was named assistant cashier of the Keokuk National Bank at their annual meeting, January 9th, an appointment well deserved. Congratulations!

Keokuk banking circles welcome Walter Thiele, who has taken up his duties here as cashier of the Keokuk Savings Bank & Trust Company, succeeding O. S. Stanbro, who has retired on account of ill health. Mr. Thiele comes to Keokuk from Wheatland, Iowa.

The boys at the State Central put on an impromptu "impersonation" recently, which was funnier than anything you hear on Major Bowes' program. One of the girls, the day after Christmas, came to work wearing a diamond, and as the news got about, she was besieged at her desk by all the girls in the bank, oh-ing and ah-ing as girls do. No more than had the cloud of femmes cleared away, than the boys ganged up to Mary's desk with exaggerated oh-ing and ah-ing and woman-like chattering, putting on a demonstration of acting that we didn't think was in 'em.

—Helen Kollmyer, Reporter.

Alert Service and Complete Facilities in Des Moines

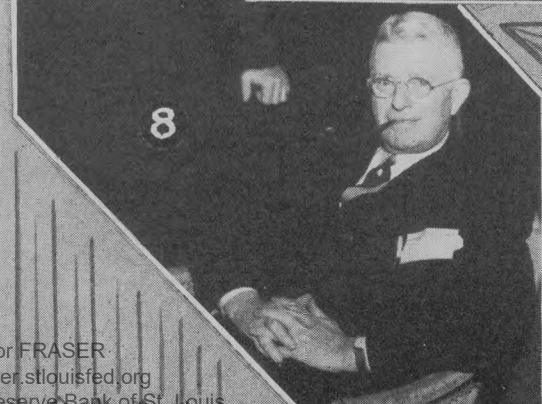


V *A progressive bank
for Iowa Bankers
who want the utmost
in friendly cooperation.*

ALLEY
SAVINGS BANK

Member Federal Deposit Insurance Corporation

Northwestern Banker February 1940



Recent Bank Changes

E. Walter Nun, formerly of Lytton, Iowa, and Elmer Meyer of Fairmont, Minnesota, have purchased the controlling interest in the First National Bank of Wilmont, Minnesota, and have assumed the active management of that institution.

Walter W. Meyer, formerly vice president of the Bank of Palmer, Kansas, has purchased the controlling stock in the State Bank of Lawler,

Lawler, Iowa, and was elected cashier of that institution at the annual meeting last month.

J. T. Nervig, who has been cashier of the Producers Savings Bank of Green Mountain, Iowa, for the past 12 years, has sold his stock and residence to Bertel Leth of Columbus, Nebraska, formerly cashier of the Elba State Bank of Elba, Nebraska, and Mr. Leth has been elected cashier to succeed Mr. Nervig.

All three of the above sales were negotiated by The Charles E. Walters Company, bank stock brokers of Omaha, Nebraska.

Brief Iowa News

The Clay County National Bank, Spencer, lists deposits at \$1,941,500 in their year end statement, an increase of \$160,000 over a year ago.

Mildred Reece has joined the Citizens National Bank, Webb, as bookkeeper, succeeding Helen Trainer, who is leaving to be married.

At the annual meeting of the Gillett Grove Savings Bank, Wm. Werts was elected vice president, succeeding Wm. Reardon, who resigned.

The same officers and directors were re-elected at the annual meeting of the Albert City Savings Bank. C. E. Kindwall, cashier, reports a good year for his bank with a substantial increase in deposits.

There are probably few banks in the state that has an earning record equal to the Council Bluffs Savings Bank, "Iowa's oldest bank." Organized in 1856 with a capital of \$50,000, the bank has since returned to stockholders more than \$1,000,000 in cash dividends and stock dividends. The past year the bank paid a 12 per cent dividend and added \$25,000 to surplus. The employees also received a 5 per cent bonus on their salaries. Deposits are \$4,406,000.

Another bank with a good earnings record is the Moorhead State Bank. Organized in 1900 the bank has paid 28 dividends totaling 444 per cent on the original capital investment of \$30,000. In addition the bank has built up the surplus and undivided profits to \$30,544. During the last four years alone stockholders have received dividends totaling 100 per cent on their investment. In commenting J. R. Hubbard, cashier, says much of this is, of course, from recoveries.

M. T. McEvoy, president, Mondamin Savings Bank, reports a good year for his bank. Stockholders received \$14 per share dividends and \$3 per share was added to surplus.

Clyde A. Blanchard was elected a director of the State Savings Bank, Council Bluffs, succeeding Florence Blanchard. H. L. Tinley was made vice president and cashier.

Clinton Collections

Clinton is one of Iowa's important grain centers. In the collection of grain drafts the City National Bank of Clinton can give you prompt and efficient service. We welcome such items, together with any other collections in this area.



THE
CITY NATIONAL BANK
CLINTON, IOWA

Member Federal Deposit Insurance Corporation



Our "PAYC" Plan Brought In
120 New Checking Accounts
in Less than a Month
and a Half.

—Sioux City, Iowa, Bank

Make Extra Profits, Get New Customers This Easy, Economical Way

Small depositors, wage earners welcome this new service—result, new customers, more profits. Build Goodwill, solve "money order problem" with PAYC (Pay As You Check) Plan. End minimum balance and service charge problems. Simplify account handling. No check charge computing—uniform handling in advance. Many leading banks now adopting plan. Inquire now.

GET MONEY-MAKING DETAILS TODAY

Get your share of this small depositor business. Write today, let us show you how. PAYC copyrighted but no royalty charged to banks using the system. Complete details, experiences of other banking firms sent immediately on request. Write Dept. NWF

United States Check Book Co.

1309-15 HOWARD STREET • OMAHA, NEBRASKA

• IOWA NEWS •

The Modale Savings Bank paid an 8 per cent dividend amounting to \$2,000 and added \$1,000 to surplus.

According to the year end statement of the First National Bank, Woodbine, deposits increased during the year \$63,500, loans and discounts are up \$107,000, and the surplus and undivided profits were increased \$14,708. Capital is now \$50,000 and S. & U. P. at \$99,896.

Statement of the First National Bank, Logan, as of December 30th, lists deposits of \$603,821 and cash resources of \$428,422.

E. E. Sapp, cashier, Farmers Trust & Savings Bank, Buffalo Center, reports an exceptionally good year for his bank. A substantial dividend was paid and the surplus and profits increased.

First State Bank, Tabor, began 1940 with its surplus fund increased from \$5,000 to \$12,500 after transfer of undivided profits. Deposits increased \$60,000 during 1939 and loans increased \$40,000.

At the First National Bank, Missouri Valley, a handsome dividend was paid stockholders and surplus and profits were increased \$6,000.

The Manning Trust & Savings Bank paid \$6 per share dividend and added to surplus after making regular depreciation charge-offs.

R. E. Tool, cashier, First National, Le Mars, says business is good. His bank paid another 4 per cent dividend and added to the reserves.

Max Baumgartner succeeds Geo. M. Graettinger as vice president at the Graettinger State Bank. A 5 per cent dividends was declared and the undivided profits increased.

Sign in the Central Savings Bank, Emmetsburg, "We honor thy father and mother, but not strangers' checks."

Deposits seldom remain approxi-

mately the same from year to year in a bank but this is true at the Farmers Savings Bank, Fostoria. This year's statement shows an increase of just \$99.94 over last year for a total of \$291,470.21.

Crawfordsville

The Peoples Savings Bank of Crawfordsville, Iowa, held their annual meeting last month when the following officers were re-elected: S. Turk-

ington, president; N. J. Lease, vice president; K. A. Coates, cashier, and Lois Harper, assistant cashier.

Reports of officers showed earnings for the year in excess of 40 per cent of the capital stock, deposits at \$357,000, and cash on hand of \$144,000.

During the year the surplus was increased \$10,000, making it equal with the capital which is \$20,000. A dividend was paid to the stockholders on the basis of \$4 per share.



FOR 72 YEARS, Live Stock National Bank has been located inside the Union Stock Yards—serving the cattle raisers, the feeders, the packers and all the other interests represented in this great central market.

If yours is an agricultural bank, you will find particular value in all that this specialized experience means. The "on-the-spot" knowledge of agricultural developments. The ability to determine and interpret long-term trends. The understanding of the common problems of all agricultural banks.

Today nearly 500 banks find benefit in Live Stock National's prompt, experienced correspondent services. May we discuss them more fully with you?

Live Stock
National Bank of Chicago
UNION STOCK YARDS

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

SELL YOUR BANK

The "Walters" Way
Without Publicity

Qualified, carefully investigated bank
employees furnished free

THE CHARLES E. WALTERS CO.
Omaha, Nebraska

IN WASHINGTON

(Continued from page 20)

Labor apparently is divided on the question of tariffs as it is in most other matters. Condemnation of the Administration program by a minority group in the American Federation of Labor brought a hurried statement from President William Green pointing out that the group does not speak for the Federation.

NLRB Investigation

Labor groups and employers alike are watching the Congressional investigation of the National Labor Relations Board as the committee headed by Rep. Howard W. Smith (D., Va.) hears charges of bias and delves into the board's methods of procedure. The NLRB has lost many friends and Congress is likely to work out a new formula in an attempt to put employer-employee relations on a basis of good

will and cooperation, if that is not expecting too much of any mere law.

Economy talk is being heard again but the session is young and elections are not likely to be forgotten. A cut of twenty-five per cent, proposed in President Roosevelt's budget for farm spending, is almost certain to be increased. But the huge outlay planned for national defense is likely to face the ax.

Senator Alva B. Adams (D., Col.) declared he cannot see the necessity for a great increase in defense expenditures. He said that in enacting the neutrality law "we did things that were almost humiliating to protect ourselves against the hazards of war."

"But now," Adam added, "we're told that we have to cut relief and take money away from the farmer to build battleships. To fight who? —to fight nobody."

Budget Study

Senate Finance Committee Chairman Pat Harrison's resolution for a joint Congressional committee to study the budget and proposed new taxes is not expected to get very far; neither are the taxes. The resolution provides that the committee report to Congress sixty days after its formation.

"A joint committee couldn't do this job in six years," remarked Senator Adams, "but I'm in favor of it."

Senator Robert Wagner (D., N. Y.) is sponsoring a new bill which would allow the government to sell low-cost insurance policies. He said he had been informed by social security experts the policies could sell for about one-third the rates now charged for similar insurance by private companies. Asked if he expected the bill to pass this year Wagner said:

"I don't know about that. This is supposed to be a conservative year."

A bill to postpone the effective date for the prohibition against interlock-

CENTRAL HANOVER BANK AND TRUST COMPANY
NEW YORKStatement of Condition at Close of Business
December 30, 1939

ASSETS

| | |
|---|--------------------|
| Cash and Due from Banks | \$627,536,800.46 |
| U. S. Government Securities | 333,761,611.86 |
| State and Municipal Securities | 25,497,004.55 |
| Other Securities | 25,449,494.27 |
| Stock in Federal Reserve Bank | 2,430,000.00 |
| Loans and Bills Purchased | 165,748,814.87 |
| Real Estate Mortgages | 7,064,669.79 |
| Banking Houses | 15,450,009.00 |
| Other Real Estate | 1,716,862.40 |
| Interest Accrued | 1,553,798.01 |
| Customers' Liability Account of Acceptances | 5,599,022.67 |
| Total | \$1,211,808,087.88 |

LIABILITIES

| | |
|---|--------------------|
| Capital | \$21,000,000.00 |
| Surplus | 60,000,000.00 |
| Undivided Profits | 12,745,639.68 |
| Reserve for Taxes, Interest Accrued, etc. | 4,241,578.34 |
| Dividend Payable January 2, 1940 | 1,050,000.00 |
| Acceptances | 6,034,749.40 |
| Deposits | 1,106,736,120.46 |
| Total | \$1,211,808,087.88 |

There are pledged to secure public monies and to qualify for fiduciary powers
U. S. Government Securities \$5,118,652.94

Member Federal Deposit Insurance Corporation

TO MAKE MONEY
FOR YOU —

Young man, 39 years of age, married, has seventeen years of successful experience to offer any bank now operating or contemplating opening a personal loan department. Past experience covers all phases of banking, especially in small loan field. Can furnish excellent references. Write to 3271, Northwestern Banker, Des Moines.

ing bank directorates until 1944 has been introduced by Senator Carter Glass (D., Va.). A similar bill was vetoed by President Roosevelt in the last regular session.

After two months of study, the monetary sub-committee of the Inter-American Financial and Economic Advisory Committee has approved establishment of an inter-American bank at either Washington or New York. Early creation of the bank is said to be necessary to meet emergencies in the Western hemisphere caused by the European war. The bank would be capitalized by the governments of the twenty-one American republics at between \$50,000,000 and \$100,000,000.

Aid to Business

Chairman Jerome Frank of the Securities and Exchange Commission has again asked Congress to pass a bill to financially aid small business.

"The big trouble is the cost of flotation—the cost of underwriters," he said. "We have dozens of issues fully registered with the SEC—all dressed up and no place to go; they could not find a buyer. Our figures show that it often costs as much as 20 per cent of the total issue to employ an underwriter on these small issues, particularly on stock issues."

Frank urged a system of regional banks for equity financing of small business. He proposed that the government buy preferred stock in the banks while private capital take the common. He approved the Mead bill to provide government-guaranteed credit but said he feels more than this is needed.

The Senate Banking and Currency Committee has discussed briefly the projected study of money and banking authorized under the Wagner Resolution but at this writing no action has been taken.

Chairman Robert L. Doughton (D., N. C.) of the House Ways and Means Committee is looking forward to the end of the session but not to campaign for re-election. Rep. Doughton, after 30 years in Congress, plans to retire to his Blue Ridge farm.

News of the appointment of Daniel "Danny" Bell as Undersecretary of the Treasury was greeted with enthusiastic approval by his predecessor, John W. Hanes, who recently resigned the post.

"I couldn't be happier than I am

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

Group Eleven to Meet In Keokuk

AFTER trying for the past fifty years, more or less, to get the annual meeting of Group Eleven away from Burlington, the efforts of Keokuk bankers and their friends have been crowned with success, and Group Eleven of the Iowa Bankers Association will meet by a dam-site on Thursday, February 22d. To state it again, the town is Keokuk, with headquarters at the Iowa Hotel and the Elks Club.

The festivities will start on Wednesday evening, February 21st, with a buffet dinner at the Elks Club from 5:30 to 7:30. There will then be an intermission of two hours, without doubt to allow the production of brew to catch up with consumption, and the annual dance will start at 9:30, also at the Elks Club. From this time on to the following morning, the committee assumes no responsibility for anything that might happen, aside from assuring everyone of a royal good time.

The program for Thursday, February 22, is as follows:

Registration—From 9:30 a. m. to 12:00 noon, at the Elks Club.

Luncheon at Noon, to be held in the Y. W. C. A.

Meeting Called to Order V. P. Cullen, Chairman, Group Eleven
Address C. R. Gossett, President, Iowa Bankers Association
Remarks D. W. Bates, Iowa Superintendent of Banking
Address Samuel Garvin, D.D., LL.D., President, Dubuque University
Remarks Frank Warner, Secretary, Iowa Bankers Association
Adjournment.

over the appointment of 'Danny' Bell as Undersecretary of the Treasury," Hanes stated. "I wish the Congress would make the position of Undersecretary a permanent appointment as long as it is held by the incoming Undersecretary. His 28 years of serv-

ice in the Treasury under both Democratic and Republican administration, his character and his ability fit him most admirably for this post."

Bell began his career at the Treasury as a clerk in the days of President Taft.

STOP "NO ACCOUNT" CHECKS WITH SAFETY NUMBERING!



—This booklet explains the system. May we send it to you? Use the convenient coupon.

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CHECK PRINTERS INC.

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☐ Please send "Safety Numbering for the Accurate Control of Checks."

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Address _____
Signed _____

Spear Head
OF BANK
MERCHANDISING

Exhibit Penguins

A bit of the real Antarctic was transported to Saint Paul, Minnesota, for the 1940 Winter Carnival held in that city from January 26 to February 4. Two Galapagos penguins brought back

by Admiral Byrd on his 1937 polar expedition were a feature of the Minnesota Federal Savings and Loan Association float, and are pictured here with the attractive queen of that marching unit, Miss Helen Hanna. The float displayed by the Minnesota Federal was a three masted schooner "afloat" in Antarctic waters. Miss Hanna was at the wheel of the ship, with a sailor in Arctic garb in attendance. The penguins wandered at will on the front of the float which simu-

lated an ice floe. Great interest was displayed in the birds by the throngs who watched the parade, as they are the first live penguins ever seen in the Northwest. They were presented by the Minnesota Federal, at the end of Carnival Week, to the Como Park Zoo

Hennepin Federal Savings and Loan Association of Minneapolis

Financial Statement

December 31, 1939

ASSETS

| | |
|---|-----------------------|
| First Mortgage Loans..... | \$ 962,910.77 |
| Loans Secured by Pledge of Accounts | 1,221.00 |
| Home Purchase Contracts..... | 285,292.78 |
| Federal Home Loan Bank Stock.. | 10,500.00 |
| Furniture and Fixtures..... | 872.71 |
| Miscellaneous Assets | 1,525.53 |
| Real Estate Owned..... | 31,894.66 |
| Cash on Hand and in Banks..... | 119,932.78 |
| | \$1,414,150.23 |

LIABILITIES

| | |
|---|-----------------------|
| Savings and Investment Share Accounts | \$1,267,698.94 |
| Advances from Federal Home Loan Bank | None |
| Mortgage Loans in Process..... | 74,397.95 |
| Miscellaneous Liabilities | 14,005.52 |
| RESERVES: | |
| Federal Insurance | 14,300.90 |
| Contingencies | 7,563.47 |
| Undivided Profit and Misc. | |
| Reserves | 36,183.45 |
| | \$1,414,150.23 |

Current Rate 3%

Where You
See This
Emblem



Your
Savings
Are SAFE

Whether
From Individuals
Small Trusts
Large Corporations
each account receives equal
consideration.

3% Current Dividend
Assets \$1,700,000

GATE CITY
Building & Loan Association

69 Broadway

FARGO

NO. DAKOTA

Member Federal Home Loan Bank System



of Saint Paul, as a permanent addition to that institution.

The Winter Carnival has become an annual event in Saint Paul, attended by winter sports enthusiasts from throughout the entire nation as well as from abroad. This is the third year in which the Minnesota Federal has participated actively with a marching unit and float.

Insured Accounts

Insurance of savers' accounts in savings and loan associations up to \$5,000 each by the Federal Savings and Loan Insurance Corporation has had a vital part in the rehabilitation of nearly 300 associations throughout the country, according to a survey made public by the Federal Home Loan Bank Board.

In order to be extended insurance, 284 associations were required by the Corporation to undergo reorganization as an essential in meeting standards of eligibility during the six years since the agency was established up to the end of the last fiscal year, the Bank Board reported. Assets of these associations prior to reorganization totaled \$338,636,000. Immediately afterward, the assets dropped to \$213,000,000 but by the end of June, 1939, they had risen to \$270,000,000.

Of the associations reorganized, 177 underwent segregation of assets, 43 accomplished capital reorganization through write-down, and 64 strengthened their reserves by means of pledges of shares.

Federal Home Loan Bank of Des Moines

Des Moines, Iowa

Statement of Condition December 31, 1939

RESOURCES

| | |
|-----------------------------------|-----------------|
| Advances to Members..... | \$17,618,540.79 |
| Interest Receivable Accrued..... | 27,302.65 |
| Deferred Charges | 22,355.28 |
| U. S. Government Obligations..... | 1,367,000.00 |
| Cash | 911,112.31 |

\$19,946,311.03

LIABILITIES

| | |
|--|-------------------|
| Capital Stock Subscriptions..... | \$ 9,778,100.00 |
| *Participation Consolidated Bank Debentures..... | 7,500,000.00 |
| Deposit—Other F. H. L. Bank..... | 1,000,000.00 |
| Deposits—Members | 943,349.58 |
| Deposits—Membership Applicants | 3,900.00 |
| Interest Payable Accrued..... | 27,740.26 |
| Dividends Payable January 6, 1940..... | 60,612.06 |
| Deferred Credits | 3,447.50 |
| Surplus: | |
| Legal Reserve | \$303,025.78 |
| Contingent Reserve | 150,000.00 |
| Undivided Profits | 176,135.85 |
| | 629,161.63 |

\$19,946,311.03

*Consolidated Federal Home Loan Bank debentures issued by the Federal Home Loan Bank Board, and which are the joint and several obligations of the twelve Federal Home Loan Banks, are outstanding on December 31, 1939, in the amount of \$48,500,000.00.

North Central Conference to Be Held in Chicago

SAVINGS
and LOAN

Sessions on Friday and Saturday, February 9 and 10,
Will be Held in Palmer House

THE seventh annual North Central Conference of the United States Savings and Loan League will be held in Chicago, February 9 and 10, at the Palmer House, drawing an attendance of 500 to 600 executives of thrift and home financing institutions. They will come from Illinois, Indiana, Wisconsin, Michigan, Minnesota, Iowa, Nebraska, and North and South Dakota.

The business picture for 1940, advertising programs, the Federal Home Loan Bank System's future and current events in the national and international sphere will be discussed.

John F. Scott, St. Paul, Minnesota, will preside and other speakers already announced include Morton Bodfish, executive vice president of the United States Savings and Loan League; and Fermor S. Cannon, Indianapolis, second vice president of the League.

"The regional organization of which this meeting is the yearly convention began in the depths of the depression as a means of solving problems which faced the institutions at that time," comments Mr. Scott. "Today practically none of the problems of 1933 remain. The challenge of a new decade to these thrift and home ownership institutions makes them more concerned with variations on the loan plan to suit the customer and meeting the community's demand for homes on the fringe of the city than with such past problems as fitting new government agencies into the plan of operation and forcing the revival of home building. Last year there was a gain of \$28,000,000 in the total assets of associations in six of these states and a net gain of \$10,600,000 for the entire district. There are 1,514 associations in these nine states and they serve 1,111,500 home borrowers and investors."

Program

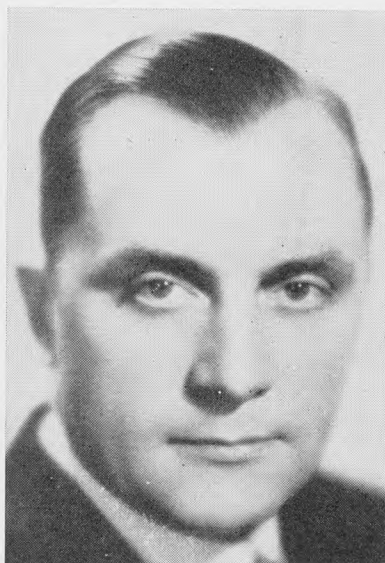
Friday, February 9

8:30 A. M. Meeting of Conference Executive Committee, Private Dining Room 4, Third Floor.

10:00 A. M. Call to Order.

"Looking at 1940." John F. Scott, St. Paul, Minn.

10:30 A. M. The Business Picture for 1940. Robert P. Vanderpoel.



MORTON BODFISH
Executive Vice President
United States Savings and Loan League

11:00 A. M. Savings and Loan Today. Robert E. Hill, Columbia, Mo.

11:30 A. M. Advertising Your Business. Gerald S. Beskin, Minneapolis, Minn.

2:00 P. M. Building a Savings and Loan Business. Raymond P. Harold, Worcester, Mass.

2:30 P. M. Variations of the "Life Insurance to Protect Your Loans" Idea. A. D. Theobald, Chicago, Ill.

3:00 P. M. The Question Box.

5:00 P. M. Adjournment.

6:30 P. M. Informal get-together dinner.

Saturday, February 10

9:30 A. M. Own Your Home Clubs for Business Development. F. S. Cannon, Indianapolis, Ind.

10:00 A. M. Your Reserve Bank System. Hon. James Twohy, Governor, Federal Home Loan Bank System, Washington, D. C.

10:30 A. M. Current Events. Morton Bodfish.

11:00 A. M. The Rest of the Question Box.

2:30 P. M. The annual meeting of stockholders of The Federal Home Loan Bank of Chicago will be held at 2:30 P. M. in the Red Lacquer Room at the Palmer House.

Reserves Increase

The United Federal Savings and Loan Association, Des Moines, made home loans totaling more than \$500,000 in 1939, James M. Camp, secretary and manager, announced at the annual meeting.

Mr. Camp also said that during the same period dividends totaling more than \$25,000 were paid to members and that the association's reserves were increased \$12,000.

C. M. Reed, a director of the Mill Owners Mutual Insurance Company, was elected to the directory board. George Olmsted, K. G. Ellsworth and Lloyd Williams were re-elected board members.

Mr. Camp was re-elected secretary and manager. Other officers re-elected were Lloyd Williams, president; H. E. Newton, Stuart, Iowa, vice president, and George Olmsted, treasurer.

Get Clear Titles

More people than ever before are going to get clear title to their homes this year by completing their payments to savings, building and loan associations, the United States Savings and Loan League predicts. Paul

**ASSETS OVER
\$1,200,000.00**



216 8th Street

Phone 4-5324

Since 1878

**LIBERAL EARNINGS
with
SAFETY**

Statement on request

**Waterloo
Building and Loan
Association**

East Fifth at Lafayette

WATERLOO IOWA



**Selected Security
for Trust Funds**

Savings share accounts are convenient for small or large investments. The current rate of return is 3%. Safety is insured up to \$5000 by the Federal Savings and Loan Insurance Corporation. Write for prospectus.

**FIRST FEDERAL
SAVINGS & LOAN**

Association of Chicago

130 So. LaSalle Street Cen. 8100

Endicott, Pomona, California, chairman of the League's Home Building and Home Owning Committee, points out that about 200,000 should achieve this final step in home ownership this year, according to the monthly repayments called for in loan contracts. That will mean that during the decade 1930-1940 about a million families borrowing from these institutions have reached the debt-free home ownership goal.

The great majority of those paying off the final amount of their debt this year borrowed for their homes in 1928, on the then prevalent savings and loan plan of an 11½ to a 12 year plan. About \$700,000,000 was their original obligation and this year's final payments on the principal will aggregate about \$81,214,000, the committee chairman said. The rest was paid off month by month during the depression and the subsequent recovery.

Last year the comparable figure was 150,000 debts paid off with some \$60,000,000 of final payments.

"Savings, building and loan associations made the greatest number of loans in their history in 1928," said Mr. Endicott, "about 615,000 new borrowers having been added that year. While a majority of those loans were written to bring about debt-free ownership by sometime in 1940, a considerable number of them were for shorter loan terms of six to seven years for repayment. Most of these were later refinanced by the associations when the depression made it impossible for people to carry the large monthly payments so short a loan term required. These are generally farther behind now than those who started out on the 11 to 12 year repayment basis."

Besides the monthly repayments which mark the final disposition of 200,000 families' debts, there will be about \$380,000,000 paid this year in monthly installments on the principal of all other savings and loan borrowers' obligations, the committee estimated.

"Gradual repayments like these demonstrate why these 200,000 families in spite of the disadvantages of lowered incomes were able to keep up their original plan of having a free and clear home by 1940," Mr. Endicott pointed out.

He explained that of the original 615,000 borrowers in 1928, the associations had refinanced about 160,000 to give the borrowers longer to pay out and thus help them weather their economic misfortunes. The remainder were taken over by the Home Owners' Loan Corporation or had to be repos-

**UNBROKEN
DIVIDEND RECORD FOR
20 YEARS**



**HOME
Building and Loan Association**

FORT DODGE, IOWA

Member Federal Home Loan Bank System



U. S. Government Supervision

**LEGAL INVESTMENT
For
INSURANCE COMPANIES**

3%

(Current Dividend Rate)

Accounts Insured Up to \$5,000

NORTHWESTERN FEDERAL

Savings & Loan Association

823 Marquette Ave.

MINNEAPOLIS, MINN.

**PROTECTED
EARNINGS—**

First class properties safeguard present and future earnings for investor-members of the

**POLK COUNTY
FEDERAL**

Savings & Loan Assn.

Assets \$1,350,000.00

**511 Seventh St.
DES MOINES**

Member Federal Home Loan Bank System

sessed by the associations or were voluntarily deeded to the mortgagees by the borrowers when they found they were unable to keep up with the undertaking.

Mr. Endicott said that for the past three years savings, building and loan associations have been adding more new borrowers a year than the homes paid out of debt during the same period. He expects this condition to continue this year.

Cash Turnover

Members of savings, building and loan associations in 1939 used \$1,600,000,000 of the share accounts they had built up either to walk through the gate to opportunity or to cushion the shocks of emergencies. This is the estimate of the United States Savings and Loan League on the cash turnover in share account holdings among the 7,000,000 members. Morton Bodfish, executive vice president of the League,

indicates that this is a normal year's outflow in proportion to the total volume of investments in the associations.

Since the new money coming into the associations was considerably more than that going out in 1939 as in the two previous years, the utilization of their savings by members will not decrease the mortgage money available in the associations, Mr. Bodfish said.

Chief opportunities for which funds were withdrawn were the down payments for purchase of homes or of subdivision lots to start plans for home building, and the starting of new business enterprises as the signs of increasing recovery materialized in the last half of the year. Emergencies for which savings, building and loan accounts have been among the most dependable standbys for a century included, of course, loss of employment, sickness, and old-age retirement.

DES MOINES BUILDING-LOAN & SAVINGS ASSOCIATION

Oldest and Largest in Des Moines

411 6th Ave. Dial 4-7119

ELMER E. MILLER HUBERT E. JAMES
Pres. and Sec. Asst. Sec.

Member Federal Home Loan Bank System

INSURED - SAFETY

Current 3% Rate

BEN FRANKLIN FEDERAL SAVINGS AND LOAN ASS'N.

92 E. 4th St. St. Paul, Minn.

Banking Supplies of Highest Quality—
Courteous Service—Sensible Prices.



L. W. HOLLEY & SONS

Complete BANK and OFFICE Equipment
100 EAST GRAND DES MOINES, IOWA

Talmage

C. E. Wood was named president of The Bank of Talmage at the 56th annual stockholders meeting. He succeeds Herman Arends, recently deceased, who was president for forty continuous years, a record unequalled by any one in the state. Succeeding Mr. Arends on the board of directors is J. D. Wilkie.

Mason City

Directors of the Mason State Bank held their annual meeting. Due to the sudden death of the president of the bank, A. B. Turner, some months ago, it was necessary to elect new officers.

A. V. Powell, a prominent farmer and stockman living north of Berwyn, was elected president; Mrs. Rose Turner, vice president; Joe R. Turner, cashier; and John A. Turner, assistant cashier.

THE CLEARING-HOUSE WAY

(Continued from page 18)

not so large, which makes it possible to discuss more thoroughly the individual problems to be solved.

The organization and the operation of these associations is rather simple, and the expense of maintenance very negligible. All that is necessary is for a group of progressive minded bankers, located in an area where their problems are more or less common, to arrange for a meeting, usually preceded by a good dinner, then to organize by electing the necessary officers, adopt a constitution, and simple set of

INSURED SAFETY

For Your Savings and Investment Funds

3% Current Dividend Rate 3%

It Will Pay You to Get Our Literature Before Investing

WRITE FOR BOOKLET "D"



Minneapolis, Minnesota

"TIME IS KIND TO THE THRIFTY"

HOME FEDERAL SAVINGS AND LOAN ASSOCIATION OF DES MOINES

—our Federally Insured up to \$5,000 savings accounts are the solution to your investment and trust problems. Current dividend 4 per cent.

Statement on request.

904 Grand Avenue
Des Moines, Iowa

Policyholders Mutual Casualty Company

Legal Reserve—Maximum Service

Home Office: West Liberty, Iowa
Business Office: Des Moines, Iowa

Full Coverage Automobile
Accident and Health

Agency Inquiries Invited



Iowa's Largest Business Training School
Many banks, bond-houses, insurance companies and other financial institutions employ A. I. B. graduates. Write or telephone when you need efficient office employees.

E. O. FENTON, Director

American Institute of Business
DES MOINES

10th and Grand

Tel. 4-4221

YOUR GRACIOUS HOST FROM COAST TO COAST



The Gotham



The Drake

The Blackstone



The Town House



Bellevue Biltmore

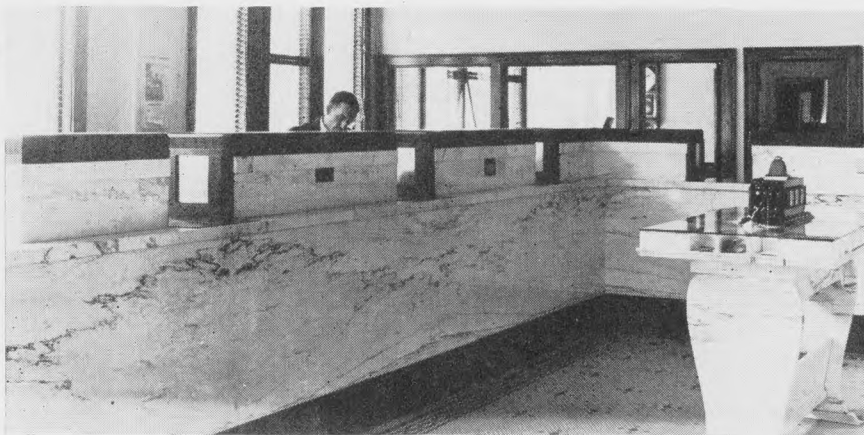
A.S. KIRKEBY, Managing Director

KIRKEBY HOTELS

by-laws, which should be suggested by the state association committee, in order to create uniformity in the organizations. As a matter of fact, most regional clearinghouse associations are almost identical to the county and district associations, which in many instances have been in existence for years.

So often you will find bankers who seriously believe that it is impossible for them to change their closing hours or reduce interest rates, whereas other bankers in the same area do not appear to have any difficulty whatsoever in this connection. Most of us know that in actual practice any bank can do business the same as a competitor and follow the same sound lines without the loss of worthwhile business. These associations provide a splendid oppor-

tunity for competitors to become much better acquainted personally, and iron out their competitive difficulties. After all, the average American is very human and in nearly every instance proves to be a regular fellow if they both have the proper opportunity to become better acquainted. Then again, it is possible by attending meetings of these associations to discuss lines of credit to customers who in many instances have overlapping lines, and I am sure we are all agreed that such information is always most useful and helps to strengthen our institution because, as a rule, no bank is sounder than its note pouch. In some of the older clearinghouse associations it has been possible to provide for a regular examiner or a central office for an exchange of credit information.



A short time ago the Iowa County Savings Bank, Marengo, did a complete interior remodeling job, taking out the old cages and fixtures, and installing new modern equipment of the low-counter type. **R. R. Schroeder** is vice president and cashier of the bank, and the gentleman in the picture, standing behind the counter, is **V. E. James**, teller.

Newhouse Paper Co.

"Better Printing Papers"

With the advent of 1940, we can be confident in our outlook for the new year. We feel certain that the strong convictions that the United States shall remain neutral during this present war, will give business renewed hope and courage. We are operating and maintaining paper warehouses in the following cities:

Des Moines, Dubuque, Moline, St. Paul, and Minneapolis

BIGGEST COMPETITOR

(Continued from page 19)

About 37½ per cent of the total loans in the associations come from these twelve agricultural states. That this competition is ruinous is evidenced by the fact that the Production Credit associations themselves show a deficit on their actual operations for 1938. During that year their operat-

ing income and expenses were as follows:

| | |
|---|-------------|
| Operating expenses | \$6,273,209 |
| Charge-offs and estimated losses represented by valuation reserve adjustments | 1,441,193 |

| | |
|------------------|-------------|
| Total | \$7,714,402 |
| Operating income | \$6,857,708 |
| DEFICIT | 856,694 |

| | |
|-------|-------------|
| Total | \$7,714,402 |
|-------|-------------|

Were it not for the income received amounting to \$3,383,177 from investment of Class A and Class B stock proceeds and the accumulated earnings which stock is supplied gratis by the government and the stockholders, the associations would have shown a loss of \$856,694 for the year 1938.

In view of the fact that the number of state banks in the nation has shown a decline of 1934 during 1935, 147 during 1936, 177 during 1937 and 125 during 1938, banks which generally serve the small communities, it would seem that some form of competition is putting them out of business.

From "The Earning Power of Banks", a study published by the Research Council of the American Bankers Association, we learn that, "In 1929 the ratio of commercial loans made by the commercial banks was less than 16 per cent of the total volume of trade, and during the period 1929 to 1933 it averaged 17 per cent. For 1934 to 1937 the average has been 9 per cent, a ratio considerably below the 14 per cent rate that was steadily maintained before the World War."

According to the Federal Deposit Insurance Corporation's annual report of December 31, 1938, the average rate of interest received on loans and average rate of interest paid on time and savings deposits by insured commercial banks not members of the Federal Reserve system, which classification comprises the largest number of banks that come in direct competition with the Production Credit associations, was as follows:

| Year | Average rate of interest received on loans | Average rate of interest paid on time and savings deposits |
|------|--|--|
| 1934 | 5.9% | 2.77% |
| 1935 | 5.75% | 2.28% |
| 1936 | 5.96% | 2.09% |
| 1937 | 5.92% | 1.92% |
| 1938 | 5.91% | 1.82% |

The Production Credit associations operate on a basis of 3 per cent above the discount rate of the Federal Intermediate Credit Bank and in 1938 operating on this basis sustained an operating loss. In 1934 non-member commercial banks operated on a basis

of a little over 3 per cent difference between interest paid and interest received. As the earnings of banks were declining, in order to remain solvent, they wisely began to reduce the rate

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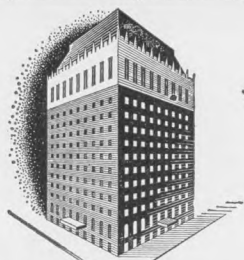


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FONTENELLE
OMAHA, NEBRASKA

of interest paid on certificates and savings. They gradually moved to a 4 per cent difference without increasing the rate of interest charged borrowers, and apparently could operate successfully on this basis if not too severely handled by competition with these governmental agencies.

In 1937 the American Bankers association published a factual survey of Federal government lending agencies, prepared by its Committee on Banking Studies. Commenting on the competition of Production Credit associations it declared:

"There can be no question but that many small banks, whose livelihood depends on agricultural lending, have suffered a loss of business and that continued loss of business by these institutions will cut at the roots of the American system of banking."

We thus have an agency, the Postal Savings system, financed by the government taking deposits away from banks by overbidding them on the rate of interest paid. Simultaneously, we have the Production Credit associations with a government-provided capital taking loans away from the same banks by underbidding them on the rate of interest received (charged to borrowers). And in sponsoring these two institutions, our Federal government loses not only all it costs to maintain them but it also, together with the various State governments and subdivisions thereof, loses proceeds and revenue from income and excess profits taxes, surtaxes, pay roll taxes, capital stock taxes, property taxes, and many other forms of taxation both tangible and intangible which banks must of necessity pay. The amount of such taxes can better be comprehended when compared with dividends paid on common stock of banks. The Research Council of the American Bankers Association in the paper entitled "The Earning Power of Banks" published in January, 1939, lists the amount of taxes paid by all insured banks of the country during the year 1937 as \$.23 per \$100.00 of deposits and dividends paid on common stock as \$.43 per \$100.00 of deposits. The sum paid in taxes amounts to nearly 53½ per cent of the dividends paid.

The Federal Deposit Insurance Corporation set up by the Federal government to insure banks, finds itself in the unique position of guaranteeing the deposits of those banks which the same government is weakening by fostering institutions at public expense to compete with them. As individuals we pay heavy taxes to support the government. As taxpayers we become our own competitors

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IN DOWNTOWN MINNEAPOLIS
Richard Kitchen, Gen. Mgr.

through such undertakings by our government and thus become tax free. What a pathetic paradox! We are playing both ends against the middle and thereby hastening the departure of the goose that lays the golden eggs.

If banks should follow the lead of Production Credit associations in sending out personal solicitors for loans, the field of competition could quickly be broadened. Certainly a break-down of sound banking economy would follow with the result that it could easily be harmful to both. Accordingly, the Federal Deposit Insurance Corporation which would have to bear the brunt of losses should they occur, and the Reconstruction Finance Corporation, which is still interested in banks through its sale to them of preferred stock, should both be vitally interested in eliminating government subsidized competition.

In view of the fact that banks have placed their houses in order, that their deposits are now insured, that they are making a fair, reasonable, and attractive rate of interest to borrowers, that they are not only able, but ready and willing, to make all new loans consistent with sound principles of banking, it seems that in the interest of recovery, competitive institutions like the Postal Savings system and the Production Credit associations should now be abolished.

Index to Advertisers

| A | |
|---|-----------|
| Allen Wales | 83 |
| Allyn & Company, A. C. | 40 |
| American Institute of Business | 77 |
| American National Bank and Trust Co. | 46 |
| B | |
| Bankers Trust Company | 62 and 63 |
| Ben Franklin Fed. Sav. and Loan Ass'n | 77 |
| Brewer Company, V. W. | 42 |
| Burns, Potter and Company | 42 |
| Burroughs Adding Machine Company .. | 4 |
| C | |
| Central Hanover Bank and Trust Co. | 72 |
| Central National Bank and Trust Co. | 3 |
| Chase National Bank | 8 |
| City Nat'l Bank and Trust Co., Chicago .. | 42 |
| City Nat'l Bank, Clinton | 70 |
| Continental Illinois Nat. Bk. & Trust Co. | 48 |
| Continental National Bank | 49 |
| Crummer and Company, R. E. | 42 |
| D | |
| Davenport and Company, F. E. | 49 and 72 |
| De Luxe Check Printers, Inc. | 73 |
| Des Moines Bldg. Loan & Savgs. Ass'n | 77 |
| Drovers National Bank | 66 |
| E | |
| Employers Mutual Casualty Company .. | 31 |
| Eppley Hotels Company | 80 |
| Erickson and Company, C. E. | 77 |
| F | |
| Farmers Union Life Ins. Company | 81 |
| Federal Discount Corporation | 39 |
| Federal Home Loan Bank | 74 |
| Fidelity and Deposit Co. of Maryland .. | 29 |
| First Federal Savings and Loan Association, Chicago | 76 |
| First Federal Savings and Loan Association, Minneapolis | 77 |
| First National Bank, Chicago | 58 |
| First National Bank, Sioux City | 65 |

| G | |
|---|----|
| Gate City Bldg. & Loan Association | 74 |
| General Motors Acceptance Corp. | 38 |

| H | |
|--|----|
| Hawkeye Casualty Company | 27 |
| Hawkeye Mutual Hail Ins. Ass'n | 79 |
| Hennepin Federal Savings and Loan Association of Minneapolis | 74 |
| Holley and Sons | 77 |
| Home Building & Loan Association | 76 |
| Home Federal Savings & Loan Ass'n .. | 77 |
| Home Insurance Company | 5 |
| Hotel Wellington | 79 |

| I | |
|---|----|
| Investors Syndicate | 41 |
| Iowa-Des Moines Nat. Bank and Trust Company | 84 |
| Iowa Guarantee, Inc. | 41 |

| J | |
|---------------------------|----|
| Jackley and Company | 35 |

| K | |
|----------------------|----|
| Kirkeby Hotels | 78 |
| Koch Bros. | 80 |

| L | |
|---|----|
| La Monte and Son | 7 |
| Lamson Bros. | 43 |
| Lessing Advertising Company | 79 |
| Live Stock National Bank, Chicago | 71 |
| Live Stock National Bank, Omaha | 47 |
| Live Stock National Bank, Sioux City .. | 50 |

| M | |
|---------------------------------------|----|
| McGuire, Welch & Company | 43 |
| Manufacturers Trust Company | 32 |
| Merchants Mutual Bonding Company .. | 79 |
| Merchants National Bank | 2 |
| Midland Nat'l Bank & Trust Company .. | 54 |
| Minnesota Commercial Men's Ass'n .. | 30 |
| Minneapolis Moline Implement Co. | 56 |
| Moon Printing & Engraving Company .. | 81 |
| Mortgage Investment Corporation | 40 |

| N | |
|---|----|
| National Bank of Waterloo | 67 |
| National Surety Corporation | 6 |
| Newhouse Paper Company | 78 |
| Northwestern Federal Sav. & Loan Ass'n .. | 76 |
| Northwestern Nat. Bank & Trust Co. | 52 |

| O | |
|---------------------------|----|
| Omaha National Bank | 21 |

| P | |
|--|----|
| Philadelphia National Bank | 60 |
| Policyholders Mutual Casualty Co. | 77 |
| Polk County Fed. Sav. & Loan Ass'n .. | 76 |

| R | |
|----------------------|----|
| Radisson Hotel | 80 |

| S | |
|--|----|
| Shaw, McDermott & Sparks | 36 |
| St. Paul Mercury & Indemnity Co. | 28 |
| Stock Yards Nat'l Bank, St. Paul | 55 |

| T | |
|---|----|
| Town Mutual Dwelling Insurance Co. | 26 |

| U | |
|--|----|
| United Fed. Savings & Loan Ass'n | 76 |
| United States Check Book Co. | 70 |
| United States National Bank | 44 |

| V | |
|---------------------------|----|
| Valley Savings Bank | 68 |

| W | |
|-----------------------------------|----|
| Walters Company, Charles E. | 71 |
| Waterloo Bldg. & Loan Ass'n | 76 |
| Western Mutual Fire Ins. Co. | 24 |
| Wood Bros. Thresher Co. | 79 |

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Northwestern Banker February 1940

IN THE DIRECTORS' ROOM

Vantage Point

Two mosquitoes once lit on the features
Of two fair and peroxidized creatures.
When asked by what right,
They replied, "We're not tight,
We're just seeing the game from the
bleachers."

Crop Rotation

Mother: "After all, he's only a boy,
and boys will sow their wild oats."
Father: "Yes, but I wouldn't mind
if he didn't mix so much rye with it."

Resourceful

Scene, Editor's Sanctum (printer
rushing in excitedly): "Here's a fine
go! Giggiwig, the murderer, has just
been found innocent, and the Gov-
ernor has telegraphed a pardon. We've
got the whole account of the hanging
set up, with illustrations, and the form
is on the press."

Editor (coolly): "Don't get excited,
man. Put over the account, in a large
'cap' head, 'Giggiwigg pardoned. Full
account of what he escaped'."

The Odd Man

"How many students are there in
the university?"
"About one in every five."

Ladder Alone

An excited female voice came over
the phone: "Two boys are trying to
break into my room through the win-
dow."

"Listen, lady, you've got the wrong
number," answered a voice. "This isn't
police headquarters, this is the fire de-
partment."

"I know," she answered, "but my
room is on the second floor and they
need a ladder."

Sudden Thoughts

A fool and his money sooner or later
wind up in college.

A college education: Something that
enables a man to get a job from a man
who never went to school.

Said the math professor: "Now
watch the blackboard while I run
through it once more."

Someone has observed that it takes
a student 20 minutes longer to say
what he thinks than to tell what he
knows.



Modern Youth

Grandma: "Did you ever hear the
story of the three bears?"

Bright Grandson: "I think so, just
give me the punch line."

Not So Dumb

An asylum inmate sat fishing over a
flower bed. A visiting professor ap-
proached him and wishing to be jolly
asked, "How many have you caught?"

"You're the ninth today," was the
reply.

We Hope Not

Breathes there a man with soul so
dead, Who never hath turned his head
and said, "Hmmm, not bad!"

And How!

"And now," said the teacher, "will
someone please give us a sentence us-
ing the word 'candor'?"

"Please 'm," said the bright little
boy in the front row, "my papa had a
pretty stenographer, but after ma saw
her, he candor."

Pinched

Jane: "My Scotch boy friend sent
me his picture yesterday."

Joan: "How does he look?"

Jane: "I don't know yet. I haven't
had it developed."

Plenty Powerful

"I was hypnotized last week."

"What's hypnotized mean?"

"Why, to hypnotize is to get a man
in your power, and make him do what-
ever you want."

"That's not hypnotism, that's mar-
riage."

April Fool

Old Gentleman (in crowded bus):
"Has anyone lost a roll of bills with an
elastic around them?"

Chorus of voices: "Yes, I have."

Old gentleman: "Well, I just found
the elastic."

He Should Worry

First New Year's Eve celebrator:
"What are you doing?"

Second celebrator: "Writing a letter
to myself."

First: "What does it say?"

Second: "I don't know. I won't get
it until tomorrow."

Missed Again

The host, famous for his hunting ex-
ploits, was showing an awed guest his
trophy room. As the visitor gazed in
wonder at the array of heads and skins
placed about the room, he noticed a
large blank space on the wall.

"What is that blank space there?"
he asked.

"Oh," replied the hunter, "that's a
tiger I shot at and missed."

Gone

Gal: "Handsome, have you ever
loved and lost?"

Gent: "Millions, baby, millions!"

Par

Lady: "Do you know what happens
to young men who tell lies?"

Willie: "Yes, they attract the atten-
tion of bigshots and soon make lots of
money."

Lady: "Goodness, are you a cynic?"

Willie: "No, I'm a caddy."

Pretzel

Gob: "They tell me her salary is five
hundred a week. Is that straight?"

Pal: "Well, yes and no."

Gob: "What do you mean?"

Pal: "She's a contortionist."

'Bye Brother

"We can't have any fun this eve-
ning. All I have in my pocket is some
small change."

"Well, what do you think it takes
to send my kid brother to the movie?
A five-dollar bill?"

That Drunk Again

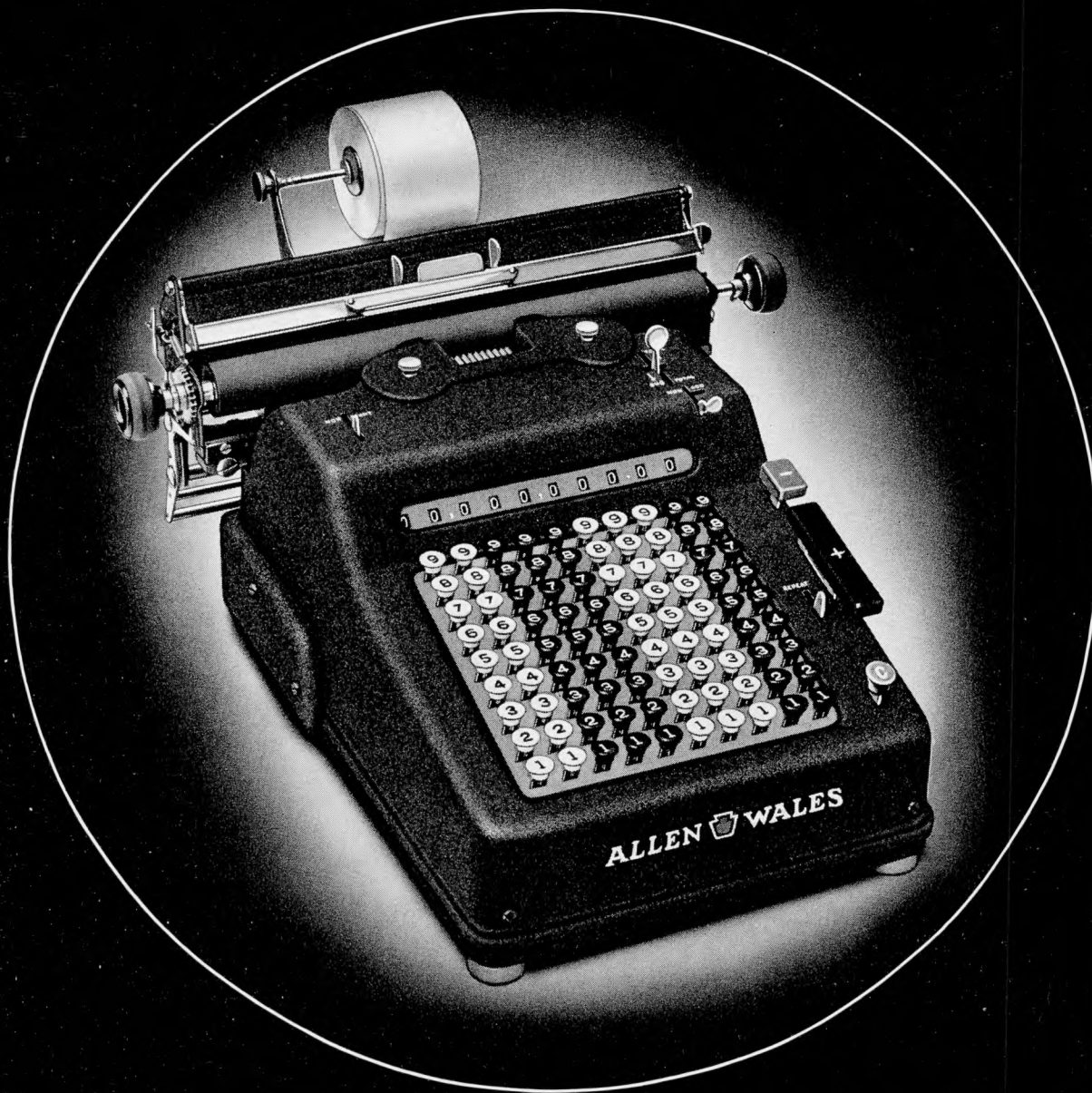
Drunk (holding door key): "Whish
one'v theshe keyhole'sh sh'd I try?"

Pal: "This'n here."

Drunk: "Okay, okay. Jush' a minnit
... one more queshtion."

Pal: "W'ash it?"

Drunk: "Whish one'v theshe keysh
sh'd I put in it?"



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