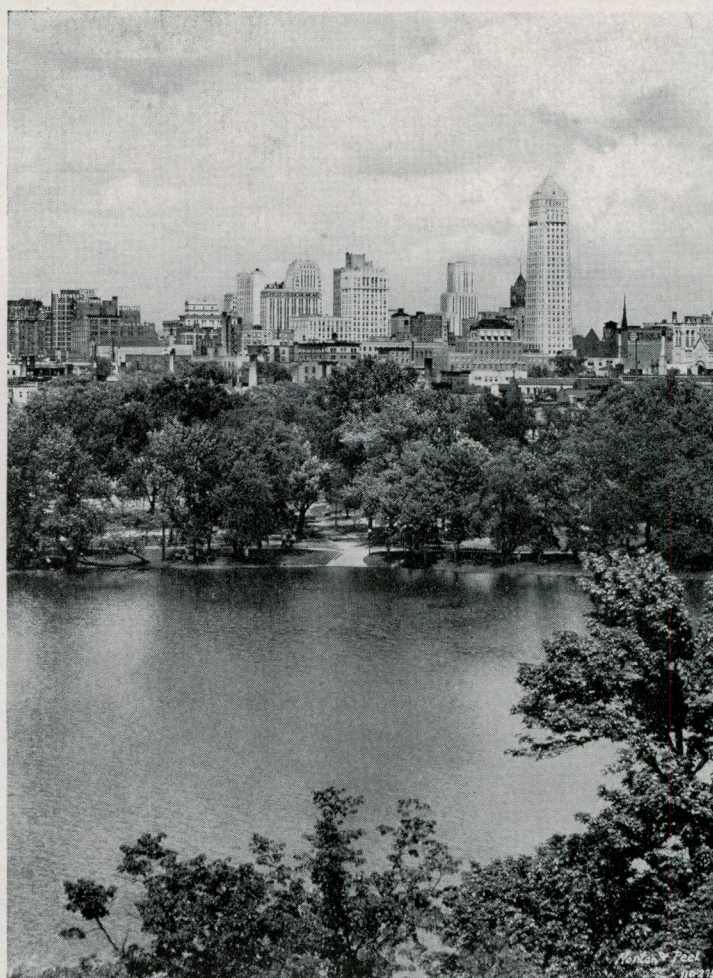


NORTHWESTERN

Banker

JUNE
1940



A sky-line view of Minneapolis, where Minnesota bankers will meet on June 5-7. See page 11.

THE MINNESOTA CONVENTION PROGRAM

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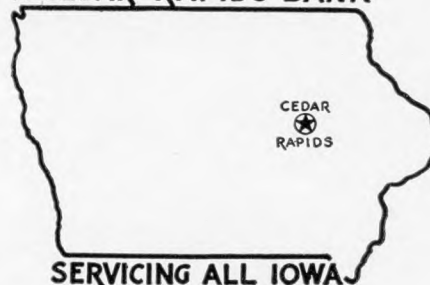


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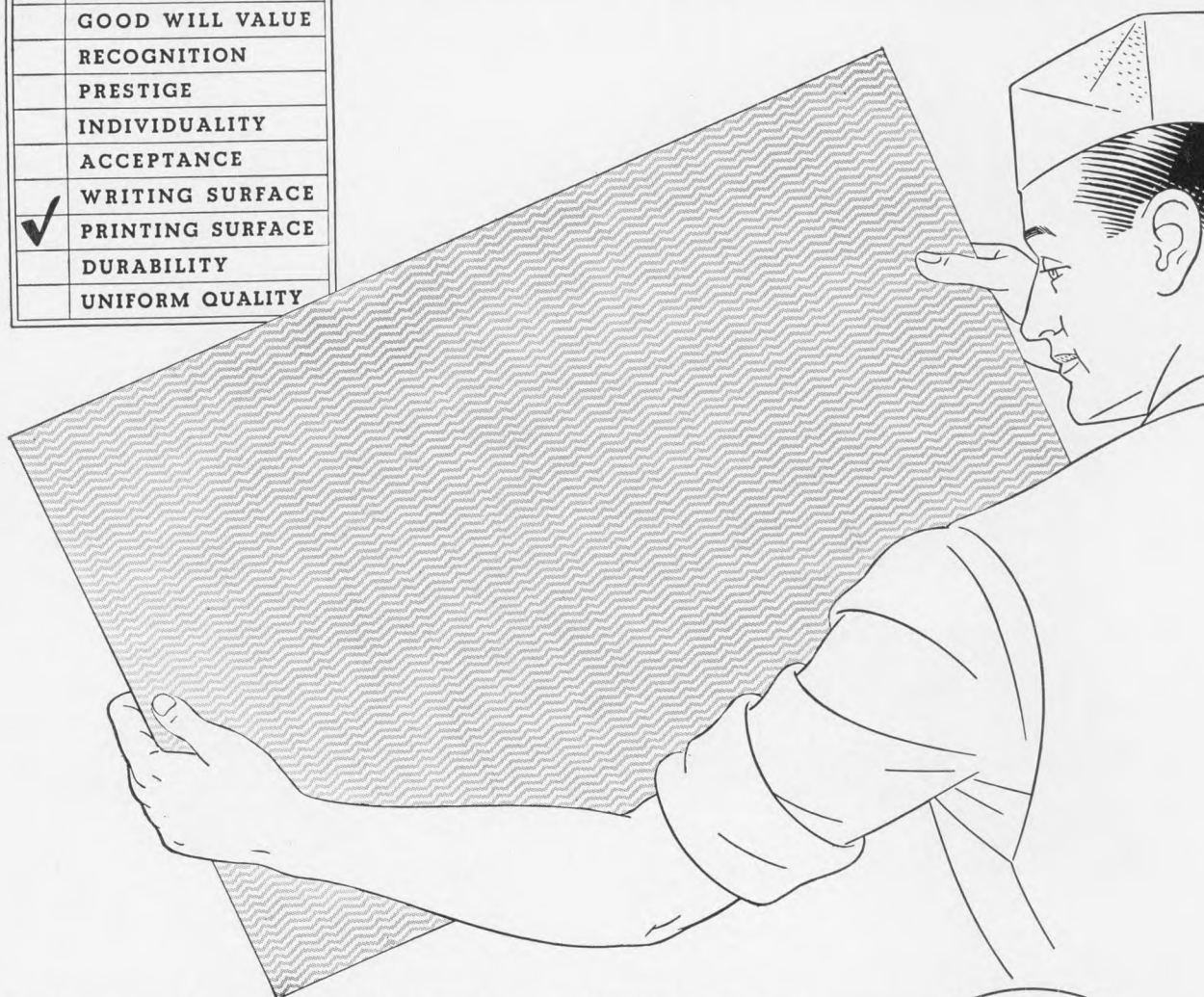
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BANK FIXTURE HEADQUARTERS

...
JUNE
1940
...

NORTHWESTERN *Banker* DES MOINES

FORTY-FIFTH YEAR

NUMBER 635

Oldest Financial Journal West of the Mississippi River

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Across the Desk From the Publisher

By Clifford DePuy

Net Profits of Banks 30 Per Cent Greater in 1939

According to a recent report made by the Federal Deposit Insurance Corporation, 1939 was the best year for net profits in banking business history since the deposit insurance program went into effect with the exception of 1936.

"Net profits, before dividends, says the corporation, "of the insured commercial banks of the country were 30 per cent greater in 1939 than in 1938 and, with the exception of 1936, were greater than for any other year of deposit insurance. The 1939 increase in net profits resulted from higher net earnings, higher net recoveries and profits on securities, and lower net charge-offs on loans.

"Fluctuations in net profits since the inception of deposit insurance have been substantial from year to year. They have reflected, in large part, fluctuations in profits and losses on securities, arising from the efforts of many banks to supplement operating income by speculating on price changes in the bond market, chiefly in high grade bonds. In 1939 recoveries on securities and profits on securities sold exceeded charge-offs on securities by 66 million dollars, as compared with 12 million dollars in 1938."

The net current operating earnings of all insured banks increased in 1939 450 million dollars.

The improvement in gross earnings was largely attributable to an increase of 22 million dollars in interest discount on loans.

Income from this source which continued to account for nearly one-half of the banks' gross earnings, was 3 per cent higher than in 1938, and 13 per cent higher than in 1935.

Income from service charges on deposit accounts in 1939 was about $2\frac{1}{2}$ times the amount reported for 1933.

Interest payments paid on deposits decreased about 6 per cent in 1939, and constituted less than

20 per cent of current operating expenses, compared with 30 per cent in 1934.

Whatever may be ahead of us in the United States in these turbulent days, one thing is certain that the banking structure is in a sound, substantial and strong position.

Opposed to Government Owned Banks

The Jones-Wheeler Bill is being opposed by the American Bankers Association because they feel, and rightly, so, that it would foster government-owned and politically controlled institutions.

Secretary Henry A. Wallace, in a recent speech, argued for the bill because he wanted to reduce the interest rates on farm mortgages.

Charles H. Mylander, vice president of the Huntington National Bank of Columbus, Ohio, and a member of the Federal Legislation Committee of the A. B. A., in answering Secretary Wallace said:

"We oppose this bill because the American Bankers Association desires that this country shall continue to have publicly-chartered and government-regulated, but privately owned, local banking institutions, so that our people shall not be compelled to apply to a system of government-owned, politically-controlled institutions whenever they need or desire credit."

Chester C. Davis, a member of the Board of Governors of the Federal Reserve System, also testified that: "If the principle of the Jones-Wheeler bill is adopted and extended, then the private commercial banking system would tend to become a thing of the past."

Thus again the American banking system is faced with additional government competition, which should be opposed on every hand.

If the United States is to continue to function as the last great democracy in the world, it must

cease to centralize the control of banking in Washington.

Private initiative and private capital have made this the greatest nation in the world, and will continue to do so if they are given a chance.

As We Spend Billions for War

As we prepare to spend billions for World War Number 2, it is perhaps worth while to stop for a minute and think what World War Number 1 cost us and what we might have done with that money if it had been expended for peaceful pursuits and educational endeavors.

Nicholas Murray Butler, president of Columbia University, has given us some startling figures when he points out that: "The World War, all told, cost—apart from 30 million lives—400 billion dollars. With that money we could have built a \$2,500 house, furnished it with \$1,000 worth of furniture, placed it on five acres of land worth \$100 an acre, and given this home to each and every family in the United States, Canada, Australia, England, Wales, Ireland, Scotland, France, Belgium, Germany and Russia. We could have given each city of 20,000 inhabitants and over, in each of the countries named, a 5 million dollar library and a 10 million dollar university. Out of what was left we could have set aside a sum at 5 per cent that would provide a \$1,000 yearly salary for an army of 125,000 school teachers and a like salary for another army of 125,000 nurses."

Thus, as we launch into a spending program for World War Number 2, we can only point out how much better off civilization would be if the money could only be used for **construction** rather than **destruction**.

Analyzing the Airplane Industry

President Roosevelt says he wants us to build 50,000 airplanes.

Charles A. Lindbergh says: "If we desire peace, we need only stop asking for war. No one wishes to attack us, and no one is in a position to do so. As long as American nations work together, as long as we maintain reasonable defense forces, there will be no invasion by foreign aircraft, and no foreign navy will dare to approach within bombing range of our coasts."

Whatever our ultimate destiny in the world may be, we are definitely committed to the manufacture of more airplanes at this time, and an analysis of that industry, according to one authority, is as follows:

"There is much confusion as to the status of the

airplane industry. A thorough inquiry reveals the following to be substantially correct:

1. AS OF March 31, 8,000 planes were on order and not delivered. Of these, slightly more than 4,000 were for export, about 3,200 for American defense, and the remainder commercial.
2. SINCE March 31, the Allies have placed orders for 4,600 planes, of various types. The orders are confined to five companies. There are 31 other plants which could fill orders. Non-use of them is explained by the Allies as due to the fact that the five companies are the only ones making the kind of planes they want. Washington, on the other hand, emphasized that many of the 31 plants could produce the special types required, under a licensing and royalty system.
3. CONSTRUCTION of planes requires from 3 to 12 months, depending on the type. For instance, some planes can be built with 1,200 work-hours and others require 90,000 work-hours.
4. STATEMENTS as to 'productive capacity at this or that date are guesses and are based on such data as floor space, available labor and the rate of flow of orders.'

There is no question about our ability to produce airplanes given a reasonable amount of time to enlarge plants and personnel.

Our first job, of course, is to get all the airplanes we can to the Allies, and then take care of our own requirements here.

Elect the Right Congressmen

In a year when so much emphasis is put on who the candidate shall be for President for either party, it is highly important that we do not forget to elect the right Congressmen who make up the 435 members of the next House.

It must always be born in mind that Congress makes our laws and that the President merely administers such laws as Congress may enact.

John Raymond McCarl, former comptroller general of the United States, emphasizes the importance of electing the right Congressmen when he says: "The fact is that your beliefs can be translated into effective political action far more effectively in your vote for Congressman and Senator than for President of the United States."

Therefore, we suggest that you give careful attention to the primaries and see that the **right** Congressman is on the ticket from your district and then vote right in the fall.



The Minnesota Convention

Minneapolis, June 5-7

THE PROGRAM



A. B. LATHROP
President Minnesota Bankers Association

THE 1940 convention of the Minnesota Bankers Association, one of the largest gatherings of its kind in the middlewest, will be held in Minneapolis on June 5-7, inclusive, with headquarters at the Hotel Nicollet. Indications are that the usual large attendance record will be maintained this year.

Convention committees who have made the arrangements and will look after the details are, General Committee, L. O. Olson, chairman, Midland National Bank and Trust Company; O. H. Odin, Marquette National Bank; J. J. Maloney, First National Bank and Trust Company; and D. E. Crouley, Northwestern National Bank and Trust Company. Mr. Maloney is also chairman of the Banquet Committee; D. E. Crouley is chairman of the Gold Committee and Genevieve M. Nevin, Northwestern National, is chairman of the Women's Entertainment Committee.

In speaking of the coming convention, A. B. Lathrop, president of the Minnesota Bankers Association, and vice president of the First National Bank, St. Paul, says:

"Plans have been completed for the fifty-first annual convention of the Minnesota Bankers Association to be held June 5th to 7th, inclusive, in Minneapolis.

"Minnesota has at this time 686 banks. During the past three years we had an average attendance at our annual conventions of well over 1,500 registered delegates. We believe this makes us one of the largest if not the largest of state bank conventions.

"This year's program, including nationally known and local speakers as well as outstanding entertainment features, has been worked out. We are looking forward to the usual large attendance at our forthcoming annual meeting."

The program, as arranged by Secretary William Duncan, Jr., promises to be one of unusual interest, and is as follows:

Wednesday, June 5

Golf Tournament at Golden Valley Golf Club; tee off not later than 12:30.

Wednesday Evening, June 5 7:30 P. M.

Pre-Convention Smoker—Main ball-

room, Hotel Nicollet; Vice President K. O. Sattre, presiding.
Report of Nominating Committee.
Awarding of Golf Prizes.
Entertainment, (Unusual Character).
Smorgasbord Dutch Lunch.

Thursday Morning, June 6

Devoted to Committee Meetings.
Council Meeting.
(Giving the delegates ample time to visit and shop.)

Thursday Noon, June 6

Luncheon for Ladies—Minnesota Terrace—Hotel Nicollet
During the luncheon there will be a Style Show, followed by a Reading and drawing of door prizes.

Thursday Afternoon, June 6 2:00 P. M.

Invocation—Rev. J. A. O. Stub, Pastor Central Lutheran Church, Minneapolis.
President's Annual Address—A. B. Lathrop, Vice President First National, St. Paul.
A. B. A. Elections.
Address—Robert M. Hanes, President of American Bankers Association, and President, Wachovia Bank and

Trust Company, Winston-Salem, North Carolina.

Address—"The Aeroplane and part it will play in our national defense," Professor John D. Akerman, head of the department of aeronautical engineering, University of Minnesota. Professor Akerman was a pilot in the Russian Army during the World War, and is considered an authority on Aircraft and Aeronautical Engineering.

**Thursday Evening, June 6
6:30 P. M.**

Annual Banquet—Main Ballroom, Hotel Nicolle.

Address—"Current Events," General Hugh S. Johnson, Soldier, Businessman, Lawyer, Organizer, Columnist, Administrator and Author—a leading national figure.

Dancing—Dick Long's Orchestra.

**Friday Morning, June 7
10:00 A. M.**

Address—"Banking and States' Rights," W. S. Elliott, President of Bank of Canton, Canton, Georgia, and President State Bank Division, A. B. A.

Report of Resolutions Committee.
Election of M. B. A. Officers.

To Accept Second Term

Emmett F. Connely, whose aggressive and militant policy as president of the Investment Bankers Association of America led that organization to adopt an ambitious program of public information, has agreed to assume direct personal charge of carrying out that

program. He has consented to devote his entire time to the undertaking as chairman of the newly created public information committee, taking leave of absence from his own business, the First of Michigan Corporation, of Detroit, of which he is president.

This was announced following the closing session of the regular spring meeting of the board of directors of the association.

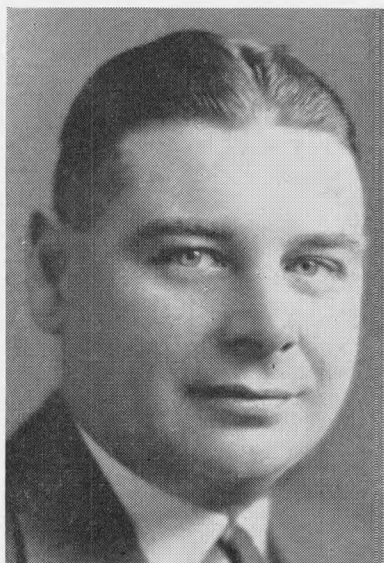
At the same time, it was announced, Mr. Connely has consented to his nomination for re-election as president of the association. His election, to take place at the annual convention of the organization in December, is considered a foregone conclusion in view of the unanimous support of the business for Mr. Connely's policies and administration of the office.



L. O. OLSON
Convention General Chairman



J. J. MALONEY
Chairman Banquet Committee



D. E. CROULEY
Chairman Golf Committee



O. H. ODIN
Member General Committee



GENEVIEVE M. NEVIN
Chairman Women's Entertainment

Minnesota Convention Committee

Business Prospects In Minnesota Are Promising

Statewide Survey Among Bankers Reveals Decided Optimistic Outlook

MINNESOTA bankers, when they come to Minneapolis for their annual 1940 convention on June 5th, should do so with that feeling of optimism which is always reflected in prospects for improved business, as are noted in the opinions expressed below. The reports are based on a recent survey made among bankers in a number of Minnesota communities. We asked them to tell us about business conditions in their community and section of the state, with respect to industrial, commercial, and agricultural activities, and their replies would indicate they are looking forward to a very favorable year. The replies as published below are as of approximately May 10, and read as follows:

Le Sueur—J. T. Peterson, president The State Bank of LeSueur: "On account of the very fine crops we had in 1939 both of corn and small grains, our farmers have fed livestock to a larger extent this winter than generally. We have had sufficient snow and rainfall during the past few months so that our soil conditions are ideal. Cold weather late this spring has delayed pea planting, otherwise conditions are excellent."

"Everything considered we could not hope for anything better at Le Sueur. New car, tractor and farm machinery sales are considerably better than the past year or two. By reason of sale of cars and tractors, our loans have increased as we handle a lot of this paper. Merchants are doing a good business. Two or three new stores, including groceries and general merchandise, have opened up here during the past ninety days."

Little Falls—A. J. Falk, cashier First National Bank: "Crop conditions look very favorable. Cattle prices are high, and price of butterfat is fair, with prospects of an increase. We expect a large encampment at Camp Ripley this summer. The tourist trade will be large, and Lindbergh's boyhood home will be the stopping place this year for an even larger number of people. Little Falls has adequate hotel facilities, as well as plenty of tourist cabins. There is always good fishing in our lake here."

New Ulm—E. A. Stoll, cashier, State Bank of New Ulm: "Territory went into the winter deficient in moisture. Normal rainfall from now on should prove sufficient. Ten per cent reduction in corn from last year, some increase in hay crops, particularly emergency crops, such as soy beans; small grains to be about same; possibly an increase in wheat. Indications are not so good for spring pastures and dairy production due to lack of moisture; low price of hogs in relation to feed prices will tend to check farrowings, especially in the fall; poultry apt to remain constant. Farm machinery sales improved and general business about same. Construction was excellent year ago, another good year is expected."

Pipestone—W. R. Lange, cashier, The Pinestone National Bank: "Conditions in this community at the present time are very good. Moisture conditions are better this spring than they have been for a number of years and the prospect of having a good crop is encouraging."

Alexandria—George E. Buscher, executive vice president, Alexandria State Bank: "We are happy to report that we are going into spring with moisture conditions more favorable than last year, moisture comparison as follows: 1939, 3.57 inches; 1940, 8.78 inches. Conditions as a whole look much more favorable."

"There may be a little less corn planted; otherwise acreage will remain the same, with the exception of flax, which will have a little more acreage in this community than last year. There is considerable farm machinery being sold according to the records disclosed and from the opportunity we have to finance the same. There was a considerable carry-over of feed last year, which gives our farmers an opportunity to increase their herds, and if prices will just hang on, the outlook as a whole is much better."

"We look forward to an increase in residential building as well as commercial building over last year, as last year's mark has already been equalled in the building program that has been started."

"We also look forward to a larger tourist trade inasmuch as this is one of

our paramount sources of income, being in the heart of the ten thousand lakes. The reason for looking forward to an increased patronage is because of the foreign situation and the unfavorable weather conditions in the south this past season."

"All in all, business is up to some extent and we look forward to a bigger and better year in 1940."

Blue Earth—K. O. Sattre, vice president and cashier, Blue Earth State Bank: "We learn that the sugar beet acreage and that the sweet corn and peas acreage in our community is larger this year than last. Also that machinery sales and automobile sales are better than they have been the last two years."

"All crops have been planted in good season and with the excellent rain, which we have just had, crop prospects at this time are nearly ideal."

"However, sales of general merchandise on our Main Street have not been as good as we had hoped but prospects for improvement are very good."

Milaca—J. A. Allen, president, The First National Bank: "Commencing with 1937 after the severe drouth that we had for a number of years here, conditions at Milaca and surrounding territory have become very much better. Crops have been reasonably good and the farmers have increased their dairy herds considerably, this being a dairy country. Having one of the largest cooperative creameries in the state, we produce a great deal of butter here."

"The merchants and business people in town have enjoyed increased business to some extent. The only drawback has been the low prices of farm products and we are hoping, of course, that that will be remedied in the future."

"Our own banking institution has increased in deposits every year about \$50,000. Local loans have taken up the biggest share of our investment program so we are not carrying a great deal of outside investments at present time. Earnings for the bank have been satisfactory and we are looking forward to even better conditions than we have had previously."

(Turn to page 47, please)

NEWS AND VIEWS

OF THE BANKING WORLD

By Clifford DePuy

MILITARY science, Soviet style, as revealed by a **Russian Infantry Manual**:

"Do not touch anything unnecessarily. Beware of pretty girls in dance halls and parks who may be spies, as well as bicycles, revolvers, uniforms, arms, dead horses and men lying on roads—they are not there accidentally."

The story goes that **Adolf Hitler** had his palm read by a **Jewish palmist**, and she said: "Mr. Hitler, you will die on a Jewish holiday." "No, never, never, never," cried Adolf. "Yes you will," replied the palmist, "because whenever you die it will be a Jewish holiday."

D. W. Bates, president of the National Association of Supervisors of state banks and superintendent of banks in Iowa, is being urged by many of his friends to accept a reappointment to his position, which expires June, 1941, and providing such an appointment is agreeable to the incoming governor.

It is possible that a petition may be circulated among the bankers of the state requesting the next governor to reappoint Mr. Bates, whose record has been a most satisfactory one.

Frank B. Yetter, former president of the Iowa Bankers Association "took a bow" at the Newton meeting. Frank is now representative of the Bureau of Analysis of Davenport, who are analysts specializing in tax, insurance and estate problems.

Secretary Frank Warner says, "That the government last year made \$127,000,000 profits in post office money orders, while, on the other hand, they assessed the members of the Federal Deposit Insurance Corporation \$163,000,000. Thus the government makes profits on one hand by competing with the banks and takes it away on the other hand."

Over 7,400 banks in the United States now make **personal loans**.

During the bankers' convention at Newton, a special trip was made through the **Maytag washing machine plant**, but, as near as we could tell,

none of the bankers seemed to want to "wash any dirty linen."

The plant is now employing 1,200 men, compared with 2,700 three years ago. Over 1,000 machines are manufactured per day, and workers are paid on a piece basis.

W. G. C. Bagley, State Treasurer of Iowa, and president of the Iowa Bankers Association 10 years ago, attended all of the group meetings this year. All of his banker friends and many others, too, are saying that: "One good term deserves another."

While our taxes are plenty high in this country, and they will probably be higher, it must be remembered that 50 per cent of the total income of England, France and Germany is going to the government. Also, if we had the same percentage of debt in the United States that most of these countries have, our national debt would be \$148,000,000,000 instead of close to \$45,000,000,000.

Perry B. Hendricks, vice president of the United States National Bank of Omaha, in making his final report of the Nebraska Group Train, proved conclusively that bankers are not "**hard drinkers**," at least in 1939 only 3 boxes of oranges, whereas this year 9 boxes were required to satisfy the Nebraska financiers in their thirst for orange juice.

Charles B. Mills of Moline, Illinois, who has spent the past 15 months in Hawaii, has returned to the United States. Mr. Mills has been located at Schofield Barracks in Hawaii, and during his stay there made several side trips to Japan, China and the Philippines.

R. H. Fayfield, vice president of the Empire National Bank and Trust Company of St. Paul, in a recent letter to us said: "I have been a confirmed reader of the **NORTHWESTERN BANKER** for many years, a publication, which in my opinion, does an excellent job in bringing current banking news of the northwest to the readers' attention, without having to wade through a mass of irrelevant material."

Candidates for the position of second vice president of the American Bank-

ers Association to be elected at the convention in Atlantic City this fall include **Charles E. Spencer, Jr.**, president of the First National Bank of Boston, Massachusetts, and **Russell G. Smith**, executive vice president of the Bank of America, San Francisco, California.

The issue between these two men will be unit versus branch banking.

Mr. Spencer will have the support of unit bankers, and because of the convention being held in the East this year, the results should be definitely to his advantage, and besides, New England hasn't had an A. B. A. president since 1875.

The annual interest bill on the Federal debt is currently about \$1,100,000,000. This is a sizeable sum even in these days of billion-dollar appropriations.

B. A. Gronstal, president of the Council Bluffs Savings Bank, makes his Buick buzz when he hits the highway. At least he drove from Chicago to Council Bluffs—500 miles—the other day, in 10 hours, or from 7:30 a. m. to 5:30 p. m.

His cruising speed was "only 80 to 90 miles per hour." This reminds us of the story of the fellow who was arrested for fast driving, and the traffic cop said to him, "I am not arresting you for fast driving, but for driving too slow."

William N. Mitten, president of The Stephens National Bank of Fremont, Nebraska, in a recent letter to us said: "The **Northwestern Banker** is a fine publication and all of us here in the bank enjoy reading it very much."

Norman B. Shaffer, vice president of the Continental-Illinois National Bank & Trust Company of Chicago, and **Verne L. Bartling**, assistant cashier of the First National Bank of Chicago, celebrated their wedding anniversaries on May 16th; while **Lawrence A. Kempf**, assistant cashier of the Northern Trust Company of Chicago, was one day later, or May 17th, for his wedding anniversary.

Reginald B. Figge, vice president and cashier of the Guaranty Bank and Trust Company of Cedar Rapids, and **J. M. Hutchinson**, trust officer of the Davenport Bank and Trust Company, and a brother-in-law of Mr. Figge, together with their wives, are leaving for a trip to Florida and Cuba this month.

Cliff V. Gregory, associate publisher of *Wallaces' Farmer and Iowa Home-* (Turn to page 69, please)

Public *Service* and *Profit* Through CONSUMER Financing

By John Burgess

**Vice President
Northwestern National Bank and
Trust Company
Minneapolis**

ABOUT fifteen years ago some pioneers in consumer financing made their appearance in banking circles. Roger Steffens, National City Bank of New York, former newspaper man of vision and courage, was one of them. Those bankers who stepped out and began to make installment personal loans without security to non-depositors are entitled to a great deal of credit. By trial and error, by study and analysis, they developed scientific methods, and shared their experience with others, freely gave out specimen forms, helped with advice and encouragement. Certainly, one of the many fine things about the banking profession is its spirit of cooperation in the interest of efficiency and the public good.

It is pertinent to say that an installment loan department is no place for defeatism, for trouble dodgers, for buck passers, or indifferent people, or for just plain or fancy laziness. This is a field in which good hard work, applying the seat of the pants to the seat of the chair and concentrating the mind on the problem at hand is what really counts.

Successful installment loaning comes down to a question of solving two or three fundamental problems, one of the greatest of which is the personnel problem. I am convinced that to make a success in this field requires a peculiar type of man or woman, the type with a touch of the Messianic, who regards his work as a mission. Sometimes I think that women are better adapted to this field than men. For one thing, it requires great patience; great kindness and sympathy. It requires a wide experience and a broad outlook on life and, of course, there must be firmness coupled with tact. Because of the many devices used in making these loans, the many different kinds of loans which are handled, the wide variation in terms and conditions, it requires a banker with a quick mind, with native shrewdness, perhaps a sort of a horse-trader.

The next most important problem is the development of a sound general policy. I have tried to chart such a policy by insisting that a department should be conducted along sound prin-

ciples but not rules. What are those principles? Here are some. They are not easy to live up to and should become as second nature to the installment banker. Remember that these



JOHN BURGESS

are principles and not rules. Here they are:

1. **Don't urge people to get into debt.** (This is difficult. Advertising should be restrained, truthful and exact.)
2. **Don't tell them it is easy to pay the money back.** (It isn't. Much advertising is to be criticized in this respect.)
3. **Don't deceive the borrower about the rate.** (It is unnecessary and poor policy.)
4. **Do not apologize for time-loan rates.** (They are fair rates considering the amount of work involved.)
5. **Do not gloss over late fines.** (Explain that they are necessary for dis-

cipline and are not intended for revenue. See that the borrower thoroughly understands them.)

6. **Do not make loans on the strength of a co-signor's responsibility or because of the value of the collateral.** (This is a hard one to live up to.)

7. **Do not make loans for foolish purposes.** (The borrower always thinks the purpose is sensible.)

Coupled with these sound principles upon which the department should be operated, the management should reject all rigid rules, all preconceived prejudices and approach each application with an open and sympathetic mind, determined to say "Yes" if possible, instead of trying to find reasons for turning a customer away. To preserve this attitude requires constant vigilance.

Let us remember that installment buying or loaning is a condition and not a theory. While it has had a startling increase in the last decade, qualified economists have not as yet found it any menace to our national economy. Informed authorities place the total amount of installment credit of all kinds at about four billion dollars, probably not more than 15 per cent of the total loans and investments of all the banks in the country, and better than 60 per cent of this impressive sum is accounted for by automobile credit. In the national picture, therefore, it is no menace to our economy. On the other hand, a sharp curtailment of the same would provide a real threat to industry and, after all, is it not better for our people with growing leisure to spend their substance in the acquisition of tangible and worthwhile property, equipment or luxuries rather than to dissipate their funds on intangible and less worthwhile objectives. It is a fact that millions of our people would never own an automobile, washing machine or refrigerator but for installment buying.

Take the matter of cars as collateral security. To the superficial, loans on cars are considered only as loans for the purchase of cars. Actually, half the car loans that are made are not for purchase but for necessitous borrow-

(Turn to page 48, please)

The South Dakota Convention

Service Charges and Operating Costs Discussed at Watertown Meeting—
F. F. Phillippi Elected President—1941 Convention to Be Held
In Black Hills

By Henry H. Haynes
Editor

WITH final registration standing at 351, members of the South Dakota Bankers Association, at their Forty-ninth Annual Convention held May 15 and 16 in Watertown, staged not only the largest meeting in history from an attendance standpoint but also presented an outstanding program and social events. Everyone there said it was one of the best State conventions they had ever attended, so it's orchids to Secretary Starring for his program, and the same to Watertown bankers and their wives who sponsored the social activities.

F. F. Phillippi, cashier of the Dakota State Bank at Milbank, was named president of the Association for the coming year. He filled the office of vice president last year, and succeeds **William C. Rempfer**, Parkston, in the president's chair. **L. T. Morris**, presi-

dent of the First Citizens National Bank, Watertown, was elected to the post of vice president, and of course **George M. Starring** will continue in the office of secretary-treasurer. Group One named **L. L. Lillibridge**, president of the Burke State Bank, as a member of the Association Executive Council for a three-year term, and **Charles W. Christen**, president of the First State Bank, Roscoe, was reelected to the executive Council from Group Six.

At the State A. B. A. election, **Russell Bard**, cashier of the Hand County State Bank of Miller, was reelected to the executive council to hold office

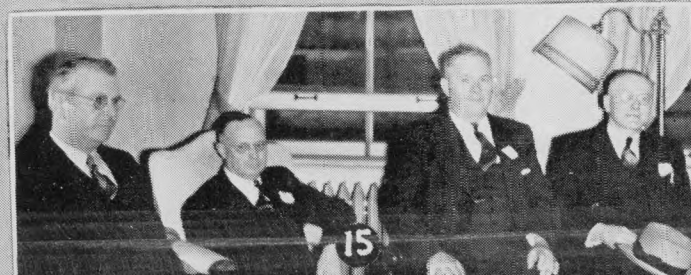
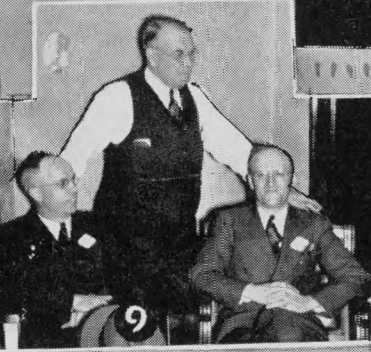
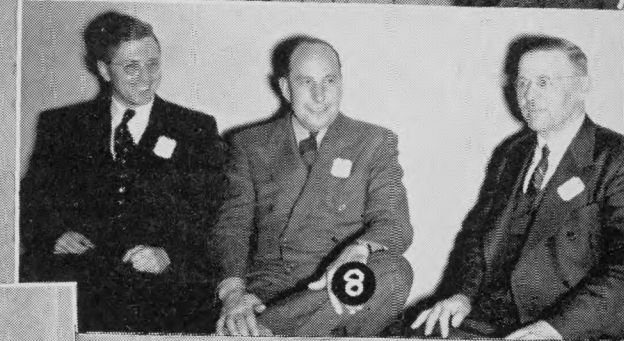
until the coming National Convention this fall, and **William Rempfer** was elected to the same office for three years following the expiration of the term of Mr. Bard. The A. B. A. vice president for South Dakota will be chosen by the State Association president at a later date. **L. C. Foreman**, president Corn Exchange Bank, Elkton, has been filling that office during the year just past.

H. N. Thomson, vice president Farmers and Merchants State Bank, Presho, was named as a member of the A. B. A. nominating committee, with William C. Rempfer as alternate. State vice presidents to head the several A. B. A. divisions were named as follows: National bank division, **A. W. Powell**, cashier Roberts County National Bank, Sisseton; Savings division, (Turn to page 45, please)

AT THE SOUTH DAKOTA CONVENTION →

Pictured on the opposite page are a number of those attending the annual meeting of the South Dakota Bankers Association, held recently in Watertown. Reading from left to right, they are: 1—**Mrs. C. H. Lockhart** and **Mrs. Orin Samstad**; and **C. H. Lockhart**, vice president First Citizens National Bank, all of Watertown. 2—**D. E. Crouley**, assistant cashier Northwestern National Bank, Minneapolis; **Delko Bloem**, vice president Security National Bank, Sioux City, Iowa; and **R. A. Cihak**, cashier Commercial State Bank, Wagner. 3—**E. J. Dirksen**, cashier Security Bank & Trust Company, Madison; **C. A. Golden**, vice president Northwest Security National Bank, Dell Rapids; **B. J. McCartney**, U. S. Check Book Co., Sioux Falls; and **T. E. Porter**, assistant cashier Security Bank, Webster. 4—**E. F. Bowman**, cashier Citizens Bank, Vermillion; **Judy Walrath**, Watertown; **E. B. Lynch**, J. M. Davis & Company, Minneapolis; **Jerry Nordberg**, E. H. Rollins & Company, Minneapolis; and **R. M. Watson**, executive vice president Northwest Security National Bank, Sioux Falls. 5—**Harry Hardman**, R. F. C., Minneapolis; **Oscar Brosz**, vice president Dakota State Bank, Tripp; **H. C. Gross**, cashier Bowdle State Bank; **W. A. Volkmann**, assistant cashier First National Bank, Minneapolis; and **F. W. Bunday**, cashier Farmers & Merchants Bank, Wessington Springs. 6—**J. J. Warkentin**, vice president First National Bank, Britton; **S. C. Young**, manager First National Bank, Groton; and **B. R. Laird**, cashier Security State Bank, Tyndall. 7—Seated, **Mrs. T. E. Porter**, Webster; **Pauline Pavlik**, Britton; **Mrs. Delko Bloem**, Sioux City; **Mrs. R. A. Cihak**, Wagner; (standing) **Mrs. J. J. Warkentin**, Britton; **Mrs. B. J. McCartney**, Sioux Falls; and **Mrs. Homer Peterson**, Omaha. 8—**R. B. Stevens**, assistant cashier Citizens Bank, Vermillion; **E. E. Erickson**, vice president and cashier Toy National Bank, Sioux City, Iowa; **W. F.**

Kunze, vice president Marquette National Bank, Minneapolis. 9—**A. T. Hagen**, president First State Bank, Claremont; **L. A. Jacobson**, cashier Bryant State Bank; **M. O. Grangaard** (standing) vice president First National Bank, Minneapolis; **L. A. Lohr**, cashier First National Bank, Lake Norden; and **A. J. Boeder**, cashier Farmers National Bank, Estelline. 10—**L. C. Foreman**, president Corn Exchange Bank, Elkton; **Harry Ziemer**, Federal Reserve, Minneapolis; **H. F. Anderson**, assistant cashier Deuel County National, Clear Lake; **Carl Fredricksen**, president Live Stock National, Sioux City, Iowa; **C. C. Anderson**, executive vice president First National Bank of Black Hills, Rapid City; and **T. E. Wangsness**, vice president and cashier First National Bank, Garrettsen. 11—**Robert M. Hanes**, president of the American Bankers Association; and **William Rempfer**, cashier First National Bank, Parkston, and immediate past president of the South Dakota Bankers Association. 12—**M. G. Anderson**, cashier Bank of Cresbard; **R. H. Seydel**, cashier Menno State Bank; and **A. F. Litz**, vice president Delmont State Bank. 13—**N. P. Wenge**, state agent St. Paul Mercury and Indemnity Company, Aberdeen; **B. F. Bambenek**, vice president First National Bank, Spring Valley, Minnesota; and **Frank Bramble**, secretary-treasurer Midland National Life Insurance Company, Watertown. 14—**N. G. Herman**, assistant cashier Peoples Bank, Conde; **R. E. Hassell**, and **M. B. Slaughter**, vice president, both of First National Bank, Redfield; **Earl Baertsch**, cashier Peoples Bank, Conde; and **M. J. Twiss**, cashier Security State Bank, Doland; all members of the Spink County Clearinghouse Association. 15—**C. W. Quinn**, vice president, and **C. P. Swift**, cashier, both of Citizens State Bank, Arlington; **C. A. Potter**, cashier First National Bank, Selby; and **R. H. Jackson**, cashier Security State Bank, McIntosh.



Financing of *Treasury* Obligations

C. J. Devine & Company Review Suggests That Supply of Negotiable Treasury Obligations Might Be Reduced to Curtail Deficit

FINANCING of the United States government \$4,000,000,000 deficit without recourse to the open market for more than one-fifth of that amount in the past calendar year suggests the possibility that the supply of negotiable treasury obligations might be actually reduced, especially if the deficit were to be curtailed, according to the annual survey published by C. J. Devine & Co., Inc., specialists in United States government securities. The 1940 edition reviews the trend of government financing last year and presents data on United States treasury and federal credit agency issues.

"The United States treasury's growing independence of the open market for its cash requirements was one of the outstanding developments of 1939 in treasury finance," the survey asserts. "Whereas in the previous six years more than two-thirds of the money needed to finance the deficit was obtained by public sales of negotiable treasury obligations, funds received from this source in 1939 were less than one-fifth of the deficit requirements. Sales of savings bonds alone supplied the treasury with more cash than was provided through the sale of marketable securities.

"Treasury expenditures of \$9,454,-

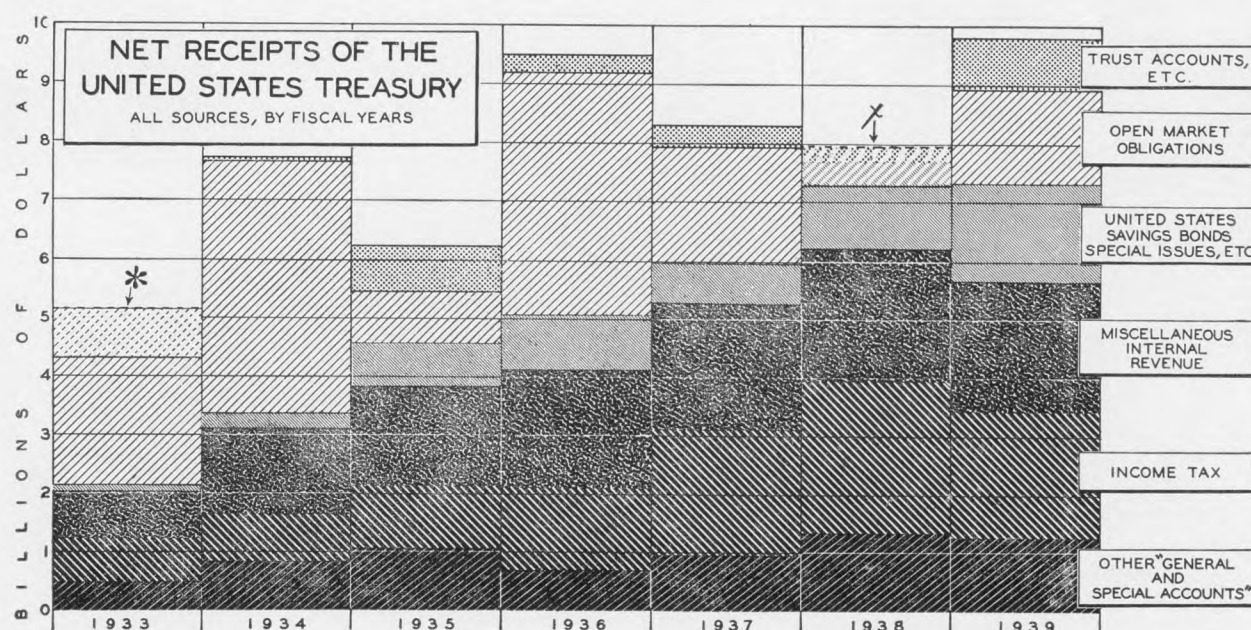
000,000 were met partly with the \$5,485,000,000 of revenue and other general and special account receipts, and partly, by the use of \$607,000,000 of the general fund balance, leaving a remainder of \$3,362,000,000 to be supplied by other means. Of this amount, sales of special obligations to the social security funds accounted for more than a billion dollars. Another \$767,000,000 came from sales of savings bonds. Additional net receipts of \$847,000,000 from treasury accounts designated as 'Trust Accounts, Increment on Gold, etc.' reflected payments made by governmental agencies to the treasury. The largest of such payments was made by the Reconstruction Finance Corporation, which sold its own obligations to obtain funds with which to liquidate its indebtedness to the treasury.

"The \$1,750,000,000 of proceeds from sales of special obligations and of savings bonds in 1939 reflects a steady growth in this type of financing. A continued increase in borrowing from these sources or a reduction of the deficit to a figure smaller than the total amount of money so obtained, would leave funds available for the retirement of open market debt.

"Treasury financing operations dur-

ing the year included the refunding of approximately 3½ billion dollars of treasury notes. About two-thirds of the securities issued in exchange consisted of medium and long-term bonds, the remainder of treasury notes. Upon the completion of these operations, the direct government debt maturing within five years constituted a smaller proportion of the total than it had at any time since 1933. This change was accomplished notwithstanding the increase in social security obligations, all of which mature within five years. An additional \$1,200,000,000 of guaranteed debt was refunded by governmental agencies. The Home Owners' Loan Corporation's exchange of its called 2¾'s for eight-year 1½ per cent bonds, callable in six years, accounted for more than half of this amount. The other refundings were accomplished by the issuance of new short-term securities."

Reviewing the government securities market for the year, the survey states that the relatively prompt recovery of prices, following the seven point decline on the outbreak of the European war, to levels within two points of all-time highs, gave evidence of the strength of underlying forces working toward low money rates and



* Net expenditures of "Trust Accounts etc." in 1933 offset part of receipts from sales of open market obligations.
—Chart Courtesy C. J. Devine & Co., Inc.

† Net reduction of the amount of outstanding open market obligations offset all of receipts "Trust Accounts etc." and part of receipts from sales of "U. S. Savings Bonds, Special Issues etc."

The North Dakota Program

Minot to Be Scene of 1940 Annual Convention on June 14 and 15

C. WATTAM, secretary of the North Dakota Bankers Association, announces that arrangements and program details have been completed for the annual convention of the organization to be held in Minot, Friday and Saturday, June 14th and 15th. Headquarters will be at the Leland-Parker Hotel.

Golf on the afternoon of June 13th, and a smoker that evening, will start the two-day meeting of a series of entertainment and program measures. In presenting his program for this 1940 convention, Mr. Wattam has arranged for a number of outstanding speakers, whose subjects are of a nature broad enough to adequately cover

the several problems which are confronting bankers today. Agricultural problems will be taken up by B. E. Groom, Fargo, of the Greater North Dakota Association. H. C. Timberlake, Federal Reserve Bank, Minneapolis, will talk on bank earnings and operating expenses, and other speakers will discuss topics of equal interest.

The complete program reads as follows:

Thursday, June 13

Afternoon: Golf—Minot Country Club

Evening: Informal Smoker—Minot Country Club

Friday, June 14

9:00 to 10:00 A. M.—Registration, Le-

land-Parker Hotel

10:00 A. M. Sharp—Opening Session at Elk's Club

Invocation—Rev. N. Everett Hanson
Welcome to Minot—Dr. V. E. Sandberg, Mayor

Response—Hartin Aas, New Rockford, Vice President, N. D. B. A.

President's Address—Frank R. Scott, Fargo

Appointment, Committee on Resolutions

Report of Treasurer—Fred R. Orth, Grand Forks

Report of Secretary—C. C. Wattam, Fargo

Farm Sales Program for North Dakota (Turn to page 57, please)

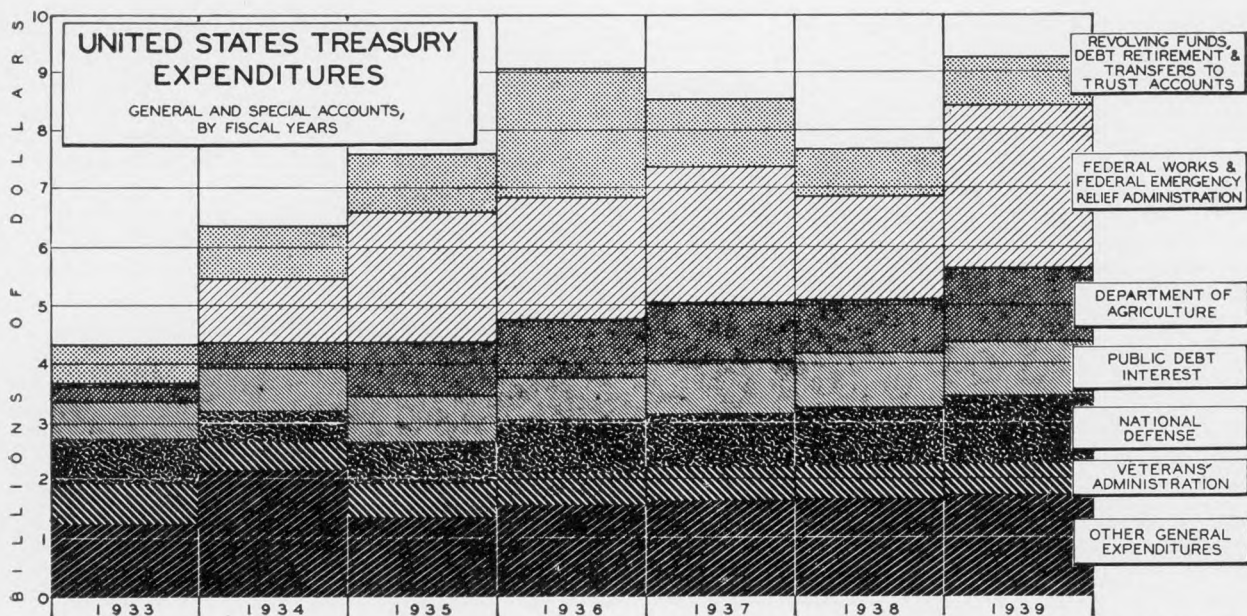
high bond prices. Chief among these forces was the accelerated inflow of capital from abroad. The transfer of \$3,574,000,000 of gold to the United States during the year—probably the greatest international movement of wealth ever to take place within so short a time—increased the credit base to the highest point in history.

Bank holdings of direct and guaranteed securities increased by more than \$2,000,000,000 from the low of June 1938 to a new high total, most of the purchases being made by New York City banks, in which capital from

abroad had been deposited, according to the survey.

Set forth in the study is a chronology of 1939 events pertaining to government finance, banking and the money market. A record of receipts and expenditures of the United States treasury for the past seven years is accompanied by charts giving a complete picture of treasury income and outgo. Also included is a statement of the treasury's general fund balance at the fiscal year—ends 1933-1939; and a comparative statement of the public debt, together with information re-

garding the distribution of direct treasury obligations as to maturity at each year—and since 1930. A chronological record of United States treasury financing covers the years 1935 through 1939, and also includes treasury bonds offered prior to 1935 which were outstanding as of December 31, 1939. A comprehensive review of governmental agencies, with their individual and combined balance sheets, is covered in a 17-page section. Obligations of United States territories and insular possessions are also summarized in the review.



—Chart Courtesy of C. J. Devine & Co., Inc.

Can a *Stop* Payment on a Check Be Charged Off?

May issued and delivered to Baker a check drawn on a bank at which both had accounts. Baker deposited the check to his account, and the bank credited the amount thereof in his passbook. About an hour later and before the check had been charged to the account of May, who had sufficient balance to cover it, the bank received from May a notice to stop payment on the check. The bank attempted to do this by charging off the amount of the check on Baker's account. Baker refused to accept the charge and sued the bank. Can he recover?

Yes. In a case involving a similar set of facts the Minnesota Supreme Court held a little over a month ago that the giving of the credit on the passbook was equivalent to giving cash for the check and that the bank should not thereafter attempt to honor a stop order given under the circumstances similar to those outlined.

Weiser received a draft duly executed by an Iowa bank. He delayed presenting it for 19 years. The statute of limitations involved was 10 years. The bank refused to pay. Was such refusal proper?

Yes. Weiser was obligated to present the draft within a reasonable time for payment and thereafter the 10 year period of limitations should have begun to run. Obviously the 19 year delay was unreasonable and the bank was justified in refusing to pay.

A North Dakota banker and his wife each had a substantial amount of property. The banker suffered financial reverses and lost all his property. On top of this bad fortune, he became ill and unable to support himself. Could he require his wife to take care of him out of her separate property, which, incidentally, had not diminished in value?

Yes. Under the law of North Dakota it is as much the duty of the wife to support and maintain the husband out of her separate property when he is unable to take care of himself and she has sufficient property to

These and Other Timely Legal Questions Are Answered

By the
LEGAL DEPARTMENT

do so, as it is for the husband to support the wife under similar circumstances.

A Nebraska banker mysteriously disappeared from his home and nothing was heard from him or concerning him for seven years by his wife and children or anyone else who would naturally hear from him if he were living. The banker had certain life insurance payable to his wife and, at the end of the seven year period, she sought to recover thereon. Could she do so?

Yes. A presumption of death arises from a person's continued and unexplained absence from his home or place of residence for seven years, where nothing has been heard from or concerning him during that time by those who would naturally hear from him if he were living. This presumption is sufficiently strong to support a recovery on insurance policies.

Bloskeots obtained a judgment in South Dakota against the five trustees of a state bank in liquidation. The judgment was in the Circuit Court and was against the defendants in their capacities as trustees. The judgment was appealed to the Supreme Court. The appeal bond was signed by the trustees in their individual capacities as sureties. Was such proper and acceptable?

Yes. Since the defendants were sued in their capacity as trustees of the bank that was in liquidation, no personal liability attached to them in the action up to the time the appeal bond became necessary. Had someone other than the trustees in their individual capacities signed the appeal bond, they, the trustees, would never

be personally liable in the case. Since, however, they bound themselves personally as sureties on the appeal bond, a personal liability was created which could properly be the foundation for an appeal bond.

Rogers borrowed five thousand dollars from a bank in Kansas, giving it therefor a promissory note duly signed by him together with a mortgage on an apartment building in that state. Thereafter Rogers moved out of the state. The note was not paid when due. The bank foreclosed but did not realize enough from the apartment to pay off the loan. It could not secure a deficiency judgment in the foreclosure suit because it could not get personal service on Rogers. Later it sued him in the state where he resided for the balance due, that is, the deficiency. Could it recover?

Yes. Where a mortgagee forecloses first, but does not obtain a deficiency judgment, and subsequently sues on the note for the deficiency, the courts come to the conclusion that there has been no merger of the cause of action on the mortgage and the cause of action on the note and that a judgment for the amount due may be obtained on the latter. The fact that, generally speaking, a mortgagee may bring an action on the note against the debtor wherever he may be found, but can only foreclose the mortgage in the jurisdiction where the mortgaged land lies is an important reason for so dealing with such matters.

Brewregard held certain real estate as agent for Bell, a banker. Record title stood in Brewregard's name. Brewregard entered into an agreement with a bus company to give it a right-of-way over the land for \$500 payable 90 days thereafter. He had no right to do this without Bell's consent although this limitation on his powers was not of record. Bell learned of the deal, notified the bus company that he was not agreeable thereto, and forbade them from consummating the transaction and paying over to Brewregard any monies, which they had

(Turn to page 42, please)



MEMBER
FEDERAL
DEPOSIT
INSURANCE
CORPORATION

The Omaha National Bank

National Defense Measures First In Washington

By Paul F. Lavezzo

*Washington Correspondent
The Northwestern Banker*

WAR hysteria hit a new high in official Washington as the German war machine pushed westward with alarming success. Domestic problems, already taking a back seat, were relegated to some all-but-forgotten nook of the political mind. Potent phrases of high government officials were subjected to studied analysis and varied interpretations.

President Roosevelt's request for an additional outlay of \$1,182,000,000 for national defense met practically no opposition. However, Congress would like to know why our defense machinery is not more up-to-date after the huge spendings of recent years. Senators Henry Cabot Lodge (R., Mass.) and Elmer Thomas (D., Okla.) are seeking an inquiry into conditions and needs of our army and navy. There is wide support for such an inquiry but it would require time and the Administration wants speed. With the \$2,000,000,000 already asked from this Congress the emergency request makes a total of \$3,182,000,000.

"Our ideal, our objective is still peace—peace at home and peace abroad," the President said. "Nevertheless, we stand ready not only to spend millions for defense but to give our service and even our lives for the maintenance of our American liberties."

Alarming speeches of dangers to the Americas, if designed to prepare the public mind to accept willingly a huge bill for armaments, were largely successful, but they are looked upon in many quarters as "feelers" to see how far the American people are willing to go in a pro-Ally program.

Credit

The question of credits to belligerents, forbidden by the Neutrality law, is again being raised but the majority in Congress apparently is not yet in favor of removing the barriers. Chairman Andrew J. May (D., Ky.) of the House Military Affairs Committee believes we "ought to do everything we can to help the Allies." In order to permit Allied occupation of the Dutch West Indies this government decided that since there will be no change in sovereignty of the islands there is no violation of the Monroe Doctrine. This interpretation of the Doctrine is viewed by some observers as a danger-

ous precedent which this Nation may later regret.

A war-time finance plan of forced loans was advocated in a recently published speech by Chairman Jerome Frank of the Securities and Exchange Commission. It would be a modified form of the British plan evolved by J. M. Keynes, British economist. Under Keynes' plan part of the "loans" would be repaid in installments after the war and part would be considered taxes. Frank saw the possibility of raising \$20,000,000,000 in this way.

Gold Policy

Any change in government gold policies such as a reduction in price or attempting to halt purchases of foreign gold would result in "real disaster," according to Secretary Morgen-

thau. He said that to continue gold buying is "the only sound course of action open."

"We can feel entirely comfortable in the possession of a supply of gold with which we can meet future demands on our monetary system without any shock to our economy," he declared. "We can be prepared also to play the part we ought to play in the reconstruction of the world that must follow the senseless destruction of war."

The Treasury in a memorandum to the Senate Banking and Currency Committee has temporarily turned down a proposal to coin gold and make gold loans to foreign governments. Senator Thomas is sponsoring legislation which would permit the Export-Import Bank to make loans to central banks of eligible foreign governments.

Townsend Bill

The Townsend bill to end foreign silver buying was passed by the Senate but met some opposition in the House on the ground that it should have originated there. The Treasury has acquired nearly a billion dollars' worth of foreign silver since it began buying six years ago.

The "easy money" policy of the New Deal was scored recently on two fronts. The Federal Advisory Council charged that such a policy threatens existence of private banking and all private enterprises and urged the Federal Reserve Board to make a long-range study of consequences. The United States Chamber of Commerce at its recent convention warned that present monetary policies are weakening the economic structure. The Chamber opposed vigorously any attempts to centralize undue power over reserves and commercial banking in the Board of Governors of the Federal Reserve System.

Senate Banking and Currency Committee hearings on the Downey resolution to "determine if excess or stagnant savings are accumulating in the United States" call to mind the recent charge made by President Emmett Connely of the Investment Bankers Association that "Government must-do-it-allers" are attempting to put a tax on savings.

Farm Credit

The Jones bill to ease farm credit is not expected to get out of the House



Agriculture Committee this session. President Robert M. Hanes of the American Bankers Association accused Agriculture Secretary Wallace of seeking to destroy the existing farm credit system. Hanes said the Jones bill would destroy the Federal Land Banks and "drive out of the farm credit field all lenders except one, the Department of Agriculture."

Chester C. Davis, member of the Board of Governors of the Federal Reserve System, said if the principle of the bill is adopted and extended, "then the private commercial banking system would tend to become a thing of the past." He explained that he didn't believe this was intended or that it would result from this bill alone.

Wage-Hour

After spending seven days approving amendment after amendment to the wage-hour law, the House voted to drop the whole matter for this session. Representative Vito Marcantonio (A. L., N. Y.) saw the wage-hour action as foreshadowing a similar fate for Wagner Act amendments. "When the House voted to recommit the bill modifying the wage-hour law, it also voted to kill attempts to change the Wagner Act," Marcantonio predicted.

Chairman Howard Smith (D., Va.) of the House Labor Investigating Committee, sponsor of Wagner Act changes, said his proposals would be unaffected by the wage-hour act. Meanwhile, Administrator Philip Fleming has promised that wage-hour hearings to redefine a banking "executive" will be held during June.

Expansion Bill

But not yet dead is the Federal Home Loan Bank expansion bill and its advocates are sparing no efforts to obtain action on the measure. Also still alive is the bill to double the lending capacity of the United States Housing Authority.

The House Banking and Currency Committee tabled half of the Glass bill to permit RFC purchase of Treasury held FHLB system stock and to increase the amount of money available for railroad loans. The tabled portion of the bill would have given the Federal Loan Administrator equal power with the Secretary of the Treasury in determining RFC purchases of preferred bank stock and would have liberalized real estate loans by national banks.

Consumer Credit

The Commerce Department has inaugurated a new business reporting service in which it presents statistics on loan operations of consumer installment credit agencies. The first report, which traced the trend of industrial banking consumer loans from 1929 to

IN the trying days of the early thirties some one said that most bank management problems could be explained in four words: "Depositors go; borrowers stay".

But what may be said of bank operation at this time, when borrowers are rare and depositors' funds are at an all-time high?

Efficiency and low cost service can be and usually are as important factors in success as sound investments and high rates.

... THE ...

PHILADELPHIA NATIONAL BANK

ORGANIZED 1803

PHILADELPHIA, PA.

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

Member of Federal Deposit Insurance Corporation

Streamlined

COMPLETELY

OUR NEW POLICY ANSWERS THE
GREAT DEMAND FOR COMPLETE
MODERN PROTECTION

*It isn't possible to
buy better protection
at any price!*

Your customers cannot buy more, no matter what the price, than is offered in our **Improved Standard Policy**. It is a full legal reserve contract, never subject to assessment. It contains **all** of the features to be had in any auto policy.

Injury Reimbursement or Medical Expense insurance, covering all occupants including the named assured, may be attached to **ANY** of our Auto policies for \$4.00 per year.

WITH OUR CONTRACT YOU CAN DELIVER
THE GOODS AT AN ACCEPTABLE PRICE
AND MAKE A LIBERAL COMMISSION TOO

Write today

WESTERN MUTUAL

FIRE INSURANCE COMPANY

DES MOINES

Safety and Service with Savings
for over a third of a Century



1939, showed that such loans reached a new peak last year.

"The Department of Commerce recognizes the growing importance of consumer credit in our economic system and the program to be conducted by the Credit Analysis Unit will fill in a wide gap in current services to business," Secretary Hopkins said.

He explained that the service will be particularly valuable to industrial banking companies by giving them a yardstick to measure trends within their own business.

The SEC

In response to the Securities and Exchange Commission's request for its views concerning rules governing payment of underwriting fees under the Utility Holding Company Act, the National Association of Security Dealers said where there is no question of affiliation between underwriter and issuer—no rule is necessary to determine reasonableness of fees. The SEC was told the Holding Company Act set up a standard and a method which "is simple, workable and fully adequate to protect every legitimate interest of issuers, underwriters and distributors, investors and the public at large."

Congress may have an opportunity to vote on interstate trade barriers before it goes home. A House group headed by Clyde T. Ellis (D., Ark.), and Joshua L. Johns (R., Wis.), wants to amend the federal aid highway bill to provide that no state may receive funds until it has adopted a uniform highway code. At present the states have a variety of highway laws and restrictions making interstate trucking difficult.

The group said the United States is disintegrating into a "Balkanized mesh of trade barriers," which halts trade and contributes greatly to unemployment.

Sixty Years of Service

At a dinner meeting of the officers of Manufacturers Trust Company, Harvey D. Gibson, president of the bank, presented an especially manufactured watch to Richard N. Cotter, assistant secretary, at the 23rd Street office of the bank, who has completed sixty years of service with the same branch.

Mr. Cotter entered the banking field on May 16, 1880, as a messenger for the Fifth National Bank which had been established sixteen years earlier. When that bank was merged with Manufacturers Trust Company in 1925, it became known as the 23rd Street office of the latter institution, and throughout this entire period Mr. Cotter has been affiliated with that same office.

Why Insurance Men Oppose Compulsory Automobile Insurance

By J. W. Gunn

Vice President
Employers Mutual Casualty Company
Des Moines

NOTWITHSTANDING the lack of success of the Massachusetts Compulsory Automobile Insurance Act and notwithstanding the fact that compulsory insurance offers nothing to reduce the number or severity of automobile accidents, it is evident that a large percentage of automobile owners have remained uninsured under a voluntary system of insurance.

A generally accepted estimate is that 30 per cent of registered automobiles are insured, varying from about 10 per cent in Alabama, Mississippi and North and South Dakota to approximately 40 per cent in Connecticut, Michigan and New York, as high as 56 per cent in New Hampshire, and as low as 25 per cent in Iowa. A tremendous sales effort has been made by all of the automobile insurance companies in the United States in recent years, but the percentage of uninsured cars has not greatly decreased. Is Compulsory Insurance the answer?

There is much to be said on both sides of the question of compulsory insurance. The opponents of compulsory insurance can rightfully point out that in Massachusetts, the only state in which it has been tried, it has not reduced accidents; it has not kept drunken drivers nor antiquated automobiles off the highways; it has greatly increased the amount of litigation with consequent profit to the legal profession; and there is serious doubt as to whether its social benefits have been sufficient to justify the tremendous cost to the motoring public.

The proponents of compulsory legislation point out that the automobile is a dangerous instrument, its use is regulated by license and should be accompanied by financial ability to pay for personal injuries caused. They point out that the responsible, sober, self-respecting individual carries insurance voluntarily and that under the present system he is not only performing his own duty to the public by carrying voluntary insurance, but is placed at the mercy of the irresponsible and even homicidal driver who has no regard for the lives and property of others. They point to the many instances of injustice where injured persons, rightfully entitled to compensation for their injuries, are

"The reason for insurance opposition or lack of support is that it fears, and rightly, the enactment of compulsory legislation by a state. Compulsion means the possibility of political control, political favoritism, political influence. The dead hand of politics has ruined many businesses and has put burdensome and unjust restrictions upon many others."

unable to recover and to the consequent social loss to the community by reason of the required support of such individuals by the state.

A Gallup poll in 1938 reported to the query, "Should every automobile owner be required by law to carry accident insurance?" 81 per cent of the car owners and 89 per cent of the non-car owners answered "Yes," the average being 84 per cent of all persons questioned. Since countrywide, only 30 per cent of the car owners carry such insurance, it may be taken for granted that the attitude of the average person is that compulsory insurance should be required for the **other fellow**, but not of himself! Not even a majority of drivers have shown that they sufficiently favor the insurance principal to voluntarily spend their own money to buy it.

Some insurance men have come out boldly in opposition to compulsory insurance. Others have admitted the need of some improvement in the vol-

untary system, but have recommended caution and a policy of "wait and see." A majority, perhaps, have been neutral or undecided. Very few well-informed insurance officials have favored compulsory legislation.

Why is this true? It is not that insurance men seek to oppose desirable social reform, or that they wish to defeat the will of the majority. The real reason for their opposition or lack of support is that they fear, and rightly fear, the enactment of compulsory legislation by a state. Compulsion means the possibility of political control, political favoritism, political influence. The dead hand of politics has ruined many businesses and has put burdensome and unjust restrictions upon many others.

If the insurance industry could be convinced that compulsory insurance meant only that—merely the insistence by the state that every driver be required to give evidence of his ability to respond in damages for the consequence of his acts,—forward-looking insurance people would not oppose any well-drafted legislation. Most do not oppose the principle, but only the methods, of compulsion; and the Massachusetts experiment has furnished ample proof that their fears may be justified.

If insurance experts can have a voice in the framing of compulsory legislation, and can be assured that the proposed plans will be completely and permanently divorced from politics, much of the opposition may be overcome; but unless this is done, insurance men generally will use their influence to oppose compulsory insurance.

Causes of Death

Accidents and tuberculosis are the number one and number two causes of death among Americans under 40, although "T. B." has been reduced to a poor sixth for the population as a whole. Among the chance-taking younger age groups between 10 and 29, accidents cause one death out of every four. But for the entire United States population, including all ages, heart-arterial diseases are far and away the number one killer, causing almost a

third of all deaths, or three times the fatalities caused by cancer, the second greatest cause of death among the general population.

The above are some of the facts brought out in a new book just off the press, "Issued as Applied For," by Dr. Henry Wireman Cook and Henry W. Cook, Jr. Dr. Cook is vice president and medical director of Northwestern National Life Insurance Company, of Minneapolis. (*Editor's Note—We regret to inform our readers that Dr. Cook died recently in Minneapolis.*)

The two most disastrous influences on life insurance mortality figures since the turn of the century were the influenza epidemic of 1918, which in six months killed more people than

the World War did in four years, and the great depression which started at the end of 1929, Dr. Cook brings out in his book. Contrary to popular belief, the depression did not raise the death rate of the general population; however, it made a serious increase in the mortality rates of life insurance companies and a greater increase in the losses paid. There was a marked increase in suicides during the depression, which made a very small factor in the general mortality figures but a large one in the insurance business because many of the suicides were men of formerly substantial means, who were heavily insured—many of them "million dollar risks." The heaviest burden of the depression fell on men

of large affairs; the mortality among this class was heavy from heart disease as well as suicide. A second influence of the depression was of course an increased lapse rate, which was heaviest among the healthy "good risks." Policyholders who were in poor health, or who were for any reason poor risks, naturally made greater effort to keep their insurance in spite of hard times than did persons who felt they could readily secure insurance again when times grew better. This resulted in higher mortality averages, and heavier death losses for the insurance companies to pay.

The new book, a Prentice-Hall publication, was written as a guide to life insurance agent, to help them in the selection of prospects. The volume quotes a study previously made by the company showing the leading causes of rejection of applicants for insurance to be, in order, First, abnormal blood pressure; second, immoderate use of alcohol; third, heart impairments; fourth, urinary impairments; fifth, morals and reputation, and sixth, overweight.

Excessive use of alcohol makes a risk "heavily rateable or uninsurable and impairs life expectancy," according to the book. Death from alcoholism is only one of several hazards resulting from this cause, the book states, chief of which are increased frequency of accident, suicide, insanity, heart disease, tuberculosis, pneumonia, and ulcers of the stomach, among alcoholics.

New Board Members

Wm. A. M. Burden of the National Aviation Corporation was elected a member of the board of trustees of Central Hanover Bank and Trust Company, New York, at a meeting of the board held recently.

For several years prior to undertaking his present position in 1939, Mr. Burden was in charge of aviation research for the investment counsel firm of Scudder, Stevens and Clark. He is further connected with the aviation industry through a directorship in the United Air Lines Transport Corporation. He is chairman of the board of the Aeronautical Archives of the Institute of Aeronautical Sciences and a vice president of the Institute. Outside the field of aviation, he is a vice president and director of the Union Sulphur Company and of the South American Mines Company, and chairman of the board of the Cotopaxi Exploration Company.

Financial Statement

December 31, 1939

GENERAL AMERICAN LIFE INSURANCE COMPANY

WALTER W. HEAD

President

St. Louis, Mo.



ASSETS

Cash on Hand and in Banks.....	\$10,315,037.76
Bonds—	
① U. S. Government.....	17,057,219.63
② Other Bonds.....	10,806,896.45
Cash and Bonds.....	\$38,179,153.84
First Mortgage Loans on Real Estate.....	23,714,025.81
Home Office Building.....	950,000.00
Real Estate Sales Contracts.....	1,093,321.97
Other Real Estate.....	17,523,446.43
Stocks.....	2,944,050.25
Other Loans and Assets.....	1,114,416.82
Interest and Rents on Investments Accrued But Not Yet Due.....	827,994.83
Interest and Rents Due on Investments (None of which is past due more than 90 days).....	352,376.05
Net Premiums in Course of Collection.....	2,077,067.20
③ Balance of Initial Policy Liens.....	12,254,938.00
Loans to Policyholders.....	27,385,157.82
④ Total Assets.....	\$128,415,949.02

LIABILITIES

① Policy Reserves.....	\$118,127,639.13
Premiums and Interest Paid in Advance.....	885,875.97
Reserve for Taxes.....	674,430.63
Reserve for Other Liabilities.....	616,012.21
Policyholders' Dividends.....	1,162,662.15
Total.....	121,466,620.09
Portion of Current Year's Earnings Available for Future Dividend Declaration to Participating Policyholders Pursuant to Purchase Agreement.....	636,593.00
Contingency Reserve.....	4,104,286.80
Under Purchase Agreement.....	\$4,068,286.80
Other.....	36,000.00
Capital Stock and Guaranty Fund.....	500,000.00
Surplus.....	1,708,449.13
⑤ Total Liabilities.....	\$128,415,949.02

① Actual Market Value of Bonds is more than \$2,100,000 in excess of the amounts shown above.
② Does not include liens totaling \$360,839 which have been discharged by payments in cash or credits by policyholders, nor \$233,118.72 liens on dividends on deposit, both of which items will share in future lien reductions.

③ Includes assets in "Old Company Account" established under Purchase Agreement dated September 7, 1933, on file with the Superintendent of the Insurance Department of the State of Missouri, (copy of which agreement may be obtained from him or the company), against which the Superintendent reserved a lien to protect certain liabilities therein described and fully included among the liabilities in this statement. Status of Old Company account on file with the Superintendent and with the Company.

④ Full net legal reserves on policies issued by General American Life are secured by deposit of approved securities with the Superintendent of the Insurance Department of the State of Missouri. The capital stock, guaranty fund, and surplus are additional protection to all policyholders.

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The Month's Market Maneuvers



JAMES H. CLARKE

Germany invaded the low countries on May 10th—and all the things that can happen in security markets followed. Stock prices collapsed—rallied—and collapsed again. Commodities tumbled over each other in setting new lows. Volume of trading was tremendously accelerated—the stock market tape was late time and again—calls for more margins poured out. High grade bond prices fell somewhat—second grade markets were much lower. And the age worn question, “Will the government close the markets?”, popped up on all sides. This despite the fact that liquidation in the stock market was orderly—more like 1937 than 1929.

We are writing this article on Saturday morning, May 25th—to meet our dead line. Today Germany is still drawing her band of steel around Allied troops in Belgium—Calais has fallen—but the French are pounding away at the German salient. The markets are quiet—seem slightly more confident—although by the time this goes to press all may be different. For the fluctuations in the battle lines in France and Belgium—not our own domestic conditions—define the trend lines in our markets for the present. With about five days of trading left in May, much can still happen this month—but let's take a look at what has already occurred.

First, the stock market. On April 30th the Dow-Jones average for industrial securities was 148.41. On May 9th, the day before the invasion of Holland, it was 147.96. A slight decline—but this time the market had not discounted what was to follow. In the succeeding week, prices lower than any seen in either 1939 or 1940 were recorded—industrials dropped 22.42 points—volume of trading averaged 3,000,000 shares daily as compared with about 750,000 the previous week—all but 14 of the 1,174 stocks traded closed lower. On May 13th the market broke 7.27 points—the next day 9.28 points more—on the 17th it lost 6.25 points. There were intermittent rallies, of course—there always are—but the trend was downward in a nose dive fashion. Except for Tuesday of this week when prices fell 8.30 points—and trading in

Prepared for
The Northwestern Banker

By James H. Clarke
Assistant Vice President
American National Bank & Trust Co.
Chicago

Bethlehem Steel was temporarily suspended—the market has been orderly and losses small. Last night the averages closed at 113.94—contrast this with the April 30th figure of 148.41. A loss of 34.47 points in twenty-one days of trading is sizeable. If you are interested in the losses and gains by days so far this month, here are the figures—in twelve days losses were reported, in eight days the market closed with some gain—one day was unchanged.

Now for a briefer look at some of the other markets. The entire U. S. Government bond list was lower—but liquidation was moderate and prices held up much better than in September, 1939, when the war first broke out. The long term Treasury 2½s of 1965 were quoted 106.27 on the bid side on April 30th—last night they were 103.18. There were some concessions also in municipal bond prices and in quotes on high grade corporates—while second grade corporates slipped rather badly. Grains were very weak—after a fall of 34c a bushel in wheat the Secretary of Agriculture ordered the establishment of minimum prices. Commodities such as hides and wool broke sharply—European currencies were soft—as might well be expected.

During all this time domestic business reports were better. Steel operations which were around 62 per cent of capacity in April climbed to 73 per cent—the Anglo-French purchasing board announced further purchases of planes—indices were higher—but caution and pessimism prevailed. The German successes being swift and widespread brought serious doubts as to how long the Allies could hold out. Americans who have been complacently looking for the English blockade plus the French Maginot line to crush Germany, had been badly shaken. As we write this article this morning the early hysteria has abated—but surely the picture is still most clouded—and the economic consequences of a German victorious can not be forecast.

It seems a fair assumption that such a development would be bad.

There is little to be said for the financing which appeared in May and even less about what we may expect in the next few weeks. U. S. Steel sold its \$75,000,000 of 15 year serial debentures—but being offered in the midst of all the unsettlement, they were slow. Texas Corporation has deferred its refunding as have several other companies—what the Government has in mind as June 15th approaches is not clear. With the possibility of an invasion of England, with a growing demand in this country that we do something about it—caution is bound to predominate. In short, the headlines on the front page of your daily newspapers will determine the immediate market trend—not the earnings figures back in the financial section.

Conferences

Two of the departmental conferences to be held at the American Institute of Banking annual convention in Boston June 3-7 will be conducted in a style that is a decided departure from the customary formality of such meetings, it is announced by Harry R. Smith, president of the A. I. B., who is vice president of the Bank of America, N. T. & S. A., San Francisco, California.

According to the Institute's plans, the conferences to be held on Bank Management and Credits have been designed to proceed along lines of open, informal discussions liberally punctuated with questions posed by A. I. B. members in attendance. This arrangement virtually amounts to a round-table conversation, in which any member of the audience is welcome to participate. Brief summaries of the fundamental principles of each subject will be presented by experts before the open discussion begins, Mr. Smith said.

Leaders have been selected for each of these two departmental conferences. They are Harry G. Culshaw, assistant treasurer of the Pennsylvania Company for Insurance on Lives and Granting Annuities, who will head the group which discusses Credits, and Joseph M. Dodge, president, the Detroit Bank, Detroit, Michigan, who will lead the Bank Management conference.

A similar informal arrangement was employed last year in conducting the Bank Management conference, and the success which this initial effort met prompted the extension of the arrangement to two of the meetings this year.

The American Way

In a recent address, Holgar J. Johnson, president of the Institute of Life Insurance, said that the free-born men and women of America must decide within the next ten years whether they are going to provide their own

security through individual thrift and self-reliance or rely more and more on Federal government for support.

Mr. Johnson added that it is right and just for the government to provide through social security a living minimum for those unable to support themselves in old age. But it is a far cry from this to government going whole-hog into the insurance business, as has been proposed at various times.

Government is a consumer, not a producer of wealth. In a democracy the people support government; government cannot support the people.

Window Machine

To meet the demand of banks which for years have wanted a really low-priced window-plan machine in their savings departments, Burroughs now offers a new, compact unit for posting savings passbooks and ledgers at the window.

This new model, pictured here, priced far below any other window-plan machine ever offered, requires little more counter space than a letter-head and can be installed without ne-



cessitating alterations to cages. Light in weight, it can be readily moved to any point in the bank.

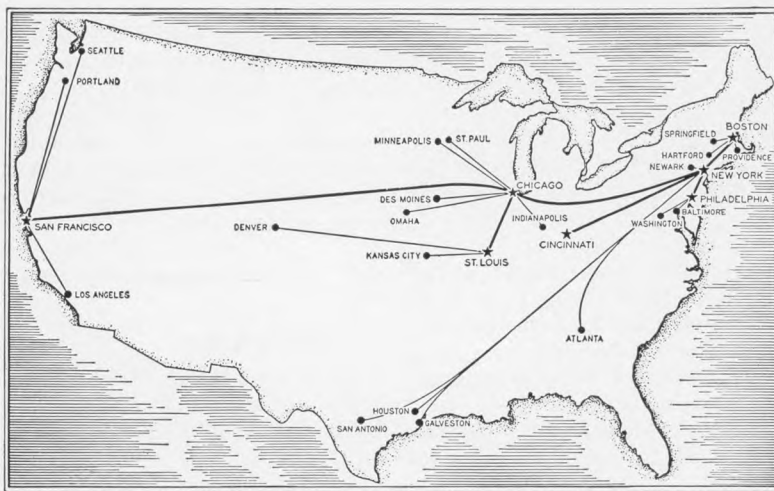
Because of its low price, most banks can now provide a machine at each savings window regardless of fluctuating volume or peak periods.

The Burroughs Window-Plan Machine can also be used in other departments for any type of passbook posting—including small loans, Christmas clubs, school savings, and mortgage loans.

Forms are quickly inserted and aligned in a single motion. This machine is equipped with the Short-Cut standard bank keyboard, which usually permits the operator to depress entire amounts and the motor bar in one motion of the hand. A balance is printed at the touch of a single key. And, at slack periods, the machine can serve as a fast, practical adding and subtracting machine for miscellaneous figure work.

Elected in Chicago

Oliver A. Bestel, vice president of the First National Bank of Chicago, has been elected president of the Corporate Fiduciaries Association of Chicago. W. W. Hinshaw, Jr., secretary and trust officer of the City National Bank and Trust Company, was named vice president, and William P. Wiseman, trust officer of the Chicago Title and Trust Company, secretary and treasurer. Membership is composed of the leading trust companies of the city.



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of our annual book "United States Government Securities" is now available. It includes a review of U. S. Treasury and Agency financing operations, price records of outstanding issues from the dates of their inception, and a chronology of important events in 1939 pertaining to Government finance, banking and the money markets.

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Every man added to gainful employment calls for an \$8,000 increase in capital equipment. But where is the money coming from?

The corporation whose sound management and future prospects justify an increase in capital structure, can hardly be expected to go out in search of those with funds to invest. It is at this point that the Investment Banker begins his useful function.

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Iowa Investment Bankers Association



WALTER E. VIETH
President
Davenport

IOWA

Investment Bankers Association

Organized 1935



ROY W. LERICHE
Secretary
Des Moines

IOWA members of the National Association of Securities Dealers met in Des Moines on May 8 to hear Robert W. Baird, The Wisconsin Company, Milwaukee, and a member of the board of governors of the National organization, and William Mee, Chicago, field secretary for the eighth district. About fifty were present, from Davenport, Waterloo, Cedar Rapids, Burlington, and Des Moines.

With few exceptions, members of the Iowa Investment Bankers Association are also members of the National Association of Securities Dealers. For purposes of administration, the National Association has divided the country into fourteen districts, Iowa being in the eighth district. Other States in this district are Michigan, Indiana, Illinois, Wisconsin, and Nebraska.

The National Association of Securities Dealers is a self-regulatory organization operating under the Maloney Act administration of which is under the jurisdiction of the Securities and

Exchange Commission. It functions on the theory, which in most instances has proved to be a fact, that it is better for the securities dealers themselves to draw up their own rules and regulations, and see that such are followed, than to have some branch of the Government do it for them. The rules laid down by the NASD are very clear and definite as to the business operations of its members, and make no demands that every reputable investment house is not perfectly willing to abide by.

As stated above, the National Association of Securities Dealers is responsible to no Washington agency nor to any Government bureau. It condons no infractions of its ethics and rules, and its contact with the SEC is largely one of consultation.

At the present time there are about 3,000 investment firms in America which are members of the National Association of Securities Dealers, and from the remarks of Mr. Baird and Mr. Mee, it would appear that every reputable house in the country would be eager to affiliate with the organization.

Fortieth Anniversary

Past and present officers of the American Institute of Banking will join with the Institute's membership in celebrating its fortieth anniversary at the annual convention to be held June 3rd-7th in Boston, Massachusetts, it is announced by Harry R. Smith, A. I. B. president, who is vice president of the Bank of America N. T. & S. A., San Francisco, California.

The program for the convention has been designed to include special features in observance of the Institute's fortieth year of educational service to bank employees in local chapters and study groups throughout the country which now number 385.

Nearly 2,000 members of the Institute who are expected to attend the convention will hear addresses by nationally prominent bankers. These include Robert M. Hanes, who is president of the American Bankers Association, and president of the Wachovia Bank & Trust Company, Winston-Salem, North Carolina; Frank M. Totton, second vice president of the Chase National Bank of New York, and Dr. Fred I. Kent, director of the Bankers Trust Company, New York.

A national public speaking contest, debating, departmental conferences, an election of A. I. B. officers for the ensuing year, and a number of social events have been arranged on the convention program.

The convention will consist of two general-sessions, one on Tuesday morning, June 4th, and the other on Friday morning, June 7th, and a number of departmental conferences devoted to special aspects of banking and A. I. B. activities.

Mr. Hanes and Mr. Totton will address the opening general session on Tuesday, June 4th. Mr. Kent, the first national president, will address the closing general session Friday, June 7th, at which the former presidents will be honored.

Entertainment features will include sightseeing tours all day Monday, June 3rd, a picnic and boating trip Wednesday afternoon, June 5th, and additional trips through the Boston area Friday afternoon, June 7th. The convention will close with the annual A. I. B. ball Friday evening, June 7th.

Seventy-five Years

Minneapolis-Moline Power Implement Company is this year celebrating its Diamond Anniversary, commemorating 75 years of friendly service to agriculture.

It was in 1865, just 75 years ago, that the Moline Implement Company, oldest of the three pioneer concerns, subsequently consolidated into Minneapolis-Moline, was founded. Other com-

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DES MOINES, IOWA

panies involved in the consolidation were the Minneapolis Threshing Machine Company, organized in 1886, and the Minneapolis Steel and Machinery Company, founded in 1902.

Minneapolis - Moline points with pride to the contributions it and its predecessor companies have made to agricultural progress. The Moline Implement Company was a pioneer in plow design, developed the first commercially successful grain drill and the first practical combined check row and drill planter, and brought out the first straddle row cultivator. Its tractor, the Moline Universal, was the first row crop and general purpose tractor. The Minneapolis Threshing Machine Company also made great contributions to farm progress, its threshers and shellers being among the first commercially successful threshers and shellers. The Minneapolis Steel and Machinery Company built one of the two first really engineered lines of tractors. Its line of tractors, continued by Minneapolis-Moline, has been built along lines now generally accepted as standard for three years longer than any tractors of modern design still built.

Leader in planning and effecting the consolidation was W. C. MacFarlane, who had become president and general manager of Minneapolis Steel and Machinery in 1926. Upon the formation of Minneapolis-Moline in 1929, Mr. MacFarlane became its president and general manager, a post he still holds.

Minneapolis-Moline has kept up the pioneering spirit of its predecessors, and since 1929 has made many contributions to farm machinery development. Its Harvester represents the outstanding contribution in harvesting machinery in the past decade. First introduced in 1934, and now offered in four popular sizes, it was the first light weight, high speed, big capacity combine for all crops.

Amberg Elected President

Harold V. Amberg, vice president and general counsel of the First National Bank of Chicago, was elected president of the Association of Reserve City Bankers at the closing session of the Hot Springs, Virginia, convention. He succeeds Edward Elliott, vice president of the Security-First National Bank of Los Angeles.

Receive More Currency

Iowa business houses received from the Federal Reserve Bank of Chicago, through its member banks in the state, \$1,125,990 more in currency in February, March and April than in the corresponding period of 1939, it was disclosed in a recent survey completed by the Federal Reserve Bank of Chicago.

The gain is attributed to an increased volume of business.

Altogether, \$10,918,825 in currency and coin was shipped to members of the Federal Reserve Bank of Chicago in Iowa during the three-month period as compared with a total of \$9,792,835 in the same months of last year, the report states.

The free shipment of currency and coin to and from the Iowa member banks in 1939 totaled \$79,908,061, of which \$77,895,732 was in currency and \$2,203,329 in coin. Of the total, \$47,839,531 was sent by the Federal Reserve Bank of Chicago to its Iowa members, while the latter sent \$32,168,530 for deposit in Chicago, the compilation shows.

Another indication of the vast service performed by the Federal Reserve Bank of Chicago for its Iowa member institutions is seen in a report of the average current figures on transfer of funds over the Federal Reserve System's telegraph network. Iowa member banks are currently sending approximately \$1,223,200 daily by wire to other Federal Reserve members throughout the United States, without charge. They receive on an average of \$1,753,370 daily in the same way, the survey shows.

Currently held for safekeeping in the great vaults of the Federal Reserve Bank of Chicago are securities belonging to Iowa member banks with a total value of \$76,650,000.



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

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

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



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

EXECUTIVE OFFICE NEW YORK • BRANCHES IN PRINCIPAL CITIES

Appointed A. B. A. Comptroller

John J. Rooney has been appointed comptroller of the American Bankers Association, it is announced by Dr. Harold Stonier, A. B. A. executive manager.

Mr. Rooney has been with the association since 1913, and served as auditor of the organization from 1928 until he was appointed to his present post.

He is a native of New York City and lives in Long Beach, Long Island. Mr. Rooney is married and has three children.

Americans Buying More

With foreigners buying more war planes, Americans are buying more pianos, also more cameras and jewelry and sporting goods and fur coats. Factories are hanging up new records as the United States public buys more pianos than at any time since pre-depression days, according to a study of surplus income purchases by Northwestern National Life Insurance Company.

With imports of German cameras reduced to a mere trickle, United States buyers are switching more and

more to American made cameras, the report states.

In April the American consumer made up for buying postponed because of March blizzards. Combining store sales for March and April to eliminate the effects of the shifting Easter season, volume of general merchandise sold in these two months of 1940 is found to be 6 per cent above that of the corresponding two months of 1939.

Department store sales of luggage are down sharply, reflecting the wiping out of European travel. However, domestic air travel in the United States continues its steady gains—airplane passenger miles flown are running better than 50 per cent ahead of a year ago.

In the 236 department stores covered by the insurance company's quarterly survey, sales of furs were 23.5 per cent greater in the first quarter of 1940 than in the corresponding period of 1939, while sporting goods dollar volume was up 13.4 per cent, pianos and musical instruments 12.3 per cent, jewelry 14.6 per cent, electric household equipment 5.4 per cent, and home furniture 4.6 per cent, compared with the first three months of a year ago. At the same time, department store sales of luggage were off 4.7 per cent.

In the field of necessities, men's clothing has proverbially forecast the trend of sales for other department store merchandise. Men continue to buy more raiment, giving the department stores 8.8 per cent increased volume in this department, and 11.8 per cent increase in men's furnishings sales for the first quarter of 1940, compared with the corresponding period of a year ago.

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E. R. HALEY, Vice President

L. K. WADSWORTH, Secretary

Trust Conference

Plans are actively under way for the Eighteenth Regional Trust Conference of the Pacific Coast and Rocky Mountain States, which will be held at Salt Lake City, Utah, Thursday, Friday and Saturday, August 15, 16, and 17, 1940, under the auspices of the trust division, American Bankers Association, it is announced by Roland E. Clark, president of the A. B. A. trust division, and vice president of the National Bank of Commerce, Portland, Maine.

The trust division of the Utah Bankers Association will act as hosts to this conference. John M. Wallace, vice president of the Walker Bank & Trust Company of Salt Lake City, is general chairman of the conference. Mr. Wallace has announced the appointment of the following committee for the conference.

Committee on general arrangements: Reed E. Holt, trust officer, Walker Bank & Trust Company, Salt Lake City, chairman; Claron O. Spencer, as-

sistant trust officer, Zion's Savings Bank & Trust Company, Salt Lake City, vice chairman; R. S. Tyson, assistant trust officer, First Security Bank of Utah, N. A., Ogden; J. L. Preece, assistant trust officer, Tracy Loan & Trust Company, Salt Lake City.

Elected Treasurer

Chester L. Price, advertising and publicity manager of the City National Bank and Trust Company of Chicago, has been elected treasurer of The Chicago Federated Advertising Club for the seventh consecutive year. He is a



CHESTER L. PRICE

founder member of the club and was its first treasurer when the organization was formed in 1934 with 75 names on its membership roster. It now has 15 affiliated clubs and nearly 700 individual members.

E. R. Richer, vice president in charge of advertising of Hart Schaffner & Marx, is the club's new president.

What Bankers Have to Sell

FREDERIC A. RUSSELL, professor of business organization and operation at the University of Illinois, strikes the right keynote in a recent issue of *The Mid-Continent Banker*, when he addresses the following to bankers:

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

"What is this product you as a banker, are trying to sell, anyway? It isn't a bank, it isn't any *thing* in the material sense. It is a service or a bundle of services, and any service is largely a matter of personalities, or people. So what you are selling are the abilities, the personalities of the members of your staff.

"I know that you are selling safety for deposits, but you don't make any money on deposits unless you do something with them. What you do with this money depends chiefly on the men in your bank. I know of no business that is more personalized, in spite of the ancient tradition that the banker was a stony-faced, fishy-eyed, bloodless citizen who always said "No" to every request for some service.

"Bankers are facing some mighty stiff competition in the lending field. The government agencies, private loan companies, finance corporations and others are cutting into what once was

your field. You are limited by law, also, as to what kinds of loans you can make.

"But in spite of these handicaps, may I suggest that you sit down with yourselves and ask this question: "What can my bank do for the candy merchant down the street, for the tenant farmer who is wondering whether to rent another forty acres, for the young carpenter who has been studying nights and wants to start up as a contractor, for the widow who has been left two children and \$12,000, for the teacher who can manage to save about \$15 a month if he scrimps, for the manufacturer who is contemplating installing some new equipment, for the grocery wholesaler, for the salesman of insurance or securities, for the youngster of 'teen age who is so proud of his little bank account, for the old couple who must make their meagre savings last them to the end?" In short, let's sit down

V. W. BREWER CO. MUNICIPAL BONDS

Quoting from the New York *Herald Tribune* of May 9th, 1940:
"Because of the Level Debt Program and the steady debt retirements which have been in progress for many years, the credit of South Dakota is rapidly becoming enviable."

FIRST NAT - SOO LINE BLDG.
MINNEAPOLIS

BONDS

Public Utility

Industrial

Railroad

Municipal

A.C. ALLYN AND COMPANY

Incorporated

100 West Monroe Street, Chicago

New York	Milwaukee	Omaha	Boston
Representatives:	Waterloo	Des Moines	Cedar Rapids

CALL IN YOUR Douglas-Guardian Man

He'll help you
find good loans
based
on **Inventory**



Hundreds of recent experiences prove that attractive loan opportunities exist everywhere, often unsuspected by the banker with idle money. Likewise the business executive with a need for capital is unaware that his own inventory represents A-1 collateral.

Why not talk over with a trained Douglas-Guardian representative, the possibilities for attractive inventory loans among your clients. No obligation. Our experience serving banks, by converting inventory into bankable Warehouse Receipts, dates back 17 years.

Free on
Request



Field Warehousing by Douglas-Guardian

DOUGLAS-GUARDIAN WAREHOUSE CORP.

Nation-wide Field Warehousing Service

100 W. Monroe St., Chicago, Ill.
118 No. Front St., New Orleans, La.

New York, N. Y. Cincinnati, O. Dallas, Tex. Los Angeles, Cal.
Rochester, N. Y. Easton, Md. Atlanta, Ga. San Francisco, Cal.
Cleveland, O. Tampa, Fla. Springfield, Mo. Memphis, Tenn. Portland, Ore.

and think in specific terms of definite services we can render to flesh-and-blood people we know. Let's talk to scores of these people and let's ask them what they would like to have their bank be and do for them. Let's analyze our product from the consumer angle, as the smart manufacturer does. Then we, too, can build the kind of a product they will buy, at a profit to us."

Approximately 15 per cent of the foreclosures are on commercial properties and the rest on homes, the division estimates. Its survey is based upon monthly reports from sheriffs, county and court clerks, recorders and other local government officials in 1,600 communities throughout the country.

Appointments

Guaranty Trust Company of New York announces that at a meeting of the board of directors, the following appointments were made: Arthur E. Burke, from corporate trust officer to vice president; Charles M. Schmidt, from second vice president to vice president; Oliver R. Brooks, Herbert E. Twyeffort, Winfred C. Bloom, Harry J. Kelly and William A. McRitchie, from assistant trust officers to trust officers. Joseph C. Buttery was appointed assistant secretary and Stanley H. Brown, assistant credit manager.

Arthur E. Burke, who was born in New York City, entered the service of the company, as a messenger, September 30, 1910, and was transferred to the trust department in May, 1911. After serving the company in various clerical and official capacities, he was promoted to corporate trust officer, June 9, 1927. He is a member of the executive committee of the Corporate Fiduciaries Association of New York.

Mr. Schmidt, who was born in Brooklyn, joined the Guaranty staff in October, 1911, after being associated four and one-half years with the Lehigh Valley Coal Sales Company. After serving in the transfer, tellers and custody divisions of the trust department, he was appointed assistant secretary in November, 1919, and second vice president in September, 1927. Mr. Schmidt is a member of the executive committee of the New York Stock Transfer Association.

Life Is Like That

Wife: "Tom, it's just about a year since our honeymoon, when we spent that glorious day on the sands."

Tom (gloomily): "We little thought then we'd be spending our first anniversary on the rocks."



THE HOTEL OF TODAY *The Criterion of Tomorrow*

Delving into the future, the designers of the recreated Fontenelle have set the style for the hotel of the next decade. Beauty and comfort are emphasized in the new features and in the new interiors throughout the hotel - including lobbies, guest rooms, dining and entertainment rooms, and the convention facilities - all of which depict the fashion of 1940.

HOTEL
FONTENELLE
OMAHA, NEBRASKA



HOWARD BUFFETT
President
Omaha

NEBRASKA INVESTMENT BANKERS ASSOCIATION

CECIL W. SLOCUM
Secretary

HOWARD BUFFETT, of Buffett & Company, Omaha, newly-elected president of the Nebraska Investment Bankers Association, has announced the following members of the executive committee of the association to serve during 1940:

Chairman, **Laurance M. McCague**, The National Company of Omaha; **J. Clifford Rahel**, Wachob-Bender Corporation; **Harry Greenway**, Greenway & Company; **R. Ware Hall**, Ware Hall & Company, and **Manning E. Handler**, Stern Brothers & Company, all of Omaha.

Two Omaha personal finance companies voluntarily surrendered their licenses and agreed to liquidate recently on request of Secretary of State Harry R. Swanson of Nebraska, following investigation of reports they were evading the state personal loan law.

Managers of two other firms also were called in and told they must be careful to stay within the law.

If the European situation keeps growing worse, the city of Council Bluffs, Iowa, opposite Omaha on the east bank of the Missouri River, will be unable to reissue the Indian Creek bonds at the lower interest rate of 3 per cent, **Carleton D. Beh** of Des Moines warned the Council Bluffs city council at a recent meeting.

Beh repeated his offer to reissue the 4 per cent bonds at 3 per cent and declared that, with his plan, the city would save \$108,000.

Replying to criticism voiced by City Treasurer C. W. Gould, Beh said his schedule included retirement of about \$60,000 of bonds this year by using the levy fund now available for that purpose, that the bonds would mature more rapidly and the cash balances would be kept lower, and that the city would have the 1 per cent annual interest.

"If the European situation continues to grow worse, you will be unable to

refund the bonds at 4 per cent. On the other hand, if the money market should change in your favor, you can refund these bonds again in five years," he said.

Treasurer Gould took issue with Beh on the amount he said the city would save. "How do you propose to save \$100,000 when savings do not figure more than one-half that? I think the way you are figuring payment is according to the present schedule," he stated.

Beh said his figures were "correct to the penny."

Gould suggested the city council study the proposal carefully before taking any action. Beh was asked to submit his proposal in writing within five days.

Halsey, Stuart & Company, Inc., recently offered \$300,000 of City of Nebraska City, Nebraska, 1½ per cent refunding bonds due serially June 1, 1941, through 1945; June 1, 1950; June 1, 1955. The bonds were issued for refunding purposes.

Figures on investments in United States government savings bonds show that from March 1, 1935, through December 31, 1939, Nebraska ranked seventeenth among the states in total sales. Sales in Nebraska totaled \$62,927,875.

For the year 1939, sales in Nebraska totaled \$13,379,156, and in Omaha \$4,426,837.

Nebraska City, Nebraska, is trying to buy the privately-owned Waubonsie bridge across the Missouri River there.

As a special session recently, city commissioners of Nebraska City accepted a financing proposal made by three Chicago bond houses and instructed Mayor F. E. Ziegenbein and City Attorney V. E. Tyler to submit a bid of \$800,000 to the bridge company.

Acceptance of the proposal, which calls for issuance of revenue bonds

based on interest of 4 per cent at par, was urged by the Nebraska City Chamber of Commerce. The bid would net each of the 9,308 shares of stock nearly \$86.

The proposal was submitted to the city after a survey made by engineers indicated the issue could be retired in 20 years by revenue received from tolls.

An estate of \$616,541 was left by **Mrs. Katherine K. Baxter**, widow of William F. Baxter, Omaha department store head and civic leader, according to an inventory filed recently.

Among the estate assets were 2,825 shares of stock in Thomas Kilpatrick & Company, the store which Mr. Baxter headed, worth \$425,000; 160 shares of Union Pacific stock worth \$10,150; 30 shares of Omaha National Bank stock, and other securities.

Bulk of the estate has been divided between Mrs. Katherine B. Campbell and Mrs. Ellanore B. Judd, both of Omaha, daughters.

Independent

Husband: "Let's have some fun this evening!"

Bored Wife: "O. K., and please leave the light on in the hall if you get home before I do."

LAMSON BROS. & Co.

ESTABLISHED 1874

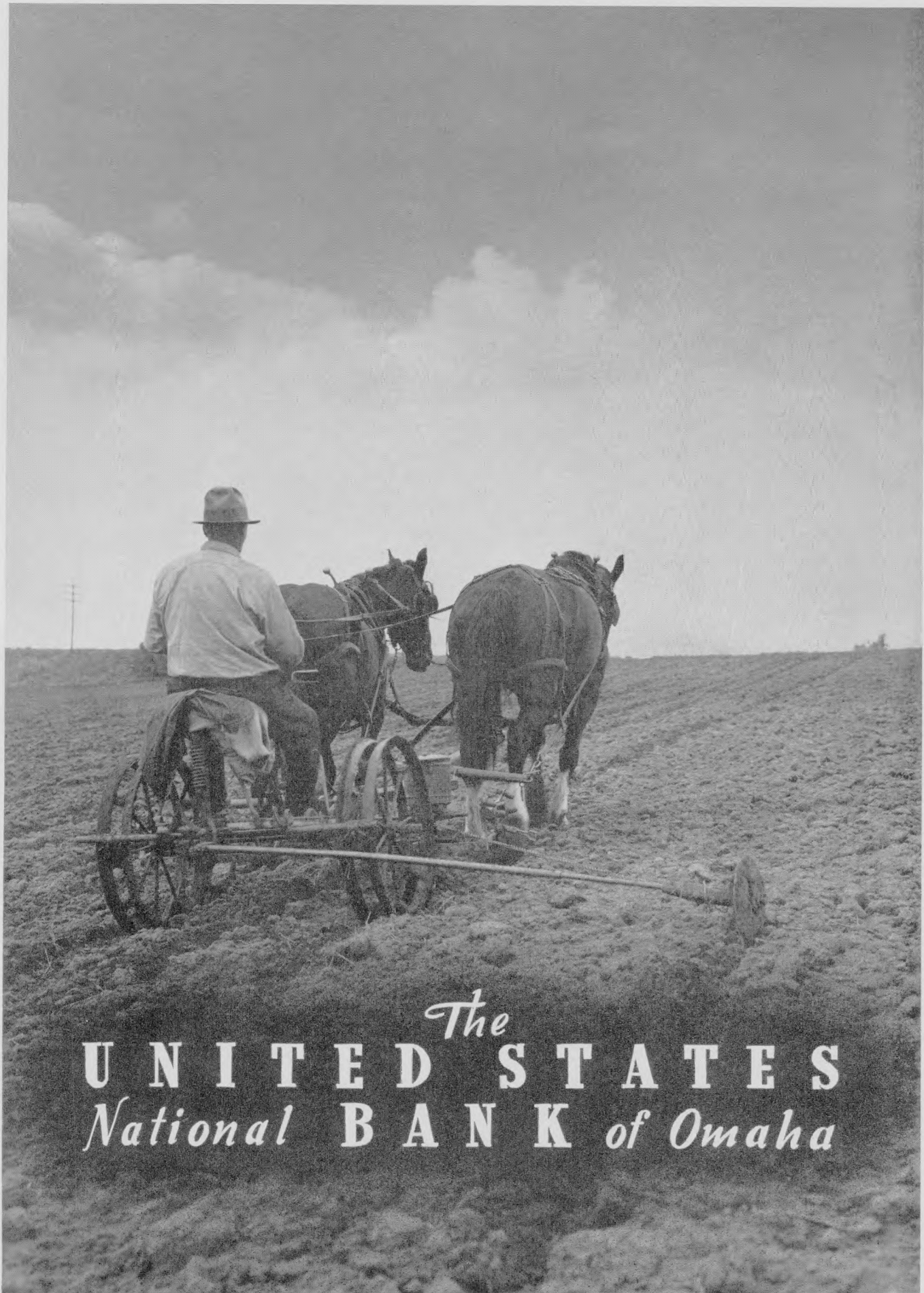
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Fort Dodge, Iowa	Bloomington, Ill.
Iowa Falls, Iowa	De Kalb, Ill.
Marshalltown, Iowa	Gilman, Ill.
Mason City, Iowa	Galesburg, Ill.
Sioux City, Iowa	La Salle, Ill.
Storm Lake, Iowa	Peoria, Ill.
Waterloo, Iowa	Quincy, Ill.
Frankfort, Ind.	Muskogee, Okla.
La Fayette, Ind.	

MEMBERS OF LEADING SECURITY
and COMMODITY EXCHANGES



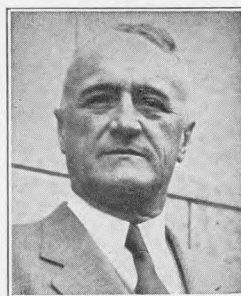
The
UNITED STATES
National BANK of Omaha

(Member Federal Deposit Insurance Corporation)



C. C. NEUMANN
President
Oakland

NEBRASKA NEWS



WM. B. HUGHES
Secretary
Omaha

Anniversary

Commemorating its fiftieth anniversary as a national bank, the First National Bank of Tekamah last month held open house for its many customers and friends. Hundreds of people visited the bank during the afternoon, and in the evening everyone was invited to a barbecue held in the local baseball park. A number of bankers were present from Omaha and Lincoln.

Another Anniversary

Another Nebraska bank celebrating its fiftieth anniversary last month was the Bank of Yutan, and it also held open house for the people in that community.

The Boss Chain Presents The New Castle Hotel

Completely new from the modern front to the efficient kitchen, the coffee shop of the Castle Hotel, Omaha, final step in an improvement program which included the entire building, was completed early this spring. The Castle Hotel, one of the major units in the chain of well-known Boss Hotel Company hostelrys throughout the middle west, has been completely renovated since the above firm took over its management. George A. Papineau is the manager of the Castle Hotel.

Longitudinal panelling of the windows on the street entrance of the new coffee shop is the basic attraction to the patron as he nears the Castle Hotel. Brushed brass, a form of marble tile and a dash of the rustic finish off the attractive entrance which matches that of the Westward Ho tap room and the lobby.

The shop can easily be classified into two sections, one being the booth and counter section, where all the short order equipment and soda fountain are placed, and the other the raised or table section.

In the booth and counter section careful attention was given to the treatment of the walls, floor and ceiling so as to guard against any placing of attention on the shape of the room. Here walnut panelling and horizontal-

ly striped Salubra covering on the walls creates the illusion of width. The floor is a checked, rather dark terrazzo while the ceiling is of the new, improved acoustic tile in a light color.

The short order equipment includes griddles, fryers, hot plates, toasters, etc., all placed under the service counter. This was done to avoid the display of the less sightly equipment and to enable the short order cook to face the patrons. An ingenious downdraft duct installed and arranged so as to catch all odors and fumes from the griddles and fryers solved the ventilation problem.

Arrangement of the equipment and inclusion of a small steam table to take care of table d'hote luncheon entrees and similar items makes counter service available from the lobby. Westward Ho tap room and the street entrance.

The next time you are in Omaha, it will be well worth your while to visit the Castle Hotel, and inspect its modern and attractive equipment and furnishings.

Seventy-five Years

The Otoe County National Bank, Nebraska City's oldest banking institution in years of continuous service, celebrated its 75th birthday last month.

The celebration passed without ceremony. Business was conducted as usual throughout the day. Cashier John Stocker opened congratulatory telegrams from banks throughout the middle west.

In addition to the telegrams, the bank received several bouquets of flowers from banks and customers.

Chartered on May 8, 1865, growth of the bank tallies with development of the West after the Civil War. Its deposits have grown from \$37,405.75 on January 1, 1866, to \$660,680.70, as of the latest statement.

McEndree Dies

Charles C. McEndree, president of Farmers National Bank, Central City, with which he had been associated

since 1891, died quietly at his home recently.

From 1891 to 1911 he worked in the local bank as bookkeeper and vice president, and again from 1916 to 1928. In the latter year he was elevated to the presidency. For five years after 1911 he was vice president of Stockgrowers' National Bank of Cheyenne. Also part of his business life was at Kingfisher, Oklahoma.

New Service

A new service for inactive checking accounts is announced by the Gering National Bank. It refers to a new personal check book which may be purchased at the bank and which will eliminate the monthly checking account service charge for inactive accounts.

Dividend

The final dividend payment has been received by the depositors of the defunct Enola State Bank. This makes the fourth dividend paid.

In Nebraska

Paul W. Shooll, who for the past several years has been looking after editorial and circulation activities in Nebraska for the NORTHWESTERN BANKER, is planning another trip in the state during the month of June. While it will take some time for Mr. Shooll to get around to call on all his many banker friends, eventually he will be



PAUL W. SHOOLL

in your bank, and we will appreciate any cooperation you can give him. He is always on the lookout for news items, such as change in officers, remodeling projects, or other items of interest, and will immediately send them in to our office for publication.

Northwestern Banker June 1940

Dies in Milford

Edward H. Strayer, 91, president of the Farmers and Merchants Bank at Milford, died recently at his home at Milford. He had lived 60 years in Seward county, and had been prominent in Milford civic affairs.

Since 1903 he had been president of the Farmers & Merchants Bank.

Fremont Death

Fremont's banks closed recently in respect to Charles H. Brunner, 86,

prominent Nebraska druggist who died at his home there. Mr. Brunner had been a director of the Fremont National Bank for the past 43 years, since 1897.

Name New President

Cecil Tooley was elected president of Farmers National Bank, Central City, at a special meeting of the board of directors, to succeed the late Charles C. McEndree.

Eric Wright was named executive vice president in addition to his duties

as cashier. W. E. Reed of Omaha retains his position as vice president. Carl E. Erickson and Roller Tooley, Jr., were elected assistant cashiers.

Present at the meeting were Mr. Reed of Omaha and F. H. Connor of Chicago, who are directors.

Resigns

Miss Vera McKenney has resigned her position in the Richardson County Bank, Falls City, where she had been employed as bookkeeper and teller for the past 16 years. After a few weeks of rest at the home of her sister, Mrs. C. O. Davis and Mr. Davis, in Chicago, she hopes to resume work again.

Anniversary

In 1890 a group of progressive citizens decided that the facilities of a bank would be most acceptable to the new town and they organized the Farmers Bank of Cook. Recently the bank observed its fiftieth anniversary, a record of which any business institution may well be proud, and a bank may especially feel gratification in the excellent achievement.

Assistant Cashier

At a meeting of the officials of the First National Bank, Hay Springs, Anna Margaret Potter was elected as the assistant cashier. Miss Potter began working at the bank April 15th. She took the place of Rudy Laursen who resigned.

Returns to Fremont

J. M. Sorensen, Fremont, returned recently from Washington, D. C., where he conferred with federal loan agencies regarding the lower Platte Valley irrigation district and attended sessions of the United States Chamber of Commerce national convention. Before going to Washington, Sorensen attended the American Bankers Association national convention in Hot Springs, Virginia.

Elect President

At a meeting of the board of directors, Edward M. Gallagher was elected president of the First National Bank of O'Neill, to fill the vacancy caused by the death of John P. Mann.

Joe A. Mann was elected a director to complete the board of directors of the bank, which now is Edward M. Gallagher, H. J. Birmingham, E. T. Campbell, Mrs. E. F. Gallagher and Joe A. Mann.

Charter No. 209

First National Bank of Omaha

The

Oldest National Bank

From Omaha West

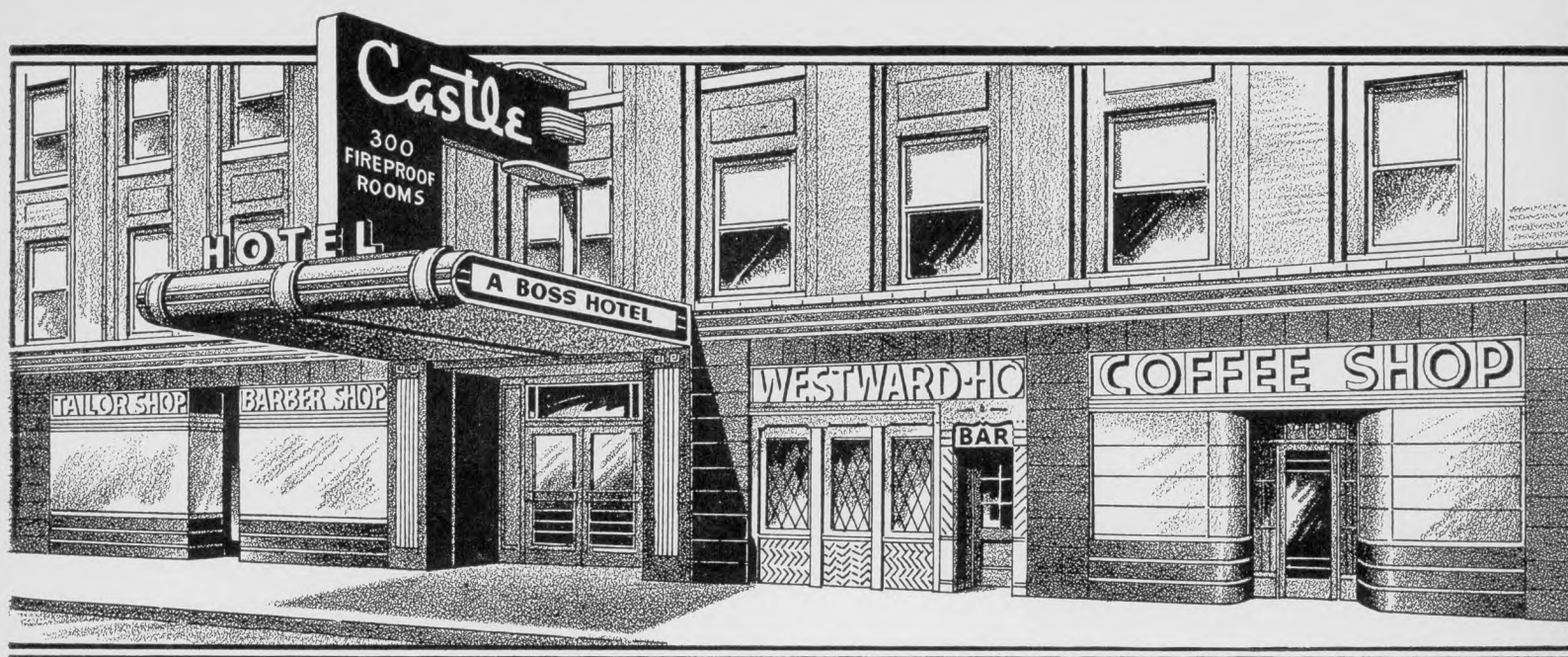
Nationalized 1863

OFFICERS

T. L. DAVIS.....President	O. H. ELLIOTT.....Assistant Cashier
F. W. THOMAS.....Vice President	O. H. VEEB.....Assistant Cashier
J. F. McDERMOTT.....Vice President	E. F. JEPSON.....Assistant Cashier
C. D. SAUNDERS.....Vice President	E. N. SOLOMON.....Assistant Cashier
J. T. STEWART, III, Vice Pres. and Cashier	J. F. DAVIS.....Assistant Cashier
A. H. CHISHOLM.....Assistant Cashier	H. A. AENSBERGER.....Assistant Cashier
W. E. SPEAR.....Trust Officer	
E. G. SOLOMON.....Assistant Trust Officer	

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Federal Reserve System

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The modern and attractive lobby-lounge of the Castle Hotel.

OMAHA'S OUTSTANDING HOTEL VALUE

300 FIREPROOF ROOMS

With Private Toilet
\$1.50 and \$1.75

Edw. A. Boss
Owner

Castle Hotel

With Private Bath
\$2.00, \$2.25 and \$2.50

Geo. A. Papineau
Manager

Omaha, Nebraska



Omaha Clearings

THE Omaha Chamber of Commerce recently condemned the Jones-Wheeler farm credit bill pending in congress and called on Nebraska congressmen and the senate agricultural committee to oppose it. In a three-page resolution sent to Nebraska senators and representatives, the chamber board charged that the bill, by reorganizing the farm credit system and retiring the capital stock of the Federal lands banks, would "delegate unprecedented, even dictatorial power over the

agricultural interests of the United States in one person, the governor of the farm credit administration."

Fourteen reasons were listed for opposing the bill.

One of them was:

"The bill would result in maintenance of submarginal farmers by subsidy at substantial economic loss, creating competitive conditions for the thrifty farmer which he will be unable to meet, and finally the agricultural interests, the non-governmental invest-

ors, banks, insurance companies, and the government itself will suffer irreparable tremendous loss and damage."

Ellsworth Moser, vice president of the United States National Bank of Omaha, and **William Sawtell**, president of the Stock Yards National Bank of South Omaha, have been elected members of the executive committee of the Omaha Better Business Bureau.

W. Dale Clark, president of the Omaha National Bank, **Ford E. Hovey**, president of the Occidental Building and Loan Association, and **Wallace Spear**, of the First National Bank, were elected directors of the bureau for three years; Mr. Moser and Mr. Sawtell for two years, **Alvin E. Johnson**, president of the Live Stock National Bank of South Omaha, for one year.

Mrs. W. Dale Clark, wife of the president of the Omaha National Bank, was elected treasurer of the Fortnightly Musical Club of Omaha at the annual meeting recently.

J. F. McDermott, vice president of the First National Bank of Omaha, was to address the 264 candidates for degrees at Creighton University's commencement May 30th in Omaha.

Walter W. Head, former Omaha bank president and now a St. Louis insurance executive, was re-elected president of the national council of the Boy Scouts of America recently at a meeting in Oklahoma City.

Richard L. Van Zandt, 68, former president of the Live Stock National Bank of South Omaha from 1923 to 1927, died recently at Fort Worth, Texas. Mr. Van Zandt had been active in banking circles for many years.

From 1901 to 1903, he was in the Philippine Islands as a representative of the United States Treasury Department. After leaving Omaha, he went to St. Augustine, Florida, as receiver for the First National Bank there.

Paul H. Burke, department manager of the First National Bank of Omaha, was elected president of the Omaha chapter, American Institute of Banking at the annual election of the board of governors. He succeeds Harry Conner of the Occidental Building and Loan Association.

Other chapter officers elected include **Louis Barta**, vice president, and **Theodore Spaustate**, treasurer.

Gwyer H. Yates, former president of the United States National Bank of Omaha, returned to Omaha recently on a business trip and for a visit with friends. Since his retirement as head



Our Business Is Built on Service Rendered

Let Us Serve You Write Us

Live Stock National Bank Omaha

(Member Federal Deposit Insurance Corporation)

• NEBRASKA NEWS •

of the bank, he has been traveling, making his headquarters at Santa Barbara, California.

Chief Justice Robert G. Simmons of the Nebraska Supreme Court, was principal speaker at the thirty-fourth annual dinner of the Omaha chapter, American Institute of Banking, at the Paxton Hotel in Omaha. He was introduced by **Ford E. Hovey**, president of the Occidental Building and Loan Association, who is reigning king of Ak-Sar-Ben.

Elected to the board of governors of the chapter were **Louis Barta**, Live Stock National Bank; **Paul Burke**, First National; **Ethel Mellor**, Omaha National; **Ralph Miller**, United States National.

Returning recently from California, where they spent the winter, were **Mr. and Mrs. D. P. Hogan**. Mr. Hogan retired recently as president of the Federal Land Bank of Omaha, which he served for many years. They spent three and a half months in Los Angeles and made trips to Santa Barbara, San Diego and other cities.

Jack R. Knicely of the Federal Reserve Bank of Kansas City, Omaha branch, received the 1940 oratorical contest cup awarded by the Omaha chapter, American Institute of Banking.

Miss Jessie Clark, daughter of **Mr. and Mrs. W. Dale Clark**, has been elected president of next year's senior class at MacMurray College, Jacksonville, Illinois.

She is a member of the Phi Nu literary society, has been sports editor for the Greetings, student newspaper, and the Illiwoco, yearbook; has been a

member of the Athletic Association and the college hockey team each year, and this year served as secretary of the Y. W. C. A.

H. W. Anway of Ames, Iowa, director of the Farm Security Administration in Iowa, came to Omaha, May 16th as secretary of the Production Credit Corporation, a unit of the Farm Credit Administration. He was elected to the office to succeed H. A. Viergutz, who was elected vice president. The PCC supervises activities of 42 local associations in Iowa, Nebraska, Wyoming and South Dakota.

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Without Publicity

Qualified, carefully investigated bank
employees furnished free

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Omaha, Nebraska

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We are happy to list among
our regular guests, a large number
of the banking fraternity.

You too will thoroughly enjoy
our Courtesy and Hospitality.

Surprisingly Reasonable Rates

Rooms With Bath
\$2.00—\$2.50

Farnam at 18th Street
OMAHA



Main Banking Floor, World's Fair Office, Manufacturers Trust Company

AN INVITATION TO VISIT THE BANK OF TOMORROW

BANKERS who visit the New York World's Fair are cordially invited to stop at the World's Fair Office of Manufacturers Trust Company, the Bank of Tomorrow. Here in the very heart of the Fair you will find a beautiful bank — modern, spacious, attractively furnished, air conditioned — ready to serve you in every way.

MANUFACTURERS TRUST COMPANY

World's Fair Office: Constitution Mall at Washington Square,
World's Fair Grounds

PRINCIPAL OFFICE: 55 Broad Street, New York
68 COMPLETE BANKING OFFICES IN GREATER NEW YORK

Member Federal Deposit Insurance Corporation

Recently midwestern business men and bankers, including 20 heads of Omaha enterprises, were invited to a \$10 a plate dinner by the Beatrice, Nebraska, Chamber of Commerce to help pay for new Chamber of Commerce furnishings there.

"To get even," each president was allowed two minutes following the meal to "insult" the Beatrice Chamber for charging so much for the meal. No one neglected to avail himself of the opportunity.

Among the Omahans who attended

were: **W. Dale Clark**, Omaha National Bank; **Alvin E. Johnson**, Live Stock National Bank; **W. D. Hosford**, John Deere Plow Company, and Federal Reserve Bank director, **William M. Jeffers**, Union Pacific system; **A. A. Lowman**, Northwestern Bell Telephone Company; **W. H. Schellberg**, Union Stock Yards Company of Omaha.

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 LA SALLE STREET

(Member Federal Deposit Insurance Corporation)



Control of Checks

• If a check bearing a questionable signature is presented for payment, do you know instantly to whom the checks were originally given? You do if they are *safety numbered*, because you have a *signed receipt*. If a "No Account" check comes in, of the sort merchants use for the convenience of customers, can you tell which merchant originally received it? You can if his name is *imprinted* on payee line.

Can a person cash your counter check outside your bank? Not if non-negotiable form is used.

Do a majority of your personal accounts use imprinted checks? They can do so under our Group Order Plan at extremely low prices.

These four safety measures in your bank would give you perfect control of your checks.

Write us for complete information

De Luxe

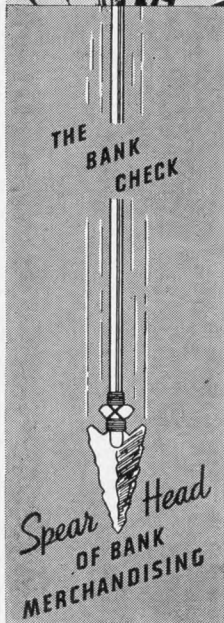
CHECK PRINTERS, INC.

Lithographers and Printers

Plants at
KANSAS CITY

CHICAGO
NEW YORK

CLEVELAND
ST. PAUL



New Building

The Wauneta Falls Bank building has been going up rapidly, the walls are up and the windows are placed. The brick used on the outside wall has a raindrop finish and displays a delightful soft coloring. The windows are of brick glass which give a subdued light and are dust proof. The features of this new building are of the latest and best that architecture can provide. The building will be ready for opening sometime in July.

The fiftieth anniversary of the opening of the Wauneta Falls Bank was on May 22nd.

LEGAL QUESTIONS

(Continued from page 20)

not yet done. The bus company replied that they were a purchaser for value entitled to hold free from prior equities and that, as such they were within their rights in going ahead with the deal. Were such contentions sound?

No. The position of the bus company would have been sound had they paid over to Brewregard the \$500 prior to the time Bell stopped the matter. Since they had not done this, however, they could not successfully contend that they were a purchaser for value for the reason that the value had not passed to the seller. An unperformed obligation of a grantee of an easement to pay for it at a later date is not value sufficient to make such grantee a purchaser for value entitled to hold free from prior equities.

A national bank in Pennsylvania having become insolvent, the Comptroller of Currency, in accordance with the provisions of the National Banking Act then in effect, notified Green, a stockholder, on December 15, 1932, of his obligation to pay an assessment of \$500 on or before January 23, 1933. Green did not pay and an action was brought on the claim on January 16, 1939. Actions of debt must be commenced within six years "next after the cause of such actions" under Pennsylvania law and Green defended

on the ground that it was barred by reason of such law. Was the defense good?

No. The six year limitation period began only when the suit might have been brought. Here it could not have been brought until after January 23, 1933, the dead-line for the payment by Green of the assessment. Since suit was filed within six years after that date the statute of limitations is not applicable.

Allen, a banker, became ill as a result of drinking a bottle of a very popular soft drink that contained a foreign substance. He was taken to a hospital and, while there, notified the soft drink company that he intended to claim damages. The company installed a device in his room without his knowledge or permission which enabled its agents to listen to and record private conversations between him and his wife, doctors, nurses, and friends. The banker learned of the device and sued the soft drink company for invasion of his right of privacy. This all occurred in Georgia. Can he recover?

Yes. The actions of the soft drink company violated the banker's right of privacy and he can recover damages therefore. The fact that he was asserting a claim against the company did not justify its actions in the premises although this fact could be shown in the trial of the case in mitigation of damages.

Where a partnership becomes insolvent and goes into liquidation and the partners themselves become insolvent and go into liquidation at the same time, do the firm creditors have a prior claim to assets used in the partnership business and the creditors of the individual partners have priority in those partners' separate estates?

Yes. If a partnership is insolvent, and is undergoing liquidation by court proceedings, the equitable rule of distribution, which is codified by the Uniform Partnership Act and the Bankruptcy Act, provides that firm creditors shall have a prior claim to assets used in the partnership business, and that creditors of the individual partners shall have priority in those partners' separate estates.

About Through

Gladys: "You've been typist to nearly all the men in the office."

Phyllis: "Yes, but I think I'm on my last lap now."



Lincoln Locals

DEAN BAUMEISTER was announced as president of the Lincoln chapter of the American Institute of Banking as the sixth annual banquet was held recently. He succeeds **Charles I. Anderson.**

Four new members were elected to the board of governors at the meeting which was attended by one hundred. They are: **E. A. Chittenden, E. U. Guenzel, Don Butler and Paul Bogott.** Re-elected were **Sterling Glover and Herman Brockmeier.**

Baumeister, who was formerly vice president, will represent the chapter at the national convention at Boston in June. Anderson has received an appointment to the national departmental conference committee of the A. I. B.

W. A. Robbins presided as toastmaster at the banquet, and Elsworth F. DuTeau, secretary of the University

of Nebraska alumni association, spoke on "Our Interest in Ourselves." Among those who spoke briefly were **Milton Barlow**, past national president, **Geo. W. Holmes, B. G. Clark, and C. W. Battey.**

Albert Marshall, who was caught twenty minutes after he had robbed the Martel State bank of \$242 was sentenced to five years flat in the state reformatory by District Judge Polk. Marshall pleaded guilty to an information filed by County Attorney Towle charging him with the crime of taking money from **J. Carl Sittler**, cashier, at the point of a gun.

Marshall admitted to the county attorney before he was arraigned that he had stolen a car from the Sidles Pontiac Company, then forged a check for \$20, on H. C. Marshall, his grandfather, with which to purchase the .22 caliber revolver he used in the hold up.



"Friendly"

CONTINENTAL NATIONAL cooperation is friendly. It puts the Golden Rule squarely back of every item of correspondent service.

The
CONTINENTAL NATIONAL

BANK
of
LINCOLN

Member Federal Deposit Insurance Corporation

The Federal Home Loan Bank board announced appointment of Joseph H. Soliday, Boston; Ernest T. Trigg, Philadelphia; Herman B. Wells, Bloomington, Ind.; Will C. Jones, jr., Dallas; **Paul F. Good**, Lincoln, Neb., and David G. Davis, San Francisco, as members of the federal savings and loan advisory council for the year beginning July 1st.

Created by congress, the council meets semiannually to consult with the board on general business conditions, and special subjects pertaining

to the Federal Home Loan Bank system and the Federal Savings and Loan Insurance Corporation.

A sale of remaining assets of the Lincoln Trust Company in the hands of L. A. Ricketts, trustee in bankruptcy, are being sold at the courthouse by R. A. Boehmer and Arch Bunting for the trustee. Mr. Boehmer said the face value of the liquidation certificates, bonds and other securities was from \$60,000 to \$70,000.



"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

The Test of Friendliness

True friendliness—the kind that brings one of our officers right to your desk when you have some unexpected problem — is paramount among officers of this bank.

This spirit has made Live Stock National Bank service outstanding. Out-of-town banks that agree with us on the value of such customer relationship are invited to make inquiry on our Sioux City service.



Sioux City, Iowa

Member Federal Deposit Insurance Corporation

Moving With the Times

Retail distributors, whether independent or chain, primarily exist to serve two groups—consumers and producers. The interest of the customer is to obtain articles whose quality he can trust, at the lowest possible price. The interest of the producer is to obtain the widest possible market for what he makes or raises, and to receive a return commensurate with the final selling price.

The overhead cost of distribution—which simply means the various in-between expenses involved in bringing goods from farm and factory to the ultimate consumer—has tended steadily downward in recent years. And the cause of that progress has been, to a very large extent, competition. Competition in manufacturing has been responsible for providing the public with a far better quality of products at a far lower price—refrigerators, automobiles, etc. By the same token, competition in distribution, with all types of retailers thinking up ways and means to serve the public better, has been responsible for the immensely increased operating efficiency of retail business.

The present open competitive system, in other words, has proven itself. It favors neither chains nor independents. The chain store which fails to move with the times will fail, exactly as will the independent store whose owner is wasteful, incompetent or lazy. The customer will go to the store which offers him most—in price, quality, special services, selection of goods, and so on. There is no regimentation of merchandising in this country, and that's one reason why our standard of living is the highest in the world.

Makes No Difference

A woman went to buy a drinking trough for her dog, and the shopkeeper asked her if she would like one that bore the inscription, "For the dog."

"I don't mind at all," she replied. "My husband never drinks water, and the dog can't read."

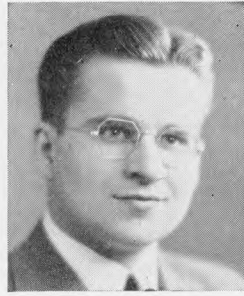
He Should Worry

A desperate-looking man entered a railway carriage wherein a lady and her small daughter were. Feeling alarmed, the lady tried to get the man to leave the carriage by saying:

"I think it is only fair to tell you, sir, that my little girl has scarlet fever."

"That's all right, madam," replied the man, with a terrifying glance. "I'm committing suicide at the first tunnel, anyway!"

SOUTH DAKOTA NEWS



GEORGE M. STARRING
Secretary-Treasurer
Huron

Continue to Improve

The condition of South Dakota's 124 state banks is continuing to improve, Erling Haugo, state superintendent of banks, announced. Loans during March this year increased nearly \$4,000,000 resources gained approximately \$6,000,000 and bank surpluses increased \$73,124 over March, 1939.

Total deposits in state banks — listed as \$38,966,762 for March this year—showed an increase of \$5,545,184 over the corresponding month last year. Undivided profits made a gain of \$191,383 and no state bank borrowed money, the superintendent said.

With no bank failures in the state in 1939, last year was the first year since 1919 that South Dakota banks remained sound without governmental assistance.

Haugo has employed two major methods to insure stability in the banks he supervises. He has not permitted dividends to be paid when a bank shows losses and if losses can not be made good by voluntary contributions of stockholders, he has urged transference of the stock to others who are able to make the necessary contributions.

Since taking office 15 months ago Haugo has successfully followed Governor Bushfield's request to push liquidation of South Dakota's closed banks. He has taken the word liquidation at dictionary value.

He keeps a close check on the banks being liquidated through a new system he adopted which brings him a monthly record of the exact cost of liquidation of each bank.

FHA Approval

The Federal Housing Administration has announced the appointment of the Southern Hills Bank, Edgemont and a branch of the Southern Hills Bank at Buffalo Gap, South Dakota, as approved mortgagees, it was stated by N. I. Blegen, manager of the South Dakota office of the FHA.

This action enables these institutions to lend their funds for residen-

tial construction, for purchasing existing dwellings and for refinancing indebtedness on existing dwelling under the FHA's Insured Mortgage System.

Other FHA approved mortgagees in the same immediate territory are: Custer County Bank, Custer, South Dakota; First National Bank of the Black Hills, Hot Springs, South Dakota.

Open at Noon

The Farmers State Bank, Flandreau, is remaining open during the noon hour, making banking hours continuous from 9:00 a. m. to 3:00 p. m.

Decision to remain open during the noon hour was made for the convenience of patrons, it was said by officials at the bank.

This is the first time within the memory of local bank employees that a bank in Flandreau has been open for business during the noon hour.

Clearings

Bank clearings in Sioux Falls were up \$43,596.95 for April over the like month a year ago, it was revealed at the Sioux Falls clearinghouse. The total for the month was \$6,025,823.13 as against \$5,982,226.18 for April, 1939.

SOUTH DAKOTA CONVENTION

(Continued from page 16)

H. R. Kibbee, president Commercial Trust & Savings Bank, Mitchell; State bank division. **L. H. Loken**, vice president Farmers and Merchants Bank, Watertown; and Trust division, **R. A. Pankow**, assistant cashier First National Bank & Trust Company, Sioux Falls.

The first session opened with an address by **E. S. Woolley**, director of banking installations for the George S. May Company, of New York, who presented a discussion of the service charge problem, and who told his listeners why he considered many of the present-day systems of applying charges as unfair to many customers.

Mr. Woolley says the name "service charge" is a misnomer. What the bank is doing is merely asking the customer to please pay for the services the institution is rendering.

At this same session, President Rempfer made a most comprehensive report on a survey which he has been conducting among banks of South Dakota, which brought out some very interesting facts regarding bank operating costs, which of course are closely related to profits. Mr. Rempfer presented numerous charts and graphs to explain his findings.

At a following session, **Charles F. Collison**, farm editor of the Minneapolis *Tribune*, and **R. V. Hunkins**, superintendent of schools at Lead, South Dakota, both gave talks of unusual interest. While space does not permit particular reference to them here, they will appear in full in coming issues of *THE NORTHWESTERN BANKER*.

Among resolutions adopted at the final session of the convention, were the following:

"We commend the constructive work of our President, Wm. C. Rempfer, in presenting the need for adequate service charges and recommend the adoption and uniform use of a schedule of such charges.

"We recommend the adoption of a uniform service charge on wheat and corn loans.

"We believe that the effect of the Fair Labor Standards Act of 1938 (Wage and Hour Act) as applied to banks in South Dakota is to stifle the initiative of employees and to lessen their opportunities for self-improvement and advancement, and we request the Administrator to exempt our banks from its provisions. If complete exemption is not possible, we request the adoption of regulations permitting banks to average working hours over monthly periods.

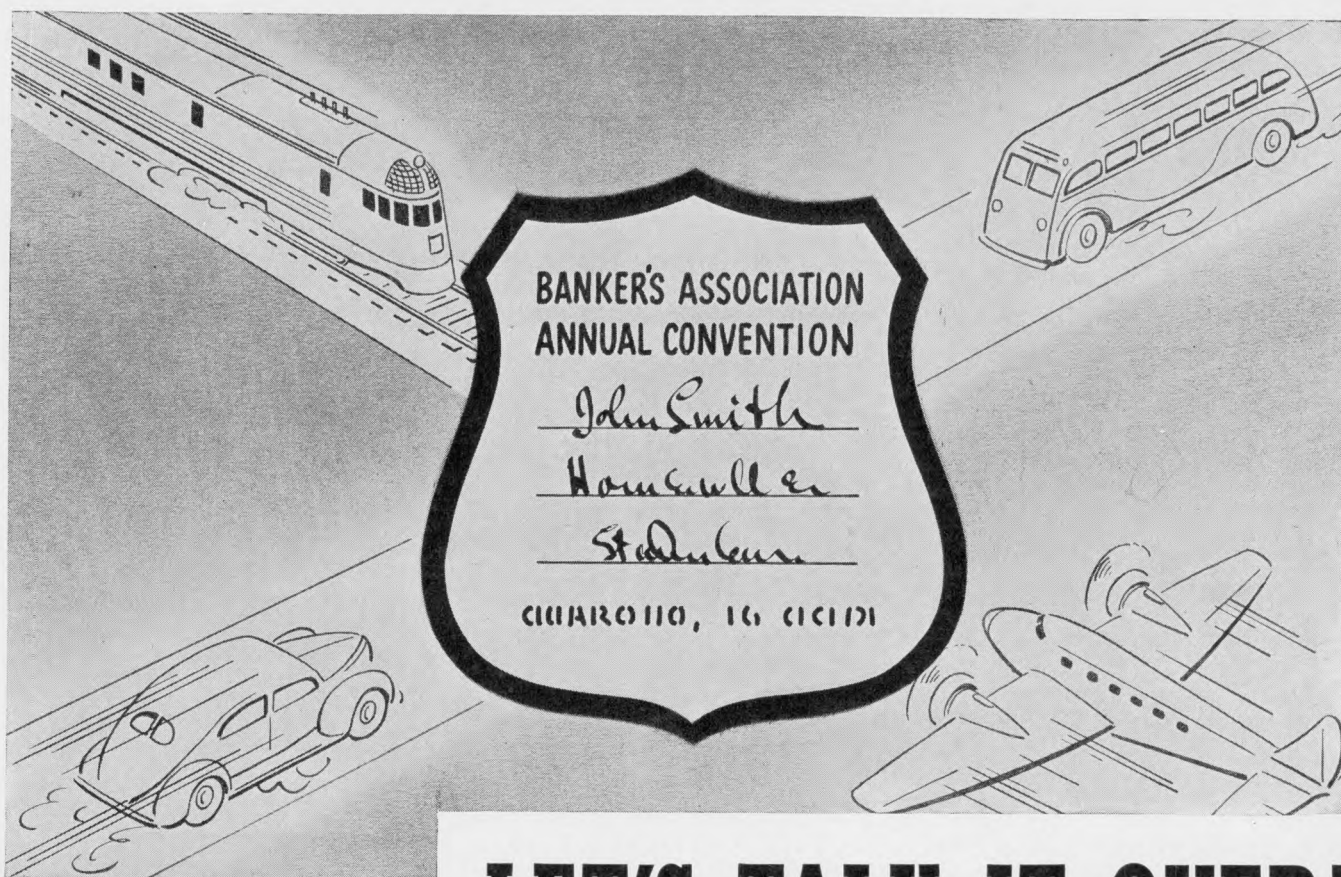
"We request the Secretary of the Treasury to consider the advisability of removing the prohibition recently imposed upon the purchase of United States Savings Bonds by banks, trusts, and similar institutions.

"We invite all banks in the state to join the Association.

"We thank all who have contributed so much time and effort to make this an enjoyable and successful convention. We have had a good time.

"We congratulate our secretary, George M. Starring on that happy combination of ability and friendliness, which has won for him selection as president of the Central States Banking Conference while performing in a faithful and outstanding way the duties of his office."

Deadwood, in the Black Hills, was named as the convention city for 1941.



LET'S TALK IT OVER!

It's Convention Time — time when we bankers can and should get together and discuss mutual problems. Time to explore the past — time to plan for the future.

Banking has progressed mightily in the last few years. Much of this progress is due to such group meetings and conventions as are planned for the immediate future.

Over the years our services for correspondent banks have kept pace with changing conditions. It is to your advantage to have an account at the "Northwestern."

USE "NORTHWESTERN" SERVICES

Department of Banks and Bankers

WM. N. JOHNSON
Vice President

F. W. CONRAD
Asst. V. Pres.

D. E. CROULEY
Asst. Cashier

L. P. GISVOLD
Asst. Cashier



The Northwestern Bank Building—in the heart of the business district. The "Northwestern" Bond Department, conveniently located in this building, buys and sells U. S. Government, State and Municipal bonds — inquiries invited.

NORTHWESTERN NATIONAL BANK AND TRUST COMPANY

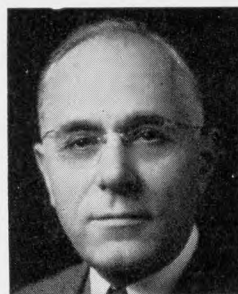
Marquette Avenue: 6th to 7th Streets
MINNEAPOLIS

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



A. B. LATHROP
President
St. Paul

MINNESOTA NEWS



WILLIAM DUNCAN, Jr.
Secretary
Minneapolis

Minnesota Business Prospects Promising

(Continued from page 13)

Waseca—J. E. Farrell, cashier, The First National Bank: "Waseca county and southern Minnesota, the garden spot of the world, are looking forward to a bountiful harvest. Spring seeding has been completed and the small grain looks promising since local rains in moderate proportion have been received. Farmers are busy preparing the ground for corn. Some have already begun planting. The Waseca canning factory will be operated this season and peas have been sowed and sweet corn ground is being prepared. Banking business is good and merchants report a very satisfactory business."

Benson—C. E. Gesme, vice president and cashier, The First State Bank: "We are pleased to report that so far we have had a good supply of moisture and the land is in excellent condition. The small grain, including flax, has all been seeded and the farmers are now busy getting ready to plant their corn. With the prices of cattle the past winter and the present improvement of hog prices and grain prices the farmers are in a very happy frame of mind."

"During the past winter a new swimming pool was completed in the city of Benson and this will be open for use about the first of June. Building activities seem to be on the boom here and several new houses have been built this year with prospects of a good many more being built during the summer months. Construction is under way at the present time for a new brick building to house six bowling alleys at an approximate cost of \$24,000."

Mankato—W. D. Willard, vice president, First National Bank of Mankato: "While the season is somewhat backward, conditions have been excellent formerly of Evansville, gave a talk on for spring seeding and the small grain crop is coming along nicely. While

there has been much complaint by the farmers at the price of hogs, there is every indication that on the whole, the farmer has had a pretty good year with total receipts well above the average. Bank debits here show a 10 per cent increase over last year and merchandise sales continue above normal.

"Mankato has two very promising new industries. The Mankato Soy Bean Products Company, after a successful first year, is increasing its capacity to be able to handle the products of 10,000 acres this year. The Carney Rockwool Company, which utilizes local stone in making its product, is finding a large and growing demand for its output."

Remodeling

Remodeling of the entire street floor of the Torrey Building for the new quarters of the Bank of Commerce & Savings, Duluth, at a total estimated cost of \$40,000, is under way, it was announced by Jay E. Markle, president of the bank.

The contract has been awarded to J. D. Harrold, local contractor, the plans calling for the completion of the major downtown project by August 1st. The building owners will spend approximately \$20,000, while the total cost to the bank for new fixtures, equipment and installation of a new steel vault, also will amount to \$20,000, according to Mr. Markle.

County Meeting

The annual meeting of the Douglas County Bankers Association was held at Alexandria recently.

K. O. Sattre, vice president of the Minnesota Bankers Association, and "Banking Affairs."

The officers for the coming year were elected.

Sam Meyers, cashier of the First State Bank of Carlos, succeeds A. C. Schneiderhan as president.

Nels Lee, cashier of the First State Bank of Kensington, succeeds Sam Meyers as vice president.

A. Dan Fiala of the Farmers National Bank in Alexandria will take over the duties of secretary and treasurer formerly held by Harry Silver of the Alexandria State Bank.

New Quarters

An extensive program of modernization and renovation has been completed at the Crookston Trust Company, giving this concern one of the most modern banking houses in the northwest.

Fixtures of the bank have been cut down to the new low style and cages have been removed. All walls of the building have been covered with a plastic, which throughout the main portion of the building and the directors' room, resembles stone. The walls of the office of V. L. MacGregor have a finish resembling tree bark.

Duluth A. I. B.

Miss Inez M. Campbell was elected president of the Duluth chapter, American Institute of Banking, at the annual election. She succeeds John O. Baker.

Other officers chosen were Elis Hendrickson, first vice president; Kenneth W. Dennis, second vice president; Miss Mary Lou Lyons, secretary, and Karl H. Thoorsell, treasurer.

Miss Virginia Trengove was elected chairman of the women's committee, and Iver Anderson, Miss Marie U. Cranmer and Lester E. Shervy were chosen members of the board of governors for terms of two years each.

The new officers were installed formally at a banquet May 22nd in Hotel Duluth.

Open House

Officers and directors of the First National Bank of Walker invited the people of that section to join with them after banking hours on May 11th, in the formal inspection of the fine new banking facilities which have been provided for the convenience and better service of the public.

The present bank building, just remodeled, was built in 1901. In 1928 the Farmers State Bank was added through merging. A bandit barrier was added in 1934. The recent improvement consisted of a thirty foot enlargement to the bank building, modern fixtures and safeguards, lobby and work space, new safety boxes, a director's room, an insurance office, and

storage space in the basement. The new entrance is a token of the great improvements that have been made.

Dies in Pipestone

Funeral services were held recently for Arthur C. Walker, 59, president of the Pipestone National Bank, who died after an extended illness.

Increases Capital

Indicating continued growth, the Dundas State Bank is changing its articles of incorporation to allow for an increase in capital stock from \$10,000 to \$15,000. Assets of the bank now total more than \$200,000, the largest in its history.

Frank W. Shandorf of Northfield is president of the bank.

Were in Hospital

G. A. Whitman, Eveleth, and D. W. Stebbins, Virginia, both officers of the American Exchange National Bank, were recently confined to the municipal hospital in adjacent rooms. Mr. Whitman was ill with pneumonia and Mr. Stebbins underwent a major operation.

Bank Officers

Orlando Didra, prominent druggist of Waseca and for many years a director of the First National Bank, was elected to the vice presidency of the First National Bank of this city, to fill the vacancy made by the recent death of John L. Hanson. Selmer Hanson of Otisco township, a farmer and director of AAA activities in Waseca county, was elected a director of the bank.

Buys Bank Building

The village council of Campbell purchased the First National Bank Building when it was sold for taxes. The plan is to repair it, since it has been empty for several years and put it into condition with the hope of getting a bank started in Campbell.

Dies in Warren

O. H. Taralseth, 62, prominent business man and civic leader of Warren, died recently at his home where he had been confined since January. He had been ill for two and one-half years.

Coming to Warren he entered business with his father in the State Bank of Warren and for 35 years was presi-

dent of the institution. He was a prominent leader in all civic enterprises for 40 years, serving as president of the Commercial Club, a member of the light, power and water commission, president of the Marshall county fair organization, and a leader in numerous agricultural activities. He had large land holdings in that vicinity.

CONSUMER FINANCING

(Continued from page 15)

ing, wherein the car owner pledges the only thing of collateral value that he has in order to help him over a rough spot. One-third of the automobile owners of the United States never owned a new car and to hundreds of thousands it is their most cherished possession.

The social aspects of installment loaning are most impressive, far more important than the quantitative aspect, for remember that consumers demand and will secure credit; they will take good agencies if they can get them, but bad agencies if they have to; and I submit that it is up to the bankers to furnish the good agencies. It puts the bankers in direct touch with the common people, the people who have the votes.

YOUR ST. PAUL TRANSACTIONS

**Banks in the larger and smaller cities
are finding our complete transit and
collection facilities satisfactory and
efficient in every way.**

We would appreciate the opportunity of serving you.

Empire National Bank and Trust Company

St. Paul, Minnesota

Alex. Highland, President

*Member Federal Deposit Insurance Corporation
Affiliated with Northwest Bancorporation*

Do Your Customers Know

what bank is your Minneapolis Correspondent?



Chances are, most of them neither know nor care. Yet your choice of a Minneapolis correspondent is important to them because it has a good deal to do with the service you can offer them Here at the First National, for instance, we're set up to perform services requiring business and banking connections in principal cities at home and abroad. By enlisting our help in making fast collections, securing credit or business information, handling transactions involving foreign exchange, many correspondent banks have made new customers—or better friends of old customers

Can we help *you* help *your* customers?

FIRST NATIONAL BANK and TRUST COMPANY OF MINNEAPOLIS

Member Federal Deposit Insurance Corporation

Department of Banks and Bankers

M. O. Grangaard • C. B. Brombach • W. A. Volkmann • J. J. Maloney
Vice President Assistant Vice President Assistant Cashier Assistant Cashier

Bank Advisory Division, K. T. Martin • J. M. Downes

Affiliated with FIRST BANK STOCK CORPORATION

Now then when you can combine great public service with substantial profit, you have a banking function worthy of serious, dignified treatment.

Installment financing has been a development over the last ten or twelve years so far as banks are concerned, and it has taken time to crystallize methods of operation and classify the same. Out of the many ramifications there have grown two methods which have now come to be known "via the dealer" and "via the public."

Under the dealer plan, a finance com-

pany operation is really paralleled. Generally it costs the customer more money. It is highly competitive. It does not build customer relations. On the other hand, it is generally conceded to be the quick way to volume. It is highly technical and replete with great hazards and, therefore, may be also the quick way to losses.

"Via the public" it seems to me is a true, over-the-counter, banking function. It has the advantages of direct contact with the borrower. It helps to build public relations. It has some col-

lateral advantages in the shape of directing to the bank other business such as savings accounts, safety deposit boxes, and checking accounts, and gives much greater opportunity for advice and counsel.

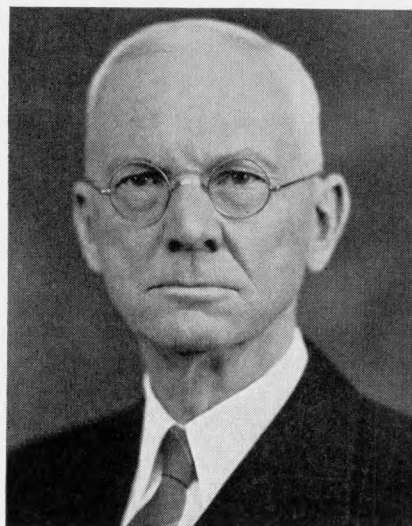
Many an individual's only or first opportunity to come into contact with a bank will come through the small loan department. The opportunity to acquire the security of established credit at "his bank," to acquire valuable equipment or comforts or conveniences with the help of "his bank," is a powerful and moving relationship. To walk proudly into "his bank" and negotiate a loan at a reasonable rate in a business-like way is a privilege which the embarrassed victim of the loan office will never forget. Certainly such objectives are worthy of dignified quarters, considerate treatment and attention to detail. No longer is the small loan department, however, the haunt of only the loan-shark victim, the necessitous borrower. Of 7,500 active loans on our books in Minneapolis, more than half of our people are borrowing to acquire property. Our five big display windows appeal to people of means who want to enhance their personal property inventory. We advertise constantly that we want to do business with people of good paying record. Our prominent corner location has no private consultation rooms. We advertise for loans for \$86,000 Diesel engines to \$86.00 washing machines. We try and believe we have succeeded in dignifying the business in our bank to the point where our customers take pride in doing business with the department. They are acquiring new and useful property, not paying for dead horses.

Acquisition or procurement is a big problem in competitive situations. "Via Dealer" plan requires salesmen, street representation, elaborate systems, records, kick-backs, reserves, follow-up solicitation. "Via Public" requires advertising, literature, excellent office organization and prompt over-the-counter service. Promptness is generally more important than rate. The customer's first question is: "How much will it cost me per month?" For advertising the larger operators have used every medium—newspaper, radio and outdoor. All have their proponents, with the newspapers getting the lion's share of the appropriations so far as my studies go. Early morning radio time proved a real success in at least one large city. Direct-by-mail, except in a few reported cases, seemed to be less effective than other media.

Now then let us consider what I think is obvious,—that installment

"Consistent to Good Banking"

Mr. C. R. Duroe, Cashier of the State Bank of Jeffers, Minnesota, is well-known throughout the Northwest for his capable, efficient methods of banking operations. Associated with the Jeffers Bank ever since 1899, Mr. Duroe knows the ins and outs of country banks.



"Our Jeffers Bank opened an account with the Midland National Bank and Trust Company way back in the days when they were known as the Scandinavian American National Bank, probably twenty-five years ago. Since opening the account, the Midland has been our principal correspondent bank. At all times they have granted us every accommodation consistent to good banking. I do not know how their service to us could be improved."

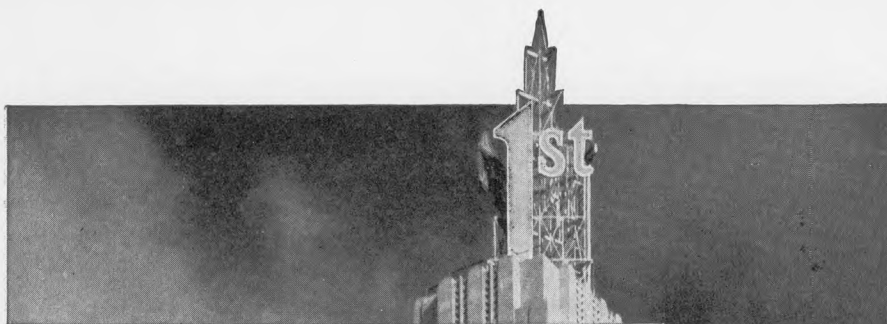
Midland

National Bank & Trust Company

of Minneapolis

SECOND AVENUE SOUTH AT FOURTH STREET

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



A bank
FOR BANKERS
since '53

From the smallest to the largest, hundreds of Ninth District banks choose the "First in Saint Paul" as their Twin Cities correspondent. Here they find a service which has met the requirements of banks and bankers for over eighty-seven years.



THE FIRST NATIONAL BANK

OF SAINT PAUL • AFFILIATED WITH FIRST BANK STOCK CORPORATION

Member Federal Deposit Insurance Corporation

loaning is a specialized field of banking, fiercely competitive, highly technical, and sweeping in its scope, with great possibilities for good or evil. This being the case, what must a bank do to succeed in this field?

1. **First, trained personnel.** (This business cannot be learned overnight.)
2. **Sound principles.** (Which have become second nature.)
3. **Flexible rules.** (The fewer the better.)
4. **No prejudices.** (This is a sort of D.P.A. project.)

5. **Accessible location.** (This means much.)

6. **Advertising funds.** (Good counsel invaluable here.)

7. **A stout heart.**

For after all, there is no magic in the words "installment payments". There is a magic in regular payments at frequent intervals, but there is also grief and trouble and ill-will in delinquencies, forced collections, foreclosures and repossessions. The banker who is running an installment loan department is still loaning his depositors'

money. He still has to get it back. He cannot avoid the responsibility of this trusteeship.

This discussion was prepared before World War II became so tremendous in its implications. Every banker will want to examine his responsibilities and weigh his plans in the light of recent developments. Bear in mind, however, that the kind of risks we have been discussing are greatly diversified, generally small as to individuals and gave a good account of their ultimate soundness during the great depression.

Northwest Bankers in Convention:

Greetings!

For over seventy-five years the St. Paul Fire and Marine Insurance Company has provided the Northwest with dependable insurance and prompt claim service

Today we are equipped to handle
your current problems—and offer

Insurance Counsel to Banks

through the

"St. Paul" Group

writing

Blanket Bonds

One policy covering Fidelity, Burglary, Robbery,
Messenger and other important coverages.

Forgery

Safe Deposit

Registered Mail

All Other Lines

St. Paul Fire & Marine Insurance Co.

Mercury Insurance Co.

St. Paul-Mercury Indemnity Co.

Saint Paul, Minn.

Owns Farm at Northfield

C. S. Ashmun, Minneapolis investment dealer, has a hobby which pays dividends. A few years ago he purchased a 240-acre farm 35 miles south of Minneapolis near Northfield. He runs down there over week ends and gets much pleasure from donning overalls and assisting his two hired men. Thirty-five Holstein cattle are kept at the present time and he is rapidly building up a pure bred herd.

Dividend

The board of directors of Manufacturers Trust Company declared the regular quarterly dividend of 50 cents per share on the common stock, payable on April 1, 1940, to stockholders of record on March 15, 1940.

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

Merchants of Security

Paradoxically the most desired objective of the average man, security for himself and family, is shunned far too often when it is thrust directly before him. Life insurance representatives are merely merchants of security, and sixty million Americans own the products of these merchants to the tune of over a hundred billion dollars.

Security for the thrifty as a result of the evolvement of insurance, has become a matter of merchandising rather than idealistic hoping. Security, like eggs and bacon, can be bought at a price—and the price is amazingly reasonable.

It might be well to remember that security and bacon and eggs are synonymous terms, and if an individual wishes plentiful supplies it is largely up to him to secure them by his own industry and savings.

TWIN CITY NEWS



NEW officers of the St. Paul chapter, American Institute of Banking, were installed at the chapter's thirty-eighth annual banquet at St. Paul Athletic Club.

They are **Phillip R. Day**, Empire National Bank & Trust Company, president; **Albert Trossen**, First National Bank, first vice president; **Frances Busch**, First Trust Company, second vice president; **Veronica Healy**, First BanCredit Corporation, third vice pres-

By James M. Sutherland

Special Correspondent

ident; **Kermit Nordquist**, First State Bank, secretary, and **Henry Ayd**, American National Bank, treasurer.

New members of the board of governors are **Alden Peterson**, Farm Credit

Administration, and **George Meyers**, Cherokee State Bank.

Winner of second prize in a national contest among bank employees sponsored by Christmas Club, Inc., **Arthur C. Johnson**, assistant manager of the personal loan department of First National Bank & Trust Company, Minneapolis, received a check for \$500. He won with an essay on "Wealth Comes From Understanding."

THREE KINDS OF MONEY EVERY GOOD PROVIDER NEEDS



HAVE YOU EVER stopped to realize that—to be a good provider—you really need three kinds of money?

When emergencies strike, you need money that can spring into action immediately—dollars instantly available in a bank account.

To be prepared against untimely death, you need money that will take your place in providing for your family. Such money can be provided through the medium of life insurance.

If you are like *most* people, you have already seen the need for these two kinds of money. One out of every 3 families in this country has a savings account. One out of every 2 has life insurance.

But in the world we live in today, more than ever before, people are conscious of the need for a *third* kind of money . . . the need for a reserve of dollars to be accumulated, step by step, to remain

untouched during a man's years of earning power.

This kind of money makes you a good provider for yourself *and* your family when your working days are done.

*** The First Step ***

The first and most important step toward the solution of a man's 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.

To help you take this first, important step, Investors Syndicate offers, without obligation, "Living" Expenses . . . a simple, easy way to find out where your money goes. This is *not* a budget book. For your free copy, write Investors Syndicate, Dept. 660, Minneapolis, Minnesota.

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

Home Office, Minneapolis, Minn. Affiliates: Investors Syndicate Title & Guaranty Co., New York; Investors Syndicate, Limited, Canada.

INVESTORS SYNDICATE

Living Protection

Established 1894

Northwestern Banker June 1940



A Logical Correspondent

Banks located in the territory tributary to the South St. Paul market can increase the service to their communities through a connection with us.

Our complete banking facilities assure prompt and efficient handling of South St. Paul transactions.

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

Member Federal Deposit Insurance Corporation

Annual stag party of the Exchequer Club of Minneapolis was held at Golden Valley Golf Club May 20th. **L. C. Berglund**, assistant manager of the Lake Street office of Northwestern National Bank & Trust Company, was chairman.

Management must recognize the great social progress that has been made during the past decade in industry, **Donald D. Davis**, president of General Mills, Inc., told members of the Minneapolis chapter, American Institute of Banking, at their forty-second annual dinner.

Dr. Davis listed among these advances that are now recognized rights such things as collective bargaining, old age pensions, hospitalization, sick benefits, disability compensation, termination compensation, and "perhaps most important of all," guaranteed income, security of employment.

F. L. Durand, First Service Company, heads the slate of new officers inducted at the banquet. **Arthur W. Johnson**, retiring president, presented the chapter's scholarship awards to **Frances S. Baker**, First National Bank & Trust Company, and **Jas. R. Brown**, Midland National Bank & Trust Company.

W. L. Boss, assistant cashier, First National Bank, St. Paul, has been named chairman of the tourist committee of the St. Paul Association of Commerce.

Annual outing of the Twin City Bond Club will be held June 13th at the "old stand," the White Bear Yacht Club. **Edward B. Lynch** is chairman of the picnic committee, while members are **Paul Burkland**, **Sidney Henderson**, **William Lewis**, **Dale Merrick**, and **Harold Wylie**. **Fred Goth** is in charge of the prize drawing.

Nearly 300 delegates from 17 states attended the sixth annual mid-continent conference of the National Association of Bank Auditors and Comptrollers at Nicollet Hotel, Minneapolis.

Topics discussed at the two-day session included banking problems of current importance, with special emphasis on simplification, standardization and improvement of banking methods.

The fifty members of the Twin City conference of the association were sponsors. **F. H. Delaney**, vice president of First National Bank, St. Paul, welcomed the delegates, while **J. Cameron Thomson**, president of Northwest Bancorporation, was principal speaker at the annual banquet. **Thomas H. Hodgson**, assistant counsel and trust examiner of the Minneapolis Federal Reserve Bank, spoke at the closing session.

Cleveland was selected for the 1941 conference.

Twin City Bond Traders Club will hold its annual golf party August 6th at Minneapolis Golf Club. **Joyce Finrud** of First National Bank & Trust Company, Minneapolis, is chairman of arrangements. Committee members include **Arthur Rand** and **William Howard**.

Directors of **Northwest Bancorporation** voted a 10 cent per share dividend on the bank holding company's stock, payable May 25th to stockholders of record May 10th. The payment involves \$155,983, according to **J. C. Thomson**, president. Ninety per cent of it will go to stockholders living in states served by Banco affiliates.

Repeating its annual custom, **Marquette National Bank** was recently host to Minneapolis contractors at a dinner at which mutual problems were aired. About 150 attended.

H. A. Warner, president of the First State Bank, White Bear Lake, was elected president of the Minnesota Safe Deposit Association at the annual meeting in Minneapolis.

CARSON F. JAMIESON EINAR A. BERG WILLIAM G. KAHLERT

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FIRST AND AMERICAN NATIONAL BANK

of DULUTH, MINNESOTA

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

• MINNESOTA NEWS •

Other officers named were **J. M. Kane**, assistant cashier, Stock Yards National Bank, South St. Paul, vice president, and **Phyllis Gustetter**, Commercial State Bank, St. Paul, secretary-treasurer.

New stock and grain brokerage house in Minneapolis is Paul M. Howard & Company. Partners are **Don Howard**, his son, **Paul M. Howard**, managing partner, and **P. Don Carson**. **Mrs. Jeanette Masek** is accountant and secretary.

Nominating committee of the Minnesota Bankers Association, representing all clearinghouse districts in the state, selected **K. O. Sattre**, vice president and cashier of Blue Earth State Bank, Blue Earth, as nominee for president.

Meeting in Minneapolis, the committee nominated **O. G. Jones**, president of Goodhue County National Bank, Red Wing, to succeed Mr. Sattre as vice president, and **Elmer B. Hanson**, president of First State Bank, Fertile, for another term as treasurer.

The association's annual convention will be held in Minneapolis June 5th to 7th.

The investment firm of Shepard, Romans, Inc., has opened in St. Paul. Associated in the business are **D. C. Shepard**, former president of Empire National Bank & Trust Company; his

son, **D. C., Jr.**, and **E. D. Romans**, well known in northwest financial circles.

Annual dinner party of the Minnesota Safe Deposit Association was held May 22nd at Lowell Inn, Stillwater. **Miss Dorothy McIntyre** of the West Broadway office of First National Bank & Trust Company, Minneapolis, association secretary, was in charge of arrangements, assisted by **A. S. Newcomb** and **R. O. Thayer**, Minneapolis, and **George E. Gere** and **C. A. Moberg, Jr.**, St. Paul.

Fooling Them

"I say, Bill," asked an acquaintance, "why did the foreman sack you yesterday?"

"Well," was the reply, "a foreman is one who stands around and watches his gang work."

"I know, but what's that got to do with it?"

"Well, he got jealous of me! People thought I was the foreman."

Two Hundred Dollars a Month When You Retire!

We don't mean the kind of retirement that Life Insurance Companies provide for age 65.

Suppose that sickness or accident should force you to retire tomorrow or next month or next year. Either sickness or accidents often compel temporary or permanent retirement and that is where our plan of benefits comes in. Bankers are not immune. Because they are good risks, however, they are entitled to extremely low-cost protection and bankers throughout the United States and Canada have thoroughly tested our Association over the past thirty-five years. Thousands of bankers can testify to the value of our protection.

There is no medical examination and no red tape. Just write us for particulars and application and literature will be promptly mailed to you.

Accident, Sickness, Hospital and Surgical Reimbursement Policies paid up in full to the middle of next December for the small membership fee. Don't Delay! Write us now!

MINNESOTA COMMERCIAL MEN'S ASSOCIATION

PAUL CLEMENT, Secretary

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YOUR GRACIOUS HOST FROM COAST TO COAST

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IN CHICAGO..



The Drake

The Blackstone

IN LOS ANGELES..



The Town House

IN BELLEAIR, FLA..



Bellevue Biltmore

A.S. KIRKEBY, Managing Director

KIRKEBY HOTELS

More Millions for Subsidy

The proposed St. Lawrence Waterway is one of the principal issues now being considered by Congress. And, should the bill pass in its proposed form, the taxpayers of this country will be called upon to bear a new burden of staggering proportions.

The estimated cost of the project is \$258,000,000. But, if past precedent is any arbiter, it is well to take that estimate with many grains of salt. For the almost universal experience, both here and abroad, has been that waterway improvements cost two to three times as much as the optimistic estimates of their proponents. The estimated cost of the Suez Canal, for example, was \$30,000,000—it actually cost \$80,000,000. Estimated cost of the Panama Canal was \$160,000,000—actual cost was \$375,000,000. Estimated cost of the Chicago Drainage Canal was \$16,000,000—actual cost was \$53,000,000. Estimated cost of the New York Barge Canal was \$62,000,000—actual cost was \$188,000,000. And the various authorities are of the opinion that the St. Lawrence Waterway would actually cost around a billion.

Canada, of course, is to pay part of the cost. But her payments are to be deferred until 1949, and we are to advance all the money. And, in these days, God only knows what will happen in the next nine years.

Lastly, if there is any real need for the waterway, it hasn't been made clear. The general experience with all waterways is that they benefit a few favored companies, mostly large—at the expense of all the rest of the

country which must pay tremendous sums for upkeep as well as for construction. According to Senator Wheeler, chairman of the Senate Interstate Commerce Committee, when concerns ship products by water "they receive the benefit, but the consuming public does not get one 5-cent piece benefit out of it." There is no reason for believing the incredibly costly St. Lawrence Waterway would be any exception.

Down to Earth

Chronic spendthrifts always run into trouble. Therefore, it is not surprising that the Federal government is beginning to notice gathering clouds on the fiscal horizon. Governments, like individuals, must pay interest on borrowed money. And the more money borrowed, the greater the accumulation of interest payable. When a debtor ceases to pay interest, his credit standing promptly collapses.

The annual interest bill on the Federal debt is currently about \$1,100,000,000. This is a sizeable sum even in these days of billion-dollar appropriations. And the interest problem must grow steadily more serious as our "chronic spendthrift" policy continues. Meanwhile it continues to serve as a down-to-earth reminder that government is like the rest of us. Its existence as a going concern depends upon its credit standing. It must meet its just obligations, ultimately pay its debts—or collapse, dragging with it millions of hard working citizens into the shambles of bankruptcy and despair.

Newhouse Paper Co.

"Better Printing Papers"

WHOLESALE PAPER

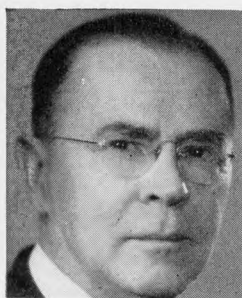
Minneapolis

Moline

St. Paul

Des Moines

Dubuque



FRANK R. SCOTT
President
Fargo

NORTH DAKOTA NEWS



C. C. WATTAM
Secretary
Fargo

Essay Contest

The First National Bank of Williston recently concluded an essay contest among high school and eighth grade pupils which created an unusual amount of interest and brought some excellent publicity to the bank. In the high school each essay was limited to 500 words, and in the eighth grade the limit was 400 words. More than 200 essays were submitted for judging in the contest. Territory included was the greater part of McKenzie county, and Williams county, and, of course, appropriate prizes were offered. J. Arthur Cunningham, president, and R. G. Rasmusson, cashier, were in charge of the contest for the bank.

No Spring Groups

In view of the mid-winter meeting and the fact that there are no pressing problems for immediate discussion, the spring group meetings of the North Dakota Association were not held this year.

Members of the nominating committee for the nomination of officers of the State Association from the respective groups will be chosen by the members of each group who are in attendance at the state convention, and the members of the executive council whose terms expire this year, will hold over until the fall meeting, when one member from each group will be chosen.

Brief News

The First National Bank of Hettinger has assumed the deposit liability of the Bank of Reeder, and the last mentioned bank went into liquidation.

The Ashley State Bank and the First State Bank, Wishek, were closed by their boards of directors.

The Farmers State Bank of Zeeland changed its corporate name and headquarters to McIntosh County Bank, Ashley, North Dakota, and opened for business at Ashley.

Dies in Fargo

Erwin A. Nissen, Gackle, 42, for 15

years cashier of the First State Bank, died in a Fargo hospital recently. His death was due to a heart ailment and other complications.

Shortly before he became ill Mr. Nissen had taken a position with the Federal Land Bank of St. Paul.

Besides his wife, Nissen leaves a daughter, Arlys, and two sisters, Mrs. Richard Purcell, St. Paul, and Miss Gladys Nissen, Anoka, Minnesota.

Charter Approved

The state banking board recently approved the opening of a paying and receiving station at Grenora by the

American State Bank of Williston, subject to final approval of the Federal Deposit Insurance Corporation.

State Examiner John A. Graham said the bank applied for authorization to open the paying and receiving station on petition of a group of Grenora businessmen.

He said the board approved an application for a charter for a state bank at Mott, also subject to final approval of the FDIC. The application was for the conversion of the First National Bank of Mott to the Commercial State Bank of Mott.

Wilton Death

Funeral services were conducted in Wilton recently for Theodor Herman Steffen, banker for the past 22 years, who died of nephritis.

In July, 1918, the Steffen family came to Wilton where he associated with the Wilton bank as cashier. Upon the consolidation of banks, he became vice president and cashier of the First National Bank.

Mr. Steffen was ever a worker for Wilton both as a member of fraternal orders and a participant in all civic activities.

The North Dakota Program

(Continued from page 19)

kota—B. E. Groom, Fargo, Greater North Dakota Association
Bank Earnings and Expenses, North Dakota Banks—H. C. Timberlake, Federal Reserve Bank, Minneapolis
Luncheon—St. Leo's Catholic Church

Afternoon Session

Rainbows and Green Cheese—W. W. Gail
Address—F. B. Bagshaw, K. C., Regina, Saschatchewan
Counterfeit Money—Joseph E. Sullivan, U. S. Secret Service, St. Paul
4:00 Golf—Minot Country Club
7:00 Buffet Supper—Minot Country Club
9:00 Entertainment and Dance—Minot Country Club

Saturday, June 15

9:30 A. M. Sharp—Opening, Elk's Club, Frank R. Scott, President, Presiding
Election A. B. A. Officers for North Dakota
Election State Association Officers
Address—A. L. Janes, General Counsel, G. N. Ry., St. Paul
Address—Hon. D. J. Needham, General Counsel, A. B. A., Washington, D. C.

Report—Committee on Public Relations
Unfinished Business
New Business
Report—Committee on Resolutions
Selection of 1941 Convention City
Adjournment

2:00 P. M.: Meeting—Executive Council, Leland-Parker Hotel

Ladies' Program Friday, June 14

1:30 P. M. Bridge Luncheon
Minot County Club
7:00 P. M. Buffet Supper
Minot County Club
9:00 P. M. Entertainment and Dance
Minot County Club

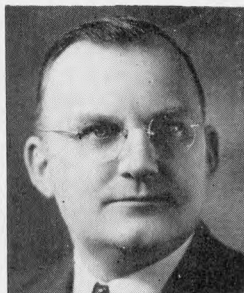
Entertainment Thursday, June 13

Afternoon: Golf—Minot Country Club
6:00 P. M. Smoker and Dutch Lunch
Minot Country Club

Friday, June 14

12:00 Noon—St. Leo's Catholic Church
1:30 P. M. Bridge Luncheon for Ladies, Minot Country Club
4:00 P. M. Golf—Minot Country Club
7:00 P. M. Buffet Supper—Minot Country Club
9:00 P. M. Entertainment and Dance, Minot Country Club

(Turn to page 58, please)



O. M. JORGENSEN
President
Billings

MONTANA NEWS

ETHEL W. WALKER
Secretary-Treasurer
Helena

The Montana Convention

Glacier National Park, June 17 and 18

WHILE all program and entertainment details are not complete as we go to press, **Mrs. Ethel W. Walker**, secretary of the Montana Bankers Association, has announced the names of several top-notch speakers who will address the annual convention of the Association to be held at Many Glaciers Hotel in Glacier National Park on Monday and Tuesday, June 17th and 18th.

Starting with **O. M. Jorgenson** of Billings, president of the Montana Bankers Association, Montana members will hear **Dr. H. H. Preston**, dean of the college of economics and business of the University of Washington, at Seattle, and **Laurence Lunden**, of the University of Minnesota at Minneapolis, as well as **W. W. (Bill) Gail**, of Billings, and humorist and lecturer.

An out-of-state banker to address the meeting is **Frank Powers**, president of the Kanabec State Bank of Mora, Minnesota, and a former president of the Minnesota Bankers Association.

L. E. Birdzell, general counsel for the Federal Deposit Insurance Corporation, Washington, will be a speaker, and the American Bankers Association will be represented by **D. J. Needham**, general counsel for that organization.

Montana has the reputation for holding a grand and glorious meeting every year, and this 1940 gathering promises to be one of the best.

Meeting in Helena

Three hundred Montana bankers, guests of the Helena branch of the Federal Reserve Bank of Minneapolis, recently heard financial livestock and agricultural problems discussed from every standpoint in a series of lectures delivered by leading economists of the northwest.

The one-day meeting concluded with a dinner and dance at the Civic Center auditorium.

Governor Roy E. Ayers, W. C. Coffey, chairman of the board of directors of the Federal Reserve Bank of Minneapolis; A. L. Strand, president of Montana State College; O. S. Powell, first vice president of the Federal Reserve Bank of Minneapolis; R. B. Hefebower, director of the school of business administration at Washington State College, Roy J. W. Ely, professor of economics at the University of Montana; Harold F. Hollands, professor of agri-

cultural economics at Montana State, and R. T. Clark, director of the Montana State College department of animal husbandry, were speakers during the day's sessions.

Dies on West Coast

Allen P. Bowie, 70, a former prominent resident of Philipsburg, died recently at his home in Seattle, Washington. He had been a resident of the coast city for the past 15 years and prior to that time he spent many years in the banking business in Butte and Philipsburg.

From 1918 to 1920, Mr. Bowie was a member of the state examiner's staff at Helena. From 1920 to 1925 he was cashier of the First State Bank at Philipsburg. He left in 1925 for the coast.

Group Meetings

Group 5 of the Montana Bankers Association held its annual meeting in

Great Falls, Wednesday, May 22nd.

This was one of a series of annual meetings held by various groups of the state association, as follows: Terry, May 18th and 19th; Poplar, May 20th; Fort Benton, May 21st; Great Falls, May 22nd; Missoula, May 23rd; Dillon, May 24th; Bar Lazy D Ranch near Columbus, May 26th.

Sells Bank at Shelby

In connection with the sale of the First State Bank of Shelby, Montana, to L. A. Christensen, formerly president of the Production Credit Corporation of Omaha, the Charles E. Walters Company, bank salesmen of Omaha, check up another "bull's-eye," the sale having been effected to the first purchaser introduced. Mr. Christensen has already taken possession and succeeds R. D. Mountain as president.

NORTH DAKOTA PROGRAM

(Continued from page 57)

Saturday, June 15

Afternoon: Golf Course Available for Visitors—Minot Country Club

Committees in Charge

General Committee: Robert E. Barron, chairman; Ray Brandt, vice chairman; H. M. Grant, C. P. Kjelstrup, W. E. Tooley.

Reservation Committee: Joe Westlake, chairman; T. A. Solheim, C. L. Hawley.

Transportation Committee: H. C. Dahl, chairman; Arthur Freer, Chas. C. Morton.

Registration Committee: Lucille Cunningham, Nellie Renwald, Muriel Johnson.

Golf Committee: Chas. F. Anderson, chairman; J. C. Hunt, Al. Fisher.

Ladies Committee: Mrs. Ray Brandt, chairman; Mrs. C. P. Kjelstrup, Mrs. H. M. Grant, Mrs. W. E. Tooley, Mrs. H. C. Dahl, Mrs. J. C. Westlake, Mrs. T. A. Solheim

Sure Shot

The Irish night watchman at the observatory was new. He paused to watch a man peering through a large telescope. Just then a star fell. "Man alive," he exclaimed with amazement, "you're shure a foine shot."

True Enough

An agitator was addressing a band of strikers.

"Only \$12 a week!" he cried; "how can a man be a Christian on \$12 a week?"

"How," yelled a voice, "can he be anything else?"



C. R. GOSSETT
President
Sioux City

IOWA NEWS



FRANK WARNER
Secretary
Des Moines

Clinton National Celebrates

Three-quarters of a century of banking service to Clinton was rounded out last month by the Clinton National Bank, which opened its doors to the public May 1, 1865. The bank had its beginning at the southwest corner of what now is Fifth Avenue, South, and First Street.

In the intervening seventy-five years it has provided a service to the public which has made possible the development of many of Clinton's most thriving business and industrial institutions. Out of the immediate group which organized the bank came the individuals responsible for many fine Clinton industries and for such institutions as the Clinton Water Company, the Clinton Gas, Light & Coke Company, now the Interstate Power Company, and the Clinton Street Railway Company.

The Clinton Savings Bank was organized in 1875 and has been operated as an affiliate of the Clinton National Bank in the same building and over the same counter and with the same personnel, including directors.

Present officers and directors are: President, L. J. Schuster; vice president and cashier, L. J. Derflinger; vice presidents, F. O. Kershner and A. L. Schuyler; assistant cashiers, A. F. Bohnson, W. J. Wegener and Fred W. Stampe. Members of the board of directors of the Citizens National Bank are: L. J. Schuster, A. L. Schuyler, Dr. F. O. Kershner, L. J. Derflinger, A. F. Bohnson, John E. Mooney and Peter H. Petersen.

Closed Half Day

During the months of June, July and August, the Peoples Trust and Savings Bank, Indianola, will close at noon every Thursday, it was announced. The action is taken to comply with the wages and hour act which permits only 42 hours work per week. Since 1938 the bank has been attempting to meet the requirements of the act by allowing the employees one-half day off per week. This did not meet the require-

ments and time and one-half over time was paid as required by the law.

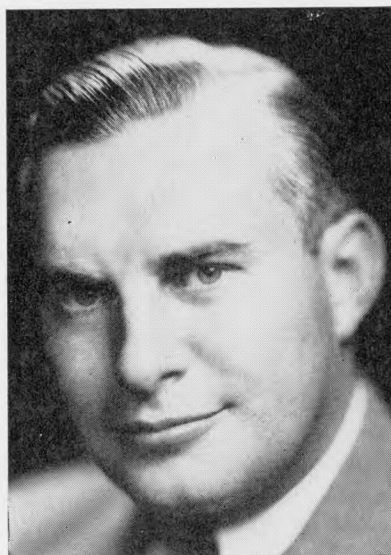
Change in Personnel

Claude E. Sinnett has been named manager of the personal loan department of the United Home Bank & Trust Company, Mason City, succeeding M. H. Wiegman. C. F. Weaver has also joined the staff of the United Home as manager of the public relations and business extension departments.

Mason City A. I. B.

Twenty members of the American Institute of Banking's group study class in Mason City held a banquet at the Mason City Country Club, which marked the end of four years of work for 14 of the class members.

New officers of the group were elected. They are Raymond C. Keister, president; Harry E. Van Every, vice president; James Richardson, secretary-treasurer, and W. W. Boyd and



R. R. ROLLINS
Mr. Rollins, vice president of the Bankers Trust Company, Des Moines, and immediate past chairman of Group Six, has been elected president of the Wakonda Country Club, Des Moines.

T. J. Barclay, new members of the board of governors.

Holdover members of the board are R. E. Wiley and N. A. Lysne. Retiring officers are Lloyd Lorentzen, president; Virgil Allen, vice president; Alfred Ambrosen, secretary-treasurer, and F. H. Darland and Florence Sandberg, members of the board of governors.

Pioneer Dies

Carl Holter, Postville's oldest resident, who would have been 93 years old June 30th, died recently after an illness of four months.

Mr. Holter had been president of the Citizens State Bank for the last five years and for many years was vice president. He had been a director of the bank from the time of the organization in 1891.

To Minneapolis

W. L. Wilder, Cedar Falls, assistant cashier at the First National Bank, has accepted a position at the Marquette National Bank in Minneapolis, Minnesota, and has begun his duties there.

Newton Group

Seven bank employees from Newton were members of a group of 17 that studied in an American Institute of Banking class in Grinnell through the winter months, meeting regularly for class sessions at a local bank.

The Newton group included L. H. Macy, Robert Quigley, George Kruse, Arnold Peters, Helen Vance, Beulah Chollett and Mary Louise Moffitt. George Kruse of Newton has been named president of the group planning to continue the study next winter, and Ray Welle of Sully has been named secretary-treasurer.

July Payment

More than 30,000 depositors of the former Union Savings Bank and Trust Company, Davenport, will receive a 15 per cent payment totaling \$1,046,869 by July 1st. The receivership for the bank has on hand \$600,000, and will borrow \$450,000 from the Davenport Bank and Trust Company.

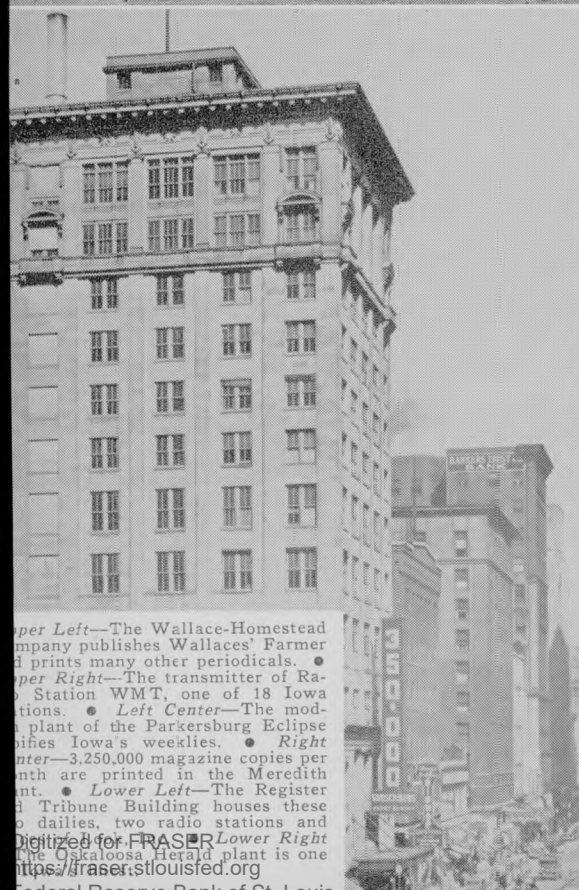
Gives Convention Talk

B. P. Olsen, auditor of the Muscatine Bank and Trust Company, addressed the sixth annual Mid-Continent Regional Conference of the National Association of Bank Auditors and Comptrollers on May 17th-18th in Minneapolis.

Mr. Olsen, acting in the capacity of chairman of the board of governors of the Iowa Association of Bank Auditors and Comptrollers, has gained unprecedented growth and broadening activities of the state association.

SPREADING THE

to the tune of millions of dollars



Upper Left—The Wallace-Homestead Publishing Company publishes Wallaces' Farmer and prints many other periodicals. • Upper Right—The transmitter of Radio Station WMT, one of 18 Iowa stations. • Left Center—The modern plant of the Parkersburg Eclipse prints Iowa's weeklies. • Right Center—3,250,000 magazine copies per month are printed in the Meredith Building. • Lower Left—The Register and Tribune Building houses these two dailies, two radio stations and the Federal Reserve Bank of St. Louis. • Lower Right—The Oskaloosa Herald plant is one of the largest in the state.

NEWS

To the average person, publishing of newspapers and magazines and operation of radio stations is a romantic "game." Few regard it as the big business it is—particularly in Iowa where "spreading the news" is a major industry—paying nearly 20,000 people more than \$15,000,000 in full and part time wages.

Both newspapers and radio occupy a vitally important spot in the everyday living of every resident of the state. There are 44 daily newspapers in Iowa with circulation of almost 800,000—more than sufficient to cover the approximately 650,000 homes in the state. Four hundred fifty weekly newspapers have a circulation of more than 950,000.

Staggering is the amount of paper that goes into these Iowa newspapers. If all the pages of all the Iowa papers printed in a year were joined edge to edge, they would make a ribbon 23 inches wide and almost 1,000,000 miles long.

Des Moines is the 52nd largest city in the country. Yet only 7 cities have dailies with circulation as large as that of the *Des Moines Register and Tribune*. One thousand full time and 5,500 part time employees work for this one company.

Iowa also enjoys unusual radio facilities through 18 stations. In WHO, Iowa has one of the few 50,000-watt power, clear channel stations in the country. Eight regional stations in the state, offering outstanding entertainment and informational service, and nine local stations complete the picture.

Iowa also occupies an important place in the periodical field. In Des Moines is the Meredith Publishing Company which publishes *Better Homes & Gardens* and *Successful Farming*—two of the largest magazines in their respective fields with total circulation above 3,250,000. Des Moines is also the home of Look, Inc., a pioneer in the picture magazine field.

It is particularly interesting that *Look* and *Better Homes & Gardens* should be edited in Iowa, as almost all other magazines in their two fields are edited and published in the east.

Des Moines also is the home of the Wallace-Homestead Company, publisher of one of the strongest state farm papers with a bi-weekly circulation of 280,000 copies. The Wallace-Homestead Company also custom-prints 19 other periodicals which have state, regional and national circulation totaling 142,900 copies per issue, among them the *Northwestern Banker*.

Iowa is one of the most literate states in the country. It is entirely fitting that it should be served by an information service so large it has become one of the state's major industries.

Bankers Trust Company is happy to serve, and to use the facilities of some of the state's "news spreading" agencies. Bankers Trust Company also is happy to render a correspondent service to Iowa banks as outstanding as is the service rendered to the state by the publishing and radio field.



BANKERS TRUST

6th and Locust Streets Des Moines, Iowa COMPANY

Member Federal Deposit Insurance Corporation

Member Federal Reserve System

Bank Sold

The La Porte City State Bank has been sold to L. C. McGill of Northwood, Iowa, and Ed Ronglin of Hanlontown, who will take possession on or before June 1st, as announced by President J. J. Maloney.

McGill was cashier of the Commercial State Bank at Independence for many years, and recently has been a bank receiver. Ronglin is cashier of the bank at Hanlontown at present and was formerly a bank receiver.

Maloney has not announced his plans for the future but does not expect to remain in La Porte City. He organized the La Porte City State Bank three years ago in September, with C. A. Brust, L. L. Froning, William Blough and Ed Entz as directors.

Dies in New Hampton

F. W. Brown, 77, died recently at his home in New Hampton, following a three weeks' illness.

Mr. Brown is well known in the

north half of Tama county and is known to many men in and around Reinbeck and was one of the men who helped to reorganize the Lincoln Bank at Lincoln, Iowa, and place the institution in Reinbeck.

County Meeting

Eighteen representatives of Allamakee county banks attended a dinner held in Waukon. After the dinner, the group met at the Waukon State Bank and held a discussion on banking problems.

Banks represented were the New Albin Savings Bank, Farmers and Merchants Savings Bank, Waterville; Postville State Bank, Citizens State Bank, Postville; Kerndt Bros. Savings Bank, Lansing, and the Waukon State Bank.

Resigns

James Collinson, employed in the First National Bank in Denison for the past year and a half, resigned to accept a position in a bank at Sauk Rapids, Minnesota.

President Dies

Funeral services for George W. Smith, 71, president of the Harcourt Savings Bank more than 20 years, were held recently.

Smith had been a director of the Harcourt bank since it was organized. He was a member of the board of directors of the Farmers Elevator and he served on the town council while living in Harcourt.

County Meeting

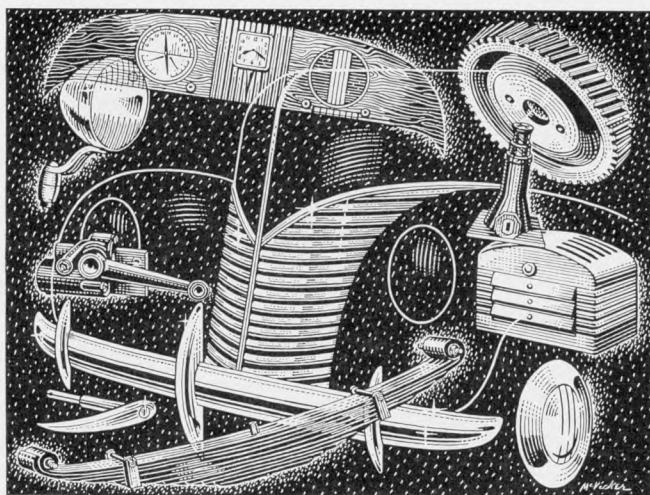
Homer Jones, who is associated with the Federal Deposit Insurance Corporation in Washington, D. C., was guest speaker at a dinner meeting of the Louisa-Washington Bankers Association at Washington.

Seventy-nine attended the dinner, which was served by the Presbyterian Ladies Aid Society. Bankers of Louisa and Washington counties and their wives were present. Frank Crone, president, presided over the meeting.

Cashier Resigns

Henry W. Campbell, cashier of the Farmers Trust and Savings Bank in Spencer since August, 1938, has resigned his position, effective June 1st.

Campbell came to Spencer from Lincoln, Nebraska, where he had a wide background in banking and allied business institutions.



CLOSE TO CHICAGO'S BASIC INDUSTRIES



• The truest measure of a bank's utility as a correspondent is the degree and capacity in which it is employed by basic industries in its own area. It is significant that the list of Chicago industries which the American National Bank is privileged to serve—including the automotive parts industry—has grown uninterruptedly. Evidence, we believe, that you, too, will find in the complete and modern facilities of this bank a constructive answer to the handling of your Chicago transactions.

AMERICAN NATIONAL BANK AND TRUST COMPANY

of Chicago

LA SALLE STREET AT WASHINGTON

Member Federal Deposit Insurance Corporation

COMMERCIAL • CHECKING • SAVINGS • TRUSTS

Waterloo Bank Increases Capital

THE capital of the National Bank of Waterloo has been increased from \$200,000 to \$250,000, Charles S. McKinstry, vice president, announced recently in connection with issuance of a statement of condition after nearly seven years of operation.

The increase was achieved through declaration of a stock dividend amounting to \$30,000 and sale of \$20,000 of new stock to the present stockholders.

The entire capital now consists of common stock, whereas the \$200,000 capital was made up of \$140,000 common stock and \$60,000 preferred. Preferred stock, which was owned by the Reconstruction Finance Corporation, has all been retired.



CHARLES S. MCKINSTRY

During the time it has been in business the surplus of the bank has been increased three-fold—from \$50,000 to \$150,000—largely through earnings, McKinstry said.

From the date the bank was organized on June 15, 1933, deposits have grown from slightly more than one million dollars to approximately seven million.

The personnel has been doubled, from 17 to 34; quarters have been enlarged by remodeling of the bank's second floor space, and a pneumatic tube system between the first and second floors has been installed.

James M. Graham is president of the bank.

Convention Calendar

June 3-7—American Institute of Banking—Hotel Statler, Boston.

June 17-29—Graduate School of Banking—Rutgers University, New Brunswick, New Jersey.

Sept. 18-20—National Association of

Supervisors of State Banks—Richmond, Virginia.

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

Oct. 16-19—National Association of Bank Auditors and Comptrollers—St. Louis.

Oct. 28-30—Financial Advertisers Association—The Homestead, Hot Springs, Virginia.

State Meetings

June 5-7—Minnesota—Minneapolis.

June 11-12—Wisconsin, place undecided.

June 14-15—North Dakota—Minot.

June 17-18—Montana—Many Glaciers Hotel, Glacier National Park.

June 17-19—Michigan—Pantlind Hotel, Grand Rapids.

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

Sept. 9-11—Iowa—Des Moines.

New Machine

Adding to the up-to-date equipment of this modern banking house, the Taintor Savings Bank is installing a new Proof and Transit machine made

FIRST National Bank service is a specialized kind of service. It is particularly attractive to banks that are concerned with grain and livestock items in this area.

Our officers are skilled in agricultural matters, from long years of practical experience. We invite you to make use of this bank in Sioux City, for all items including livestock, grain and hay proceeds.

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



FIRST NATIONAL BANK

IN SIOUX CITY

by Burroughs Adding Machine Company.

The machine is the latest of its kind and incorporates several transactions into one machine, thus eliminating long, hard and tedious work.

Heads County Bankers

Charles Leutt, Monticello, was named president of the Jones County Bankers Association at a meeting held recently at Monticello.

Other officers named were George Paulsen, Onslow, vice president; Melvin Ingwersen, Onslow, treasurer, and

Leonard J. Wegman, Anamosa, secretary.

Banks from Martelle, Anamosa, Monticello, Onslow, Wyoming and Oxford Junction were represented at the meeting. Dinner was served to the organization at 6:30 p. m. Marvin Levsen, DeWitt, spoke on "Lobbying" following the dinner.

Dies in Wyoming

John Thomsen passed away recently after an illness of a number of weeks, at his home in Wyoming. Mr. Thomsen had been failing for the past year

and only after the middle of March had he been confined to his home and bed.

In 1913 Mr. Thomsen became president of the Citizens State Bank in Wyoming, at which time this bank was organized. He had lived in the vicinity most all his life and before moving to town lived on a farm at the west edge of Wyoming.

To Increase Capital

Directors of the Farmers Savings Bank of Traer have announced that they will increase its capital from \$25,000 to \$40,000, as soon as the necessary details can be completed.

The \$15,000 of new capital will be taken from the undivided profits and will be issued to the present stockholders as a stock dividend.

The last published statement of the bank shows undivided profits of more than \$17,000.

With Ft. Dodge National

A new employe of the Fort Dodge National Bank is A. E. Lindquist, Jr.

Mr. Lindquist is a son of A. E. Lindquist, Sr., well-known Gowrie banker, and has resided in Webster county most of his life.

He was graduated from the University of Iowa college of commerce and for four and a half years was associated with the farm loan division of the Metropolitan Life Insurance Company in Fort Dodge. For the past 10 months he has been in the real estate and insurance business in Ida Grove.

In Webster City

"Bill" Steinbruck has resigned as manager of the Quaker Oats Company at Edna, Iowa, and has accepted a position in the First State Bank at Webster City. He has been employed by the Quaker Oats Company for 12 years, the first four years in Rock Rapids, and the last eight years in Edna.

Heads Scott Bankers

P. A. Dietz, president of the Walcott Trust and Savings Bank, was named president of the Scott County Bankers Association at a meeting of that organization held at Hotel Blackhawk in Davenport. President Dietz succeeds Robert J. Tank, cashier of the Central Trust and Savings Bank of Eldridge.

Other officers elected were: Herman Staak, cashier of the Davenport Bank & Trust Company, vice president; Louis Martin, assistant cashier of the First Trust and Savings Bank, treasurer, and Gerhardt Bruns, cashier of the Liberty Trust and Savings Bank, New Liberty, secretary.



IF 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?

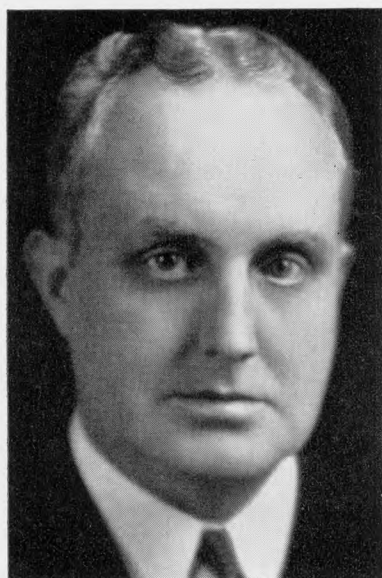
Live Stock
National Bank of Chicago
UNION STOCK YARDS

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker June 1940

News From Des Moines

DES MOINES bankers who attended the American Bankers Association Convention at Hot Springs, Virginia, returned home shortly thereafter, with the exception of **Herbert Horton**, president of the Iowa-Des Moines National Bank and Trust Co., who remained in



HERBERT L. HORTON

He was elected vice president of the Reserve City Bankers Association at the recent annual meeting in Hot Springs, Virginia.

Hot Springs for the annual meeting of the Reserve City Bankers.

The Des Moines group included **William J. Goodman**, chairman of the Central National Bank and Trust Co.; **A. T. Donhowe**, a vice president of the same bank; **Clarence A. Diehl**, a vice president of the Iowa-Des Moines National Bank and Trust Co., and **Frank Warner**, secretary of the Iowa Bankers Association.

Mr. Diehl attended as a member of the executive council of the national body. Mr. Donhowe was Iowa vice president of the national organization in 1938.

Mr. Horton, who has been a director of the Reserve City Association, and more recently treasurer, was elected a vice president of the organization at the annual election of officers.

The Des Moines American Institute of Banking election was held Tuesday, May 14th, and the following officers were elected:

President, **Kenneth Griffith**, Bankers Trust Co. First vice president, **Al Rodine**, Iowa-Des Moines National Bank and Trust Co. Second vice president, **Edward Bliquez**, Central Na-

tional Bank. Secretary, **Harriett McCoy**, Iowa-Des Moines National Bank and Trust Co. Treasurer, **John Bauserman**, Valley Savings Bank. Women's representative, **Mary Mackowsky**, Bankers Trust Co.

At the annual business meeting, **Dave Colby**, National A. I. B. Executive Councilman from St. Louis, spoke on "Which Way Are You Traveling?" The retiring president, **Leo Regan**, presented **Wilbur Ford** of the Iowa-Des

Moines National Bank and Trust Co. the scholarship award for the highest grade in any of the classes for the past year. The new officers and the scholarship winner will go to the national A. I. B. convention held in Boston June 3 to 7th.

The bowling prizes were also presented at the business meeting. Capital City State Bank and Bankers Trust Bees tied for first place. **Orville Gore** took most of the individual prizes. He took high games, high series, and also high average.

The Des Moines Chapter of the American Institute of Banking, com-

★ HEADQUARTERS FOR NORTHEASTERN IOWA BANKERS

STATEMENT
MAY 16, 1940

RESOURCES.

Cash and due from banks.....	\$1,994,474.33
Loans and discounts.....	2,604,535.26
United States Government securities.....	870,179.90
State, county & municipal securities.....	1,969,443.77
Other bonds	197,809.55
Stock in Federal Reserve Bank.....	12,000.00
Overdrafts	841.66
Furniture and fixtures.....	6,918.38
Accrued interest receivable.....	29,341.94
	<hr/>
	\$7,685,544.79

LIABILITIES

Capital stock—common.....	\$ 250,000.00
Surplus	150,000.00
Undivided profits.....	123,369.32
Reserve for taxes, interest, etc.....	46,026.74
Interest collected but not earned.....	12,892.79
Deposits	7,103,255.94
	<hr/>
	\$7,685,544.79

THE NATIONAL BANK OF WATERLOO

MEMBER . . Federal Reserve System
Federal Deposit Insurance Corporation

99% OF PAYC ACCOUNTS ARE NEW BUSINESS!

... says *Nebraska Banker* (Name on Request)

Get This EXTRA Business for YOUR Bank With the PAYC No-Minimum-Balance Plan

Experience of other bankers is convincing proof that the PAYC (Pay-As-You-Check) System will bring profitable new business into your bank. Office workers, wage earners, professional men and women, housewives and others in your community are ready to open PAYC Accounts NOW! PAYC solves service charge and minimum balance problems and eliminates account analysis. Builds business in other departments by exposing new customers to all bank services. Creates goodwill!

A complete PAYC outfit is inexpensive. Easy to install. Investigate now—write today!



Get Profit Building Details Today

Get your share of this small depositor business. Write today, let us show you how. PAYC is a copyrighted plan but no royalty is charged to banks using the system. Complete details, experiences of other bankers, sent on request. Address Dept. NW-JN

United States Check Book Co.
1309-15 HOWARD STREET • OMAHA, NEBRASKA

posed of junior officers and employees of Des Moines banks, held its annual check and money adding contest recently at the Iowa-Des Moines National Bank and Trust Co.

Elwood Compton, Bankers Trust Co., last year's winner in the check adding contest, again won first honors and a prize of \$15 when he added correctly 150 checks in 1 minute 54.5 seconds. **Mrs. Mary Crewe**, Central National Bank and Trust Co., winner of first honors in 1938, took second place and \$10 when she added the checks in 1 minute 57 seconds.

Third prize of \$5 went to **Arnold Dressler**, Central National Bank and Trust Co., in 2 minutes 4.6 seconds, while fourth prize of \$3 was won by **Harry Campani**, Iowa-Des Moines National Bank and Trust Co., in 2 minutes 16 seconds.

A new check adding competition for bank employees of less than two years' experience was won by **Max Barnhart**, Central National Bank and Trust Co., who was awarded \$3. **Patrick Henry**, Iowa-Des Moines National Bank and

AT THE IOWA GROUP MEETINGS



Pictured at the right are a number of those attending the 1940 Group Meetings of the Iowa Bankers Association. Reading from left to right, those in the pictures are, 1—**John N. O'Neill**, Cashier, First Trust and Savings Bank, Armstrong, Iowa; **H. N. Boyson**, vice president, Merchants National Bank, Cedar Rapids, Iowa; **H. J. Buel**, vice president, Farmers National Bank, Webster City, Iowa. 2—**Frank Warner**, secretary of the Iowa Bankers Association, Des Moines; **Charlie E. Gossett**, president of the Iowa Bankers Association, Sioux City; and **D. W. Bates**, Superintendent of Iowa Banking, Des Moines. 3—**L. A. Kempf**, assistant cashier, Northern Trust Company, Chicago; and **J. M. Hutchinson**, trust officer of the Davenport Bank and Trust Company, Davenport. 4—**Henry B. Walters**, president of the Tipton State Bank, Tipton, Iowa, who is a member of the "Whisker Club", which is celebrating Tipton's Centennial on July 3rd and 4th; and **Norman B. Shaffer**, vice president of the Continental-Illinois National Bank and Trust Company of Chicago. 5—**C. V. Gregory**, associate publisher of *Wallaces' Farmer* and *Iowa Homestead* of Des Moines and director of Federal Reserve Bank of Chicago, Des Moines; and **J. R. Capps**, cashier, Central National Bank and Trust Company, Des Moines. 6—**Albert Halvorson**, cashier, St. Ansgar Citizens State Bank, St. Ansgar, Iowa, and **H. S. Lekwa**, vice president, Ackley State Bank, Ackley, Iowa. 7—**John V. Haas**, assistant cashier, Northern Trust Company, Chicago, Illinois; **Arthur J. Frey**, Continental-Illinois National Bank & Trust Company, Chicago, Illinois; **L. Kenneth Billings**, assistant vice president, City National Bank & Trust Company, Chicago, Illinois; **Robert E. Hunt**, Northern Trust Company, Chicago, Illinois. 8—**Max von Schrader**, cashier, Union Bank and Trust Company, Ottumwa, Iowa, about to make a 300 yard drive. 9—**E. E. Erickson**, vice president and cashier, Toy National Bank, Sioux City, Iowa; **W. M. Bailey**, cashier, Home State Bank, Royal, Iowa; and **R. R. Brubacher**, president, Toy National Bank, Sioux City, Iowa. 10—**Charles S. McKinstry**, vice president, National Bank of Waterloo; and **J. J. Miller**, cashier, Waterloo Savings Bank. 11—**F. C. Moeller**, president, Ft. Dodge National Bank, Ft. Dodge, Iowa; **Peter Garatoni**, manager, Lehigh office of the Burnside Savings Bank; **Harry T. Huff**, cashier, The State Bank, Fort Dodge, Iowa. 12—**J. W. Edge**, vice president and cashier of the Central Savings Bank and Trust Company, Emmetsburg, Iowa, and **Mrs. Edge**. 13—**Mrs. Charles S. McKinstry**, Waterloo, Iowa, and **Mrs. R. W. Waite**, Waterloo, Iowa. 14—**J. J. Miller**, cashier, Waterloo Savings Bank, Waterloo, Iowa; **Charles B. Barron**, cashier, State Bank of Vinton, Vinton, Iowa; **J. L. Krall**, cashier, Fairfax State

Savings Bank, Fairfax, Iowa. 15—**G. L. Hill**, cashier, Lisbon Bank & Trust Company, Lisbon, Iowa; and **Van Vechten, Shaffer**, president, Guaranty Bank & Trust Company, Cedar Rapids, Iowa. 16—**Ivdel Cleal**, teller, Citizens State Bank, Iowa Falls; **Edna Miller**, teller, Citizens State Bank, Iowa Falls; **Eileen Lee**, teller, Iowa Falls State Bank, Iowa Falls; **Mrs. Mary Sheldon**, teller, Iowa Falls State Bank, Iowa Falls. 17—**Verne T. Bonnett**, assistant cashier, Iowa-Des Moines National Bank & Trust Company, Des Moines; and **B. L. McKee**, vice president and cashier, Muscatine Bank and Trust Company, Muscatine. 18—**V. H. Reid**, cashier, Palmer State Bank, Palmer, Iowa; **J. L. Campbell**, cashier, Humboldt Trust & Savings Bank, Humboldt, Iowa; **R. H. Miller**, president, Iowa State Bank, Algona, Iowa. 19—**F. E. Breckner**, assistant cashier, American National Bank, Arlington, Iowa; and **J. P. Malloy**, cashier, Castalia Savings Bank, Castalia, Iowa. 20—**A. S. Bagnall**, vice president, Live Stock National Bank, Chicago, Illinois; and **C. F. Harris**, vice president, State Bank, Gladbrook, Iowa. 21—**L. R. Moeller**, state agent, St. Paul-Mercury Indemnity Company, St. Paul, Minnesota; **W. E. Sheldon**, president, Home Trust & Savings Bank, Osage, Iowa; **T. E. McDonnell**, special agent, St. Paul-Mercury Indemnity Company, St. Paul, Minnesota. 22—**W. G. C. Bagley**, State Treasurer of Iowa, Des Moines. 23—Ready to tee off at Waterloo, left to right: **C. W. Fowler, Jr.**, cashier, Poweshiek County Savings Bank, Brooklyn, Iowa; **W. R. Chittenden**, assistant cashier, Farmers Savings Bank, Victor, Iowa; **Carl Trout**, assistant vice president, Live Stock National Bank, Chicago, Illinois; **H. L. Bass**, executive vice president, City State Bank, Ogden, Iowa; and **J. R. Vermazen**, cashier, Chelsea Savings Bank, Chelsea, Iowa. 24—**Charles Kelley**, State Banking Department, Des Moines, Iowa; **E. W. Jones**, vice president, Iowa-Des Moines National Bank & Trust Company, Des Moines, Iowa; **Melvin Sattre**, cashier, Ossian State Bank, Ossian, Iowa; **Everett M. Griffith**, assistant vice president, Iowa-Des Moines National Bank & Trust Company, Des Moines, Iowa. 25—**R. L. Penne**, cashier, National Bank of Waterloo, Iowa; **H. R. Young**, cashier, American National Bank, Arlington, Iowa; **R. R. Rollins**, vice president, Bankers Trust Company, Des Moines, Iowa; **V. W. Johnson**, president, First National Bank, Cedar Falls, Iowa. 26—**Fred D. Cummings**, Drovers National Bank, Chicago, Illinois; **Irvin B. Bleeker**, president, Citizens State Bank, Iowa Falls, Iowa; **M. R. Selden**, vice president, Merchants National Bank, Cedar Rapids, Iowa; **George W. De Buhr**, manager of Kelsey, Iowa, office of the Iowa State Bank of Clarksville.



Trust Co., took second and \$2, while **Dale Chenoweth** of the same bank won third and \$1. Barnhart's time was 2 minutes 50 seconds.

A Central National Bank and Trust

Co. team composed of Mrs. Crewe, Arnold Dressler and **Fred Owens**, won the check adding relay contest in 2 minutes flat. Each received a \$2 prize. A team contest consists of three

persons each adding 50 checks.

Art Erickson, Bankers Trust Co., habitual winner of the money counting contest, won first place and \$5 for adding correctly \$199.22 in bills and small change in 1 minute 59.6 seconds. **S. G. Barnard** of the same bank won second prize of \$3, and **William Howard**, Iowa-Des Moines National Bank and Trust Co., took third and \$2. Two other contestants made better time than Erickson but got wrong totals.

George Anderson, Iowa-Des Moines National Bank and Trust Co., won the money guessing contest and \$2.50 by guessing within 10 of a total of 1,725 pennies in a glass jar.

*Modern Facilities
Friendly Service
For Iowa Bankers*

VALLEY SAVINGS BANK DES MOINES

Officers

Frederick M. Morrison, *President*

Winfield W. Scott, *Vice President*

J. R. Astley, *Cashier*

Edward P. Kautzky, *Assistant Vice President*

Marvin L. Payne, *Assistant Cashier*

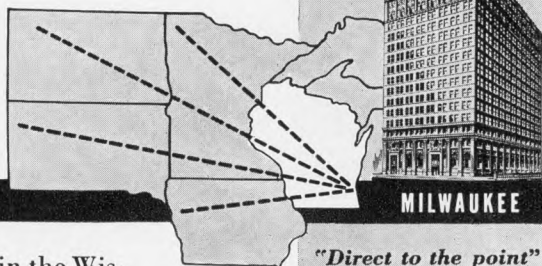
Frank M. Thompson, *Assistant Cashier*



MAX von SCHRADER

Mr. von Schrader, cashier of the Union Bank & Trust Company, Ottumwa, has been named the new president of the Rotary Club of that city.

**Route your Wisconsin items
DIRECT
to the POINT
of prompt collection!**



This bank is the largest in the Wisconsin-Iowa-Dakota-Minnesota area . . . serving more than 500 Wisconsin correspondents — assuring you prompt, efficient collection of Wisconsin checks and drafts. Your inquiries are invited.

"Direct to the point" because — the First Wisconsin serves as Milwaukee correspondent for over 85 per cent of all Wisconsin banks!

First Wisconsin National Bank

Resources over \$250,000,000

of Milwaukee

MEMBER OF THE FEDERAL DEPOSIT INSURANCE CORPORATION



Iowa News

A. J. Heimerman, cashier Stacyville Savings Bank, announces that his bank is in process of cleaning up trust certificates in full.

Arthur C. Rye, assistant cashier, Manly State Bank, has been made manager of this bank's Plymouth office.

H. N. Reints, cashier, Iowa State Bank, Clarksville, has been confined in a hospital at Waverly for the past few weeks.

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

The First Security Bank and Trust Company, Charles City, started paying 1 per cent on deposits April 1st. M. W. Ellis, president, announced that this rate will be in effect until further notice.

Bailey Elected

Meeting in Greene recently, the Butler county bankers named O. A. Bailey of Parkersburg as chairman for the new year.

Other officers elected included C. V. Cave of Greene, vice president; Paul Earp of Allison, secretary, and George DeBuhr of Kesley, treasurer.

With Fed., Chicago

After 12 years as one of the efficient staff of the Citizens First National Bank, Storm Lake, Matt Lynch announces that he has resigned to become assistant examiner for the Federal Reserve Bank of Chicago. His territory includes the states of Iowa, Wisconsin, Illinois, Indiana and Michigan.

To Plymouth

Arthur Rye, who was employed at the Manly State Bank at Manly, has been transferred to the Farmers Savings Bank at Plymouth where he will assume full charge of the office at Plymouth.

County Meeting

Howard and Chickasaw county bankers were guests recently of the Alta Vista and Elma bankers at a banquet held at Alta Vista. Sixty guests were present.

The dinner was served at the Community Hall and a program followed. Joe Menges of Alta Vista, secretary of the Chickasaw County Bankers Association, was the toastmaster.

Those in attendance from Cresco in addition to Mr. Elwood were A. J. Thomson, H. H. Webber, E. P. Farnsworth, Ray Farnsworth and Paul Farnsworth.

NEWS AND VIEWS

(Continued from page 14)

stead, and a director of the Federal Reserve Bank of Chicago, in speaking before the bankers' convention at Ft. Dodge, said: "Neither farmers or anyone else should be given a subsidized interest rate. Reducing interest rates to farmers will not make them prosperous. Farmers like to do their credit business with their local banks, because there is less red tape."

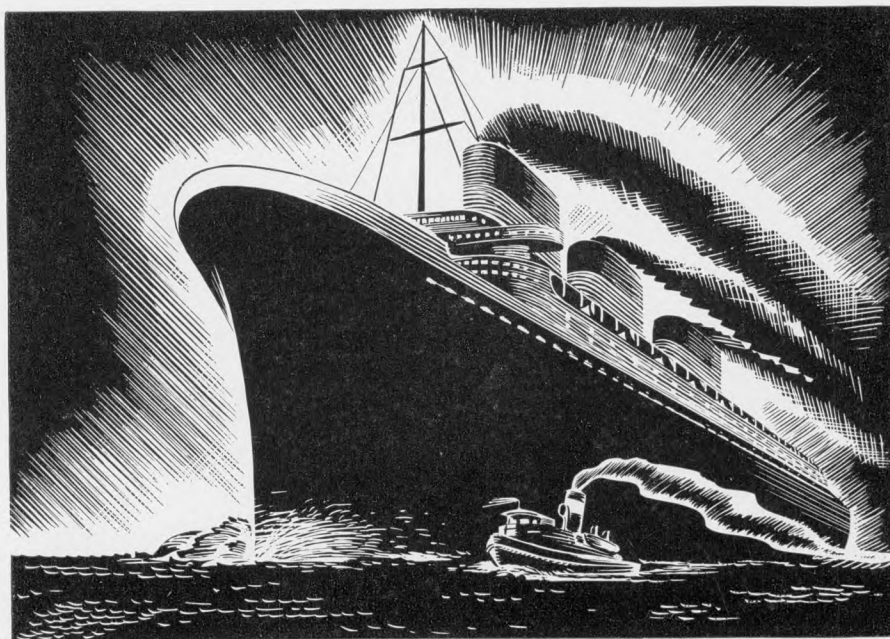
Now that the fishing season is here, we mustn't forget that **E. C. Fishbaugh**

is president of the Security Trust and Savings Bank of Shenandoah; that **N. W. Pike** is vice president of the Mapleton Trust and Savings Bank; that **H. L. Bass** is executive vice president of the City State Bank of Ogden, and that **Carl Trout**, assistant vice president of the Live Stock National Bank of Chicago, has a mighty "good line" of his own.

E. C. Bartik, assistant cashier of the First State Bank of Britt, was born in Brezence, which is near Prague, in what was formerly Czechoslovakia.

O. W. Madson, cashier of the Security Savings Bank of Farnhamville, Iowa, started his bank on June 1, 1934, with \$13,000, of which \$10,000 was capital and \$3,000 surplus and profits. In 6 years the bank has gained \$35,000, as it now has \$48,000, made up of a capital of \$25,000 and surplus and profits of \$23,000. In addition to this the bank has paid three cash dividends amounting to \$3,500 since 1934.

David H. Reimers, president of the Live Stock National Bank of Chicago,



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 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

Northwestern Banker June 1940

has recently purchased a new home on Sheridan Drive, in Evanston, Illinois.

"There has never yet been a man in our history who has had a life of ease whose name is worth remembering."

L. K. Billings, assistant vice president of the City National Bank and Trust Company of Chicago, super-

vised the establishment of dehydrating plants in Central America before he entered the banking business. The firm was located in Los Angeles. While in Central America, Ken got the yellow fever and had to return to the United States, and was sick about four months before he fully recovered.

Charles R. Gossett, president of the

Iowa Bankers Association and of the Security National Bank of Sioux City, believes that banks should work out a pension plan or retirement income for their employees. Plans which are now in force are available from the association office for any bank which wishes to take up such a program.

Frank M. Covert, assistant cashier of the Drovers National Bank of Chicago, as well as the other officers of his institution, are sending out a folder "**Know Your Money**," prepared by the United States Secret Service.

Portraits on bills may be identified as follows:

Washington on all \$1 bills.
Jefferson on all \$2 bills.
Lincoln on all \$5 bills.
Hamilton on all \$10 bills.
Jackson on all \$20 bills.
Grant on all \$50 bills.
Franklin on all \$100 bills.

V. O. Figge, executive vice president of the Davenport Bank and Trust Company, and **J. M. Hutchinson**, trust officer of the Davenport Bank and Trust Company, were hosts to a number of their banker friends at the Town Club during the Davenport convention. Among those attending the luncheon were:

J. F. Blomquist, First National Bank, Chicago; **G. D. Thompson**, Liquidation Corporation, Davenport; **Marvin Selden**, vice president of the Merchants National Bank of Cedar Rapids; **Bert McCulloch**, Union Bank, Davenport, Iowa; **L. A. Kempf**, assistant cashier, Northern Trust Company of Chicago; **V. L. Bartling**, assistant cashier of the First National Bank of Chicago; **Frank Warner**, secretary of the Iowa Bankers Association of Des Moines; **D. W. Bates**, superintendent of Iowa banks, Des Moines; **B. L. McKee**, vice president and cashier of the Muscatine Bank and Trust Company; **C. R. Gossett**, president of the Security National Bank of Sioux City; **W. G. C. Bagley**, State Treasurer of Iowa, Des Moines; **H. N. Boyson**, vice president of the Merchants National Bank of Cedar Rapids; **N. B. Shaffer**, vice president of the Continental-Illinois National Bank & Trust Company, of Chicago; **H. Staak**, cashier of the Davenport Bank & Trust Company, of Davenport, and **Clifford De Puy**, publisher of the NORTHWESTERN BANKER of Des Moines.

Edgar L. Mattson, president of the Midland National Bank and Trust Company of Minneapolis, in a recent letter to us commenting on our items in the May issue, "Seeing Sightings in the Southland," said:

A New Customer Service



SOMETHING new in the way of additional service to its customers has recently been installed by the Merchants National Bank of Cedar Rapids, Iowa, in the form of an automobile depository window, details of which are pictured above.

This Drive-in Wicket, as it is sometimes referred to, offers a teller's service during regular banking hours. The window is constructed of bullet resisting steel and glass. The opening is a turntable arrangement and the two grills on either side are electric pick-up speakers through which the teller carries on any necessary conversation with the customer.

Officers of the Merchants National report that this new facility is working out very well, and has been enthusiastically received by their customers.

Wessling Services

A WESSLING PUBLICITY PROGRAM BRINGS DEFINITE, TANGIBLE RESULTS

D. R. WESSLING, PRESIDENT

Des Moines, Iowa

Northwestern Banker June 1940

"I have read the May issue of the *NORTHWESTERN BANKER* with more than ordinary interest because of the interesting article on the wanderings of the De Puy family.

"Mrs. Mattson and the writer made almost the identical trip, visiting practically all of the places you mention except those located in Tennessee and the Carolinas. These places we have visited on previous trips.

"We ran into a quaint little place south of Natchez, namely, St. Francisville, where we stayed over night in a cabin as you did on the Suwanee River, and discovered that this was the abiding place of Audubon, who studied nature and taught dancing in this place. Perhaps you will remember it as being located near one of the outstanding southern places, not at Natchez but near St. Francisville, known as Afton.

"We were very much amused to learn of the rivalry between the two women factions in Natchez.

"You did not mention the razor-backs. Did you not encounter them between Mobile and Tampa particularly? Did you observe the warning to traffic that domestic animals were at large?

"I agree with you that one can go long distances in Florida before encountering signs to guide or reassure you that you are on the right road."

Nashua Election

The following officers of the First Nashua State Bank were elected at the annual meeting: President and cashier, A. L. Kout; vice president, G. E. Ellison; directors, J. F. Nafus, Norton H. Bloom, and E. W. Staley.

School Is "Out"

A. I. B. school was "out" in Keokuk several weeks ago, but the students (not true to form), liked to go to school so well on Monday nights that they organized a "Banking Forum," carrying on at the same time and place. Minus a teacher, a different class member takes charge at these meetings, leading the discussions, which are on cases taken from Paton's Digest. Anyone interested in banking is invited, and quite an enthusiastic round table has developed at these Monday night sessions.

Elected Cashier

Phillip Odens was elected cashier of the Sibley State Bank to succeed Marvin W. Leritz at the meeting of the board of directors. Mr. Odens came to the Sibley State Bank in 1933 as assistant cashier, serving under Harold

E. Scott. Prior to that time he had experience as teller, assistant cashier and cashier in banks at Little Rock and Rock Rapids. He has lived all his life in this section of the state.

Quimby Office

The Central Trust and Savings Bank, Cherokee, opened its bank office in Quimby recently. Henry Olson of Cherokee will be in charge, with the banking quarters in the former Quimby State Bank building.

Mr. Olson operated a bank in South Dakota at one time, but for a number of years now has been a field man for the Metropolitan Life Insurance Company, and for several years was with the Federal Land Bank.

To Atlantic

C. D. Emmert of Red Oak, a former Avoca resident, has accepted a position as cashier of the Atlantic State Bank, Atlantic. At present Mr. Emmert is examiner for the Iowa department of banking, intended to resign in May to take over his new work at the Atlantic bank on June 1st.

Named on Board

Fred C. Robison, Des Moines druggist, has purchased the stock of John P. Wallace in the First Federal State Bank, and will succeed Mr. Wallace as a member of the bank's board of directors.

Robison is vice president of McNerney Drug Stores and manager of the



FRIENDLY, INDIVIDUAL SERVICE FOR OUT-OF-TOWN BANKS

The correspondent facilities of this half-century-old institution are designed to meet the needs of bankers with all the efficiency and individual attention they require. As a result, an increasing number of out-of-town banks are using the services of The Northern Trust Company. Your inquiries are cordially invited. You will appreciate the friendly helpfulness which characterizes a connection here.

THE NORTHERN TRUST COMPANY

50 SOUTH LA SALLE STREET, CHICAGO

Member Federal Deposit Insurance Corporation

McNerney store at Twenty-fifth street and University avenue. He has been in business in that location for the last 21 years.

Grant McPherrin, chairman of the board of the bank, said Wallace resigned from the board upon selling his stock.

New Officers

The Winneshiek County Bankers Association elected the following officers for the coming year: President, W. P. Ronan of Decorah; vice president, Dr. J. P. Malloy, Castalia; secretary, Adrian Smith, Calmar; treasurer, R. W. Kaster of Decorah.

New Quarters

The Mortgage Investment Corporation, formerly located at 825 Fleming

Building, Des Moines, has moved into larger quarters at 1021 Fleming Building.

The corporation was organized in 1937 for the purpose of giving federal housing administration service in Texas and Iowa. The corporation has loans on its books from 74 Iowa counties and has closed loans in excess of \$2,700,000.

The Des Moines office is managed by E. R. Haley, vice president and treasurer. William S. Bradley, now with the Dallas, Texas, office, is president.

Iowa "Schools" to Start

It will be recalled that during this past year late into the summer of 1939, three "Farm Appraisal Schools" were held in three of the groups

(Groups 3, 6 and 11), and that it was further planned last fall to hold a Farm Appraisal School in each of the other eight groups but owing to unavoidable circumstances those schools had to be called off early in the fall by the college. Your Agricultural Committee and officers, collaborating with the Extension Division of the Iowa State College of Agriculture at Ames, has now completed the schedule of these coming eight Farm Appraisal Schools, to be held in the groups and on the dates designated below:

First Week

Group

- 1—Le Mars, Tuesday, June 4
- 2—Livermore, Wednesday, June 5
- 4—Arlington, Thursday, June 6
- 7—LaPorte City, Friday, June 7

Second Week

Group

- 8—Anamosa, Tuesday, June 11
- 10—Albia, Wednesday, June 12
- 9—Leon, Thursday, June 13
- 5—Harlan, Friday, June 14

In due time a program of each Farm Appraisal School will be sent direct to the banks in each of the groups. Local bankers cooperating with their local county agents have selected a local farm which will be used as a "specimen" for the school. The Extension Division, headed by R. K. Bliss, of the Agricultural College at Ames, has assigned Robert W. Wilcox, assistant extension economist, to have direct charge of these Farm Appraisal Schools upon behalf of the Ames college. Paul Burson and Herbert Folken will be among others who will attend each of the Farm Appraisal Schools as instructors. Mr. Folken, it will be recalled, was an instructor at the previous schools. It is anticipated that W. G. Murray and Roy W. Simonson, also instructors at the previous Farm Appraisal Schools of last summer, will also be among the instructors for a portion at least of the coming schools.

The Iowa Bankers Association is the first State Bankers Association in the United States to undertake this agricultural project. These Iowa schools have elicited many inquiries from various sections of the nation. It will be recalled these Farm Appraisal Schools start with a luncheon at noon. Following the luncheon a short program of instruction to the "students" is given. Then the "students" get in their automobiles and leave for the particular farm that has been previously selected and platted according to its various fields, its topography, and its buildings, etc. Actual soil tests are made in the various fields under the guidance of the above named instruc-



— in St. Louis

A City which enjoys the natural advantages of a central location, with excellent mail schedules both by rail and air. A Bank equipped to make full use of these in connection with your correspondent business.

FIRST NATIONAL BANK

IN ST. LOUIS

Broadway • Locust • Olive

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

tors of the State Agricultural College and who are all soil experts. On or about 5:00 or 5:30 P. M., the "students" go back to town where they have an hour or so preparatory to the evening dinner. After the evening meal the actual class work itself commences. These evening classes have never failed to produce a most lively interest when the actual appraisals of each of the "students" is finally placed upon a blackboard because each "student" is interested in knowing how his appraisal compares with that of his banker neighbor or other bankers in his group.

The members of the Agricultural Committee of the I. B. A. are as follows:

Group

2—K. J. McDonald, Estherville,

Chairman

8—L. D. Murfield, Anamosa

3—C. S. Rye, Northwood

4—H. T. Orr, Monona

5—J. H. Peterman, Clarinda

7—H. N. Boyson, Cedar Rapids

11—H. Lee Huston, Columbus Junction

6—O. L. Karsten, Newton

1—R. C. McKinney, Cleghorn

9—Wm. Zunkel, Leon

10—L. H. Vardaman, Keosauqua

C. R. Gossett, Sioux City,

President I. B. A. Ex-Officio.

In Iowa Falls

Miss Margaret Quinn of Northfield, Minnesota, has accepted a position as bookkeeper and teller at the Citizens State Bank, Iowa Falls. Miss Ivadel Cleal, formerly a teller, has been elected an assistant cashier.

Annual Meeting

The annual meeting of the stockholders of the Union State Bank was held recently in Monona, with about thirty stockholders in attendance. A summary of the past year's business, with an explanation of the bank's general policy, was rendered by the officers, and the detailed report of the cashier showed a steadily increasing volume of business for this institution.

The old board of directors, consisting of D. W. Meier, H. H. Smith, H. T. Orr, K. W. Rash, Edward Wirkler and P. H. Humphrey, were unanimously re-elected and at the annual board meeting which followed all of the officers were re-elected to the positions now held.

Hold Picnic

The staff of the Fort Dodge State Bank and their families enjoyed a

picnic at the Hydro Electric park recently. The group, to the number of 40, assembled in time to have a ball game before dinner. There was not time, however, to decide who won for the food, a chicken dinner, came at the right moment to forestall any arguments over the score. During the evening bingo was played.

Election

Stockholders of the Mingo Trust and Savings Bank elected W. J. Gannon

president at their annual meeting held recently. Other officers named are C. W. Kimberley, vice president; Albert Toms, cashier; Florence Frey, assistant cashier; Grace Kimberley, James Hanson and Lars Hanson, directors.

President Dies

Morse Kehoe, 72, president of the Silver City State Bank for 18 years, died at his home recently after an illness of over a year. Kehoe was forced to retire from the bank in 1939

Do You Need Information About Restrictions on Foreign Exchange and Trade?

The United States has only one kind of dollar. But England has both an official and a free pound for settlement of foreign obligations. Germany has long had a variety of marks. Canada—indeed the whole British Empire—has exchange controls. Italy manages its exchange. Likewise France. Latin-American countries have their controls.

This Bank has *current* information about foreign exchange restrictions, about commodity quotas, about import and export regulations—which are constantly changing. If these affect your customers, feel free to consult our Foreign Department.

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY

OF CHICAGO

Member Federal Deposit Insurance Corporation

because of ill health. He was cashier of the bank for 14 years prior to becoming president.

Kehoe was a prominent Mason.

Surviving are one son, Dr. Horace Kehoe of Gladbrook, and one daughter, Mrs. Grover Goos of Silver City. Mrs. Kehoe died in 1933.

Primary Banking Duty

The first duty of any bank is to fulfill its community responsibilities, Henry W. Koenke, second vice presi-

dent of the American Bankers Association, asserted in an address before a meeting of the Oklahoma Bankers Association.

"Granting that our American system of government is founded upon local autonomy and local development, and that the local banker is the center of this local development, the first duty of any bank is to the interests of its community," Mr. Koenke declared.

"This responsibility to our communities imposes upon us several spe-

cific obligations," he asserted. "First, we must constantly improve the quality of our management, and second, we have an obligation to learn all we can about our communities if we are to serve them effectively.

"No bank can fulfill its community obligations unless it knows local conditions and production possibilities of its territory. No bank can discharge its obligations fully by waiting for customers to come to the bank. The officers must get out into the trade to uncover credit needs and credit opportunities.

"Third, banks have an obligation to study their competition and meet it in a realistic way," Mr. Koenke declared. "No outside agency can take the place of the local bank in satisfactory service to the local community. If we are to retain the business we have and recover the business we have lost we shall have to do so through aggressive solicitation and adequate service rates which will be profitable to the borrower as well as ourselves.

"Fourth, we have an obligation to adapt ourselves to the change of times," Mr. Koenke asserted. "The public demands more services from banks and is willing to pay for it. If we are to serve the increased demands of our communities and hold our places as community institutions we must adapt and put into use such of the new banking services that have been evolved in the past few years as fit into our communities and have been found to be sound banking practice. The American Bankers Association stands ready to lend assistance in this particular.

"Fifth, it should be pointed out that while our responsibilities are primarily to our local communities, we also have an obligation to the nation as a whole and to the banking system as a whole," Mr. Koenke declared. "In these modern days, money and credit are national commodities—national in their flow and effect. We shall not discharge our community obligations unless we also do our part to preserve and improve the entire banking system."

Sponsor Contest

Lyon county 4-H Club members will again have an opportunity to participate in the International 4-H Club contest sponsored by the Rock Rapids State Bank in cooperation with the extension service, making the fourth year for such a contest.

The 4-H Club boy submitting the best all-around club record for 1940 will be awarded a free trip to the In-

For More Than 50 Years

Many of the oldest and strongest banks and trust companies in the United States maintain correspondent relationships with Central Hanover.

For example, 159 American banks have been correspondents continuously for more than half a century.

CENTRAL HANOVER
BANK AND TRUST COMPANY
NEW YORK



MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

ternational Livestock Show in Chicago this fall. Last year the contest was won by Stanley Porter of Inwood. Forrest Kohrt of Rock Rapids received the trip in 1938 and Gerald Munns, also of Rock Rapids, received it in 1937.

Any 4-H Club boy over 15 years of age may enter the contest. Complete records, including those kept in the Iowa Home Record book, are due in the farm bureau office not later than October 1, 1940. Judges for the selection of the winner will be named this fall.

Power to Destroy

Daniel Webster's warning that "the power to tax is the power to destroy," is looming ever larger in the minds of thinking citizens.

Several state legislatures have adopted resolutions urging that a limit of 25 per cent be placed on Federal income, gift and inheritance taxes. Rhode Island's resolution, which was originally adopted by the American Taxpayers Association, includes the proviso that Congress could lift the limit in case of war.

At present Congress may levy and collect up to 79 per cent of incomes of individuals and corporations. Every effort has been made to make people believe that high taxes on "big business" is a good way to "soak the rich."

Industry must pass taxes on to the consumer. When taxes pass beyond reasonable limits, costs rise; employment falls. Excessive taxes on individuals force individual wealth to seek refuge in nonproductive, tax-free, low-interest bearing government securities. If the total income of all those receiving more than \$100,000 in 1938 were confiscated by taxation—every cent of it—it would pay the cost of the government for less than 15 days! And one of the greatest dangers inherent in high Federal taxes is the tendency to undermine states rights by seizure of income that should belong to the states.

Aside from every other consideration, excessive taxes defeat the very purpose for which taxes are levied—revenue. It is a proven fact, as Walter Lippmann has pointed out, that "lower (tax) rates, by making private investment profitable, will eventually yield a larger revenue out of a larger national income by reviving investment. . . . The national income can be increased only by a revival of private investment, and private investment can be revived only by enhancing private profit, and private profit

can be enhanced only by taking less of the profit in taxes."

Meanwhile, the uncontrolled power to tax can destroy our liberties just as effectively as uncontrolled deficit spending.

Banking Evolution

In a recent talk, Dr. Paul F. Cadman, economist of the American Bankers Association, observed that banking has "opportunities to render perhaps the greatest service in its history in the creation and conservation of the

individual and social values of our economic life."

Today there can be no question but that banking is broadening its service to the people of this country. The banker fully realizes the necessity of giving the public a better and more accurate understanding of banking's function. He is frankly out to "sell" banking service, to the benefit of the community, the borrower, the depositor and the bank. Money in a bank's vault does little good, and he is as eager as anyone to put it productively to work.



*The First National
Bank of Chicago
invites business on
the basis of facilities
it has developed
in building with
Chicago since 1863*

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

This explains the tremendous activity of banks at the present time in seeking to increase and broaden their business. Banks are advertising more than ever before, and their advertising carries a new note of understanding. Every effort is made to attract the small borrower, no less than the large. And the little business with a legitimate need and adequate credit standing, interests the banker as much as the big business.

Thus banking's role in the economic life of the nation grows steadily great-

er. It is a role whose importance can hardly be exaggerated. American private banking is doing a vital job that helps and affects us all.

Mid-Winter Conference

The twenty-second annual Mid-Winter Trust Conference of the Trust Division of the American Bankers Association will be held in New York City on February 4-6, 1941, it is announced by Roland E. Clark, president of the A. B. A. Trust Division,

who is vice president of the National Bank of Commerce of Portland, Maine. The annual banquet, which will bring the conference to a close, will be held on the evening of Thursday, February 6. Both conference and banquet will be held at the Waldorf-Astoria.

Concealment Not Justified

When a charge was made in the Senate that the rural electrification cooperatives were not earning their interest charges, the Rural Electrification Administration, which finances the cooperatives, replied that information concerning their fiscal condition could not be made public.

The REA urged that disclosure of the facts would enable "hostile interests" to use the records of the "less developed or less successful systems" as proof of failure.

Withholding the facts concerning publicly financed enterprises can be justified only by exceptional circumstances, says the St. Paul Pioneer Press in commenting on this situation, and adds:

"The mere fact that disclosure of records might lead to embarrassing criticism, some of which might even be unfair criticism, is not sufficient reason for refusing to make reports on such enterprises as these. The policy of concealment too easily becomes a mask for inefficiency and waste of public funds, to be countenanced for such cause. The REA should spread its records on the table and allow the public, who is paying the bill, to decide whether criticism is in order."—Spokane, Wash., Spokesman-Review.

Tough Guy

New maid: "There's a man outside, sir, who wants to see you about paying a bill."

Man of the house: "What does he look like?"

New maid: "He looks like you better pay it!"

Federal Home Loan Bank of Des Moines

DES MOINES, IOWA

STATEMENT OF CONDITION APRIL 30, 1940

RESOURCES

Advances to Members.....	\$11,680,951.50
U. S. Government Obligations and Securities Guaranteed by U. S.....	1,367,000.00
Accrued Interest Receivable.....	30,615.18
Deferred Charges	12,603.68
Cash	6,091,312.23
	<u>\$19,182,482.59</u>

LIABILITIES

Government Stock Subscription.....	\$ 7,394,900.00
Members' Stock Subscription.....	2,467,200.00
*Debtures Outstanding	7,500,000.00
Premiums on Debtures.....	2,187.50
Deposits	1,084,560.68
Accrued Interest Payable.....	35,627.77
Surplus:	
Reserves	\$453,025.78
Undivided Profits	244,980.86
	<u>\$19,182,482.59</u>

*Participation in \$48,500,000 consolidated Federal Home Loan Bank debtures outstanding, which are the joint and several obligations of the twelve Federal Home Loan Banks.

FARM and HOME Full-Paid Shares

are Legal Investments

Farm and Home Full-Paid Shares are legal investments for banks, trust companies, insurance companies, guardians, fiduciaries and trustees of trust funds. Safety of principal is insured up to \$5,000 by a permanent U. S. Government agency.

Paying highest dividends consistent with safety. Current dividend rate $3\frac{1}{2}$ per cent per annum. Get full details.

Assets In Excess of \$17,000,000.00

Farm and Home Savings and Loan Association

Incorporated in 1893 . . . Member Federal Home Loan Bank System Nevada, Mo.



**ASSETS OVER
\$1,200,000.00**

**UNITED
FEDERAL SAVINGS
AND LOAN ASSOCIATION
OF DES MOINES**

216 8th Street

Phone 4-5324



GERALD S. BESKIN

The Seven Keys to *Public Relations*

By Gerald S. Beskin

MY TOPIC is "Who Pays for Public Relations?" Let's not beat about the bush . . . let's settle the "who pays" angle right and now. You pay for Public Relations if you ignore them . . . they pay for *themselves* over and over again if you use them *intelligently*! Your organization is dedicated to meticulously safeguarding and multiplying your shareholders' pennies . . . but what happens to *your own* pennies when you ignore the power of Public Relations?

What is public Relations? "Public Relations is the science of attitude control, the means by which every phase of human endeavor is keyed to man's wants and brought to and sustained in public favor."

How do you go about it? What tools do you use in conducting profitable Public Relations? Briefly, these tools are seven in number at the present time. I say "at the present time" because, being dynamic, new tools are constantly being invented to better serve the Public Relations practitioner.

A Good Service! It goes without saying, the Building, Savings and Loan business structure is founded entirely upon *service*! The finer that service, the firmer the foundation upon which to build a successful enterprise. The very heart of any Building, Savings and Loan Public Relations program is the kind of treatment given to your savings or borrowing customers and *their dollars*!

Your prospective customers want to have definitely proved to their entire satisfaction, just three things concerning your service: 1 . . . What will it

do for me? 2 . . . How long will that doing endure? 3 . . . How much will that doing cost? This latter point is very important to the borrower! This tool of service and the other Public Relations tools to follow will be more specifically covered by a series of soberly reflective questions which our organization has assembled into a rather inclusive and therefore intensive questionnaire created especially to chart the successful Public Relations course of any Savings, Building and Loan organization.

It must be said of your *service*, however, if it is not entirely up to standard, you're not ready to consider any other Public Relations procedure until this first matter is whipped into shape. To ignore this, will do your organization more harm than good . . . harm that will take more time, trouble and money to correct *later* than to adjust *now*, at the outset!

Careful Customer Attitude. This is a management and personnel matter. This involves the manner in which you render the highest type *service* of which your organization is capable! If there be several organizations offering the same complete and efficient service you do, the customer will deal with the Association that let's him know his business is appreciated and valued. This, it should be mentioned, concerns a cordial, smiling, friendly, helpful attitude . . . from the top executive down to the ambitious office boy.

Your organization is no more friendly and helpful than your sourest employee. This is the Savings and Loan application of the old saw, "A chain is no stronger than its weakest link!"

Employee Satisfaction! It is only half an employee who gets his entire compensation in dollars! The best, most loyal and thus the most produc-

tive employee is one who derives pleasure *plus* profit from serving your organization. Employee satisfaction goes beyond the confines of your office, for it is true, much job dissatisfaction begins at home . . . originating, in many cases, with those dependents who have a definite equity in the breadwinner's pay check without ever coming near your place of business!

These employees and dependents, with proper Public Relations procedure, can become one of your greatest financial assets. This is an individual problem with each organization and cannot be solved by the clock!

A Sense of the Dramatic! This is a tool-maker's tool, in that it makes possible the two tools to follow . . . *Advertising* and *Publicity*. Here is where skillful showmanship comes into play. It involves, among other things, personal conduct of your executives . . . not only *what* they do in the public eye, but *how* they do it! It is a combination of common and uncommon sense capable of judging what appeals are most effective in reaching your public . . . It concerns itself with weighing ideas and picking, with that infallible dramatic sense, ideas which *grip*, not *grope*.

It is quite apparent that the first four tools, "A Good Service, Careful Customer Attitude, Employee Satisfaction and a Sense of the Dramatic", are all *internal* factors that confine themselves to operations *behind* the doors of your establishment. The next tools deal with *external* matters that take place *outside* of your organization.

Advertising! In using this tool, a Savings, Building and Loan Association can either make a mint or lose its shirt . . . depending upon how well this tool ties in with use of the other Public Relations tools.

• SAVINGS AND LOAN •

Advertising cannot do the job alone. Advertising *has never* done the complete job alone. It's true, the old, familiar, three monkies, "See no evil, hear no evil and speak no evil" have

been modernized to meet the changing scheme of things . . . now they are, "See everything hear everything and shout like hell!" . . . but even this is not enough . . . the Savings and Loan organization has to *be* something, too . . . it has to be made to stand for something in the public mind through intensive use of all Public Relations tools if it is to succeed in fullest measure!

Any schoolboy who has read an advertisement or two can write one . . . but merely putting words and pictures on paper is not enough. Evaluation of ideas, evaluation of media, evaluation of timeliness, evaluation of cost against business potential are among the more important background factors which call for a high degree of skill and experience which in turn regulate *effectiveness* of your advertising message.

Use of these points spells the difference between *profitable* and *profitless* advertising. Even advertising *experts* can't tell you perfectly, which in a series of four ads, for example, will pull excellent, mediocre or poor returns! *Testing* is the important thing here.

Publicity! Here's the stuff that news is made of. This harks back to a Sense of the Dramatic. If your executives are capable of making news, through personal or civic activity your organization will get all the publicity it wants! Radio news commentators, newspaper and magazine editors literally cry for this sort of thing . . . and all it costs is a little time and ingenuity.

A good Public Relations counsellor can help a lot in this direction. Friendly connections with the editorial and managerial staffs of radio stations, newspapers and magazines is not amiss here!

You make possible the building of homes. You open up jobs for the electrician, the plumber, the contractor, the mason, the landscape gardener and all the other craftsmen in the building trade. They realize that a new home in any neighborhood is the focal point of interest (how many of you sneak into new homes under construction in *your* neighborhood under the cover of dusk?) and these craftsmen put their *signs* out in front of the new building that read, "Electrical work being done by Gerald Zilch and Company" and so on for the other craftsmen.

What does the organization which made the entire project possible do? Nothing! What is more laudable than supplying a nation with homes? Why not a sign, with permission of the owner, of course, "This Construction Proj-

ect Financed Through a Building and Loan Association"?

Public Speaking! Rightfully, this is an auxiliary to number six dealing with Publicity, but it's so important, if done well, it deserves individual consideration.

What is more powerful than the spoken word at the proper time and

EXTRA SAFETY LIBERAL RETURN

for
INVESTMENT
ACCOUNTS

Write for interesting
facts and figures.

POLK COUNTY FEDERAL Savings & Loan Assn.

Assets \$1,500,000.00

511 Seventh St.
DES MOINES

Member Federal Home Loan Bank System

HOME FEDERAL SAVINGS AND LOAN ASSOCIATION OF DES MOINES

—our Federally Insured up to
\$5,000 savings accounts are
the solution to your invest-
ment and trust problems.
Current dividend 4 per cent.

Statement on request.

904 Grand Avenue
Des Moines, Iowa

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"

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION
Minneapolis, Minnesota

"TIME IS KIND TO THE THRIFTY"



Trust Officers who want
a safe, flexible investment with
an attractive return, will find
it at the First Federal. The
current rate of return is 3%
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• SAVINGS AND LOAN •

place? What about *your* Savings, Building and Loan prospects in *your* area who make up the audiences in every gathering that takes place in *your town*? See what I mean?

I should like to ask and answer this question! What is the basic philosophy of Public Relations as it applies specifically to Savings, Building and Loan? Simply this . . . it helps in a

two-way movement of your industry to the prospect and your prospect to the industry! There are many things within the Savings, Building and Loan industry which cannot be readily changed because of sound economic laws and the state and national laws under which you operate. All right, this is clearly the place where Public Relations must make your public see these things *your way* and move your prospects' thinking toward *you*! There may be certain phases of your present plan of business which do not just exactly meet the needs of certain prospects at the present time. Well, here's the place to move your organization toward *your public* by making the necessary changes within reason! It's a two-way stretch that "girdles" the area known as "profit"!

Who *pays* for Public Relations? . . . permit me to repeat my opening statement . . . *You* pay for Public Relations if you ignore them . . . they pay for *themselves* over and over again if you use them *intelligently*.

You don't have to *wait* for the future . . . you can *make* it with a persistent program of Public Relations!

The First Loan

The first loan from the first American low-cost housing fund was made 109 years ago in April, the United States Savings and Loan League points out. On April 11, 1831, an application for \$375 was approved by this country's first savings, building and loan association, whose upper loan limit was \$2,500, making it exclusively a working-men's housing proposition.

The anniversary was celebrated this year by the granting of some 1,500 loans that day by the savings, building and loan associations which have sprung from that root, it is estimated by George W. West, Atlanta, Georgia, president of the League. He indicated that more than half of the loans made April 11, 1940, were still for lesser amounts than \$2,500, although the original limitations on size of the loans no longer hold in the associations.

"The chief contrast between this low cost housing movement of 100 years ago and today's new experiments with government built low-rent housing lies in the fact that all of the money lent for this purpose in 1831 was to help people own homes," said Mr. West, "whereas the millions which the government is lending for building purposes today is for rental houses only."

"In the final analysis the lenders of the money are the common people of the United States in both cases. In the first building and loan association of

Frankford, Pennsylvania, the people who lent the money were largely textile workers in the village factory, who in turn expected and received the same kind of credit later on. In the public housing projects of today the burden of financing falls on the public, which is mainly made up of wage earners, too. But in the modern case the fac-

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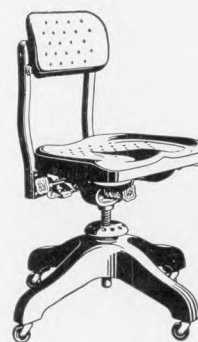
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Statement on request

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tory wage earner is often providing a subsidy for people of pretty much his own status in life, a subsidy which he will not get himself. From these considerations working men as a group were better off under the low-costing housing plan of 109 years ago than they are under the much touted one of today. And what is more, for people with regular incomes and a living wage, the old way is still available through existing savings, building and loan associations."

Under the plan of the original savings and loan association, each worker who expected to buy or build a home subscribed for one or more \$500 shares of stock in the association and matured them by monthly payments. A member could borrow as much as the face value of the shares subscribed for. No one could subscribe for more than five shares, which would mean \$2,500 at maturity, and thus a limit of \$2,500 on individual loans. The first loan applicant to be granted the money had only one share subscribed. He was a comb-maker in the town of Frankford, by the name of Comly Rich, who also acted as a borough policeman and lighted the village lamps.

Loans in the original association were paid off in monthly installments just as they are today in savings, building and loan associations. Comly Rich paid \$5.50 a month, for his three-room frame house, including the payment on his shares plus the interest on his loan, at 4276 Orchard Street, Philadelphia.

"Granted that this was in a time of much lower real estate values and lower general cost of living, it is still notable that workingmen could get homes for a \$5.50 monthly outlay, when they were buying them, whereas, public low-cost housing rentals today, which only pile up rent receipts for the family, seldom reach anywhere near this low figure, with subsidies and all," said Mr. West. "With wage scales so much higher today than they were in 1831, the difference between the cost of owning them and public renting now is all the more marked."

Annoying

"You know, I think my pal was drunk last night."

"How's that?"

"Why, he came in and jumped on the bed."

"Well?"

"The bed wasn't there."

Inconsistent

A conscientious father stopped spanking his son. "And now, my boy, tell me why I have punished you."

The boy went on crying, "That's it," he said, blubbering with indignation.

"First you pound the life out of me, and then you don't know what you've done it for."



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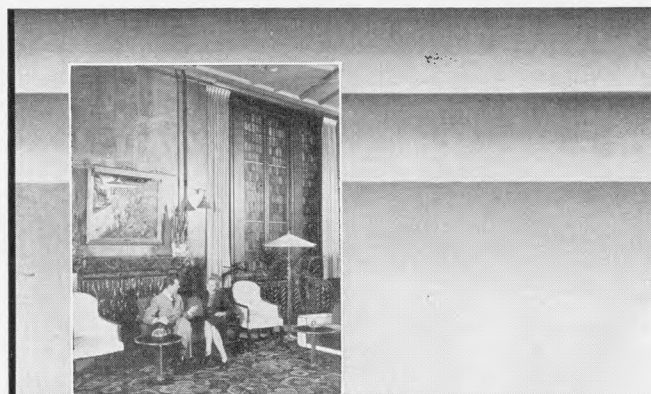
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IN THE DIRECTORS' ROOM

Serious Problem

They were chatting in the clubhouse, after a strenuous eighteen holes.

"This matter of beautifying the course is a lot of rubbish," said one. "The question of scenery should not enter into golf."

"Certainly not," agreed the other. "The big question is how to keep golf from entering into the scenery."

Or Minnie the Mooch

"Now, boys," said the teacher, "tell me the signs of the zodiac. You first, Thomas."

"Taurus, the Bull."

"Right! Now, you, Harold, another one."

"Cancer, the Crab."

"Right again. And now it's your turn, Albert."

The boy looked puzzled, hesitated a moment, and then blurted out "Mickey, the Mouse."

Lesson Number One

"My boy," said the business man to his son, "there are two things that are vitally necessary if you are to succeed in business."

"What are they, dad?"

"Honesty and sagacity."

"What is honesty?"

"Always—no matter what happens, no matter how adversely it may affect you—always keep your word once you have given it."

"And sagacity?"

"Never give your word."

Do Tell!

A woman had gone to Scotland for the first time in her life. On her return to London she expressed herself as quite surprised at the comparative civilization of the north.

"Our English customs are spreading rapidly," she said; "even in a little town like St. Andrews they have a nice golf course."

Yes and No

He: "I love you."

She: "Really?"

He: "But don't tell your husband."

She: "Why?"

He: "It might get back to my wife."

Every Month

Hubby: "You never tell me what you buy! Don't I get any voice in the buying?"

Wifey: "Certainly, darling! You get the invoice."



And He Had

"What did Hogan say when Kelly called him a liar?"

"Nothin' much."

"That's funny. Hogan used to be a hot-tempered man."

"Well, he never said a word except 'Have ye had enough yet?'"

Make 'Em Like It

"Now, girls," said the restaurant manager, "I want you all to look your best today. Add a little dab of powder to your cheeks and take a bit more care with your hair."

"Something special on?" asked the head waitress.

"No," informed the manager. "The beef's tough."

Rough and Tough

Film Director: "So you think you can stand the severe duties of a film actor? You know, in our business we may find it necessary to throw you down a flight of stairs into a barrel of water!"

Applicant: "Oh, I can stand that. I was collector for an installment furniture house for three years."

One a Day

When the doctor arrived he found the patient in tears.

"Cheer up, my good man," he said, "you'll pull through."

"It isn't that, doctor," groaned the patient, "but just think of all the money I've spent for apples to keep you away."

He Should Know

The tenant was complaining to the agent about being overrun with vermin.

"What would you say," he asked, "if I told you there are mice in the cellar a foot long?"

"Rats!" replied the agent, tersely.

But Some Girls Do

"Do you play golf?" he asked of the simple but gushing maiden.

"Dear me, no," she bashfully replied. "I don't believe I should even know how to hold the caddie."

Too Busy

Mother—Mary, I wish you'd go and tell your father and Mr. Jones that we'd like them to come into the drawing room.

Mary—But I've just looked into the library, mummie, and they're still very busy playing, "Have you heard this one?"

Excused

Teacher: "Tommy, why did you not comb your hair this morning?"

Tommy: "No comb, sir."

"Why did you not borrow a comb from your father?"

"No hair, sir."

Two-Timer

Two freshmen were trying to define the word "collision." "Collision," said one freshman, "is when two things come together unexpectedly."

"I know," brightly replied the other freshie, "Twins."

Pennsylvania Dear

A girl from out of town decided to make the most of her last evening in State College. Along about the seventh or eighth fraternity house, she saw, above the fireplace, an elk's head to which designing brothers had added eyes that worked like traffic lights, neon antlers, a van-dyke-beribboned beard, die teeth, and a sneer.

Our girl was equal to the occasion, no one having put anything over on her that evening. She quietly examined the trophy from all corners and angles of the room, finally asked to be introduced to the hero who had bagged it. He was, her escort said, the handsome, girl-surrounded fellow over there. Boring her way to the center of the circle, she threw back her head, looked up with a clear eye and a disarming smile, and said:

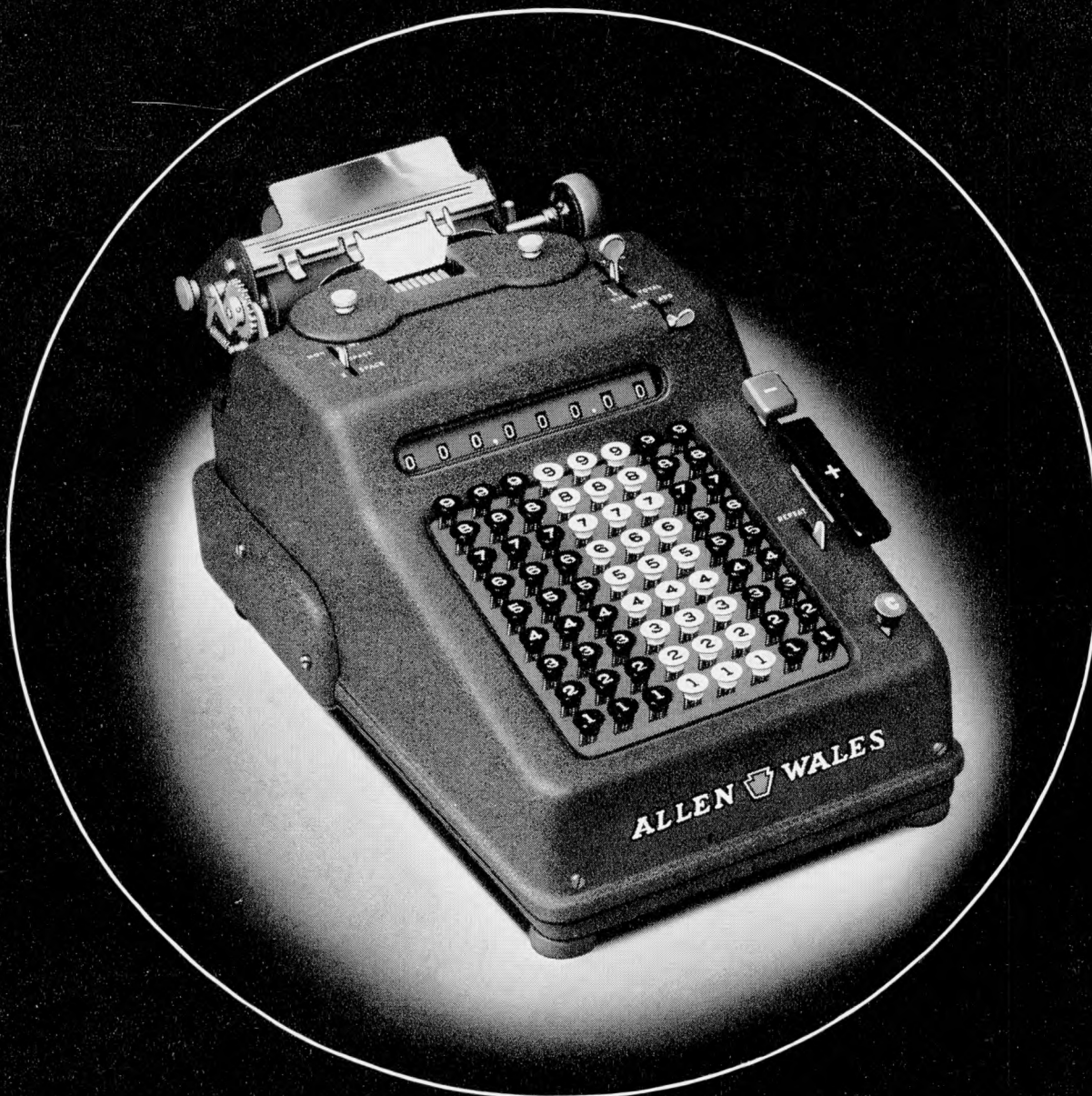
"Thay, howdja get thuffthiently thouthed to thee thuch a thing, and thtill thtay thober enough to thoot it?"

Dad: I'm surprised at you! Do you know what they do with boys who tell lies?"

Son: "Yes, sir. When they get old enough the firm sends them out as salesmen."

She: "Matrimony is a serious word."

He: "You're wrong. Matrimony is a sentence."



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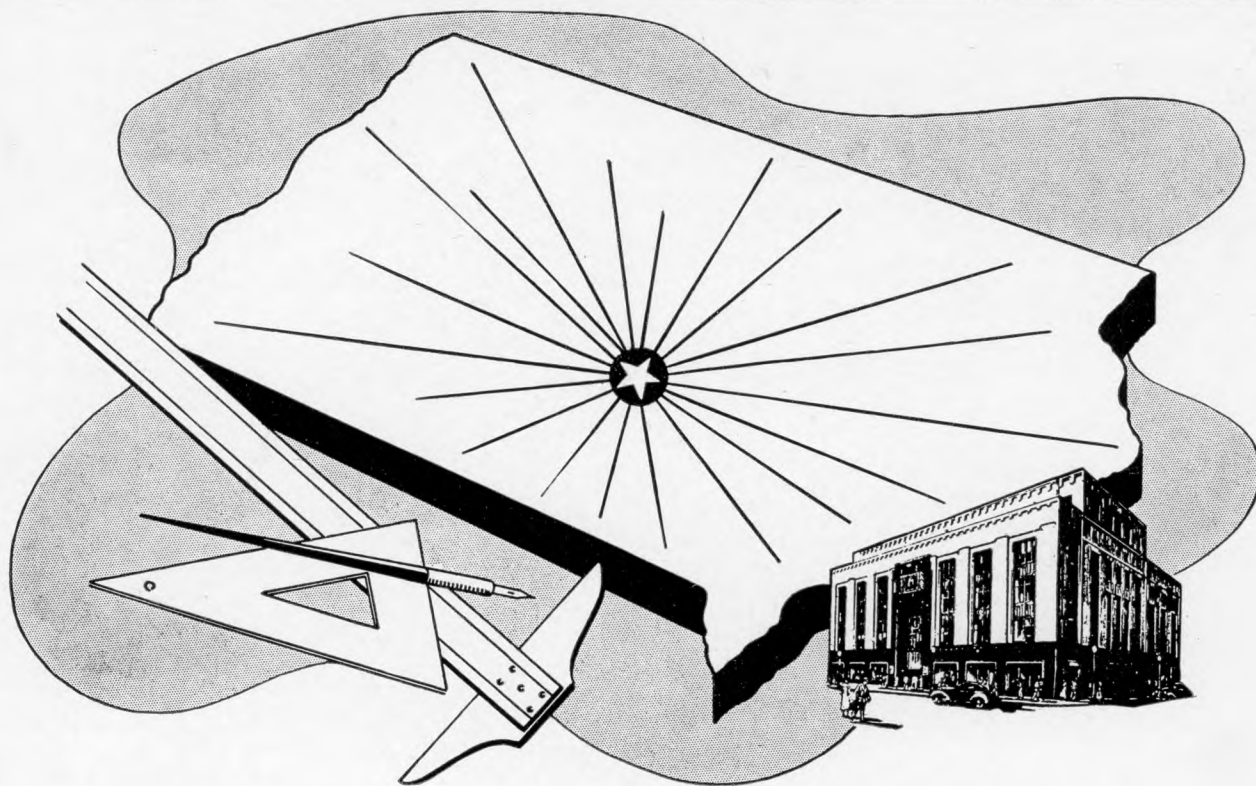
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