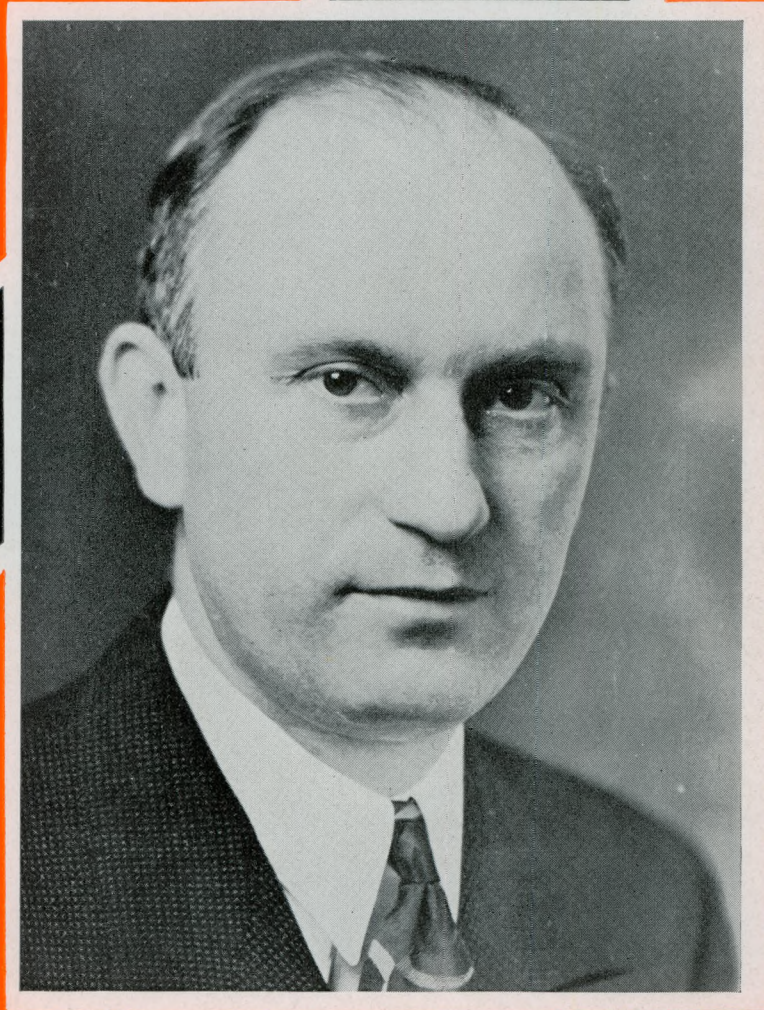


# NORTHWESTERN *Banker*

JULY  
1940



F. F. PHILLIPPI  
Cashier, Dakota State Bank, Milbank  
President, South Dakota Bankers Association

WAR, POLITICS, GOLD, AND NATIONAL DEFENSE

Page 11



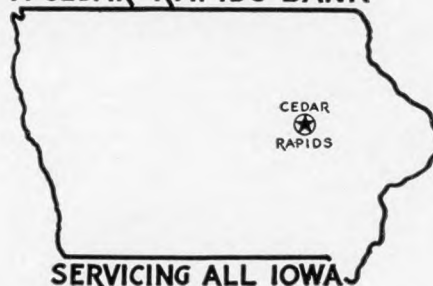


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---

If industry, in its search for additional capital, could quickly and easily contact individuals with a million dollars to invest—there would be no need for the Investment Banker.

But those with a million dollars to invest are extremely rare. In fact, most of our great American industries are owned by people whose investments are limited to several thousand dollars—and in many cases, considerably less.

It is the function of the Investment Banker to provide industry with additional capital.

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## THE HOME INSURANCE COMPANY NEW YORK

FIRE — AUTOMOBILE — MARINE and ALLIED LINES OF INSURANCE



...  
JULY  
1940  
...

# NORTHWESTERN *Banker* DES MOINES

FORTY-FIFTH YEAR

NUMBER 636

Oldest Financial Journal West of the Mississippi River

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CLIFFORD DE PUY  
Publisher

RALPH W. MOORHEAD  
Associate Publisher

HENRY H. HAYNES  
Editor

J. STUART DAVIS  
Associate Editor

527 Seventh Street,  
Des Moines, Iowa  
Telephone 4-8163

NEW YORK OFFICE  
Frank P. Syms  
Vice President

505 Fifth Ave. Suite 1202  
Telephone MUrray Hill 2-0326

MINNEAPOLIS OFFICE  
J. A. Sarazen  
Associate Editor  
Telephone Hyland 0575

MEMBER

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# Across the Desk From the Publisher

*By Clifford DePuy*

## Why Should We Favor Communists?

There are some people in this country who favor the Communists and what they are doing. They are helping and assisting them in their fifth column activities which have no other ultimate purpose than the undermining, if not the complete overthrow, of our form of government.

Not long ago there appeared full page advertisements throughout the nation entitled **"Stop Hitler Now."** These advertisements were published by the **"Committee to Defend America by Aiding the Allies,"** the national chairman of which is William Allen White, editor of the *Emporia, Kansas Gazette*.

The advertisement was written by Robert Emmet Sherwood, Broadway playwright, who is author of *"Abe Lincoln in Illinois"*, and is a former World War veteran.

In the advertisement was this statement:

**"The fifth column is led in this as in other countries by Nazis and Communists and their fellow travelers who are well trained in the dissemination of poisonous propaganda. Their object is to destroy national unity, to keep the United States in a state of confusion over all world issues so that we will be weak and helpless when our time comes. All Americans should beware the prevailing Nazi-Communist propaganda which attempts to capitalize our desire for peace by opposing all our moves toward national defense—sabotaging all aid to the Allies—preaching that Hitler has already won and we must meekly appease him."**

Personally we have no use for the Communists or the Nazis or what they stand for, and while we believe fully in free speech and a free press, we do not believe that any group or any organization in the United States has the right to take advantage of our liberties and our freedom by

trying to undermine these very fundamentals of our nation.

With nation after nation having been overthrown by Communist and Fifth Columnists, even before the Hitler Blitzkrieg entered those countries, we say that it is high time the United States began to carefully, systematically, but very effectively eliminate these off-color political parasites and Hitler termites from our public life—and do it before it is too late.

## Unemployment Must Be Solved By Work—Not Money

For some time now we have gone on the theory, not only in the United States but in other countries, that the answer to the unemployment problem was simply to put the unemployed on a dole, or give them a monthly check from the government treasury.

Most men really want to work, if they can get a job, and basically, the governments which have put the emphasis on furnishing the money rather than furnishing the work, have made a grave mistake.

Fred I. Kent, director of the Bankers Trust Company of New York City, in speaking before the American Institute of Banking at their convention in Boston recently, commented on this subject when he said:

"The United States tried to cross the morass of unemployment that followed a breaking of the world bubble by paying men for doing nothing, exactly as the European countries had done, instead of building a solid foundation upon which to pass over as could have been accomplished so easily.

"Then followed, almost throughout the world, the development of a tremendous propaganda that was carried by public speeches, writings and over the radio so broadly that it undoubtedly



reached every individual in every civilized country. This propaganda was of a most vicious character. It inflamed the desires of men and women to obtain something for nothing and to wish for the destruction of the powers of those who make employment by taking from them the wealth which they needed in order to further the production required by the people for their very existence. This propaganda undermined the better judgment of the multitudes. It was founded on the false idea that money, and not work, would provide the production that the people must have.

"So-called social security has been demanded through a system under which those who work created the production that those who do not work are to consume. Such methods, when the percentage of non-workers to workers is carried beyond the normal point that provides for those who are unable to work, instead of leading to social security are certain to destroy a peoples' ability to maintain social security on any basis."

While employment is increasing now because of the manufacturing of war equipment and a general uptrend in business, when the war is over and the unemployment problem again faces us, it must be solved by giving every help possible to industry so that employment may be increased and government doles decreased.

### Bankers Must Protect Capitalistic System

The banks of the United States will play a very important part in the coming months as our national defense program gets under way.

Bankers must be prepared for changing conditions and adjust themselves accordingly. Adrian M. Massie, vice president of New York Trust Company, in discussing a program for banks under present conditions, gave the following 6 suggestions, which he believes every bank should follow:

- "1. A bank has only a limited amount of capital funds. These must be safeguarded with the utmost precaution. Without them there can be no bank.
- "2. If the armament program should by any chance raise values of securities, we must not lose too much time in eliminating unsound banking assets.
- "3. In granting new loans we must be thorough in the examination of credits and see that even under adverse conditions sound value is represented.

"4. If a rising price level for commodities or securities should occur, we must not depend on these levels, being maintained after the war has been terminated.

"5. If, in this period, earnings should improve or profits be taken, we must use all we can for reserves to husband against future losses. We should not be tempted to pay too much in dividends.

"6. Be conservative, be thorough, but, above all, be courageous.

Banking is one of the most important keystones in the capitalistic system, and the capitalistic system is on trial. It must not fail and it will not fail if every banker does a sound job.

We are convinced that the bankers of America will do their job in this emergency, as they have in every other, and that both the banking system and the capitalistic system will emerge successfully after the World War No. 2 has ended.

In the meantime, let bankers use every influence they have to prevent the government control of, or the taking over completely, of the American banking system.

### The Republican Money Plank

In a year when two great political parties are defining their plans and their platforms it is well to examine what they are saying and doing in connection with money, finance and banking.

We do not need to wait for the Democratic national convention to know what their attitude towards money and banking is, because their seven years' record speaks more plainly than words.

The Republican convention, which met recently in Philadelphia, had one plank on money which reads as follows: "The congress should reclaim its constitutional powers over money, and withdraw the president's arbitrary authority to manipulate the currency, establish bi-metallism, issue irredeemable paper money, and debase the gold and silver coinage.

"We shall repeal the Thomas inflation amendment of 1933 and the (foreign) silver purchase act of 1934, and take all possible steps to preserve the value of the government's huge holdings of gold and reintroduce gold into circulation."

If, therefore, the Republican party is returned to power with Wendell L. Willkie as President of the United States, we know that the above points in the Republican platform as they relate to money and finance will be carried out.

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## *"Drunken Sailor Spendthrifts"*

*"If any man, almost any man who is not a fourth New Dealer is elected president, he wouldn't stand for this crew and they would know it. We wouldn't even have to wait for inauguration. Immediately after election there would be the greatest exodus from Washington of cake-fringed radicals, theoretical experimentors, business baiting sour pusses, drunken sailor spendthrifts, intellectual zanies and economic pansies since the Pied Piper tootled the rats out of Hamlin. That and that alone is the principal need for our defense, but we need that as desperately as any need this country has known. Let us pray to God in this crisis to deliver us from the fourth New Deal."*

# WHAT ABOUT WAR, POLITICS, GOLD AND NATIONAL DEFENSE?

By GENERAL HUGH S. JOHNSON

### Is Our Gold Worth More Than Fillings For Teeth?

You're a bunch of bankers so I am going to start talking about Secretary of the Treasury Henry Morgenthau. He hinted the other day that in certain possible outcomes of this war that all that gold down in Kentucky might be worth nothing more than fillings for teeth. On the daily crash of republics, and kingdoms, and empires some panic is to be expected, even as far away as are we. We hear in Washington, that all trade will be by barter between nations. All our foreign markets are going to be wiped out; Japan is going to seize the East Indies and cut us off from rubber and tin; Hitler will soon have South America and then threaten blitzkrieg here; it is feared, also, that we have so increased our debt that unless we assume crushing tax burdens for defense, we shall be ruined by an uncontrolled inflation.

Now, that's the kind of stuff that we are beginning to hear from our leading politicians, journalists and even columnists. I don't know any greater breath beating panaceas than my dear friend Dorothy Thompson who wants us to march tomorrow. Any man would be a fool and blind to minimize the terrible blows to civilization that are being delivered in Europe, or to shush by so much as one raised finger the inexcusable delay and efficiency of this administration in our own defense. But to go from that to these panicky extremes is doing our Country not one particle of good. It is like the man who awoke to find his neighbor's house on fire and so threw his own baby out the third story window and carried down stairs a feather bed belonging to his mother-in-law.

*Some of the highlights of General Johnson's remarks before the Minnesota Bankers Convention included:*

1. "Is our gold worth more than fillings for teeth?"
2. "Gold first mentioned in Genesis."
3. "Silver policy crooked lunacy."
4. "Our stake in China."
5. "The United States hasn't a friend on earth."
6. "Bluffing with a water pistol."
7. "Third Term an insult."
8. "Defense will cost 30 Billion Dollars more."
9. "War emergency used for politics."
10. "United States only nation worth plundering."
11. "Hitler and Roosevelt in power 7 years."
12. "We have not sought peace."
13. "Have two or three years to prepare."

First this panic talk that gold may be no good. If that is so I don't know why every nation on earth is scrambling to get as much of it as they can, or to save as much of it as they can from Hitler by sending it over here.

### Gold Fuss Mentioned in Genesis

Gold is first mentioned as something all men desire in the fourth chapter of Genesis, of a time 6,000 years ago. Long before that time and certainly ever since it has been by far the best measure of wealth and the best medium of trade. Why? Simply because it happens to be something that humanity knows that men everywhere will willingly accept in exchange for their goods and services. African savages will take it for their ivory no less willingly than Arctic Eskimos

will take it for their peltries. It has been found to be just as true in hitherto undiscovered tribes cut off from the rest of mankind for thousands of years as we know it to be true in every part of the world today. It is of course obvious that we have foolishly unbalanced the great streams and static pools of the world's gold by grabbing too much of it, and that some adjustment must be made before the real life blood of civilization, which is international trade, can flow again. But to say, as Mr. Morgenthau, the greatest Secretary of the Treasury since Willie Woodin, said the other day, that there is any danger of our great golden treasure becoming worthless is just to cry "rotten fish" for sale in respect of the very foundation and basis of the credit of the United States; and to say that falsely, that poor, incompetent "yesser" should be gotten out of that vital defense post in this dangerous hour before you could say Tom Dewey, and sent so far that it would cost seven dollars to send him a postal card if anybody felt like writing to him. Of course we have too much gold, and yet I would rather have too much than too little. If only it has been withheld from Hitler, it has hindered him, and it is a great potential element of our economic and defensive strength. No nation wants to trade by barter if it can trade with money and with credit, and none does it at all by barter until it has run out of a gold basis for its currency."

### Silver Policy Crooked Lunacy

"The New Deal silver purchasing policy was sheer, crooked lunacy; the gold purchasing policy was carried to

(Turn to page 26, please)

# The Minnesota Convention

K. O. Sattre, Blue Earth, Named President. Other Officers Are O. G. Jones, Red Wing, Vice President, and E. B. Hanson, Fertile, Treasurer. William Duncan, Jr., Continues as Secretary of Association

STATE banking problems shared the spotlight with national defense problems at the fifty-first annual convention of the Minnesota Bankers Association in Minneapolis June 5 to 7, attended by some 1,720 bank officials.

In fact, defense matters almost took precedence, for two out of the five scheduled speeches centered on this subject, and the other three touched on it more than casually.

Following the usual opening day's golf tournament and pre-convention smoker, the program proper got under way June 6 with the annual report of retiring President A. B. Lathrop, vice president, First National Bank, St. Paul.

Robert M. Hanes, president of the American Bankers Association, then gave one of the featured talks. He praised the outstanding work of the MBA, lit into Secretary of Agriculture Wallace for the latter's attack on the ABA and its opposition to the Jones-Wheeler bill, urged continued and expanded education programs, and made numerous observations concerning war and our defense.

On the defense matter, he pledged bankers' co-operation to President Roosevelt's program, but warned against war hysteria; predicted that whoever wins the war, the world will be a changed sphere, economically, financially and politically; and urged bankers to "improve our part of the economic structure and look ahead to gear the banking structure to the demands that may be made upon it."

Donald D. Davis, president of General Mills, Inc., spoke on the necessity for an expanded, intelligent public relations program by bankers and all other forms of business, and urged the necessity for thoughtful, intelligent and thorough-going research on all problems.

Prof. John D. Akerman, head of the University of Minnesota aeronautical engineering department, warned that any program for expanded air defense must also include provision for adequate pilot and mechanic personnel. And he stressed the importance of a "young man's" attitude toward aviation development.

General Hugh S. Johnson, principal speaker at the annual banquet, slashed

with satiric vigor at New Deal policies on economic matters, finance, foreign relations and defense. Highlights of his talk appear on another page of this issue.

At the final session June 7, speaker was W. S. Elliott, Canton, Ga., president of the state bank division of the ABA. He stressed the necessity of retaining state banks in our financial system and suggested steps be taken by the National Association of Supervisors of State Banks to insure more adequate state supervision of such banks.

Officers of the MBA elected for the coming year were K. O. Sattre, Blue Earth, president; O. G. Jones, Red Wing, vice president, and Elmer B. Hanson, Fertile, re-elected treasurer. William Duncan, Jr., continues as secretary.

Among resolutions adopted at the meeting were the following:

RESOLVED: That the Association express its appreciation first, to the Minneapolis Clearinghouse Association for their support in this Convention.

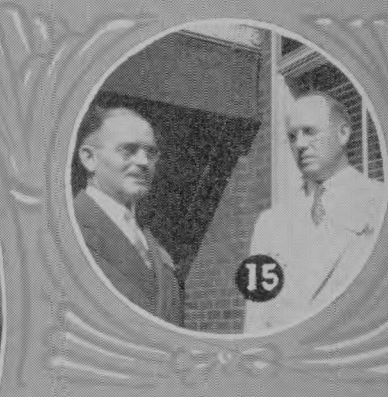
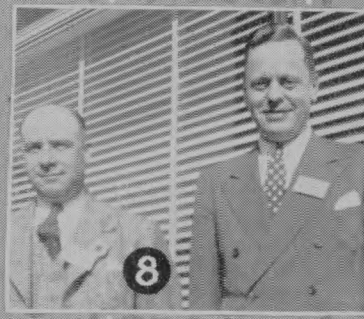
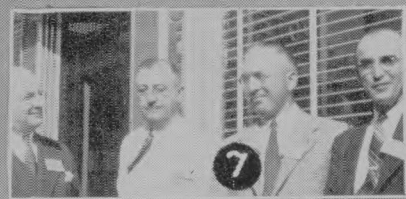
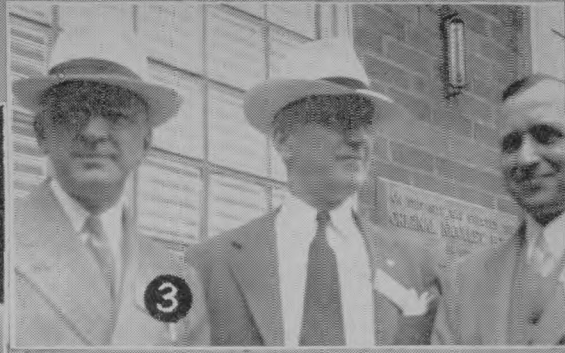
Also, to the convention committees (Turn to page 30, please)

## AT THE MINNESOTA CONVENTION

The pictures on the opposite page were taken at the recent annual convention of the Minnesota Bankers Association in Minneapolis. All cities named are in Minnesota unless other State is indicated. Reading from left to right, those pictured are, 1—**K. P. Doffing**, executive vice president Scanlan-Habberstad Bank & Trust Company, Lanesboro; **H. B. Rathbun**, Harris Upham & Company, Minneapolis; and **A. E. Robson**, president First National Bank, Waterville. 2—**Jack Maloney**, assistant cashier First National Bank, Minneapolis; and **George J. Klasen**, president Royalton State Bank. 3—**C. F. Dabelstein**, president Olmstead County Bank & Trust Company, Rochester; **O. A. Olson**, president First National Bank, Braham; and **Oscar A. Olson**, vice president Union National Bank, Rochester. 4—**William Miller**, vice president City National Bank, Chicago; **Plin Beebe**, president Union National Bank, Ipswich, South Dakota; **D. E. Crowley**, assistant cashier Northwestern National Bank, Minneapolis; **Harvey Salmon**, Commercial Credit Company, Chicago; **Joe Knight**, Continental Illinois National, Chicago; and **K. M. Morrison**, comptroller First National Bank, Minneapolis. 5—**Jerry Thorp**, vice president First and Lumbermans National Bank, Chippewa Falls, Wisconsin; and **C. B. Brombach**, assistant vice president First National, Minneapolis. 6—**Mrs. P. L. Sawyer**, Annandale; **Mrs. R. Sather**, Annandale; **Mrs. Colin McDonald**, Annandale; and **Mrs. M. L. Lundsten**, Buffalo. 7—**Charles Rieger**, manager bond department Jamison & Company, Minneapolis; **Geo. J. Meinz**, cashier American National, St. Cloud; **F. F. Sefcik**, vice president and cashier Security National, Hopkins; and **W. A. Zastrow**, vice president First National, Hopkins. 8—**V. D. Koons**, president First State

Bank, Britt, Iowa; and **Jerry Nordberg**, E. H. Rollins & Company, Minneapolis. 9—**Earl Loose**, Fred L. Gray Company, Minneapolis; and **M. E. Kalton**, Security State, Wells. 10—**E. St. Claire Snyder**, Fred L. Gray Company, Minneapolis; and **J. O. Bondhus**, president First National, Heron Lake. 11—**J. A. Oace**, vice president First National, St. Paul; **Frank P. Powers**, president Kanabec State Bank, Mora; **John C. Carlson**, president State Bank of Rush City; and **L. H. Sedlacek**, chief national bank examiner, Minneapolis. 12—**A. P. Rischmiller**, cashier State Bank of Gibbon; **A. W. Hoese**, president Security State, Glencoe; and **W. F. Borchert**, cashier First National, Mapleton. 13—**N. M. Evenson**, president First National, Osakis; **E. A. Gandrud**, president Pope County State, Glenwood; **J. E. Odegard**, president Santiago State Bank; and **Wm. F. Kunze**, vice president Marquette National, Minneapolis. 14—**J. A. Cavitzel**, assistant cashier, and **A. V. Gardner**, field representative, both from American National, St. Paul. 15—**E. N. Van Horne**, executive vice president American National, Chicago; and **W. E. Brockman**, vice president Midland National, Minneapolis. 16—**J. T. Peterson**, president; **L. E. Felton**, vice president; and **W. F. Dietrich** and **George Scott**, directors, all of the State Bank of Le Sueur. 17—**DeForrest Ward**, director Martin County National, Fairmont; **Gordon E. Larkin**, vice president Marquette National, Minneapolis; and **Miles McNally**, president Bank of New Richmond, Wisconsin. 18—**S. G. Gandrud**, attorney Northwestern National, Litchfield; **H. Shirley**, assistant cashier First National, Breckenridge; **W. S. McGee**, president Northwestern National, Litchfield; and **Al Junge**, J. S. Bauman & Company, Minneapolis.





# Government Competition and How We Can *Meet* It

IT SEEMS that about every so often the intricate machinery which controls business, industry and the legislative powers gets completely out of order. In the past 102 years in business we have had twenty-four of these periods. In that time we have had two major periods of deflation lasting thirteen years each. We have had approximately forty-four years of prosperity and forty-four years of depression, with about fourteen years of what might be considered average times. Thus let us say that we have had in the past 102 years, fifty-eight years of good times and forty-four years of depressing times. At the Republican convention held in Chicago in 1880, James A. Garfield was nominated on the thirty-sixth ballot and elected to the presidency in the fall of the same year. He was preceded in office by four Republican presidents, who had served a total of twenty years, and followed by a Republican president who served four years. Nevertheless, the words taken from that great martyr shows, quote: "The great want of business is a stable policy and it is a significant comment on the character of our legislation that Congress has become the terror to the business men of this country."

So it was again in the spring of 1933, when for several days the financial structure of this great United States of America was in a state of coma and collapse. Bankers great and small pleaded with the President for governmental assistance. Through his efforts he gave back to the banker his bank and instilled into the depositor a lost trust until today the banks again have an over abundance of deposits.

While these facts were being written into the annals of history, many other things were happening. We of the banking profession were too busy with our personal items to consolidate our gains. Therefore while we were being bolstered as a depository we paid for this privilege by the sacrifice of our earning. Out of this financial inundation arose certain governmental agencies and alphabetical provocators. They were for our good it was said, but we were not among the authors. In principal perhaps they meant well and if the bankers had been present to act as the enzyme and control the ac-

By J. P. Malloy

Cashier  
Castalia Savings Bank  
Castalia, Iowa

"It is time that bankers either take the time to do their part actively in the business of running the government, or find men capable of handling such offices, and elect them."

tion they would not have taken from us our earning. We now have in competition with us thousands of new private and corporate lending agencies, together with the FLB, FHA, HOLC, CCC, RACC, RFC and many other governmental agencies. It is a problem in this country yet to be solved as to how a system of regulation and cooperation can be worked out between the government and banks. Therefore, partly due to the lack of desire on the part of the bankers to become members of those legislative bodies which direct our activities and make our laws we have lost a greater part of our earning capacity. To regain these lost earnings we must assume our political responsibilities and put ourselves into a position to assist in the directions of our fortunes.

In the case of the Federal Land Bank loans. Is it not possible for the local bank to make the farm loan if it is backed by the same degree of liquidity that the Federal farm mortgage bonds enjoy? Is not the local bank in a better position to judge the value of the land, know the qualifications and past payment record of the borrower and service the loan? Therefore if the local bank were to hold the cash now paid for land bank stock, receive the regular loan fees and be given the unconditional guarantee of liquidity on this mortgage, everyone concerned would have better contact with the loaning agency, the bank could show a fair profit on the loan, and the treasury would not be writing off these large losses. If we can legally hold for banking purposes the bonds backed

by the same elements then also by the same token we should be able to hold the actual security.

Is it not possible for the local bank to make a chattel mortgage for a five-year period if backed by the same government resources which are used today in direct competition with us? For the past few years we have been lending the Treasury Department money at extremely low rates. This money has been used in direct and indirect competition to us at a higher rate. It is needless to say that many remunerative offices held by people who are inexperienced in banking would be done away with. Instead of having as many government agencies as there are tripled letters in the English language the work could be handled by related consolidations under one head.

We have the FHS, certainly there are many banks now holding the paper of this institution and on the same kind of homes that the Jones's have over on Tenth street. Could your bank have made that loan? Certainly you could under the same circumstance if the liquidity of the loan is satisfactory and with greater satisfaction to the borrower.

If you do not believe that these facts as to your ability to do the job better, then I refer you to the charge-offs made by the RFC on February 8, 1938. The RFC wrote off as worthless \$2,691,000,000 of its assets. These write-offs exceeded the entire amount lost by all the depositors in all of the banks in the United States of America from 1930 to 1933. These losses could not have happened in this or any other institution if bankers had the right watch dogs making the appraisals.

There are some other items bankers might consider seriously to increase their profits. You can transfer money for the public cheaper than the post-office department by selling money orders and informing the public of the fact. Are you still cashing AAA checks (a portion of which you pay) for nothing? Do all the PWA, CCC, ABC and XYZ check-holders get their currency transferred by you for nothing? If they do, why are my checks charged exchange? No one has to worry seriously about my competition.

(Turn to page 32, please)



# NEWS AND VIEWS

## OF THE BANKING WORLD

By Clifford DePuy

ONE well-known commentator has suggested that the Republican slogan might well be "**Change political horses now to keep the Trojan horses out of America.**"

**William Duncan, Jr.**, secretary of the Minnesota Bankers Association, had one of the most successful conventions in the history of the organization at the 51st annual gathering in Minneapolis last month.

The total registration this year was 1,720, and was only 15 less than 1939, when they had 1,735 at the 50th annual convention, the largest on record.

**D. E. Crouley**, assistant cashier of the Northwestern National Bank and Trust Company of Minneapolis, was chairman of the golf committee of the M. B. A. and did a fine job of awarding the golf prizes the night of the smoker.

Prizes were given for low scores, high scores and almost every other combination imaginable.

Eight special prizes were given to the following well-known banking golfers:

1. **Herman Matzke**—pipe and chain.
2. **W. P. Jones**—fur line gaboon.
3. **Roy Ellingson**—raspberries.
4. **Frank Powers**—patented head holder downer.
5. **Merideth Anderson**—better golf book.
6. **Bob Putnam**—binoculars.
7. **Walt Payne**—toilet paper book.

**Robert Kneebone** of Chicago, who is connected with the American Bankers Association, made a short address before the smoker at the Minnesota Bankers Convention and said that the "A. B. A. was just like an elephant because it was so diversified." Does the reference to the elephant mean a Republican victory?

**L. O. Olson**, cashier of the Midland National Bank and Trust Company of Minneapolis, and convention general chairman, introduced **Cedric Adams** of the Minneapolis *Star Journal*, who conducted an "Information, Please?" program after asking 6 bankers to come up on the platform.

Here are some of the questions which the bankers **did not know**:

1. They **did not know** how many banks there are in Minnesota.

2. They **didn't know** the address of the Minnesota Bankers Association.

3. They **didn't know** the capital of Maryland.

4. They **didn't know** the line after "Shoot, if you must, this old grey head."

5. They **didn't know** how to spell charivari.

6. They **didn't know** how many columns to a newspaper page.

7. They **didn't know** how many colors there are in a rainbow.

8. They **didn't know** how many years **William Duncan, Jr.**, had been secretary of the Minnesota Association.

P. S. And neither did a lot of those sitting in the audience.

**W. L. Hemingway**, president of the Mercantile-Commerce Bank and Trust Company of St. Louis, has consented to accept the office of second vice president of the American Bankers Association at the Atlantic City convention in New Jersey this fall if he is elected, and judging from the reports throughout the country there is no doubt he will be.

If elected at Atlantic City, he will



W. L. HEMINGWAY

be in line for the presidency of the A. B. A. in 1942.

In a recent letter to the NORTHWESTERN BANKER, Mr. Hemingway said: "I appreciate very much the kindly expressions contained in your letter, but I am not making a campaign for any

office in the A. B. A. I did agree, under certain conditions, that I would accept the office if it is tendered to me."

Mr. Hemingway's many friends believe that he will have little trouble in receiving more than enough votes of the delegates to assure his election.

Mr. Hemingway has long been active in A. B. A. affairs and has held many important positions in the organization, including memberships in the executive council and administrative committees.

The only other candidate for the office of second vice president is **Russell G. Smith**, executive vice president of the Bank of America National Trust and Savings Association of California, which is the **A. P. Giannini** branch banking outfit.

Mr. Smith's support will come almost entirely from branch banking interests in California. Mr. Hemingway is a strong advocate of the independent dual banking system, and his support will come from independent and unit bankers throughout the entire United States.

**Robert M. Hanes**, president of the American Bankers Association, and president of the Wachovia Bank and Trust Company of Winston-Salem, North Carolina, told a story at the banquet about a colored boy testifying as to the character of Mary, a colored girl.

I can't repeat the story here, but you ask him to tell you, it's a dandy.

**Alden Pearson**, cashier of the Becker County National Bank of Detroit Lakes, Minnesota, whose deposits are \$1,100,000, told us at the convention that the crop outlook in his territory was the best in 10 years.

**J. S. Pomeroy**, vice president of the First National Bank and Trust Company of Minneapolis, and Mrs. Pomeroy, have a daughter, **Mrs. Giuseppe Cinelli** of Florence, Italy, who was notified by the American Consul to leave Italy last month.

Mrs. Cinelli, the former **Margery Pomeroy**, was married 13 years ago and has retained her United States citizenship.

With her husband, a native of Florence, and 11 year old daughter, Giuliana Mrs. Cinelli visited Minneapolis last summer. Mr. Cinelli is a manufacturer of women's hats in Florence.

Here is a new kind of financial advertising—at least it was to us. It appeared in a recent issue of the Minneapolis *Star Journal*.

(Turn to page 22, please)

"Theory and practical observation lead me to the conclusion that one of the chief causes of our violent price fluctuations in America is bad banking. Bad banking, not as practiced by you gentlemen in your own business, but bad banking as practiced by our politicians who came into control of American banking through the adoption of our Federal Reserve System."

## Why We Have *Booms* and *Depressions*

By W. G. Kahlert

Resident Partner

Jamieson & Company, Minneapolis  
Minnesota

**B**ANKERS are the ones who handle the money which circulates to create our national income. Sometimes we seem to have an over-supply and a business boom, at others a scarcity and a depression. It is a sad and striking coincidence that our study begins the year that the first World War started and, after twenty-six years, we come down to 1940, only to know that another world war is getting actively under way. But, this restless country of ours seems able to work up booms and go into depressions in war times and peace times. In fact, since the beginning of the United States, booms and depressions have occurred so regularly that no other nation in the world illustrates the cyclical theory so well as we do. For the first hundred years we accepted these as growing pains but, as we became older, decided to do something about it and, under Woodrow Wilson, adopted the Federal Reserve System of banking.

This system of central banking was set up especially with the object of smoothing the peaks and valleys but, as you men well know, our booms and depressions have been far more violent since 1914 than ever before. You can see this at a glance if you will refer to the statistical history of this country since 1914. Since that time we have had three great cycles (which are indicated by the figures marked with an asterisk). The first was the commodity boom under Woodrow Wilson, which started in 1914 and reached a peak in 1920. The next was the Coolidge stock market boom, which carried the Dow-Jones Industrial Average from 63 in 1921 to a peak of 380 in 1929. The third is our government bond boom of Roosevelt's administration, which has reduced the yield on United States government three-year notes from about 3 per cent down to a yield of less than one-half of 1 per cent. This decline in yield in equivalent to a rise about as great as that



W. G. KAHLERT

experienced by common stocks from 1924 to 1929. These tremendous price-fluctuations have not only caused great unsettlement and suffering but have finally reached the stage where our American system of doing business and our form of government are threatened. It is of the utmost importance that our people understand the cause of booms and depressions, and some way be found to eliminate them in the future. I think you bankers

have the answer right in your own business.

Theory and practical observation lead me to the conclusion that one of the chief causes of our violent price fluctuations in America is bad banking. Bad banking, not as practiced by you gentlemen in your own business, but bad banking as practiced by our politicians who came into control of American banking through the adoption of our Federal Reserve System.

Bank credit cannot be over-extended in relation to reserves, the banker must have sound judgment as to the debtor's capacity to pay, demand deposits must not be created out of long-term assets and loans must not be made against inflated values.

When a small town banker makes mistakes he generally hurts only his bank or small community; when a great New York bank makes them it may drag some other banks with it. When the President of the United States has a policy which is financed with the credit of the Federal Reserve banking system, the whole country is caught up in the whirlwind of expansion and crashes when the end of that particular scheme of unsound banking is reached.

When commodity prices crash the Chicago Board of Trade, and the grain gamblers are blamed for the condition. When the stock market crashes, Wall Street is to blame for the depression. These booms and depressions are clearly the result of the financial policy of the administration at Washington. The private banks of the country have been knit into one vast group and, through the Federal Reserve and the Federal Treasury, your interest rates, your collateral, the expansion and contraction of your loans and all important policies have been decided for you at Washington.

Instead of putting paper representing commodities at inflated prices, or



common stocks, we are now putting paper representing the I. O. U.'s of our politicians into our banking system and writing checks against them. As in 1919 and 1929, no one stops to question whether these bonds are worth the bank credit issued against them. Again, we know that it is the policy of Washington to have it this way and we go along.

This type of inflation places almost unlimited funds in the hands of our politicians. The Federal government, states, cities and counties can obtain money even though they are operating at a deficit. With balance sheets, and income and expenditures on a basis that would stamp a private business as hopelessly bankrupt, yet many of our governmental subdivisions can borrow money at a rate far lower than can a solvent corporation. The government may give the money away, and have no asset to show for it, while the business would invest it in a paying plant and machinery which would create more jobs. But money can be

obtained cheaper by the government to hand out in relief than by business to put men to work.

This is not the fault of the banks or the stock market, or investment bankers. It is the result of Washington policy. Today, our politicians are voting a billion for this and a billion for that. To get the money it is only necessary to print another batch of government bonds, put them into the banking system and write checks against them. Would you call that sound banking? Have we not yet learned the danger of deposits being tied up in long-term assets?

Here is the dilemma which faces the next administration, Republican or Democrat: If this vast amount of synthetic capital, available at such attractive interest rates, is permitted to flow into business and start recovery, no one will want government bonds because of greater opportunities elsewhere. If we become more deeply involved in Europe's war, our debt will jump at the rate of \$15,000,000,000 a

year as it did in 1918 and 1919. A few years of that and the public would stampede from that mountain of debt with an enthusiasm that would make 1919 and 1929 seem like Sunday School picnics. And when that day comes, our politicians will learn that the right to meet its obligations with paper money does not simplify the problems of the government, nor lessen the danger of booms and depressions for the public. Capital is a world-wide commodity. Its price, interest rates, cannot be fixed by legislation.

Central banking is a sound development and our Federal Reserve System a good type of organization. Our Presidents must learn to administer along safe banking principles for favorable long-term developments, rather than sensational results during their own occupation of office. A closer cooperation with private bankers and greater dependence upon their practical experience would help us to use the vast powers of a central banking and monetary system wisely.

## THE NATIONAL INCOME

Year	Gold Stock	Loans and Investments All Banks	Commodity Prices	Individual Stock Prices	Yield U. S. Notes	Federal Debt Billions	National Income Billions	Population	Gold Pro. Millions
	(3 Ciphers Omitted)								
1914	\$ 1,923,000	\$20,788,000	* 68.1	53	----	\$ 1.25	\$35.64	95	\$ 448
1915	1,822,000	21,466,000	* 69.5	80	----	1.25	37.20	----	472
1916	2,325,000	24,586,000	* 85.5	110	----	1.25	43.20	----	455
1917	2,922,000	28,286,000	*117.5	65	----	5.00	51.33	----	421
1918	3,160,000	31,813,000	*131.3	80	----	20.00	60.40	----	384
1919	3,162,000	36,572,000	*138.6	119	----	26.00	65.94	----	358
1920	2,930,000	41,684,000	*154.5	80	----	23.05	73.99	106	334
1921	2,966,000	40,250,000	97.6	* 63	----	23.0	63.37	----	331
1922	3,685,000	38,918,000	97.7	*100	----	22.5	65.92	----	320
1923	3,933,000	42,972,000	100.6	* 90	----	22.0	74.33	----	369
1924	4,289,000	44,453,000	98.1	*100	----	21.0	77.13	----	385
1925	4,423,000	47,911,000	103.5	*140	----	20.0	81.93	----	384
1926	4,412,000	50,830,000	100.0	*150	----	19.0	85.45	----	395
1927	4,564,000	52,462,000	95.4	*180	----	18.0	88.20	----	394
1928	4,373,000	55,327,000	97.7	*280	----	17.0	85.40	----	390
1929	4,127,000	58,019,000	96.5	*380	----	16.0	85.00	----	397
1930	4,291,000	57,386,000	84.0	160	----	15.7	71.00	123	432
1931	4,643,000	49,704,000	70.0	80	----	17.5	52.00	----	460
1932	3,818,000	46,071,000	65.0	40	----	20.0	37.50	----	498
1933	4,500,000	40,089,000	66.0	108	*2.97	*23.5	40.00	----	525
1934	*8,000,000	42,500,000	75.0	85	*2.00	*28.0	50.00	----	* 958
1935	*9,000,000	44,400,000	80.0	120	*2.50	*29.5	55.00	----	*1050
1936	*10,500,000	48,400,000	81.0	170	*2.60	*33.5	63.00	----	*1154
1937	*12,500,000	49,600,000	88.0	190	*1.47	*37.0	70.00	129	*1229
1938	*14,000,000	47,300,000	77.0	100	* .53	*39.0	55.00	130	*1400
1939	*18,000,000	49,954,000	81.0	140	* .48	*43.0	68.00	----	*1600

\*Since 1914 we have had three great cycles, which are indicated by the figures marked with an asterisk.

# Northwest Farm Cash Income Approaches *Two Billion*

Crop and Livestock Sales Make Retail Trade Rise and Factory Wheels Spin

**N**ORTH AMERICA'S great "bread and butter land," the Northwest from Wisconsin to the Rocky Mountains, and south through Iowa, far-famed for its "Cow-Sow-Hen-Steer-Sheep" combination of good farming, is being proclaimed as the advertisers' one best bet for sales opportunities in 1940.

This area's 1939 cash farm income rolls up a total of more than \$1,600,000,000, according to the final federal 1939 report. It poured in at the rate of nearly \$2,750,000 a day—highest since 1930—in Minnesota, Wisconsin, the Dakotas, Iowa and Montana.

These and other striking facts are broadcast widely in an address, "Prosperity Ahead," before business groups in important advertising centers by Charles F. Collisson, Minneapolis *Tribune* Newspapers' farm editor.

"Dips in the Wall Street market, recessions in the industrial east, affect this northwest area very little, if any," he says. "The real reason is not difficult to find. Our farm income zooms upward since 1931, and is more than twice that year's income in 1937 and again in 1939.

"These five states are a great agricultural empire. Here our farmers wrest new wealth constantly by daily toil from their own soil. They also rebuild their lands' fertility with livestock farming and dairying.

"Our northwest towns and cities enjoy lively trade because their own factories and industries are largely agricultural. They supply farm family wants, or process the products of crops and livestock from surrounding farms.

"So factory wheels continue to spin, and retail store sales-curves to rise, because they are close to the soil—the one primary source of wealth. Farm income continues to rise, with bountiful billion-bushel crops in 1939—(1,084,000,000 bushels of seven major crops).

"So farm families here are good customers for advertised goods. They will be better customers in 1940 because big crops of feeds and hay assure ample supplies and low costs for feeding livestock.

"The corn crop is immense, while livestock population is below average. Uncle Sam's economists declare that

milk cows per capita of consumers are far below average.

"Our northwest wheat crops this year are 183,552,000 bushels and the barley crop is 142,738,000 bushels. But these are far exceeded by a corn crop of 356,377,000 and an oat crop of 309,892,000.

"Our four cash crops, wheat, rye, potatoes and flaxseed, are 275,285,000 bushels, but our three feed crops, corn, oats and barley total 809,007,000 bushels, with an 18,000,000-ton hay crop.

"Of our billion-dollar total income in 1939, it is interesting to see how little of it comes from the AAA benefit payments, 11 per cent. Yet they amount in cash to \$110,684,000, compared with \$66,300,000 in 1938.

"Crop sales, however, bring 24 per cent or \$239,686,000, a gain of \$44,222,000 over 1938. The crop-livestock sales combined total \$891,831,000. Of these the Cow-Sow-Hen-Steer-Sheep products roll up a total of \$652,145,000 or more than 70 per cent of all farm-product sales.

"Farm family wants, too long denied, are now being supplied.

"Minnesota, long leader of all North America in flour milling and fine creamery butter making, leads the northwest and is fifth in the nation with \$359,365,000 farm cash in 1939. Of this the dairy-livestock-poultry cash is \$244,578,000—third in the United States. Crop sales are \$88,188,000—AAA cash is \$26,599,000. The total is 5 per cent over 1938.

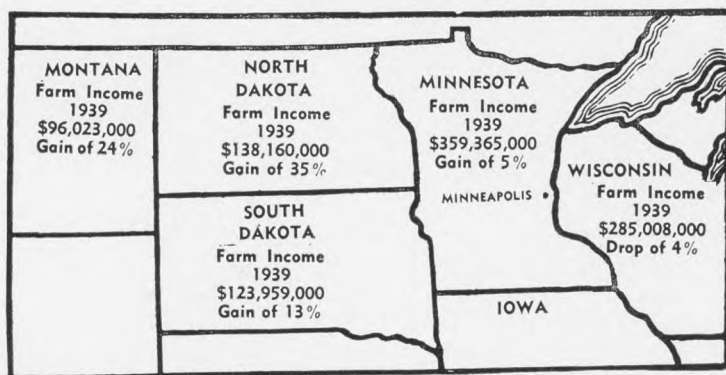
"Wisconsin, first dairying, cheese making, and condensery state received \$265,591,000. Of this the livestock brings \$232,936,000—fourth in the nation. Crops bring \$32,655,000, the AAA benefits \$19,417,000.

"North Dakota's gain over 1938 is the highest percentage in the country, 35 per cent. The total income is \$108,815,000, including \$55,270,000 crops sales, \$53,545,000 livestock sales and \$29,345,000 from AAA.

"South Dakota livestock income, \$78,675,000, far exceeds crop sales of \$22,232,000, or the AAA cash, \$23,052,000."

## BILLION-DOLLAR FARM INCOME PLUS BILLION BUSHEL CROPS

IN NORTHWEST 1939



When we add to the above the total for Iowa, the Tall Corn State, with its more than half a billion (\$659,359,000), we have buying power in 1940 of the enormous total of \$1,661,859,000 in this six-state area of the northwest—the upper Mississippi valley. Iowa's total is the highest of any state, that of California being second with \$572,431,000.





# STATEMENT OF CONDITION

*June 29, 1940*

## RESOURCES

Loans and Discounts.....	\$13,751,449.72
Overdrafts .....	1,632.05
U. S. Government Obligations.....	9,418,650.00
State and Municipal Bonds.....	5,580,313.90
Other Bonds and Investments.....	3,330,509.76
Banking House .....	774,000.00
Furniture and Fixtures.....	1.00
Customers Liability Under Letters of Credit.....	13,625.00
Interest Earned but not Collected.....	158,682.00
Other Assets .....	23,309.04
Cash on Hand and Due From Federal Reserve Bank and Other Correspondent Banks.....	16,816,411.22
	<u>\$49,868,583.69</u>

## LIABILITIES

Common Stock .....	\$ 2,000,000.00
Surplus .....	1,750,000.00
Undivided Profits .....	205,134.21
Reserve for Contingencies.....	157,177.92
Reserve for Taxes, Interest, etc.....	103,428.63
Reserve for Dividends Declared and Unpaid.....	30,000.00
Customers Letters of Credit.....	13,625.00
Interest Collected But Not Earned.....	31,662.67
Deposits .....	45,577,555.26
	<u>\$49,868,583.69</u>

# The Omaha National Bank

Member  
Federal Deposit Insurance Corporation

# Is Property Left By Will Subject to Real Estate Lien?

An Iowa bank obtained a judgment against Brown that became a lien upon any real estate he owned or might acquire. Subsequently Brown's father died leaving a will in which Brown was disinherited. Brown's father owned considerable real estate at the time of his death and this passed to the beneficiaries under his will. For various reasons Brown should have contested the will, but he declined to do so. The bank would have a lien on any land that might be coming to him thereunder and, by reason of this, sought to contest the disinheritance of Brown. Could it do so?

**Yes. A judgment creditor of an heir of a testator has such an interest by virtue of his lien on the heir's realty as entitles him to contest a will purporting to devise to others land, which, in the absence of a will, would descend to the heir. Iowa, Minnesota, Missouri, Ohio, Kentucky, and Wisconsin so hold, although Tennessee and Alabama hold to the contrary.**

**Wells borrowed \$2,000 from a Nebraska bank. His wife acted as surety on the note and, as an incident thereto, pledged her separate estate to secure its payment. The note was not paid when it came due and the bank sued and recovered judgment thereon, a part of which judgment was paid. Some eleven years after the note was executed Mrs. Wells received a \$5,000 legacy from her father upon his death. In connection therewith the bank contended that this sum should be considered as having been pledged as security for the note. Was such correct?**

**No. A pledge by a wife of her separate estate as an incident to acting as surety on a note for her husband's debt does not include a \$5,000 legacy from her father where the note was executed some eleven years before her father's death, as the legacy was not the wife's property until her father's death. A contract of a married woman can only be enforced against the separate estate which she possessed at the date of the contract.**

## These and Other Timely Legal Questions Are Answered

**By the  
LEGAL DEPARTMENT**

**A Minnesota banker entered into a contract with Bradley whereby Bradley was appointed "sole agent to sell" certain realty owned by the banker in that state. Bradley did not sell the property. Later the banker sold it to a purchaser who was not procured by the agent. In such circumstances was the banker liable to Bradley for a commission on account of the sale?**

**No. A contract appointing one the "sole agent to sell" realty for the owner does not, without more, deprive the owner of the right himself to sell without liability for commission to a purchaser not procured by the agent.**

**Under South Dakota law a corporation may, subject to certain conditions, purchase its own stock out of its surplus funds. Does this mean that it can purchase its stock only if it has a surplus of cash and other quick assets?**

**No. In order that a corporation may purchase its own stock the character of the surplus is immaterial as long as it is a true surplus. Broadly stated, a corporation is authorized to purchase its own shares of stock to the extent, and only to the extent, that the intrinsic aggregate value of its assets exceeds the sum of all its liabilities plus the amount of its capital stock.**

**A North Dakota banker, who was quite old and who had retired from business, deeded certain real estate in that state to one of his children to the exclusion of the rest of them. At the time his mind was weak and impaired compared with what it had been and he lacked capacity to transact general business. Subsequently he died and his children, other than**

**the grantee in the deed, sued to set it aside. The only evidence they had was that herein outlined. Should they prevail in such circumstances?**

**No. Old age alone does not affect the competence of one to execute a deed, even though his mind may be weak and impaired compared with what it has been, and even though capacity to transact business generally may be lacking.**

**Clamp, by letter, offered to sell to Ellison certain bonds for five thousand dollars. Ellison, by telegraph, accepted. Just before Ellison wired his acceptance Clamp wired Ellison withdrawing the offer. Ellison, however, did not receive Clamp's withdrawal wire until after he had sent his wire of acceptance. In such circumstances, was the deal a completed one in which Clamp was bound?**

**Yes. The rule supported by the great weight of authority in cases where it appears that a revocation was mailed, or telegraphed before but not received until after the mailing or telegraphing of the acceptance of an offer is that the revocation is ineffective; that the mailing or telegraphing of the acceptance of the offer completes the contract; and that, as the revocation must, in order to be effective, be communicated to the offeree, a revocation communicated after the mailing or telegraphing of the acceptance is inoperative to impair the contract already consummated, even though it was mailed or telegraphed before the consummation of the contract by the sending of the acceptance.**

**Berry conducted, as a side-line, a nursery business on his farm. He borrowed five thousand dollars from a bank and gave to it, as security, a mortgage on the property. Nothing was said at the time of the loan to the effect that the mortgage did not cover the nursery stock. Berry failed to pay, the bank foreclosed, and Cable bought in the property at the foreclosure sale. At the time of the fore-**

(Turn to page 32, please)





A part of the exhibit at the Emmet County Agricultural Show, sponsored by the Emmet County State Bank, Estherville, Iowa.

# Our Calf Club Builds *Good Will*

By W. C. Currell

President  
Emmet County State Bank  
Estherville, Iowa

CALF clubs are not new. They have been sponsored by various organizations for a number of years. Our county had a calf club sponsored by the local county agent, but because of his many and varied duties, he was unable to give it much of his time. After full consideration and study of the work, we decided that we would take hold of the calf club and develop it. Our idea was that this community was an ideal cattle feeding territory, because of the fine crops raised each year—corn, oats, barley, alfalfa, clover, etc. To make a good feeding district, farmers must know and appreciate quality in cattle. It was our thought there was no better place to start than with the boys and girls of this community. We believe there is no better place to live and no better occupation today than on the farm. We might help some boys and girls to take more interest in the farm.

All this we considered carefully, and then proceeded to write to many sources for information. Our county agent, who was vitally interested and a hard worker, gave valuable aid and advice. We also had the cooperation of other directors of the local farm organization.

In 1937 there were thirty calves in the calf club sponsored by the local farm organization. We realized at once that we would have to go out and secure the cooperation of the boys and

girls and the fathers and mothers. At the outset one of our assistant cashiers, Wayne L. Vallie, took much interest in this work, and made special studies of his own. He took charge of interesting the farm boys and girls of the community. He spent two or three weeks calling on the boys and girls and visiting with the parents. The results were highly encouraging. Through these efforts there were seventy additional calves the previous year. We realized that if the calf club was to be a success, it was necessary to purchase the right kind of calves to allow the boys and girls to compete fairly for the championship honors. So with the county agent, and one farmer, who was very much interested in club work, we sent Mr. Vallie out to the western states to purchase calves. They were successful in purchasing fifty-five head of fine calves, and we advanced the money for their purchase. We were advised by many experienced farmers that they were as fine a herd as ever were in the community. The first week the calves were kept together and properly handled. We then numbered each calf and

on the day of allotting the calves, we called all the boys and girls in and had them draw numbers from a hat. The number corresponded to the number on a calf. In this manner every boy and girl had fair treatment in the selection of the calf. Of course, any boy or girl had the right to purchase their calf anywhere they chose. The idea of our purchasing the calves was to give everyone a good calf.

After the calves were placed with the boys and girls, we had each sign a note for their animal, with their father or mother as co-signer. In this manner it taught the boy and girl the use of credit, and further made him or her realize their responsibility for the calf, and in addition, gave them the pride of ownership.

With the aid of the county agent, Mr. Vallie kept in touch with the boys and girls during the winter and spring to see how the calves were being taken care of, and to offer suggestions as to feed and care. If you have never seen one of these young folks glow over their calves, you have missed something. It makes you feel glad you had some small part in helping them.

I might say here, we purchased the calves in September, and held the exhibit the latter part of the following August.

When it came to the exhibit of the calves, the county agent, and several farmers interested, gave valuable as-

sistance. With their aid and the co-operation of the business club of our town, tents were secured in which to hold the exhibits. A competent judge of livestock was secured, and he selected a grand champion and placed the others accordingly. There were a total of one hundred calves exhibited in 1938 as compared to thirty in 1937. Naturally this increase caused considerable interest in the club work. After the baby beeves were shown for two days, they were sold at an auction sale, and the prices received were more than satisfactory.

After the show we started plans for a further increase in the number of boys and girls interested in club work for 1939. Again Mr. Vallie spent considerable time calling on all who might be interested in taking part. The result of the contacts was very encouraging, and it was again necessary for us to go to the western states to purchase calves. This time they secured seventy-nine calves for us. The same method of selection was used as before. Also the calves were checked as before. The interest had spread and many pur-

chased calves in the community or at the sale barns.

As one of the problems was to find a place to exhibit the calves, the county agent started a movement among the business men and farmers to build suitable buildings for the calves. The response was indeed remarkable. The total cost was about \$3,000, one-half of which was raised by the farmers, and the other half by the business men. The buildings are to be used for boys' and girls' club exhibits only.

So when the calf club exhibit was held the 16th, 17th and 18th of August last year, more interest than usual was shown. We were greatly pleased to see the number of calves on exhibit increase to one hundred forty-two.

With the added facilities, a few exhibits of pigs were shown. On the last evening, a program was arranged, and was well received by a large crowd. We presented a silver loving cup to the winner of the grand champion. The general reaction to this was indeed encouraging.

As before the calves were sold at auction, and the buyers from the various

packing companies were on hand at the sale. The prices were again satisfactory.

Plans are under way now for a further expansion of the calf club exhibits this year and to create wider interest in the club. The work is extremely interesting, and we believe of inestimable value to the community. It takes considerable time and effort, but what better work can we do than help our boys and girls to greater things?

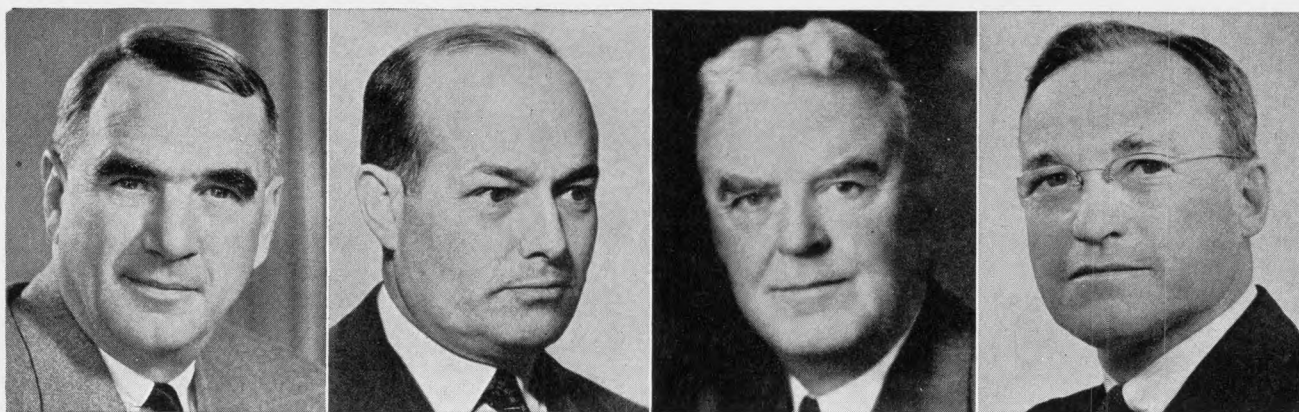
## NEWS AND VIEWS

(Continued from page 15)

**"Wanted—25 more honest people in debt. If you owe \$100 to \$1,500, write B-8005, Star Journal. Not a loan company."**

**General Hugh Johnson** was the most colorful speaker at the Minnesota Bankers Convention and did not disappoint the crowd at the banquet, which was the largest the association had ever had.

The General has gained at least 25



**DANIEL F. BULL**  
President, Cream of Wheat Corporation

**G. NELSON DAYTON**  
President  
The Dayton Company

**LYMAN E. WAKEFIELD** **VALENTINE WURTELE**  
President, First National Bank President, Minnesota Linseed and Trust Company Oil Company

**THREE** new directors—**Daniel F. Bull**, **Lyman E. Wakefield**, and **Valentine Wurtele**—were elected to the board of Northwestern National Life Insurance Company at the company's annual meeting. **O. J. Arnold**, president and managing director announced. **E. L. Carpenter**, **T. F. Wallace**, and **Mr. Arnold** were reelected.

With the addition of the three directors and **G. Nelson Dayton**, president of the Dayton Company, who was elected a year ago, Northwestern National Life's traditional nine-man board is expanded to thirteen. However, the tradition has been maintained of naming to membership on the board men of wide business, civic, and social responsibilities. Mr. Bull is president of the Cream of Wheat Corporation, Mr. Wakefield president of the First National Bank and Trust Company, and Mr. Wurtele president of the Minnesota Linseed Oil Company.

The meeting also voted to increase the par value of the company's capital stock from \$5 to \$7.50 a share, thereby increasing its capitalization from \$1,100,000 to \$1,650,000. This in-

crease will be effected by transferring \$550,000 from the earned surplus in the stock department to capital account.

Commenting on these actions, Mr. Arnold said: "Three of the nine members of the veteran board—**F. A. Chamberlain**, **E. W. Decker**, and **C. T. Jaffray**—have served Northwestern National Life continuously for 35 years, not only as directors but as members of the important executive and finance committees. The average period of service on the board for the nine is 22 years. Such continuity of management by a compact body of men of large affairs who have actively supervised the company has been of immeasurable value, especially during the depression years as reflected in the company's unusual record of sound growth and the excellence of its investment portfolio.

"This infusion of new blood into the directorate is a foresighted action giving assurance that the same high degree of business statesmanship that has marked the board's counsels in the past will prevail for years to come."



or 30 pounds in the last year or so, and looks much heavier. His secretary, better known as "Bobby," sat at the end of the speaker's table and followed his prepared manuscript word for word. After this the meeting was thrown open for questions, and she made notes on all of his answers.

Just before coming down to the banquet, the General had cut his chin while shaving, and was busy for the first ten minutes or so using his handkerchief to stop the trickling blood.

Among some of the more pungent paragraphs in the General's speech were these:

"Gold is something that all men desire and want, and I am glad that the United States has **too much rather than too little.**"

"**Henry Morgenthau** is the greatest Secretary of the Treasury since **Willie Wooden.**"

"Debts are a curse, but we are **due to double our national debt** or lose it all."

"We will not have inflation in this country for 4 reasons:

(1) Because of our **gold supply**, (2) Because we are a **creditor nation**, (3) Because our debt **can be controlled**, and (4) **Because taxes** will prevent a big increase in prices."

"The United States is the strongest and greatest nation in the world, **but is hasn't a true friend anywhere** in the world."

"Only the United States doesn't know about its military weakness—**all other nations know.**"

"**Franklin D. Roosevelt** and **Adolf Hitler** came into power at the same time—7 years ago, and Hitler armed Germany while we spent \$3,000,000,000 for raking leaves."

"President Roosevelt has played politics with our national defense. Let us pray God to **deliver us from the fourth New Deal.**"

"Our silver purchasing policy has been **sheer, crooked lunacy.**"

"I don't want Japan to crush China or take The Netherlands and British tin and rubber islands. But our stake in China and China Trade is less than **Harry Hopkins** in a good month spent for raking leaves."

"This administration **has gone hog wild** on making the world safe for democracy."

"The good neighbor policy is a

# P.S.

This is not an afterthought but the main point of our message, for P. S. in this instance means

## PROFIT and SERVICE

Profits to policy holders in savings together with an unparalleled inspection and loss service give Western Mutual policies a new high in public acceptance.

Liberal commissions plus these advantages make Western Mutual a Most profitable outlet for your business.

## FIRE—AUTOMOBILE

LEGAL RESERVE

NON-ASSESSABLE

POLICIES OF COURSE

## WESTERN MUTUAL

FIRE INSURANCE COMPANY

DES MOINES

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



Northwestern Banker July 1940

**T**HE objective of every banker is to operate and maintain a sound and prosperous institution.

Adequacy of service to customers and facilities that meet every banking need are factors that promote success.

This Bank has been serving out-of-town correspondents for upwards of 136 years. A continuous growth in deposits and resources is evidence that we have served them well.

... THE ...

## **PHILADELPHIA NATIONAL BANK**

ORGANIZED 1803

PHILADELPHIA, PA.

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

*Member of Federal Deposit Insurance Corporation*

bunch of bunk, because the Latin American countries despise the United States."

"President Roosevelt has been bluffing with a water pistol, and you can't do that with gangster gunmen.

"Yet we hear that Mr. Roosevelt must have a third term, because only he can be relied on to prepare us for defense and conduct our relations with a world at war."

J. C. Williams, vice president of the Commerce Trust Company, was elected president of the bankers club in Kansas City at the annual meeting held at the Indian Hills country club recently. The retiring president of the club is George H. Buecking, president of the Baltimore bank.



J. C. WILLIAMS

Mr. Williams has long been active in the banking fraternity, not only of Kansas City, but of his home state, and is widely known also in the American Bankers Association.

Ben DuBois, secretary of the Independent Bankers Association of Sauk Centre, Minnesota, in a recent bulletin to members of his association, said: "War for the time being obliterates everything else from the picture, but we must not, we cannot surrender to totalitarian economic conditions.

"Do you believe that our old system of banking is worth preserving? If so, are you willing to play your part in its preservation? The only way branch banking can be stopped is through Federal legislation, and in the Miller-Patman Bill we have this legislation in excellent form."

(Turn to page 39, please)



# The Month's Market Maneuvers



JAMES H. CLARKE

As we write this on the morning of Thursday, June 27, a sentence from our article of but a month ago is most interesting — "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." That was but thirty days ago and yet it seems almost as out of date as 1929's stock prices. With this in mind it is simple to see that with the world war on an hour to hour basis we write this morning with a sense of futility.

*A month ago England, Belgium and France were fighting Germany—today England alone is left. A month from now that may be changed. In the face of these world developments the movements in our markets seem insignificant—but they are a definite part of the scheme of things—and will continue to be. Markets will be badly distorted during this period—can not help but be. The war is an active factor both psychologically and concretely—foreign trade is disrupted—some new markets are gained, many old ones lost—domestic economy is changed as efforts are concentrated in war industries—taxes rise but so does debt—Government financing in large amounts must be expected. These and many other factors must be considered in appraisals of the markets. And unfortunately they do not lend themselves to any easy analysis.*

Despite the fact that the news in June was almost wholly bad from the standpoint of the Allies, the market acted quite well. Apparently the break in May discounted a lot. The Dow-Jones average on industrial stocks was 116.22 at the close on May 31—yesterday (June 26) it was 119.23. During the month the stock market did have one bad sinking spell—dropping as low as 111.84 on June 11, but within two days it had rallied to 121.46. The rally followed Italy's entry into the war—this action puzzled many—but it probably was another case of better prices from some buying and some short covering—"with all the bad news out of the way." To date there have

Prepared for  
The Northwestern Banker

By James H. Clarke

Assistant Vice President  
American National Bank & Trust Co. .  
Chicago

been twenty-two days of trading this month—gains have been reported twelve times and losses ten.

The London stock market, despite rigid restrictions in the selling of securities, is now below the lows it hit in 1932. Of course, that is to be expected and is mentioned here only because there are students of international markets who look to London for clues on our own market. If Hitler is correct in his prediction that England will be conquered by August, the English markets are still too high—even though our Government takes over their orders—there will be much to confuse the students of business and related movements in equity markets.

Bonds in general gave a satisfactory performance in June, U. S. Governments and municipals were especially strong in the face of news which ordinarily should have put them down. In short, it was a supply and demand market which pretty much overlooked the foreign news as well as necessity of increased Government financing in the future. The long 2½s of 1965/60 closed on May 31 at 103.22 on the bid side—the dealers this morning indicate a bid of about 105.25. Better than a two point rise during the month.

It is too early to forecast what we shall see in the calendar year in the way of Government financing. It is a certainty that despite increased taxes the Treasury will have to offer billions of bonds and notes to provide the program of expenditures which Congress has voted. That banks will be increasing and not decreasing their Government holdings in the carrying out of these plans seems self-evident. The Treasury has passed up what have seemed like good opportunities to raise new money on numerous occasions in recent months—but this can not continue indefinitely. Offerings to raise new money can not be far away. That

the Treasury will follow the traditional methods in selling these bonds and notes seems to be the best bet—for the near future.

General business aided by war orders is good. It is likely that the Federal Reserve Board's index of business activity is around 115 now—compared with 105 in May and 102 in April. And it is still headed upward. While the more or less automatic cancelling of the French orders upset the steel market for a few days, steel operations are around 88 per cent of capacity. Last month they were about 73 per cent. Of greater significance is the fact that practically none of our orders for steel under our national defense program have been placed yet. Automobile production is down somewhat and supplies in dealer's hands are adequate. This is not surprising under present conditions. But carloadings are mounting—the first twenty railroads reporting for the week June 22 indicating a gain of 13.17 per cent over the similar week a year ago. Based on the war and our own plans for defense the outlook is for increased business in a number of industries—but a sudden peace could raise hob with a lot of forecasts.

Corporate bonds have been doing fairly well marketwise, but new financing has been at a minimum. Practically the only issue to raise a ripple in June was the offering of \$38,000,000 of Jersey Central Power & Light first 3½s of 1965. Dealers have said that the demand for these bonds was good but to say they were not a riot may well be included in the department of understatements. There are several issues in registration with the S. E. C. but the market will have to improve before they will be offered.

This is written before the name of the Republican candidate for the Presidency is available—although we may know by tonight. Anyone who is named, however, will favor a huge defense program. Whether England holds on or not, we face a concentration of business on domestic armament, increasing taxes, rising loans, and large scale Government financing. And whether you as a banker like or dislike the course which the Treasury pursues, you will find that you will take an important place in it.

## WAR, POLITICS, GOLD AND NATIONAL DEFENSE

(Continued from page 11)

absurd extremes, but if that great golden horde in Kentucky is worthless, the experience of the human race since its beginning is reversed, and black is white, and the moon is made out of green cheese. That is a prime source of our strength in the world of alarms and when this disaster is over it may enable us to take a triumphant lead in restoring the commerce and the peace of the whole world; and let's not let anybody ever suggest a different idea to us."

### Our Stake In China

"Let's look at another current Washington bogeyman. Japan will take the East Indies and cut us off from rubber and tin. So for that we have to fortify ourselves right up past Guam and keep our fleet west of the meridian of the west Pacific. Now I don't want Japan to crush China or to take the Dutch, British tin and rubber islands, but our stake in China and in the yearly China trade is less than Harry Hopkins in one of his more benevolent months used to spend raking leaves."

### U. S. Hasn't a Friend On Earth

We've gotten along in this world in our history with all kinds of despotic and dictatorial countries from Na-

poleon to the Kaiser and the Tzar, and many medieval sultans. We don't like them; we don't want them over here; we will fight them and lick them if they come, but this administration has gone hog wild trying to make the world safe for democracy again, and it has done it without taking the trouble to load its guns. It has affronted all the conquerors by slapping down their ears, and have aggrieved all the rest by not giving down as much as they thought they would like, and we haven't a friend on earth."

### Bluffing With a Water Pistol

"The good neighbor policy is a bunch of bunk. The Latin-American countries mostly detest and despise us. Mr. Roosevelt has been bluffing on a bobtail flush with a water pistol, and that's a dangerous business with a bunch of gangster gunmen."

### Third Term An Insult

"The present administration has utterly failed to tell the truth to our people, the truth about the growing stretch of Hitler, the idolence and apathy of the Allies and our own defenselessness. As it has bungled every domestic policy and failed in every domestic aim so it has bungled foreign policy, and above all, the proper preparation for defense of this republic. Yet we are now hearing that Mr. Roosevelt must have a third term because only he can be relied upon to prepare us for defense and conduct our relations with a world at war. It is the most impudent imaginable insult to the intelligence of the American people. At present he is actually getting away with it, but if the Republican Party has the courage and sense to nominate a candidate whom the people can trust and to challenge this record with the naked truth, he will be as thoroughly defeated and discredited as Chamberlain and for exactly the same reasons. That reason is that he shot craps with his country's destiny and rolled snake eyes."

### Defense Will Cost 30 Billion More

"We have a 46 billion dollar debt, and if we're going to get ready to defend ourselves in this dangerous world, we had better be told the full and honest truth. It is going to cost us at least 30 billion dollars more. The defense measures that are being talked about in Washington are wholly inadequate. If we are setting out to defend the Western hemisphere, or even that part of it to the bulge of South America, it is cruel deceit to let our people believe that the measures we are taking now will do one-tenth part of the job."



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

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

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



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

EXECUTIVE OFFICE NEW YORK • BRANCHES IN PRINCIPAL CITIES



### War Emergency Used For Politics

"This war emergency is being used not primarily for the stark necessities of adequate defense but primarily to promote the perpetuation of the fourth New Deal dynasty. In my opinion the country can't stand for that. The dangers are too close and the risks are too great. The nation is united for national defense but it still has to be made to understand that the first step, the first principle, the first necessity of national defense is efficient administration opposite industry. And that means that the first step in our defense in a world aflame is to install a government that can really undertake a great emergency program and successfully carry it through. This government has spent billions on about a dozen programs and everyone is in a collapse and complete and utter failure."

### U. S. Only Nation Worth Plundering

"In this bankrupt world we are the only nation left on earth that is really worth plundering. We are the richest, fattest pig in the seven seas, and as I said before, we haven't a true friend anywhere. It's about time we woke up because ever since the Civil War we've been the world's fat boy with a bag of candy to a point where the candy is about half run out and we

could only stand about one more raid. I believe that we can properly prepare for defense without ruining our economy, but I know if we don't prepare we will ruin it. It is betraying no military secret to talk about our weaknesses. All other nations have understood it in great detail for many years. The only people from whom it has been withheld and kept a secret is the American people."

### Hitler and Roosevelt in Power 7 Years

"This administration has been in power seven years. It started just exactly when Hitler took over Germany which was then a completely disarmed and impotent nation surrounded by late enemies, so heavily armed in comparison that they could have marched from one end of Germany to the other in two weeks. Hitler started immediately to rearm, to build the armed military machine with which he is now terrorizing the world. In the same year Mr. Roosevelt started to spend more money in his mad course in another direction. Now in the first Recovery Act in 1933 just when Hitler was starting three billion, three hundred million dollars was appropriated to activate industry, and the President was specifically authorized in that act to spend any

part or all of it, I quote, 'For the mortorization and mechanization of Army tactical units', for modernizing the Navy or for military or naval aircraft and air fields. What did we do with that. Well, he turned the bulk of it over to Harry Hopkins, and it was spent to rake leaves till they fell apart."

### We Have Not Sought Peace

"But this administration has neither sought the ways of peace nor has it prepared the ways of war. It has been belligerent, threatening the gangster nations again and again."

### Have Two to Three Years to Prepare

"We can expect trouble in South America soon and perhaps in Mexico. It is being started right now. But as a guess I believe that if the worst happens in Europe, we shall have between two and three years to prepare our own defense. Can we do that to an extent that would make an attack too costly to attempt? That's the whole problem. It is almost entirely an industrial job, and American industry has proved that it can do anything within reason that it starts out to do under a government that understands it and encourages it and permits it to function."

*Interest exempt from all present Federal Income Taxation*

**\$355,000**

**Polk County, Iowa**

(DES MOINES)

**2% Funding Bonds**

**Due serially November 1, 1947 through 1950**

*Legal Investment, in our opinion, for Savings Banks in New York and certain other States.*

*These Bonds, to be issued for Funding purposes, in the opinion of counsel, will constitute valid and legally binding obligations of Polk County, payable from ad valorem taxes to be levied against all the taxable property therein, without limitation as to rate or amount.*

#### Available Amounts and Maturities

\$ 15,000	November 1, 1947	Price to Yield 1.40%
100,000	November 1, 1948	Price to Yield 1.50%
15,000	November 1, 1949	Price to Yield 1.60%

*These Bonds are offered when, as and if issued and received by us and subject to final approval of legality by Messrs. Chapman and Cutler of Chicago, a copy of whose opinion will be furnished upon delivery.*

**HALSEY, STUART & CO. Inc.**

CHICAGO, 201 South La Salle Street

NEW YORK, 35 Wall Street

AND OTHER PRINCIPAL CITIES

*Dated June 1, 1940. Interest payable November 1, 1940 and semi-annually May 1 and November 1 thereafter. Both principal and interest payable at the office of the County Treasurer, Des Moines, Iowa. Coupon Bonds in the denomination of \$1,000. The information contained herein has been carefully compiled from sources considered reliable and while not guaranteed as to completeness or accuracy, we believe it to be correct as of this date.*

June 25, 1940

*Northwestern Banker July 1940*

# COMMERCIAL INVESTMENT TRUST

INCORPORATED



COMMERCIAL INVESTMENT TRUST Incorporated, with capital and surplus in excess of \$56,000,000, provides a nation-wide sales finance service through subsidiary companies with a network of branch offices throughout the United States. This service, in the main, consists of purchasing self-liquidating accounts, and extends to automobile dealers, household appliance dealers, and to manufacturers and dealers in many lines of industrial, commercial and professional equipment, including the heavy goods industries.

C. I. T. offers its standard notes for short term accommodation in varying amounts from \$1,000 to \$100,000, in maturities from 60 to 270 days and at current discount rates. These notes are payable at any of our 285 depository banks located in principal cities throughout the country.

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

## ADDRESS

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



WALTER E. VIETH  
President  
Davenport

## IOWA Investment Bankers Association

Organized 1935



ROY W. LERICHE  
Secretary  
Des Moines

## Investment Bankers Plan Public Information Program

THE Investment Bankers Association of America is going to do things.

They are going to specifically inform the public about the functions of investment banking and the real service which investment bankers render to industry and to the nation.

The resolution covering the plan of procedure which was passed by the board of governors states that:

1. A public information program be instituted:

(a) To uphold and obtain support for the American system of free enterprise;

(b) To contribute to the general public welfare and the creation of employment by promoting the flow of private capital into industry;

(c) To affirm and promote the function of investment banking as an indispensable integral part of the American system of free enterprise.

2. Such public information program shall be non-political and non-partisan.

3. The public information program shall be financed by voluntary contributions.

4. The president of the association shall appoint a special committee which shall have full authority to organize and carry out the work of obtaining such voluntary contributions.

5. Full and complete authority and responsibility for the development and carrying out of the public information program shall be vested in a public information committee consisting of the president, who shall be the chairman, and not less than three nor more than five other members to be appointed by the president.

6. The public information committee shall also be responsible for the coordination of all of the association's public information activities of every kind, including all written or spoken

statements made on behalf of the association and all recommendations to be submitted to public authorities on behalf of or by the association.

This work is all being coordinated under the public information committee of the Investment Bankers Association.



EMMETT F. CONNELLY  
President  
Investment Bankers Association

ciation, which is composed of the following gentlemen:

Edward H. Hilliard, J. J. B. Hilliard & Son, Louisville; John O. Stubbs, Whiting, Weeks & Stubbs, Inc., Boston; John K. Starkweather, Starkweather & Company, New York; Jay N. Whipple, Bacon, Whipple & Company, Chicago; John S. Fleek, Hayden, Miller and Company, Cleveland.

Also, there are two other committees, one of which is the education committee for the Central States



Group, which includes Illinois, Indiana, Iowa, Nebraska and Wisconsin, and is composed of the following men:

Newton P. Frye, chairman, Central Republic Company, Chicago; Andrew M. Baird, A. G. Becker & Company, Inc., Chicago; O. P. Decker, American National Bank & Trust Company, Chicago; Phil S. Dickinson, Nichols, Terry & Dickinson, Inc., Chicago; Winfield C. Jackley, Jackley & Company, Des Moines; Reno H. Petersen, The Illinois Company of Chicago, Chicago.

The national education committee, which represents the entire country, is as follows:

Jay N. Whipple, chairman, Bacon, Whipple & Company, Chicago; Thomas Beckett, Beckett, Gilbert & Company, Inc., Dallas; Benjamin R. Brindley, C. F. Childs and Company, Inc., San Francisco; Stanley E. Clark, Estabrook and Company, Boston; Theodore C. Coleman, Banks, Huntley & Company, Los Angeles; Charles B. Engle, Engle, Adams & Company, Denver; Herman A. Feldmann, Mackubin, Legg & Company, Baltimore; Newton P. Frye, Central Republic Company, Chicago; Russell E. Gardner, Jr., Reinholdt & Gardner, St. Louis; Fredric P. Griffin, Seattle Trust & Savings Bank, Seattle; W. Fenton Johnson, Smith, Barney & Company, New York; Harry W. Kerr, Crouse & Company, Detroit; Owen Kraft, Blyth & Company, Inc., Pittsburgh; Joseph J. Levin, A. G. Becker & Company, Inc., Chicago; Galen Miller, Hayden, Miller and Company, Cleveland; Roy C. Nelson, Nelson, Browning and Company, Cincinnati; George H. Nusloch, Nusloch, Baudean & Smith, New Orleans; Roland Palmedo, Lehman Brothers, New York; Clyde L. Paul, Paul & Company, Inc., Philadelphia; Ray W. Stephenson, Merrill, Lynch, E. A. Pierce & Cassatt, New York; J. A. Walker, Dominion Securities Corp., Ltd., Toronto; Robert S. Weeks, Whiting, Weeks & Stubbs, Inc., Boston; Adolph E. Weltner, A. E. Weltner & Company, Kansas City; Robert L. John, Thrall West Company, Minneapolis.

In the booklet already issued by the public information committee, Bronson Batchelor, public relations advisor, says:

"One of the things that has im-

pressed me most is the remarkable spirit that now seems to permeate the I. B. A. under the energetic administration of President Connely. You've closed ranks and served notice that all further attempts to undermine the investment banking business are to be vigorously resisted."

If this spirit continues there is no reason why investment banking in the United States should not again occupy the place that it rightly deserves in helping to carry on the economic life of America.

## News Notes

The field day committee of the Iowa

Investment Bankers Association advises that plans are going forward for a bigger and better field day to be held in Des Moines, September 11th, blitzkrieg or no blitzkrieg.

There are several innovations planned, and it is understood there is a possibility that everyone attending will receive a "Lei"—according to Walter Vieth, recently returned from Hawaii.

Erling Larson, formerly of Larson, Hopkirk & Company, is now associated with the Polk-Peterson Corporation of Des Moines, as manager of their Davenport office.

# Federal Discount Corporation

Dubuque, Iowa

## Automobile Finance

*Time Payment Plans for  
Automobile Purchasers*

• • •

## SMALL LOANS

• • •

**BRANCHES IN**  
**Iowa Minnesota Wisconsin**

**Capital, Surplus and Undivided Profits**

**Exceed One Million Dollars**

• • •

**Short Term**  
**Collateral Trust Notes**

• • •

**Information on Request**



## THE MINNESOTA CONVENTION

(Continued from page 12)

for the well planned and executed program.

WHEREAS, there continues to be agitation for enactments by the Congress of the United States of laws affecting the very nature of our banking system, especially as evidenced by the recent questionnaire sent out by the Wagner Committee of the Senate,

**NOW, THEREFORE, BE IT RESOLVED** that this Association take a firm stand for the perpetuation and maintenance of the present dual chartered system of banking which has proved its effectiveness in the industrial and agricultural growth of our country.

WHEREAS, those in governmental authority have seen fit to call together

certain industrial leaders of the nation for consultation regarding the present world wide chaotic condition with the avowed purpose of determining a policy of preparedness, both military and economic,

**NOW, THEREFORE, BE IT RESOLVED** by this Association that we approve this action, and that we urge upon those in authority that those industrial leaders be given necessary authority to make their knowledge and experience effective.

WHEREAS, during a period of nineteen months in which the banks have had an opportunity to observe the actual operation of the Wage and Hour Law, it has become apparent that the law has actually resulted in many cases to lessen opportunities and remunerations to the employees for a number of obvious reasons,

**NOW, THEREFORE, BE IT RESOLVED** that we urge our Congress

to revise such sections of the Wage and Hour Law affecting banking which will result in a more equitable condition for both employee and employer, which will enure to the benefit of the general public.

ABA officers for the state, elected at a meeting of ABA members, included the following vice presidents: national bank division, O. H. Odin, Minneapolis; savings, Albert H. Crosby, Minneapolis; state bank, Jesse Olson, Redwood Falls, trust, A. E. Wilson, Minneapolis. Named to the executive council for one year was Olof Gandrud; for three years, H. C. Matzke, Duluth. O. G. Jones, Red Wing, was placed on the nominating committee, with J. H. Welle, Melrose, as alternate.

Those who will serve on the council of administration of the Minnesota Bankers Association, with their respective terms of office, are as follows:

**1941**—A. B. Lathrop, Past President; Edwin Brickson, Adrian State Bank; L. O. Olson, Midland National Bank & Trust Company, Minneapolis; J. T. Peterson, State Bank of Le Sueur; N. V. Torgerson, Farmers State Bank, Adams.

**1942**—J. A. Allen, First National Bank, Milaca; H. B. Humason, American National Bank, St. Paul; George J. Meinz, American National Bank, St. Cloud.

**1943**—D. G. Johnson, First National Bank, Hawley; S. R. Kirby, Jr., First National Bank, Virginia; T. G. O'Connor, O'Connor Brothers State Bank, Renville.

### Changing Needs

A man's needs, problems and ambitions often change materially as he grows older. A saving plan which was adequate for his youth may no longer fill the bill. And that is why the thinking life insurance policyholder periodically reviews his policies.

Your family and financial circumstances may be greatly different than they were a few years back. New obligations may have appeared, and old ones disappeared. Life insurance is a highly malleable instrument, and it can be adapted to fit almost any man's needs.

So don't think the job is done when you've bought a policy and stuck it away. Perhaps your policies fit you as well now as when you bought them—perhaps they don't. Look them over, in company with your insurance agent, and find out.

### Pay the Price

He: "Can you make the cakes that mother used to make?"

She: "Yes, if you can put up with the indigestion father used to have."

## 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."

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L. K. WADSWORTH, Secretary





HOWARD BUFFET  
President  
Omaha

## NEBRASKA INVESTMENT BANKERS ASSOCIATION

CECIL W. SLOCUM  
Secretary

RECENTLY, at an Omaha Junior Chamber of Commerce picnic, **Cecil W. Slocum**, investment banker who is secretary of the Nebraska Investment Bankers Association, and Junior Chamber president, challenged William Bloom, another Junior Chamber member, to a slipper-kicking contest after watching a similar contest between wives of Junior Chamber members.

Slocum took a punting stance, aimed at a spot 50 yards down the field and let fly. He tripped, went down. He was at home the next day with an injured leg muscle.

Estate of **Frank B. Johnson**, Omaha printing executive who died April 6, 1939, amounted to \$402,793. Claims of \$84,172 left a net of \$318,621.

The estate included \$123,040 in cash, bonds worth \$19,030, stocks worth \$225,997, real estate worth \$11,022. Stocks included 200 shares of Omaha Printing Company and 450 shares of Armour & Company of Delaware.

**Chester E. Hunter**, 70, manager of Lamson Bros. & Company, at Omaha for 33 years, died recently at an Omaha hospital after an illness of four days. He went to Omaha from Illinois to open the Omaha office of the brokerage concern. He was a member of the Masonic Lodge and a Shriner. His wife and one daughter survive.

Stockholders of the Waubonsie Bridge Company of Nebraska City, Nebraska, voted recently by a large majority to accept the city of Nebraska City's offer to buy the span for \$800,000.

The vote was 25,244 shares of common stock for the proposal; 752½ against.

The deal then awaited financing by three Chicago bond houses.

An inventory of the Sarah H. Joslyn estate, filed recently in county court at Omaha, listed holdings

amounting to \$2,648,462 exclusive of mortgages, real estate, household goods and personal effects in "Joslyn Castle."

The filing was made by the **United States National Bank** of Omaha, executor. Cash on deposit at the United States and Omaha National Banks amounted to \$244,724, the inventory showed.

Largest investments were in bonds, with a total of \$2,371,859, including \$1,138,610 invested in city of Omaha, school district and Douglas county issues. Only one bond was listed as worthless, a \$500 bond issued by the Omaha Lodge of Elks, due in 1932.

The holdings also included: Omaha park bonds, \$21,425; Omaha gas plant, \$31,020; street improvement, \$68,345; Omaha land appropriation bonds, \$17,100. United States treasury notes and bonds were listed at \$520,000 par, \$546,514 current value.

Stocks amounted to only \$31,879, including 882 shares of American Gas and Electric common (\$29,767); seven of American-Sumatra Tobacco Corporation, a hundred shares of Old Merchants National Bank of Omaha stock. Six stocks were listed as valueless, including 25,000 shares of Sylvanite Deep Mining and Tunnel Company, 5,000 shares of Omaha Auditorium Company.

Her holdings in Omaha school bonds totaled \$531,590 (current value).

Nebraska's local subdivisions of government reduced their debts nearly 40 per cent in the last 12 years and can be virtually out of debt in another decade if the pay-as-you-go policy continues, according to the Nebraska Federation of Taxpayers' Leagues.

A compilation of all bonded debt owed by cities, counties and school districts showed the total had been reduced from \$113,509,462 in 1928 to \$68,280,803 in 1940.

The organization called special attention to the "enviable" record of Douglas county (Omaha). The coun-

ty's debt in the 12 years was cut from \$47,445,367 to \$22,741,710.

**Thomas R. Huston**, former vice president of George & Company, Omaha realtors, recently announced his association with Western Securities Company of Omaha. He has been in the real estate business at Omaha 26 years.

Two Omahans recently were named members of a committee of the United States Savings and Loan League by **George W. West** of Atlanta, Georgia, national president. **Leslie E. Martin**, president of the Nebraska Savings and Loan Association, was named to the committee on public housing, and **James J. Fitzgerald**, secretary-treasurer of the Commercial Savings and Loan Association, to the committee on construction, loan policies and procedure.

Ak-Sar-Ben announced that another sizable reduction in outstanding bonded indebtedness on the Ak-Sar-Ben bridge connecting Omaha and Council Bluffs was planned July 1, the semi-annual interest date.

Bridge affairs now are administered by the Ak-Sar-Ben Bridge Corporation, a nonprofit group. President **A. A.**

### LAMSON BROS. & Co. ESTABLISHED 1874

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

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

MEMBERS OF LEADING SECURITY  
and COMMODITY EXCHANGES

**Lowman** of the bridge group said it was hoped \$100,000 in bonds could be retired July 1, which would cut indebtedness to \$2,050,000. Original purchase price of the bridge was \$2,350,000 and in the 18 months prior to January 1, 1940, Ak-Sar-Ben not only retired \$200,000 of the bonds but also paid in full for a modernizing program which cost \$265,000.

Members of the Nebraska League of Savings and Loan Associations elected their first new president in 19 years at their recent Omaha convention. They named **J. B. Douglas** of Tecumseh, Nebraska, to that office after **T. L. Mathews**, 92-year-old Fremont retired banker and building and loan executive, had served 19 terms.

Other new officers are: E. C. Boehmer, Lincoln, Harold Weise, North Platte, and C. A. Durland, Norfolk, vice presidents; Leslie E. Martin, Omaha, re-elected secretary-treasurer.

Resolutions expressed confidence in the ability of building and loan as-

sociations to develop "a spirit of thrift toward ownership of homes." Members of the association expressed opposition to legislation pending in congress to give the federal government more control over building and loan associations and to reduce state control.

## GOVERNMENT COMPETITION

(Continued from page 14)

Times have changed. Times are changing very rapidly and a new era is upon us. Thus shall we profit by the lessons of the past and with some ingenuity accept the challenge of the future or pass into the halls of history as those who have lived. It is high time that the bankers of this district, state and nation either take the time to do their part actively in the business of running the government, or find men capable of handling such offices and elect them, be they Repub-

lican or Democrat. Don't say, "Let George do it." He's done enough already. See that such men sit in our legislative bodies who still believe in the Bill of Rights, so that when you make a mortgage it can't be all washed out by dispensations to the mortgagor. As it is happening in Europe today, so well may it happen here tomorrow unless we take an active part in the guidance of our banking craft before we find a hard master guiding it without our assistance.

## LEGAL DEPARTMENT

(Continued from page 20)

closure there was certain growing stock on the land. Did title to it pass to Cable at the sale?

**Yes. In cases of mortgages, the general rule is that growing nursery stock will pass as realty to the purchaser at a foreclosure sale of the land, in the absence of a reservation or competent evidence of the intention of the parties that it should not be included as part of the security. Iowa and Colorado are among the states in which decisions to that effect have been rendered.**

**The Commonwealth of Kentucky imposed on its citizens an annual ad valorem tax on their deposits in banks outside of the state at the rate of fifty cents per hundred dollars and at the same time imposed on their deposits in banks located within the state a similar ad valorem tax at the rate of ten cents per hundred dollars. Payment of the tax was resisted by a citizen of the state on the ground that it was repugnant to the privileges and immunities clause of the Fourteenth Amendment to the Constitution of the United States. Should he be sustained in this resistance?**

**No. The deposit of money in banks is not a privilege of national citizenship making it improper, under the privileges and immunities clause of the Federal Constitution, for a state legislature to impose a higher tax on deposits outside the state than on those within the state.**

**Occasionally the question will arise, in connection with collection work or trust work, of whether an infant is subject to, or may be made the subject of, the bankruptcy laws. What would be your ruling in this regard?**

**As regards bankruptcy proceedings in cases of infant debtors, there are authorities to the general effect that since an infant may ratify or repudiate his debts on becoming of age, the**

CARSON F. JAMIESON  
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WILLIAM G. KAHLERT

GOVERNMENT  
MUNICIPAL  
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BONDS

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*Industrial*

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**Bankruptcy Act has no application. Obviously, however, this reasoning does not apply where the debt is one which the infant cannot repudiate but is binding on him and his property. In such last mentioned cases it has been held that the infant is subject to the Act.**

Ruan borrowed from his bank an amount in excess of the limit allowed by the statute regulating the amount of loans by a bank. He failed to pay the loan when it came due. The bank sued. Ruan defended on the ground that he should not be required to pay inasmuch as the loan was in excess of the amount allowed by law. The loan was unsecured. Is such a defense good?

**No. It is settled by a uniform line of authority, dealing both with national and state banks, that a person who has borrowed money from a bank in an amount in excess of the limit allowed by the statute regulating the amount of loans by a bank cannot interpose the defense, when sued by the bank to recover the loan, that such loan was prohibited by such statute.**

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

United States Senator Carter Glass will be honored at the 66th annual convention of the American Bankers Association to be held at Atlantic City, New Jersey, September 23rd-26th, it is announced by Robert M. Hanes, president of the association. Mr. Hanes is president of the Wachovia Bank and Trust Company, Winston-Salem, North Carolina. Senator Glass will be honored for his service to American banking at the second general session of the convention scheduled for Thursday, September 26th.

Hon. Clyde R. Hoey, governor of North Carolina, will address the first general session of the convention on Wednesday, September 25th.

Other speakers at the general sessions will include Mr. Hanes and E. S. Woosley, vice president of the Louisville Trust Company, Louisville, Kentucky.

The enlarged services of the A. B. A. will be reflected in the convention program, with emphasis on the educational note. The four general divisions of the association will hold their annual meetings the first day, Monday, September 23rd. All of the following day, Tuesday, September 24th, and the two following afternoons will be devoted to round table conferences and panel discussions.

The Tuesday morning program will include round tables on "The Influence and Value of Bank Staff Con-

tacts," "How to Survey Your Trade Area," and "Liquidity and Marketability of Loans Made to Farmers."

Tuesday afternoon will be devoted to a panel treatment of "Real Estate Loans," conducted along the lines of the "Information Please" type of program. On Wednesday morning, September 25th, there will be a series of round table conferences on bank operating problems and on Thursday afternoon the popular type of quizz program will be applied to the subject of "Consumer Credit."

The fortieth anniversary of the American Institute of Banking will be

celebrated at the first general session, Wednesday, September 25th. Harry R. Smith, retiring president of the A. I. B., will introduce the past presidents of the A. I. B. and conduct the installation of William A. Irwin as national educational director of the institute.

The newly elected officers of the A. B. A. will be installed at inauguration ceremonies to be held Thursday evening, September 26th. The University of Pennsylvania chorus will sing at the inauguration. John Charles Thomas, noted American baritone, will be the guest star.

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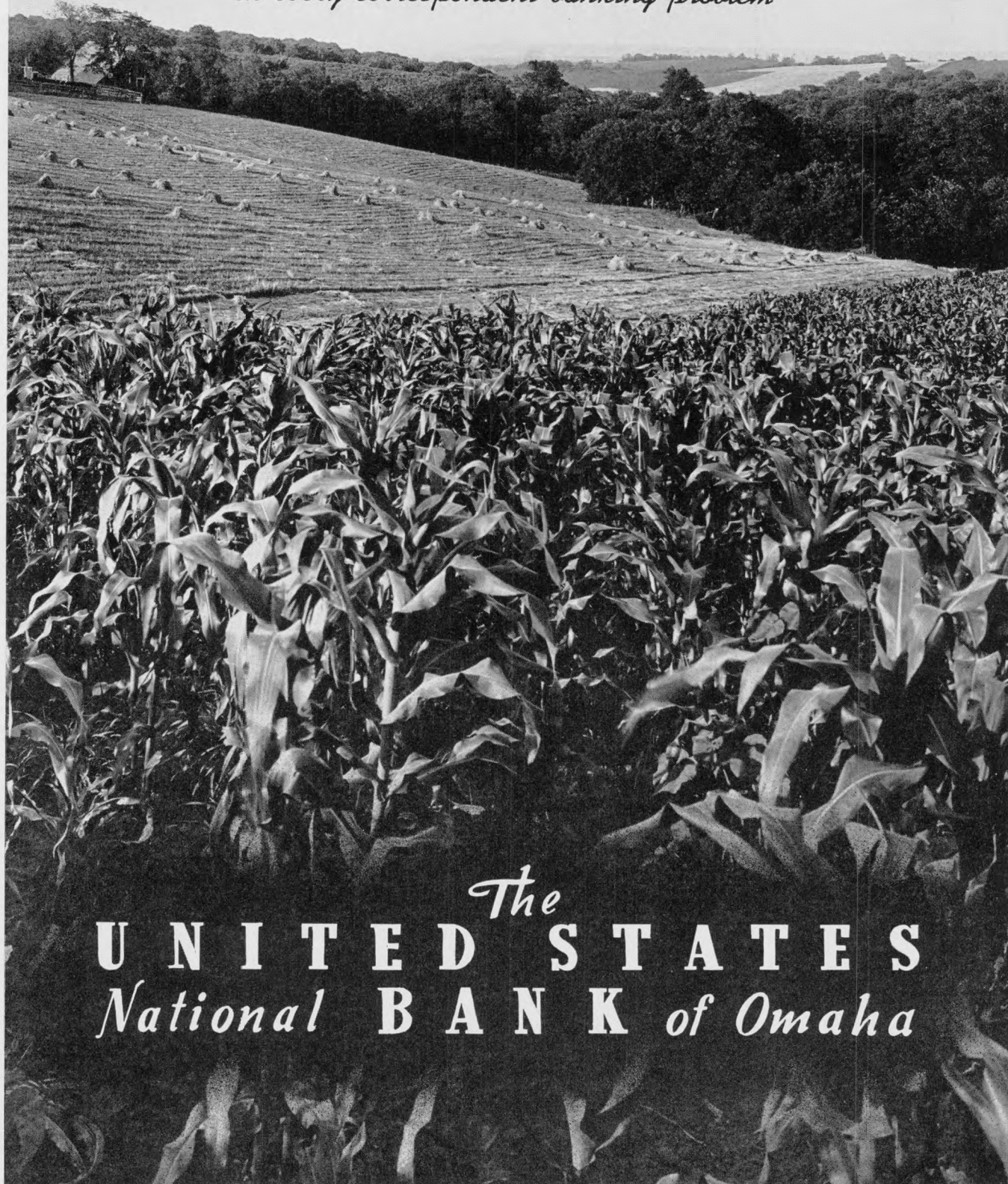
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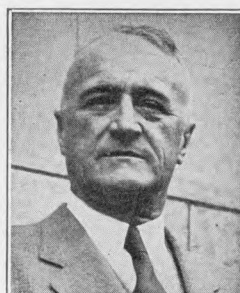
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C. C. NEUMANN  
President  
Oakland

## NEBRASKA NEWS



WM. B. HUGHES  
Secretary  
Omaha

### Golden Jubilee

More than twenty-five hundred persons gathered recently in the Tekamah ball park where they were guests of the First National Bank at a party celebrating its fiftieth anniversary as a national bank. It was by far the largest party ever held in this part of Nebraska. The weather was ideal and the huge crowd thoroughly enjoyed the event.

The program was presented from a platform in front of the grandstand. Robert I. Stout, president of the bank, welcomed its patrons and friends, and in his remarks stated that eleven of the original depositors when the bank was nationalized fifty years ago were still with them, and practically all were on the grounds for this anniversary party. They were Arizona Ladies Aid Society, M. W. Blue, Charles Bucy, J. S. Eckley, Charles A. Goll, C. V. Haywood, Cora J. Lydick, Mackey Chapter (Masonic order), M. D. Wilbert, Albert Pearce and Fred Wixer. Deposits in the bank fifty years ago in July, 1890, were \$57,244; fifty years later, the March, 1940, statement of the same bank showed deposits totaling \$1,107,378.67.

Clyde Newman, Oakland banker, and president of the Nebraska Bankers Association, expressed greetings for the bankers over the state.

### Pioneer Dies

C. J. O'Connor, 84, former Dakota county official and Homer banker, died recently at his home in Monterey Park, California. Mr. O'Connor moved to California 18 years ago.

Born September 22, 1855, in New York City, Mr. O'Connor came with his parents, Captain and Mrs. Cornelius O'Connor, to Nebraska in 1857. The O'Connor family settled near Jackson and later moved to a farm near Homer. Mr. O'Connor, when a young man, opened a general store in Homer and later organized and operated the Homer State Bank. He served as county treasurer for several years and also operated the government store at the Winnebago agency.

### Cashier Resigns

M. Lynn Judy has resigned his position as cashier of the Citizens National Bank, Ashland, and is taking a short vacation. Mr. Judy was cashier of this bank for six years, from June 11, 1934, to June 10, 1940. Previous to June, 1934, he was employed for 15 months at the old National Bank of Ashland, getting the affairs of that institution in order before the new organization, the Citizens National Bank, took over.

### County Meeting

The Douglas, Sarpy, Washington and Burt County Bankers Association held a regular meeting recently at Valley. About sixty attended and enjoyed a chicken dinner before the meeting. George Wood, executive vice president of the First National Bank of Council Bluffs, Iowa, was the speaker of the evening.

Election of officers was held and Carl Brown of the Banking House of A. W. Clarke, at Papillion, was elected president; R. K. Hancock, cashier of the Burt County State Bank of Tekamah, vice president; and Robert H. Hall, executive vice president of the North Side Bank of Omaha was re-elected secretary-treasurer. Two new members of the executive committee are Geo. Schoettger of Arlington and H. C. Larson of Decatur.

### Time Saver

The First National Bank of Tekamah has recently installed the newest type of postage meter machine. The new machine eliminates the use of adhesive postage stamps and is the first of its type to be installed in Tekamah. The machine is, in effect, a miniature post office in that it seals the envelope, prints the postage in any denomination and post marks and cancels the letter.

### Another Dividend

Directors of the DeLay National Bank of Norfolk have voted to pay stockholders another semi-annual dividend, making the total 115 per cent,

since the institution started operating in the community more than nine years ago, President J. J. DeLay announced.

In the past year the bank has materially increased its deposits and its cash condition today is stronger than ever, the president announced. "This growth has been made possible by the hearty cooperation and patronage of the people of Norfolk and surrounding territory, which the directors deeply appreciate," Mr. DeLay stated.

### Attends Graduate School

W. H. Pierce, president of First National Bank, Shelby, left recently for Rutgers University at New Brunswick, New Jersey, where he entered the Graduate School of Banking conducted by the American Bankers Association to begin advanced study of recent developments in banking.

An advanced school for bank officers, The Graduate School of Banking, is attended by 600 bank officers from all sections of the country. Each year approximately 200 new students enter the school and 200 bank officers are graduated.

### Merger

Through an arrangement completed recently, the Edmond State Bank of Edmond has suspended business, in favor of a merger with The Exchange Bank of Lenora, which has taken over its assets, liabilities and general banking business. The Edmond bank, which was founded in 1902, and is being liquidated because of a decision of its board of directors to suspend operations because of the impossibility of operating a small bank profitably under present day conditions.

### Elected Cashier

Charles S. Stone of Hastings is the newly elected cashier of the Harvard State Bank at Harvard. F. E. Turner is the new president.

Mr. Stone is a former banker, having operated his own banks in Nebraska and Colorado before coming to Hastings in 1923 as a bank examiner. He has also served as receiver and more recently he has been engaged in a combined collecting and real estate business, with offices in the old Exchange National Bank Building in Hastings.

He will continue to reside in Hastings, commuting between the two towns.

### New in Humboldt

John Webber, a young man from Kansas City, Missouri, is a new employe at the Home State Bank and

has assumed his duties there as book-keeper.

Mr. Webber attended the Municipal University at Omaha, and for the past two years has been employed in the Commerce Trust Company Bank at Kansas City.

**Dale Agee**, assistant paying teller of the First National bank of Omaha, recently was elected president of a newly-organized Young Builders club, formed by the downtown Omaha Kiwanis club.

**Mr. and Mrs. T. L. Davis, Mr. and**

**Mrs. Lawrence Brinker and Miss Catherine Thummel** spent the Memorial day week-end at Lake Milona in Minnesota. With the Davises were their daughter, Mrs. John R. Lauritsen, and Mr. Lauritsen of Minneapolis. The John F. Davises also joined the party at the lake, going from a Lake Okoboji house party.

**John Davis** recently was elected a vice president of the First National bank of Omaha and is the third generation of his family to be associated with the bank. He has been a director of the bank since 1935. His father,

T. L. Davis, is president of the bank.

Municipal Judge Perry Wheeler of Omaha expressed the opinion recently that it was a sign of "returning prosperity" when three men were charged with double-parking while they were in the Omaha National bank.

Fines of all three were suspended.

## Bigger Than a Billion

Government is not a cross between King Midas and Santa Claus. Instead of turning to gold, everything it touches is tagged with a tax bill of some kind. Only after playing the roll of tax-collector can it play the role of "Santa Claus." If people would understand this fact, the present drift toward national bankruptcy would be reversed overnight.

Continuous repetition of astronomical figures has caused a government deficit of several billion dollars each year to glance off the minds of most of us like water off a duck's back. The difference between millions and billions has become "microscopic," just like those microscopic pinpoints of light we call stars. To the common citizen, a million dollar is as nebulous as the stars—let alone a billion. Stand a billion dollars alongside of a first class star and bring them close enough for the average man to get a good look, and it is questionable which would startle him the most. As a matter of fact, he would probably not believe what he saw.

However, stop him on the street and hand him a bill for \$100, payable immediately, for "services rendered" by government, and he would be up in arms. Unless he happened to be one of the comparatively few who pay direct income taxes, he would literally hop up and down in anger and demand to know "what it was all about." Henceforth he would have a new interest in every public expenditure—taxes would mean something to him.

Dire the fate of the politician who wasted a dollar of this man's money! Give every citizen the knowledge possessed by him and "microscopic" billions would be no more. Public dollars would once again assume their proper proportion. "Astronomic" figures would be kicked out of public bookkeeping!

Charter No. 209

# First National Bank of Omaha

●

## The Oldest National Bank From Omaha West

Nationalized 1863

### OFFICERS

T. L. DAVIS.....President	O. H. ELLIOTT.....Assistant Cashier
F. W. THOMAS.....Vice President	C. H. VEBER.....Assistant Cashier
J. F. McDERMOTT.....Vice President	E. F. 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. OHISHOLM.....Assistant Cashier	H. A. ARNSBERGER.....Assistant Cashier
W. E. SPEAR.....Trust Officer	
E. G. SOLOMON.....Assistant Trust Officer	

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YOUR STATE BANKERS ASSOCIATION  
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OMAHA





## Omaha Clearings

STOCKHOLDERS of the Omaha National Bank have approved a plan increasing the common stock capital of the bank from \$1,500,000 to \$2,000,000 and retiring the preferred stock, it was announced by **W. Dale Clark**, president.

The common stock capital was increased by declaring a 20 per cent stock dividend and by offering 2,000 shares of new stock for sale to stockholders at \$150 a share. Under the stock sale provision, each stockholder has the right to buy one new share for each nine now owned.

New funds in excess of \$500,000 resulting from the sale of new stock and from proceeds of recovered assets were to offset retirement of 5,000 shares of Omaha National preferred stock owned by the Reconstruction Finance Corporation.

The new capital structure of the bank is: Common stock, 20,000 shares, \$2,000,000; surplus, \$1,750,000; undivided profits, about \$200,000; unallocated reserves for contingencies, about \$100,000. In addition, all the normal and regular reserves have been set up and maintained as usual.

Regular quarterly dividend of \$1.50 per share was declared, payable June 15. The new capital structure setup was to be completed by June 17th.

Omaha was back to normal in June after another successful Golden Spike Days celebration, general chairman of which was **Alvin E. Johnson**, president of the Live Stock National Bank.

Mr. Johnson, who took on the job after completing work as chairman of a strenuous Community Chest campaign, was slated for a vacation when Spike Days were over, but was back at his office at the bank the next day. "I had a vacation," he said, "I stayed home all day Sunday."

**W. Dale Clark**, president of the Omaha National bank, presented an Omaha Clearing House association leatherbound testimonial book hailing

the fiftieth anniversary of the Woodmen of the World Life Insurance society of Omaha to De Emmet Bradshaw, president, at ceremonies recently in Omaha. The booklet contained a resolution signed by the presidents of all Omaha banks.

**Fred W. Thomas**, vice president of the First National bank of Omaha, represented the clearing house association in presenting a framed resolution to William M. Jeffers, president of the Union Pacific, at ceremonies marking his fiftieth anniversary with the Union Pacific.

At a luncheon sponsored by Omaha civic interests for Mr. Jeffers, Mr. Clark reviewed Mr. Jeffers' career.

**W. A. Harriman** of New York, chairman of the board of the Union Pacific and one of the nation's foremost financiers, was one of the guests at the Jeffers celebration. Harriman said in a speech that he believed the United States should "sell the allies all the war materials they need, and when they no longer have funds to pay, give them what they need." He made the statement at a Greater Omaha association luncheon honoring Mr. Jeffers.

Critical of so-called student peace councils, **J. F. McDermott**, vice presi-

## Live Stock National Bank Omaha

### Statement of Condition June 29, 1940

RESOURCES		LIABILITIES	
Loans and Discounts.....	5,712,237.12	Capital Stock (Common).....	500,000.00
Bonds and Other Securities.....	7,545.11	Surplus .....	500,000.00
Stock in Federal Reserve Bank....	30,000.00	Undivided Profits .....	108,782.12
Banking House and Fixtures.....	1.00	Unearned Discount .....	4,894.02
Other Real Estate.....	None	Reserve for Taxes, Interest, Etc....	149,487.27
U. S. Gov't Securities 4,938,216.91		Dividend Payable March 30, 1940..	7,500.00
Cash, Sight Exch. and		Deposits:	
Due From Fed.		Banks .....	6,244,293.70
Res. Bk. ....	4,029,483.26 8,967,700.17	Other Deposits..	7,202,526.29 13,446,819.99
	14,717,483.40		14,717,483.40
CAPITAL AND SURPLUS		LOANS AND DISCOUNTS	
June 29, 1933.....	550,000.00	June 29, 1933.....	1,759,199.39
June 29, 1940 .....	1,000,000.00	June 29, 1940.....	5,712,237.12
DEPOSITS			
June 29, 1933.....	4,635,097.53		
June 29, 1940.....	13,446,819.99		

TO OUR BANKER FRIENDS we offer our facilities in connection with the financial problems of their Live Stock, Agricultural and Commercial customers.

ALVIN E. JOHNSON, President.

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employees furnished free

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Omaha, Nebraska

## • NEBRASKA NEWS •

dent of the First National bank of Omaha, urged 263 Creighton university graduates at Omaha to "stand ready to defend their country if the need arises."

A former commander of the Omaha post, American Legion, "largest in the world," McDermott was commencement speaker.

"Don't be afraid to fight for the preservation of the constitution," he said. "And don't be afraid to fight for your country. Today, America seems overrun with people, some in high places, who claim the protection of

the constitution as a shield for their traitorous efforts to destroy it."

The Omaha school board recently re-elected by acclamation **W. Dale Clark**, president of the Omaha National bank, and **J. L. Haugh**, vice president of the Union Pacific railroad, as regents of the University of Omaha, municipal institution, for four-year terms beginning July 1. Mr. Clark first was named to the board four years ago, Mr. Haugh two years ago.

"The board and the university have

been singularly favored in having the services of two such men," declared George Tunison, who moved their election by acclamation.

During June, it was announced by **E. H. Luikart**, state banking department receiver, that 119 former depositors of the defunct State Bank of Omaha were entitled to eighth dividend checks, and could not be located.

A permanent war relief committee of the Douglas County Red Cross chapter at Omaha was named recently as the chapter neared its increased goal of more than 72 thousand dollars in the drive to aid European war refugees.

Members of the committee include **W. Dale Clark**, **J. F. McDermott**, **W. D. Hosford**. Mr. Clark represents the Omaha Clearing House association.

**James H. Moore**, assistant cashier of the Omaha National bank, left June 16 for Rutgers university, New Brunswick, N. J., to attend a two weeks' session of the graduate school of banking conducted by the American Bankers' association.

Mrs. Frederick Brown, daughter of Mr. and Mrs. Carroll H. Wegemann of Omaha, with the former's two children, 6 and 2, were among those who waited at Galway, Ireland, for a return to America from the war zone on the S.S. President Roosevelt. Mrs. Brown is the wife of an employee of the Bank of England.

Omaha Chapter of Bank Auditors met recently at the Y.M.C.A. in Council Bluffs, with members from the two cities and from Lincoln, Neb., in attendance. **Dwight E. Hesse**, assistant cashier of the Council Bluffs Savings Bank, was elected president of the association.

Other officers are: **A. C. Glandt**, First National of Lincoln, first vice-president; **R. E. Stanley**, Packers National of South Omaha, second vice president; **H. J. Dworak**, United States National of Omaha, treasurer; **H. Echtermeyer**, assistant cashier, Live Stock National of South Omaha, secretary.



Our "PAYC" Plan Brought In  
120 New Checking Accounts  
in Less than a Month  
and a Half.

—Sioux City, Iowa, Bank

### Make Extra Profits, Get New Customers This Easy, Economical Way

#### GET MONEY-MAKING DETAILS TODAY

Get your share of this small depositor business. Write today, let us show you how. PAYC copyrighted but no royalty charged to banks using the system. Complete details, experiences of other banking firms sent immediately on request. Write Dept. NWJUL.

Small depositors, wage earners welcome this new service—result, new customers, more profits. Build Goodwill, solve "money order problem" with PAYC (Pay As You Check) Plan. End minimum balance and service charge problems. Simplify account handling. No check charge computing—uniform handling in advance. Many leading banks now adopting plan. Inquire now.

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

## Out-of-Town Banks

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

**CITY NATIONAL BANK**  
AND TRUST COMPANY of Chicago

208 SOUTH LASALLE STREET

(Member Federal Deposit Insurance Corporation)

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





## Lincoln Locals

**D**EAN BAUMEISTER is the new president of the Lincoln chapter of the American Institute of Banking. He was elected at a recent meeting and succeeds Charles Anderson. Other new officers are:

Herman Brockmeier, vice president; Paul Bogott, secretary; Sterling Glover, treasurer, and E. U. Guenzel, directors.

Mr. Baumeister appointed a committee to arrange an inter-bank-employee golf round robin, starting last month. He attended the A. I. B. convention in Boston.

Lucius O. Jones, 82, former business man in Beatrice, Nebraska City, Omaha and Lincoln, died recently. He was one of the founders of the bank at Table Rock, was prominent in Nebraska Methodist church activities and lived in the state since 1879.

Mr. Jones organized the Nebraska Epworth Assembly in 1897 and served as president of the organization 23 years. As secretary of the national Methodist Board of Hospitals and Homes, he visited and obtained funds for hospitals and homes from many states.

The annual golf tournament for the officers and employees of Lincoln's three banks—the First National, the Continental National and the National Bank of Commerce—got under way recently with a qualifying round of 18 holes.

The qualifying was played over Pioneers course, but the match play could be played over any course in the city, according to where the participants are members. Enough players to fill four flights competed.

were more than a million dollars greater than for May of 1939. In May, 1940, clearings totaled \$13,441,797, as compared with \$12,347,788 in May of 1939. The April, 1940, clearings were \$13,365,834. The figures were released by Don Cozard, secretary to the Lincoln Clearing House Association.

Bruce McFarland, teller at the National Bank of Commerce, where he has been associated for the past 18 years, has purchased the interest of E. W. Burdic, cashier of the Bank of St. Edward.

Mr. McFarland, who will be cashier and a member of the board of directors, took charge July 1st. Mr. Burdic, who had been with the bank since it was organized three years ago, will take a position with the Plattsmouth State Bank. J. A. Indra will remain president.

## NEWS AND VIEWS

(Continued from page 24)

**Colonel Hanford MacNider**, director of the First National Bank of Mason City, Iowa, in a recent address said:

"Let's have a national defense that can't be questioned,—a complete, definite, impregnable defense. Let's cut to the bone every spendthrift activity of this spendthrift administration that we may be able to pay for it, and still have credit as a nation.

"Good credit is the first bulwark of any sound national defense. Ours must be maintained, or all talk of protection is useless."

Lincoln's bank clearings during May

Chester L. Price, advertising and

## Hotel Wellington

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



## "Efficient"

Continental National Service is efficient. Every officer and employee is trained to handle each correspondent item promptly and accurately.

The  
**CONTINENTAL NATIONAL**  
**BANK**  
of  
**LINCOLN**



Member Federal Deposit Insurance Corporation

publicity manager of the City National Bank and Trust Company, has been elected president of the Chicago Financial Advertisers. Louis H. Northrop, assistant vice president, First National Bank of Chicago, was elected vice president. **Robert Lindquist**, advertising manager of the American National Bank and Trust Company, and retiring president, automatically becomes a member of the board.

**Will A. Lane**, president of the Security Savings Bank of Marshalltown,

Iowa, has just announced that at the annual meeting of his bank, all officers and directors were re-elected.

As of June 1st the bank had total deposits of \$1,863,000, with a capital of \$50,000, surplus of \$40,000 and undivided profits of over \$26,000.

In making his report to the stockholders Mr. Lane said: "The business of banking is not an exact science. There is not a major movement in the world but what has some effect on business. To attempt an evaluation of the favorable and unfavorable influ-

ences, present and potential, and their possible effect on the business of banking, is the job of the banker. The greatest efficiency of a bank, and its greatest opportunity for service, lie in the extent of knowledge and the immediateness of consideration it gives to situations which will affect the people of its community."

**Laurence W. Jackley**, the 12 year old son of **Winfield C. Jackley**, president of Jackley and Company, investment bankers of Des Moines, won first prize in a poetry contest recently held by the Junior Department of the Plymouth Congregational Church, in connection with their project "Lighting Lights of Friendship."

Laurence, who is better known as **Larry Jackley**, took as his subject "Children Must Work," and his prize-winning poem is as follows:

Everywhere there seems to be fighting,  
Because greedy men want more,  
And it's all going to end up  
In a nice world war.  
Children must work for peace.

Everywhere there seems to be no love,  
Because of one man's hate.  
But why should he make young men  
die?

That's in the hands of fate.  
Children must work for peace.

There is hate, there's no love.  
And because of that, the earth begins  
to sog,  
Why can't everybody work,  
And work for God?

### Offering County Bonds

Halsey, Stuart & Company, Inc., is offering \$355,000 Polk county, Iowa, 2 per cent funding bonds due serially from November 1, 1947, through 1950.

These bonds to be issued for funding purposes in the opinion of counsel, will constitute valid and legally binding obligations of Polk county, payable from ad valorem taxes without limitation as to rate or amount and are regarded by bankers as legal investment for savings banks in New York and certain other states.

Des Moines is the county seat of Polk county, and the capital city of Iowa.

### Only One Figure

Jack: "Next to a beautiful girl, what do you think is the most interesting thing in the world?"

Jim: "When I'm next to a beautiful girl I'm not thinking about statistics."



"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. Silkmitter, President, Sioux City Stock Yards Company  
C. L. Fredricksen, President  
M. A. Wilson, Vice President and Cashier  
H. C. Boswell, Secretary-Treasurer, Western Contracting Corporation

## Three-Way Cooperation

For 45 years correspondent bank service at the Live Stock National Bank has met these pledges.

1. To handle your items quickly and efficiently.
2. To specialize in your livestock, grain and hay transactions in Sioux City.
3. To give you the benefit of our complete knowledge of the live stock business.

Our many correspondent accounts in South Dakota, Minnesota, Nebraska and Iowa will testify that we have more than fulfilled these pledges.



Sioux City, Iowa

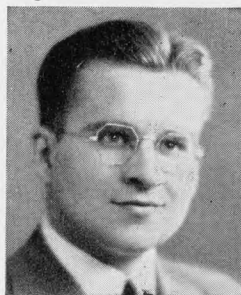
Member Federal Deposit Insurance Corporation





F. F. PHILLIPPI  
President  
Milbank

## SOUTH DAKOTA NEWS



GEORGE M. STARRING  
Secretary-Treasurer  
Huron

### Starring Married

A marriage of statewide interest to bankers was solemnized in Huron recently, when Miss Mildred Lucile Irish, daughter of Mrs. Lillian Irish, and George M. Starring, son of Mr. and Mrs. George A. Starring, spoke their marriage vows in the Congregational church, Rev. Edward Hale officiating.

Mrs. Starring is past president of the Gamma Chapter of Beta Sigma Phi Sorority, is a musician and has been active in church and social circles. She attended Huron High School and Huron College. The bridegroom is secretary of the South Dakota Bankers Association.

### Will House Office

Harvey Willoughby has purchased the former Dakota State Bank Building with all the bank fixtures, safety deposit boxes, and other fixtures from Ed. S. Donohue. He will move the Bonesteel office of the Burke State Bank from the building he now occupies into the newly purchased building July 1st. The purchase of this building will give the institution better quarters in which to conduct business.

### Office at Leola

The Ipswich State Bank has been given clearance to open a bank office at Leola, Superintendent Erling Haugo of the state banking department announced.

### Association Meeting

Members of the Ipswich, Cresbard, Hosmer, Eureka and Bowdie Banks were represented at a County Clearing House Association meeting at Roscoe. Officers elected for the coming year: H. C. Cross of Bowdle, president; Arthur Haerter of Hosmer, vice president, and H. J. Schipke, of Roscoe, secretary-treasurer.

### Converts Charter

Security National Bank of Emery has been authorized to convert its charter to that of a state bank and will move headquarters to Alexandria,

Erling Haugo, state superintendent of banks, said.

The new bank has been authorized to operate a branch at Emery. C. T. Coyne is cashier and manager. The institution has a capital of \$25,000 and surplus and undivided profits of \$15,900.

### To Sioux Falls

H. E. McKee went to Sioux Falls recently to attend the monthly meeting of the directors of the Northwest Security National Bank of Sioux Falls. He was accompanied by his daughter, Beth.

### Tabor Office

Opening at Tabor of a branch office Bank of Scotland, was announced recently by Erling Haugo, state superintendent of banks.

### Land Bank Meeting

Secretary-treasurer of the various Federal Land Bank agencies operating in the territory surrounding Pierre, together with county agents and representatives of various loaning agencies, were in Pierre recently to attend a conference with representatives from the Omaha office of the Federal Land Bank.

The conference was devoted largely to explanation and discussion of policies to be followed by the bank this summer in administering its loan policies.

General policies have been studied at the central office in Washington and have been devised to meet the varying situations over the country at large, it was explained by A. Jones and Andrew Hopperud of the Omaha office.

### Mrs. Rempfer Dies

Mrs. Anna Rempfer, wife of Chris Rempfer, president of the First National Bank of Parkston, died recently after a lingering illness.

Mrs. Rempfer was born November 22, 1875, at Yastrow, West Prussia, Germany, and was the daughter of

Mr. and Mrs. C. Muetzmann. Mrs. Rempfer came to the United States in 1909 and lived for a short time in Cleveland. She then moved to Parkston where she had made her home since.

### Elected Vice President

Arthur A. Binford, manager of the Citizens Branch of the United States National Bank, Portland, Oregon, and former Brookings man, has been elected vice president of the bank, it was learned recently.

The advancement, according to bank officials, is in recognition of the services of Binford in the management of the bank's largest Portland branch.

### Longer Term

The opportunity to reduce the annual principal payments on land bank commissioner loans by reamortizing them over a longer period of years has been opened to many of the 263 Brookings county farmers who have commissioner loans, according to a statement received today from the Farm Credit Administration of Omaha.

There were about \$567,000 of land bank commissioner loans outstanding in this county at the beginning of 1940 and in addition approximately \$1,452,000 of Federal Land Bank loans. Some of these loans have already been reamortized.

### Clearings Gain

Sioux Falls bank clearings gained \$92,307.19 for May this year in comparison with the total for May last year, it was revealed at the Sioux Falls clearinghouse in the Northwest Security National Bank.

The total for the month is \$7,059,706.08, as compared to \$6,967,398.89 for May, 1939. This was the second successive month for bank clearings gains in Sioux Falls after the first three months of 1940 showed decreases in comparison with the first quarter of 1939.

### Bankers Mother Dies

Mrs. Catherine Driscoll, longtime resident of Lead, and mother of Robert E. Driscoll, Rapid City, president of the First National Bank of the Black Hills, died recently at her Alex Johnson Hotel apartment. She had been ill for several weeks.

She had been residing in Rapid City for about six months.

She was a native of Houghton, Michigan, and came to the Black Hills in 1882. She taught in Lead schools until 1886, when she was married to Robert H. Driscoll, Lead banker, who died in 1932.

## J. M. Henry Resigns

J. M. Henry, executive vice president of the Live Stock National Bank of Chicago, resigns July 1st, it was announced by David H. Reimers, president of the bank. Mr. Henry, who has been active in Chicago banking circles for 20 years, the last seven with Live Stock National Bank, is joining H. Collier Smith, Jr., in a partnership to manufacture precision aircraft parts in Los Angeles, California.

## A. I. B. Officers

At the annual convention of the American Institute of Banking in Boston, J. Leroy Dart, vice president of the Florida National Bank, Jacksonville, Florida, was elected president of the Institute for the year 1940-41. Geo. T. Newell, vice president of the Manufacturers Trust Company, New York City, was elected vice president for the same term of office.

New members elected to the A. I. B.

executive council for a three-year term ending in 1943 are: C. Edgar Johnson, assistant cashier, First National Bank, Chicago, Illinois; Erwin V. Holton, manager, American Trust Company, San Anselmo, California; William C. Way, assistant trust officer, Central National Bank of Cleveland, Ohio, and William C. Pitner, American Trust & Banking Company, Chattanooga, Tennessee.

## 1940 Conventions

- Sept. 22-26 Annual Convention, Atlantic City, New Jersey.
- Nov. 7-8 Second Mid-Continent Trust Conference, Chicago, Illinois.
- Sept. 9-11 Iowa, Hotel Fort Des Moines, Des Moines.
- Oct. 24-25 Nebraska, Lincoln.
- Oct. 16-19 Annual Convention, National Association of Bank Auditors and Comptrollers, St. Louis, Missouri.
- Oct. 28-30 Financial Advertisers Association, The Homestead, Hot Springs, Virginia.
- Nov. 11-15 U. S. Savings and Loan League, Chicago, Illinois.
- Dec. 9-13 Investment Bankers Association of America, Hollywood Beach Hotel, Hollywood-by-the-Sea, Florida.




**PULLING  
TOGETHER**  
*for the*  
**GOOD OF ALL**




Cooperation for the common good is as important between individuals as between nations. . . . Since farming is the basic activity of our country, a single improvement in operating methods often works to the advantage of hundreds of thousands of consumers. This, besides the added income realized by the farmer himself, has made American farmers attain a position in the economic world never before or anywhere else achieved by any of the world's rural populations. . . . Modern machinery is therefore the pivot around which farm prosperity revolves; and in this connection the name Minneapolis-Moline has for 75 years been a farm favorite. . . . Again in 1940 there will be thousands of farmers who want MM's new HEADLINERS, but will not have the ready cash to purchase these important modern tractors and farm machines. Here local bankers can do their bit. By extending "credit" to deserving farmers they will be increasing business for their entire community including themselves.

**PULLING TOGETHER WORKS FOR  
THE GOOD OF ALL.**

*Branches Near Everywhere*



# MINNEAPOLIS - MOLINE

## POWER IMPLEMENT COMPANY

MINNEAPOLIS MINNESOTA

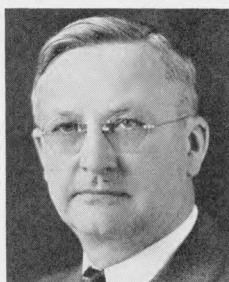
## Holding Company Dissolves

Dissolution of the American Holding Corporation of Chicago was voted at a special meeting of the stockholders on June 24th. The corporation was organized in June, 1933, with 50,000 shares of \$10 par value stock, and held as its principal asset 6,250 shares of the common stock of the American National Bank and Trust Company of Chicago, out of 10,000 shares of bank stock outstanding.

A liquidating dividend will be made immediately at the rate of one bank share for each eight shares of holding corporation stock. A small cash distribution will follow, the amount to be determined after the costs of dissolution have been paid and the corporation taxes provided for.

The existence of the holding corporation has in no way affected the operation of the American National Bank, according to a statement made by Lawrence F. Stern, president, and its dissolution now will have no effect on the policies or management of this bank whose resources have grown from \$13,526,562 in June, 1933, to \$73,855,969 at the end of 1939.





K. O. SATTRE  
President  
Blue Earth

## MINNESOTA NEWS



WILLIAM DUNCAN, Jr.  
Secretary  
Minneapolis

### Red Lake Falls Death

Funeral services were held last month for Samuel Gibeau, 73, pioneer Red Lake county banker, and the first chairman of the board of county commissioners.

He was active in the organization and affairs of Red Lake county banks and served in various offices in the Merchants State Bank of Red Lake Falls, Bank of Red Lake Falls, First State Bank of Red Lake Falls, and First State Bank of Oklee. At the time of his death he was president of the Security State Bank of McIntosh.

### Heads District Bankers

George Somero, cashier of the First National Bank of Ely, was elected president of the Eighth District Bankers Association at the annual meeting in Grand Rapids. Somero was elevated from the vice presidency and succeeds Grover Mitchell, cashier of the First National Bank of Grand Rapids.

E. W. Collins, Duluth, is the new vice president, and W. C. Holt Calumet, secretary-treasurer.

### State Charter

A charter has been issued to the State Bank of Barnum in Carlton county, which opened for business on June 11th, F. A. Amundson, state banking commissioner, announced.

The bank is a conversion of the First National Bank at Barnum.

Capital is listed at \$25,000, surplus \$5,000, and undivided profits \$1,000. H. C. Hanson is president and Henry Johnson, cashier.

### Renville Banker Dies

Timothy O'Connor, 74, former state highway commissioner and former member of the Democratic state central committee, died recently. He was a pioneer banker and real estate dealer and Renville's first mayor.

### 75th Anniversary

The First National Bank of Red Wing held open house during the day

and evening of June 20th, celebrating the seventy-fifth anniversary of the founding of the institution. On display were pictures and accounts of the lives of the organizers, presidents and others prominently identified with the bank during the many years of its operation, as well as collections of old coins and documents.

Staff members and directors and their wives, and decedents of organizers of the bank were entertained at a



LEON J. KALIHHER

banquet at which J. C. Thomson, president of the Northwest Bancorporation, gave an address.

The first president of the First National of Red Wing was Theo. B. Sheldon, who served for thirty-five years until his death in 1900. Another to serve the bank for a thirty-five year period was Samuel E. Lockin, who acted as a director, vice president and chairman of the board. Mr. Lockin died in January of this year.

Leon J. Kaliher, the present president, came to the bank in January, 1938, as vice president and director, and was named president in January, 1939.

Total resources of the bank in October, 1865, were \$94,790, as compared to \$1,948,740 on March 26th, this year. Capital stock of the institution in the early day was \$35,000, while now it is \$100,000.

### Sell Bank Stock

Jacob Leuthold, Jr., and Ralph Leuthold sold their interest in the Kasson State Bank to C. L. Palmer, C. G. Palmer and C. L. Willyard. C. L. Palmer will be the new president.

The transactions ends the connection of the Leuthold name with banking in Kasson, which has existed since the town's early history.

### Improvements

The Wabasso State Bank has effected improvements by laying new floors in the bank lobby and the portion behind the bank's counters recently, which present a greatly improved appearance. A new fluorescent lighting system has also been installed over the cash counter which provides suitable illumination, necessary on dark days when there is no sunlight.

### New Officer

At an important meeting of the directors of the Pipestone National Bank, W. R. Lange, long connected with the institution, was elected vice president and cashier and was named to have active charge of the bank. Max Menzel was elected president to fill the vacancy caused by the recent death of A. C. Walker. T. S. Harkinson, vice president of the National Bank of South Dakota, Sioux Falls, was elected as a director of the bank for the balance of the fiscal year.

### Banks Merged

The Sprague State Bank of Caledonia recently took over the First National Bank of Caledonia. The First National was organized in 1899 as the Houston County Bank and in 1904 it became a National bank.

### New Cashier

Floyd Strom is new cashier of the Elysian State Bank. Strom, who had been assistant cashier of the Security State Bank of Waterville, was named to succeed Bert Long, who resigned the Elysian cashiership because of poor health.

### Winona A. I. B.

Alvin C. Grulkowski of the Merchants Bank is the newly elected president of Winona Chapter, American Institute of Banking, succeeding Mrs. Vivian E. Albert of the Winona Na-

tional & Savings Bank. This was announced at the local chapter's annual banquet, held at the Winona Country Club. One hundred and sixty attended the affair and in addition to local bankers and their guests, the group included chapter officers and members from Minneapolis, St. Paul and Rochester chapters, as well as bankers from the neighboring communities.

Other officers elected are B. F. Perkins of the First National Bank, vice president; William P. Theurer of the Winona National & Savings Bank, secretary-treasurer, and Mrs. Albert, re-

tiring president, and Clarence Hartner of the First National Bank, members of the board of governors for three-year terms. Other members of the board of governors are N. W. Schellhas and Otto W. Schildknecht of the Merchant Bank, S. J. Krzysko of the Winona National & Savings Bank, and C. F. Witt of the First National Bank.

### Capital Increased

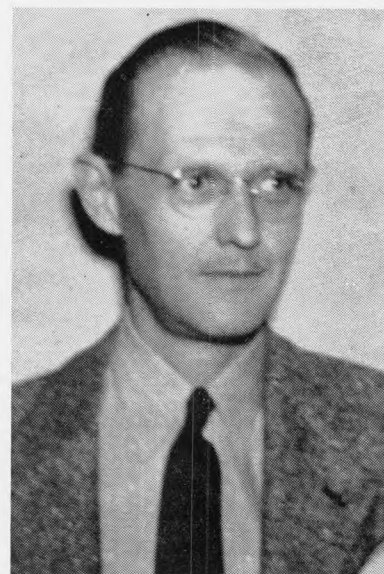
At a special meeting of the stockholders of the Austin State Bank, the capital stock of that institution was increased from \$60,000 to \$75,000 and an

additional \$10,000 transferred to the surplus funds, thus increasing that account to \$25,000. This gives the bank a capital structure of \$100,000 and automatically increases the loaning capacity of the institution in pace with the requirements and growth of the community.

### In Minnesota

The NORTHWESTERN BANKER is happy to announce that J. S. Hoaglund has become associated with the circulation and editorial staff of the publication as its representative in Minnesota, with headquarters in Minneapolis.

Mr. Hoaglund has already taken over his Minnesota territory, and without doubt many of those reading this have had a chance to meet him



J. S. HOAGLUND

when he has called at their bank. He is especially interested in obtaining news items regarding Minnesota banking institutions, and will appreciate your cooperation in this regard. We know you will enjoy meeting him, and working with him.

### In Detroit Branch

President George J. Schaller of the Federal Reserve Bank of Chicago has announced that H. J. Chalfont, as cashier, has been placed in charge of the Detroit branch of the Federal Reserve Bank of Chicago.

Mr. Chalfont has been with the bank for more than 21 years and has had charge of all internal operations of the Detroit branch, under Ralph H. Buss, managing director, who died recently.

## STATEMENT OF CONDITION

# First National Bank and Trust Company of Minneapolis

as at June 29, 1940



### RESOURCES

Cash on Hand and Due from Banks.....	\$ 65,747,614.39
U. S. Government Bonds (Direct or Fully Guaranteed) .....	51,652,800.00
Guaranty Fund (U. S. Bonds with Commissioner of Banks).....	600,000.00
Loans and Discounts.....	38,094,591.25
Other Bonds and Securities.....	7,833,712.62
Overdrafts .....	18,414.97
Bank Buildings .....	691,361.40
Customers' Acceptance Liability.....	609,178.80
Bankers' Acceptances Purchased.....	304,000.00
Interest Earned but not Collected.....	363,548.23
	<u>\$165,915,221.66</u>

### LIABILITIES

Capital Stock .....	\$ 6,000,000.00
Surplus .....	6,000,000.00
Undivided Profits .....	2,219,075.80
Reserve for Interest, Expenses, Taxes, etc.....	818,363.79
Interest Collected but not Earned.....	146,317.64
Letters of Credit and Acceptances.....	609,178.80
Deposits .....	150,122,285.63
	<u>\$165,915,221.66</u>

*U. S. Government Obligations and Other Securities Carried at \$21,561,984.67 in the foregoing statement are deposited to secure Public Funds and for other purposes required by law*

Member Federal Deposit Insurance Corporation

*Affiliated with* FIRST BANK STOCK CORPORATION



# TWIN CITY NEWS



THREE former national presidents of the American Institute of Banking, headed the Minneapolis delegation of 26 to this year's AIB convention in Boston.

They are **Clarence R. Chaney**, vice president, Northwestern National Bank & Trust Co.; **J. Cameron Thomson**, president, Northwest Bancorporation, and **Henry Verdelin**, assistant vice president, First National Bank & Trust Co.

When scheduled air passenger service between Duluth and the Twin Cities was re-opened by Northwest Airlines June 1, the man who held ticket No. 1 and was the first passenger carried was **R. L. Griggs**, president, Northern National bank, Duluth.

**Joseph A. Cavitzel**, assistant cashier, American National Bank, St. Paul, has been elected president of the St. Paul Association of Office Men.

When Minneapolis holds its Aquatennial July 20 to 28, banks are going to be well represented in the program of events taking place.

Preparing for participation of the banks in the parade, one of the events of the week, is a committee including **John Burgess**, Northwestern National Bank & Trust Co.; **William E. Brockman**, Midland National Bank & Trust Co.; **Guy LaLone**, First National Bank & Trust Co., and **Gordon Larkin**, Marquette National Bank.

After a long siege of illness following his accident last year, **Otto Bremer**, chairman of American National bank, again is getting around to his office.

Five Minneapolis bankers attended this year's session of the American Bankers Association graduate school

By James M. Sutherland

*Special Correspondent*

of banking—three of them completing their courses.

Those awarded certificates were **O. H. Odin**, executive vice president, Marquette National Bank; **Milford E. Lysen**, auditor, and **Otis R. Preston**, assistant cashier, both of the Federal Reserve Bank.

Others attending were **Clifford C. Sommer**, assistant cashier, Midland National Bank & Trust Co., and **Gordon Murray**, assistant cashier, First National Bank & Trust Co.

New officers of the Twin City Bank Auditors and Comptrollers conference are **Sumner Sinclair**, Northwestern National Bank & Trust Co., Minneapolis, president; **George Osen**, American National Bank, St. Paul, vice president; **Carl Gustafson**, First National Bank & Trust Co., Minneapolis, secretary, and **Clarence H. Gieseke**, Security State Bank, St. Paul, treasurer.

**S. J. Mealey**, 82, former director of Midland National Bank & Trust Co., died June 3 at his home in Monticello, Minn.

**George Garfield Young**, division manager of Investors Syndicate, Inc., for Minnesota and the Dakotas, died suddenly at his home in Minneapolis June 4. He was 61 and the oldest employee of the firm in point of service.

Jamieson & Co., organized last fall, has opened a branch office at Fargo, N. D. **R. C. Pierce** is in charge of the office for the Twin City investment firm.

New officers of the Minnesota Examiners Club of Bankers, elected during the MBA convention, are **John Carlander**, president of the State Bank of Faribault, president; **J. T. Peterson**, president of the State Bank of Le Sueur, vice president; **G. N. Reppe**, president of the First State Bank of Grand Meadow, secretary-treasurer.

**A. A. Crane**, Minneapolis, was elected president of the Pioneer Club of the MBA at the second annual meeting at the MBA convention. Other officers named were **Linn Whitmore**, Wabasha, vice president, and **William Duncan, Jr.**, secretary.

**John Burgess**, vice president of Northwestern National Bank & Trust Company, Minneapolis, has been appointed to the newly organized consumer credit council of the American Bankers Association.

Five Minneapolis bankers attended the 1940 Graduate School of Banking at Rutgers University, New Brunswick, New Jersey, while three of them completed their three-year courses and were graduated.

The five are **Milford E. Lysen**, auditor, Minneapolis Federal Reserve Bank; **Gordon Murray**, assistant cashier, First National Bank & Trust Company; **O. H. Odin**, executive vice president, Marquette National Bank; **Otis R. Preston**, assistant cashier, Federal Reserve Bank, and **Clifford C. Sommer**, assistant cashier, Midland National Bank & Trust Company.

Mr. Lysen, Mr. Odin and Mr. Preston graduated.

**H. R. Gabrielson**, loan officer of Marquette National Bank, has been elected president of the Retail Credit Association of Minneapolis.

## Minnesota Briefs

**H. S. Briggs**, president of the Security State Bank, Houston, has returned from Rochester where he has been spending considerable time looking after his son, **D. E. Briggs**, who has been there for treatment. Both are back in Houston now, but it will be some time before the younger Briggs will be able to assume active duties at the bank.

**F. J. Poepl**, cashier of the State

Bank of Vermillion, was married recently.

The First National Bank of Rushford has recently completed a remodeling and redecorating program, which included the installation of new marble counters, according to **E. Humble**, cashier of the institution.

Another bank to remodel is the State Bank of Sargeant, and bandit barrier cages were also included in the changes made. **Theo. Knutson**, cashier, is much pleased with the new interior, which gives the bank a most modern appearance.

**Hugh Russell**, assistant cashier of the St. Clair State Bank, was married recently to **Miss May Westmark**, of Minneapolis. The couple took a honeymoon trip through the west, including Yellowstone Park and the San Francisco Fair. Mr. Russell has been with the St. Clair State for the past twelve years.

**George Madigan** is a newcomer to the staff of the Peoples State Bank of Madison Lake, where he has a position as assistant cashier. He is getting his early banking training under **W. J. Ries**, who has been cashier there for fourteen years.

**J. J. Walz**, assistant cashier of the Produce State Bank of Hollandale, is now associated with the Northfield National Bank. **B. I. Buley**, cashier of the Peoples, is beginning to think he and his bank are somewhat of a proving ground for future bankers, since Mr. Walz is one of many whom he has trained for other positions throughout Minnesota. Mr. Buley recently re-

turned from a vacation and rest at Excelsior Springs, Missouri.

Another recent Excelsior Springs visitor was **B. R. Miller**, cashier of the Citizens State Bank of Glenville. He has been associated with the Citizens State since 1907.

## Gold in Producer Cooperation

There's gold in agricultural marketing cooperation—as many a farmer has discovered. This doesn't mean that the marketing cooperatives have been able in all cases to obtain an adequate return for their members' produce. After all, Rome wasn't built in a day, nor can sound price structure be created overnight. But this kind of cooperation, beyond question, has brought farmers a substantially better return than they would have received under old, unorganized, hit-and-miss marketing methods.

And you can't limit marketing cooperative achievements to the cash return produced. Executives and experts of such organizations represent the farmer in conference with dealers, officials of government and others. They show members how to produce more for less money, and get the most out of the farm plant. Other beneficial activities, both social and economic, involve farm women and children. And all of these activities exert a strong progressive influence on agriculture.

## Audible Golf

"What sort of golf does the Major play?"

"The very worst I ever listened to."

Sound advice when you buy life insurance, and a helpful watch over your changing needs thereafter, can give you peace of mind and save you money. Your NWNL agent is not only trained but *paid* to serve you in this way; his earnings depend primarily not on the insurance you buy, but on the insurance you keep in force because it satisfies you.

(This is an adaptation of NWNL's current national magazine advertisement)

**NORTHWESTERN**  
**National LIFE**  
INSURANCE  
COMPANY



**O. J. Arnold, President**  
Minneapolis, Minnesota

Northwestern Banker July 1940

Close Contact with the  
Majority of  
Michigan's Important Industries



**NATIONAL BANK  
OF DETROIT**

DETROIT, MICHIGAN

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MARTIN AAS  
President  
New Rockford

# NORTH DAKOTA NEWS



C. C. WATTAM  
Secretary  
Fargo

## The Annual Convention

MARTIN AAS, vice president, First State Bank, New Rockford, was elected president of the North Dakota Bankers Association, succeeding Frank R. Scott, Fargo, at the final business session of the state bankers convention at Minot.

J. I. Hegge, president, First National Bank, Hillsboro, was named vice president, succeeding Aas, and W. A. Lilyquist, president, Farmers State Bank of Lisbon, was elected treasurer, succeeding Fred R. Orth of Grand Forks.

Bismarck was chosen as the 1941 convention city. C. C. Wattam of Fargo was renamed as secretary.

North Dakota members of the American Bankers Association, at a group meeting, named F. A. Irish of Fargo as the North Dakota member of the A. B. A. nominating committee, and Clarke Bassett of Fargo as alternate member.

The following state vice presidents of the A. B. A. were elected: National bank division, J. A. Milston, Belfield; savings division, W. A. Lilyquist, Lisbon; state bank division, A. A. Gregor, Leeds, and trust division, Carther Jackson, Grand Forks.

A total of 220 were registered before the final session of the convention, marking an increase, officials said, over the enrollment at the 1939 session.

Among resolutions adopted were the following:

Affirmed "our conviction in the ideology of democracy and register our opposition to the theory of totalitarianism as un-American. We believe democracy to be a moral principle, established in the world only by the sacrifice of many lives, and a constitutional part of our government must be preserved."

Approved the government's defense measures, and urged speed in carrying them out "We further believe that as much of the needed money should be raised by taxation up to the point

where it does not interfere with the hastening of production. While we do not believe that the making of arms and munitions is the goal of civilization, yet we do believe that such is now necessary in order to preserve it."

Urged a continuation of effort to make uniform banking service charges unanimous.

Suggested that association officers work toward obtaining a change in the interpretation of the portion of the social security act defining bank executives, to eliminate from its provisions non-salaried executives, who at present "are figured in computing the number necessary to come under the act, yet receive no benefit therefrom."

## Fifty Years

On Monday, July 8th, the Merchants National Bank and Trust Company of Fargo, North Dakota, will celebrate the completion of fifty years of service. On the afternoon and evening of that date, officers and directors of the bank will be hosts to the community at an open house reception in the bank quarters. A feature of the celebration will be an extensive display of early records of the bank and historic relics of early days in Fargo and North Dakota. The exhibit is being assembled by and will be in charge of the Fargo Chapter of the Pioneer Daughters of North Dakota. On Tuesday evening, July 9th, the bank's staff and directors will be guests of the bank at a dinner dance to be held at the Fargo Country Club.

The bank was organized on July 8, 1890, as the Merchants State Bank. Original capital was \$50,000. First directors of the bank were B. F. Spalding, N. A. Lewis, L. S. Champine, Alex Stern, Thomas Baker, Jr., Henry Rusch, A. C. Andrews and C. W. Seebold. N. A. Lewis has the unique record of having served the bank as a director continuously since its organization. He was its president for

twenty-two years from 1898 to 1920. Mr. Lewis, who now makes his home in Florida, plans to be in Fargo to attend the fiftieth anniversary festivities and will be the chief speaker at the party to be held on July 9th.

The bank's record is one of steady, constructive growth with the community. Capital was increased in 1895 to \$100,000 and today is \$150,000. Capital, surplus and undivided profits total \$358,815 and deposits on March 26, 1940 (date of the last call), were \$3,869,000.

Present officers of the bank include F. R. Scott, president; Clarke Bassett, vice president; F. L. Dwight, vice president and trust officer; C. H. Olson, cashier, and R. H. Barry, assistant cashier. Directors of the bank are Clarke Bassett, George M. Black, Edwin G. Clapp, F. L. Dwight, F. C. Gardner, Ralph F. Gunkelman, N. A. Lewis, Thomas L. Powers, E. J. Schonberg, Frank R. Scott and R. D. Warner.

## Reorganized

The First National Bank of Mott has been reorganized into a state bank, known as the Commercial Bank of Mott, according to State Examiner John A. Graham. All officers, headed by President E. H. Trousdale, have been retained.

## Pioneer Dies

Services for Thomas J. Alstad, 84, who came in a prairie schooner in 1881 to settle in North Dakota, were held recently in Pekin. At one time Mr. Alstad owned the land that is now the townsite of Pekin.

## Elected President

R. C. Collinson was named president of the First National Bank, Devils Lake, succeeding the late H. E. Baird, at a meeting of the board of directors. Mack V. Traynor was appointed to fill the vacancy caused by Baird's death and the following appointments were made: Wendell Haley, cashier; Earl L. Duell and Heerman J. Naugle, assistant cashiers.

## Dies in Lidgerwood

O. Quammen, president of the First National Bank and a Lidgerwood business man for 33 years, died recently after an illness of a year. Kidney trouble and complications were cause of death.

He was born January 5, 1877, at Montevideo, Minnesota. He was a member of the city council and had served as city engineer during most of his residence. Mr. Quammen was a Mason, an Elk, a Lion and a member of the Lidgerwood Key Club.



R. D. MOUNTAIN  
President  
Conrad

## MONTANA NEWS

ETHEL W. WALKER  
Secretary-Treasurer  
Helena

### Montana Annual Convention

R. D. MOUNTAIN, vice president of R. Farmers State Bank of Conrad, was elected president of the Montana Bankers Association, to succeed O. M. Jorgenson of Billings.

John A. Sanderson, president of Daly Bank & Trust Company, of Anaconda, was chosen first vice president and Fred Heinecke, vice president of First National Bank of Helena, second vice president. Ethel M. Walker, Helena, was re-elected secretary-treasurer.

A feature of the convention program was an address in which Dr. Laurence R. Lunden, investment counsel for the University of Minnesota, declared this country's domestic economy would benefit from the new armament program.

But he added a note of caution:

"Of course, the bullish effect of the

defense problem could be easily nullified by failure of the administration to coordinate properly capital and labor, tax, fiscal and monetary policies."

More than 200 delegates and visitors to the Montana Bankers convention heard the first day's speaking program.

Dr. Lunden said:

"Our domestic economy will be stimulated by the rearmament program. It will help the durable industries as distinguished from the consumer goods type. This will absorb unemployment, thus reducing relief rolls, which will enlarge payrolls and in turn automatically alleviate the tax burden."

In cautioning against governmental upset, Lunden added that "the problem of desire is so transcendently important, however, that it is hardly

to be expected that any administration will interfere with our business organization."

O. M. Jorgenson, of Billings, in his president's address, asserted "these are times for clear, constructive thinking, not only on the part of the banking profession, but of all citizens.

"We should confine ourselves to settling the problems that confront us at home, problems not alone of a material kind. Our country must first have

### Group Meetings

Group 2 of the Montana Bankers Association held their 23rd annual meeting at Terry recently. A very fine program was followed by a dinner and dance.

A. S. Brubaker, assistant cashier of the Terry State Bank, was named president; M. J. Flinn, vice president of the First National of Miles City, was chosen vice president, and Rex Flint, cashier of the Bank of Baker, was named secretary-treasurer.

Guests present included O. M. Jorgenson, cashier of the Security Trust & Savings Bank of Billings, president of the state group; W. A. Brown of Helena, state superintendent of banks; Ben Draper, assistant cashier of the Union Bank & Trust of Helena; J. Maurice Dietrich, cashier of the Deer Lodge Bank & Trust, and J. T. Merrill, vice president of the Midland National of Billings.

Guy Platt of the Metals Bank and Trust Company of Butte was elected president of Group 6, Montana Bankers Association, which met in Dillon.

John Will of the Bank of Sheridan was elected vice president and Tom J. Sillers of the Daly Bank & Trust Company of Anaconda was named secretary and treasurer.

The election was the closing feature of a successful session held in the directors' room of the First National Bank, with J. F. Lowney of the First National Bank, Butte, group president, presiding. C. M. Holbert of Twin Bridges has been secretary of the group for the past year.

R. S. Baker of Lewiston was elected president of the Central Montana group of the Montana Bankers Association at the annual meeting and banquet in Great Falls. He succeeds Y. Johnson of White Sulphur Springs. Other officers elected were R. R. Williams of Great Falls, vice president, and James Kearns of Townsend, secretary-treasurer.

J. D. Street, cashier of the Security Bank and Trust Company of Bozeman, was selected president of group 7 of the Montana Bankers Association.

He succeeds J. W. Fry, assistant cashier of the Yellowstone Bank of Laurel.

**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.

**First Wisconsin National Bank**

Resources over \$250,000,000

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

**of Milwaukee**

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C. R. GOSSETT  
President  
Sioux City

## IOWA NEWS



FRANK WARNER  
Secretary  
Des Moines

### Cashier in Perry

Chas. S. Johnson of Des Moines has been appointed cashier of the First National Bank in Perry and assumed duties on July 1st.

E. R. Burkett, cashier of the local bank since 1926, will become vice president. Recently Mr. Burkett's health has been impaired and he asked to be relieved of full time work. He will continue to be permanently connected with the bank.

Mr. Johnson will move his family to Perry in the near future. He attended Drake University in Des Moines.

### Retired Cashier Dies

John F. Putzier, Davenport, retired cashier of the Blue Grass, Iowa, Savings Bank, died recently in his home following a lingering illness. He was 70 years of age.

Born October 30, 1869, he received his early education in the Davenport schools and later attended the Wilton Normal School. He was married to Ida Langmann, who preceded him in death. He was married again in 1928 in Davenport to Molly Scheller.

The couple moved to Blue Grass, where Mr. Putzier became cashier of the bank, a position he held up until his retirement seven years ago. He was of Lutheran faith.

### Joins Reserve

The Federal Reserve Bank of Chicago reported that the Corydon State Bank of Corydon, Iowa, has been admitted to membership in the Federal Reserve System. Officers of the bank are L. C. Niebling, president; C. L. Clark, vice president; H. L. Clarke, cashier, and L. I. Nelson, assistant cashier.

### Webster County Meeting

About 250 people attended the recent annual banquet of the Webster County Bankers Association held at Dolliver State Park, according to R. C. Allen, manager of the Callendar office of the

Somers Savings Bank. Outdoor sports of all kinds were the order of the day, and in the evening 150 pounds of barbecued ribs were consumed, to say nothing of the pop and ice cream that disappeared during the afternoon. The picnic was conceded to be one of the most successful ever held by the association.

### Outing in Clinton

Out-of-town friends were entertained at the Clinton Country Club last month by L. J. Schuster, president, and L. J. Derflinger, vice president and cashier of the Clinton National and the Clinton Savings Banks, at the Clinton hosts annual catfish dinner and clambake.

The group assembled at the club at noon for a clam chowder luncheon, which was followed by golf in which all participated. Dinner was served at the close of the day's activities.

Those present were as follows:

C. S. Young, vice president, Federal Reserve Bank, Chicago.

George J. Schaller, president and governor, Federal Reserve Bank, Chicago.

W. H. Miller, vice president, City National Bank & Trust Company, Chicago.

L. K. Billings, assistant vice president, City National Bank & Trust Company, Chicago.

O. B. Wallace, vice president, Continental Illinois National Bank & Trust Company, Chicago.

R. G. Danielson, vice president and cashier, Continental Illinois National Bank & Trust Company, Chicago.

N. B. Shaffer, vice president, Continental Illinois National Bank & Trust Company, Chicago.

N. R. Oberwortmann, chief national bank examiner, Chicago.

C. M. Nelson, vice president, The Northern Trust Company, Chicago.

L. A. Kempf, vice president, The Northern Trust Company, Chicago.

S. E. Coquillette, president, Merchants National Bank, Cedar Rapids.

John Hamilton, vice president, Merchants National Bank, Cedar Rapids.

D. U. Van Metre, vice president, Mt. Vernon Bank and Trust Company, Mt. Vernon.

A. W. Huey, assistant secretary, Mississippi Valley Trust Company, St. Louis, Missouri.

Louis Jacoby, representing Chase National Bank of New York.

B. F. Kauffman, president, Bankers Trust Company, Des Moines.

R. R. Rollins, vice president, Bankers Trust Company, Des Moines.

Frank Covert, assistant cashier, Drovers National Bank, Chicago.

Fred Cummings, Drovers National Bank, Chicago.

D. W. Bates, state superintendent of banking, Des Moines.

A. P. Mische, vice president, Harris Trust & Savings Bank, Chicago.

Harman Rummel, representing the Chemical National Bank, New York, New York.

### Robbery

The Rock Falls Bank was robbed June 21st of between \$600 and \$700 by a lone bandit who fled in a late model Chevrolet sedan.

Mrs. Erna Kramer, bookkeeper, and John Wilkinson, son of the cashier, were in the bank when the robbery occurred.

After the bandit left, Wilkinson ran out of the bank in an effort to get license plate numbers but the plates were covered.

Wilkinson told officers the bandit was of medium height, 50 years of age, wore dark glasses, a tan coat and bright blue cap.

### Heads Johnson Bankers

J. E. Pechman of the Hills Bank and Trust Company was elected president of the Johnson County Bankers Association at a meeting held recently.

Other new officers for the coming year are M. B. Guthrie of the Iowa State Bank and Trust Company, vice president; Elmer J. Ulch of Swisher, secretary, and O. E. Markitan of Solon, treasurer.

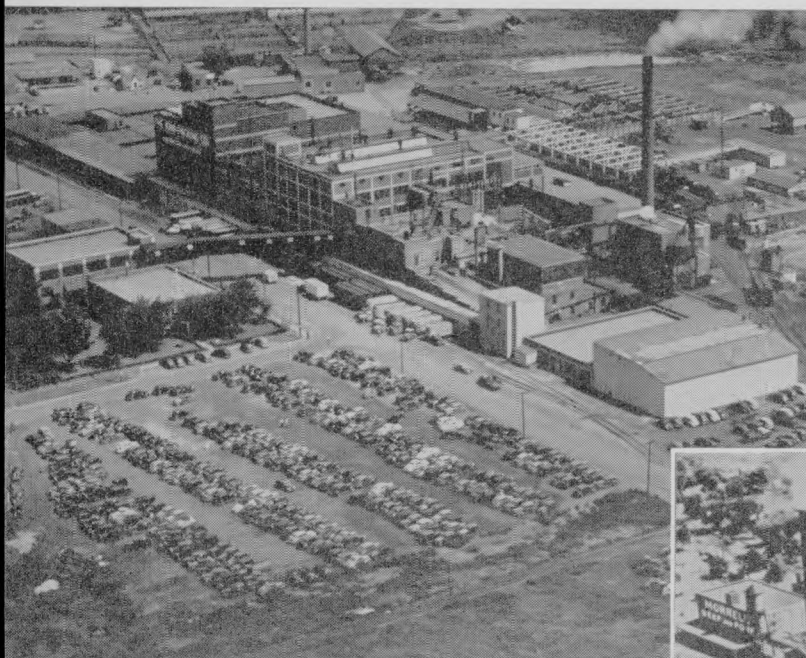
### Dividend

Payment of a proposed 15 per cent dividend, totaling \$1,046,869.46 to depositors of the Union Savings Bank, Davenport, started June 25th, it was announced by Bert McCulloch, examiner-in-charge, following an authorization granted by District Judge W. R. Maines. Checks were ready for distribution at the Union Bank Building on that date.

Distribution of the latest dividend will bring to 55 per cent payments on original deposit claims.

# PROCESSING IOWA

## for consumption by the world



Upper Left—The Iowa Packing Company plant in Des Moines is one of the country's largest pork processing plants. Upper Right—Also in Des Moines is the Bookey Packing Company, typical of the many smaller plants in the state. Center Left—Packing plant interiors are marvels of spotless cleanliness. Center Right—Ottumwa is the headquarters of the gigantic John Morrell and Company. Lower Right—Waterloo is the center of activity for the nationally known Rath Packing Company.



# MEAT

The raising of livestock for slaughter accounts for approximately 40 per cent of the Iowa farmer's \$659,000,000 income and 13 per cent of the nation's output. And Iowa also is one of the greatest processors of meats in the country.

Illinois with Chicago, Missouri with St. Louis, Kansas with Kansas City, Nebraska with South Omaha, Minnesota with South St. Paul, are recognized as great meat packing states. But Iowa, with 24 government inspected plants, and a number of smaller plants which do business entirely within the state, accounts for almost one-tenth of all United States finished meat. The remaining nine-tenths is divided among the other 47 states.

It is particularly to the advantage of Iowa farmers that so many meat packing plants are located in the state. Farmers, delivering direct to packing centers, take speedy advantage of good markets—are not subject to long-haul shrinkage losses.

Today, it is estimated that Iowa packing plants pay in the neighborhood of \$200,000,000 annually for materials—better than 90 per cent of which is for livestock. In other words, Iowa farmers receive nearly \$180,000,000 yearly from Iowa plants. About three-fifths of the animals raised in Iowa are marketed to packers within the state, with outside markets bringing Iowa's total cash income from hogs, cattle and calves, and sheep and lambs to better than \$300,000,000.

Most recent figures (1938) indicate that the 24 government inspected plants in the state employed 2,020 salaried workers (office, supervisory and sales) and 9,521 wage earners (plant employees) paying more than \$16,000,000 in salaries. Rapid expansion of several of the larger Iowa plants plus many small unreported plants would indicate the total employment is now nearer 15,000, with total salaries approaching \$20,000,000.

No current figures are available on the total investment in packing plants in Iowa, but it is recognized to approach \$100,000,000. All the major packing companies have at least one plant in the state—with two large and nationally recognized companies maintaining headquarters in Iowa. Meats packed in Iowa are sold in all the states and in many foreign countries.

The industry of meat packing has kept well abreast of Iowa's agriculture—providing Iowa farmers with a ready and profitable market for their livestock—and supplying employment for thousands of Iowa wage earners.

The Bankers Trust Company, through its ability to keep abreast with rapidly changing business and living conditions, has in a few short years become one of the largest in the state. With its modern outlook, Bankers Trust Company has become an ideal capital city correspondent for banks over the state, as evidenced by the large number of banks which have named Bankers Trust their Des Moines correspondent.



# BANKERS TRUST

6th and Locust Streets  
Des Moines, Iowa

# COMPANY

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## YOUR GRACIOUS HOST FROM COAST TO COAST



**The Gotham**



**The Drake**

**The Blackstone**



**The Town house**



**Bellevue Biltmore**

**A.S. KIRKEBY, Managing Director**

# KIRKEBY HOTELS

Northwestern Banker July 1940

## News From Des Moines

SEVEN members of the Des Moines Chapter of A. I. B. returned recently from the national convention in Boston. They were **Kenneth Griffith, Ed Bliquez, Al Rodine, Harriett McCoy and John Bauserman**, officers of the local chapter; **Wilbur Ford**, winner of the scholarship, and **Ella Wilson**, delegate at large. They report inspirational meetings and lots of fun.

En route they spent a short time in Quebec and on the return trip they visited the New York Fair and Washington, D. C.

J. N. Coffey has been named as as-

sistant cashier of the Capital City State Bank by the directory board.

Mr. Coffey has been with the bank since the merger of the former Home Savings Bank with the Capital City State Bank in March, 1938. Prior to that time he had been with the Home Savings Bank for 20 years and was an assistant cashier of that institution.

Mr. Coffey has been active in the work of the Des Moines chapter of the American Institute of Banking.

The Burlington Joint Stock Land Bank of Des Moines will pay its fourth dividend of 6 per cent to holders of

## Study of Earnings, Expenses, Profits, and Investments in Iowa Banks

A study of earnings and expenses of state banks in Iowa has been completed recently by Ralph Bunce, deputy superintendent of banking for Iowa, with figures which should be of unusual interest to every bank in the state. Included also are figures on profits and investments.

	STATE CONSOLIDATED	
	1939 538 Banks	4 Year Average
<b>Per Cent Income to Resources</b>		
Interest Loans and Discounts	2.28	2.25
Interest Bonds and Securities	.69	.76
Total Interest Received	2.98	2.94
Exchange and Collection	.18	.18
Commissions and Fees	.03	.04
Service Charges	.26	.25
Other Income	.12	.22
Total Gross Income	3.59	3.65
<b>Per Cent Expense to Resources</b>		
Salaries Officers	.64	.64
Salaries Other	.36	.36
Total Salaries	1.00	.97
Assessment Public Funds	.10	.10
Interest on Deposits	.60	.62
Total Assessment and Interest	.70	.75
Taxes Federal and State	.16	.14
Other Expense	.57	.60
Total Operating Expense	2.44	2.46
<b>Per Cent Profit to Resources</b>		
Net Operating Profit	1.14	1.18
Recoveries	.44	.38
Charge Offs	.62	.66
Net Profit (After Recoveries and Charge Offs)	.97	.90
<b>Per Cent to Gross Earnings</b>		
Salaries Officers	17.83	17.78
Salaries Other	10.16	9.87
Total Salaries	27.99	26.55
Total Assessment and Interest	19.70	20.69
Taxes Federal and State	4.45	4.07
Other Expense	15.88	16.59
Operating Profit	31.95	32.43
<b>Per Cent Investments to Resources</b>		
Loans and Discounts	45.85	45.99
Other Bonds	10.25	11.27
U. S. and Guaranteed Bonds	13.55	14.39
Total Investments	69.65	71.65
<b>Per Cent Invested Capital to Total Resources</b>		
	9.78	9.79



## • IOWA NEWS •

farm loan bonds of the bank, it was announced by **Roy A. Nelson**, receiver. Previous dividends paid amounted to 45 per cent.

In addition a dividend of 4 per cent will be paid on claims against the general assets of the bank, which have not been pledged on the bond obligations.

**G. W. Bartmess** and **Don R. Withington**, members of the budget loan department staff of the Central National Bank and Trust Company, have been named assistant cashiers by the board of directors of the bank.

Mr. Bartmess has been with the bank for the last three years. He formerly was with the Commercial Investment Trust Corp in Chicago, Illinois. Mr. Withington joined the bank a year ago after five years with the Des Moines office of the General Motors Acceptance Corporation. Both men are graduates of the University of Iowa.

**C. H. Truedson**, Davenport, Iowa, became president of the Iowa Association of Personal Finance Companies at the group's annual convention in Des Moines.

Truedson succeeds **E. L. Roth**, Ottumwa, Iowa. Other new officers are **L. Bockenstedt**, West Union, Iowa, vice president; **E. E. Chase**, Des Moines, treasurer; **H. L. Russell**, Cherokee, Iowa, secretary, and **G. E. Allbee**, chairman of the board of directors and executive committee.

The board of directors, in addition to Allbee, Roth and Bockenstedt, consists of **C. A. Eide**, Fort Dodge, Iowa; **Ellis J. Levitt**, Des Moines; **E. N. Baty**, Chicago, Illinois; **R. J. Baschnagel**, Iowa City, Iowa; **V. L. Belt**, Waterloo, Iowa; and **Jay Cherniack**, Council Bluffs, Iowa.

The possible effect of war on interest rates, the demand for homes, the costs of labor and material, and farm commodity prices were discussed at the mortgage loan clinic of the Iowa Mortgage Bankers Association in Des Moines.

**W. W. Beal**, program chairman, said the one-day "get-together" meetings of mortgage bankers had been held in various parts of the country and had been considered worth-while by members.

### Appointed Cashier

The directors of the Farmers Trust & Savings Bank of Spencer, at a recent meeting, appointed **Karl R. Tuttle**, cashier, succeeding **H. W. Campbell**, who announced his resignation.

Tuttle has been associated with the bank since last winter and has had

many years experience in the business world. Previous to his appointment to the bank he was associated with the **R. M. Tuttle Popcorn Company** of Spencer where he was engaged in both the operation of the popcorn company and in farming interests.

### Lyon County Meeting

Members of the Lyon County Bankers Association met in Rock Rapids recently. The group discussed problems of interest to the business and also named officers for the association.

**Ray Nold**, executive vice president

and cashier of the Rock Rapids State Bank, was named president of the group, and **Harold Bonander** of the Larchwood Savings Bank, was named as secretary and treasurer.

The session was held at the offices of the Rock Rapids State Bank.

### Appraisal Schools

Approximately seventy bankers from eight counties in northeastern Iowa met in Arlington early last month and attended one of the Farm-Appraisal schools being sponsored by the Iowa Bankers Association throughout the

## STATEMENT

June 29, 1940

### RESOURCES

Cash and Due from Banks.....	\$2,607,570.03
Loans and Discounts.....	3,103,610.36
United States Government Bonds.....	299,475.00
State, County, and Municipal Bonds.....	735,995.41
Other Bonds and Securities.....	388,168.66
Stock in Federal Reserve Bank.....	17,250.00
Bank Building, Furniture and Fixtures.....	187,500.00
Other Assets .....	7,651.52
	<hr/>
	\$7,347,220.98

### LIABILITIES

Capital .....	\$400,000.00
Surplus .....	175,000.00
Undivided Profits .....	24,800.62
Reserve for Contingencies.....	77,000.00
	<hr/>
TOTAL CAPITAL ACCOUNT.....	\$ 676,800.62
Reserve for Taxes and Interest.....	11,622.67
Other Liabilities .....	115.00
DEPOSITS .....	6,658,682.69
	<hr/>
	\$7,347,220.98

Member Federal Deposit Insurance Corporation



# FIRST NATIONAL BANK

IN SIOUX CITY

state. The school started with a luncheon at the Lutheran Church and the afternoon was spent at the J. H. Meisgeier farm east of Arlington, which was used for the subject farm for appraisal.

H. R. Young, cashier of the American National Bank, was general chairman in charge of arrangements.

A school of instruction in farm land appraisal for bankers of district two, comprising 12 counties, was held at Livermore with 30 present for the noon luncheon and dinner in the evening.

The meeting was under the auspices of Iowa State College, with J. F. Hamm, cashier of the local bank, as host.

About 50 bankers from six counties were in Anamosa to attend a state appraisement school. The work was carried on at the Myers farm, a mile northeast of Anamosa.

Lynn Murfield, cashier of the Citizens Savings Bank of Anamosa, was in charge of local arrangements.

Approximately 50 bankers from nine counties in northeast Iowa met at La Porte City in one of a series of farm appraisal schools being conducted under auspices of the Iowa State Bankers Association, and Iowa State College at Ames.

Arnold Petznick, cashier of the La Porte City Bank, was general chairman in charge of arrangements for the meeting.

Counties represented included Black Hawk, Bremer, Benton, Buchanan, Grundy, Iowa, Johnson, Linn and Tama.

### Joins Remsen Staff

E. P. Popp, late of Stuart, Nebraska, is assistant cashier of the Farmers Savings Bank, Remsen, succeeding M.

W. Doran. Mr. Doran has gone to take a similar position in Worthington, Minnesota.

The new assistant, besides his years of banking experience, was clerk of courts at LaCrosse, Kansas, for three consecutive terms and has had considerable experience also in government clerical service.

### Board Meeting

At the regular meeting of the board of directors of the American National Bank, Arlington, Fred P. Gernand of Volga, was elected director to fill the vacancy caused by the death of William E. Anderson. Chas. F. Eckheart was elected vice president to fill this office which had been held for many years by Mr. Anderson.

### Barclay to Rutgers

Charles M. Barclay, assistant cashier of the Washington State Bank, has gone to Rutgers University at New Brunswick, New Jersey, where he is entering the graduate school of banking, conducted by the American Bankers Association for advanced study of recent developments in banking. An advanced school for bank officers, this course is attended by 600 men from banks in all sections of the country.

### Bank Sold

The La Porte City State Bank has been sold to E. E. Ronglin of Hanlontown and L. C. McGill of Northwood by J. J. Maloney. Ronglin will succeed Maloney as president and McGill will replace Arnold Petznick as cashier. Other directors and employees will retain their positions.

### County Meeting

The Sioux County Bankers Association held their annual meeting at Hospers. All banks in the county with one exception were represented at the meeting.

The following officers of the county association were chosen for the ensuing year: President, E. S. Kiernan, Alton; vice president, H. C. Moret, Orange City, and secretary and treasurer, Dewey Kuiken, Maurice. It was voted to accept the invitation extended by the Security Savings Bank of Ireton for next year's annual meeting and banquet.

### Auditors Meet

Mason City played host last month to bank auditors and comptrollers from all sections of Iowa at a one day convention featuring an evening banquet, followed by a "shop" program,

*Big enough for every need—  
Not too big for friendliness.*

## VALLEY SAVINGS BANK DES MOINES

Member Federal Deposit Insurance Corporation

### 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*

## Wessling Services

CONTINENT-WIDE EXPERIENCE  
PERSONAL CONTACTS EVERY YEAR WITH HUNDREDS OF SUCCESSFUL BANK OFFICERS

D. R. WESSLING, PRESIDENT

*Des Moines, Iowa*



## • IOWA NEWS •

at the country club. B. P. Olsen of Muscatine was in the president's chair and C. O. Wilkinson of Mason City served as master of ceremonies.

The only formal business of the evening was a postponement until next September of the election of officers. The action will be taken at Des Moines in connection with the annual convention of the state bankers association. Until that time the present board of governors will continue: B. P. Olsen, president, Muscatine; R. L. Carson, vice president, Des Moines; C. R. Colton, secretary-treasurer, Ottumwa; Ira L. Hays, Council Bluffs; V. Spalding Miller, Waterloo; Arnold Boehm, Ogden; E. H. Ketelsen, Davenport.

More than 100 bankers from 23 counties were in attendance.

### Paid in Full

The board of directors of the Ames Trust and Savings Bank have announced payment of the final 15 per cent of trust certificates issued at the time of the nation-wide bank closure in February, 1933.

With this final payment the trust certificates totaling \$303,303.22 issued seven years ago have been completely paid up, and the program of payment ended.

### Also at Rutgers

Glenn Rye, examiner for the Federal Deposit Insurance Corporation, has gone to Rutgers University at New Brunswick, New Jersey, where he will return to the Graduate School of Banking conducted by the American Bankers Association.

C. S. Rye, an uncle of Glenn Rye, joined him at New Brunswick for the same training at Rutgers.

### Examiner Resigns

Herman W. Wente, assistant examiner for the receivership of the First Iowa State Trust and Savings Bank and the American Savings Bank and Trust Company in Burlington, has resigned that position.

He left for Waterloo, Iowa, where he plans to take up other work.

Wente, who has been in Burlington nearly eight years, said he was not ready to announce his future plans.

### Annual Meeting

Officers and directors of the Security Savings Bank, Marshalltown, were re-elected at the annual stockholders' dinner. Twenty-seven persons attended, all but 23 shares of stock being represented in person or by proxy.

Directors re-elected are J. O. Bissett of Lamaille, Dr. R. R. Hansen, W. A. Lane, N. C. Nielsen, Charles Stepan and E. L. Williams.

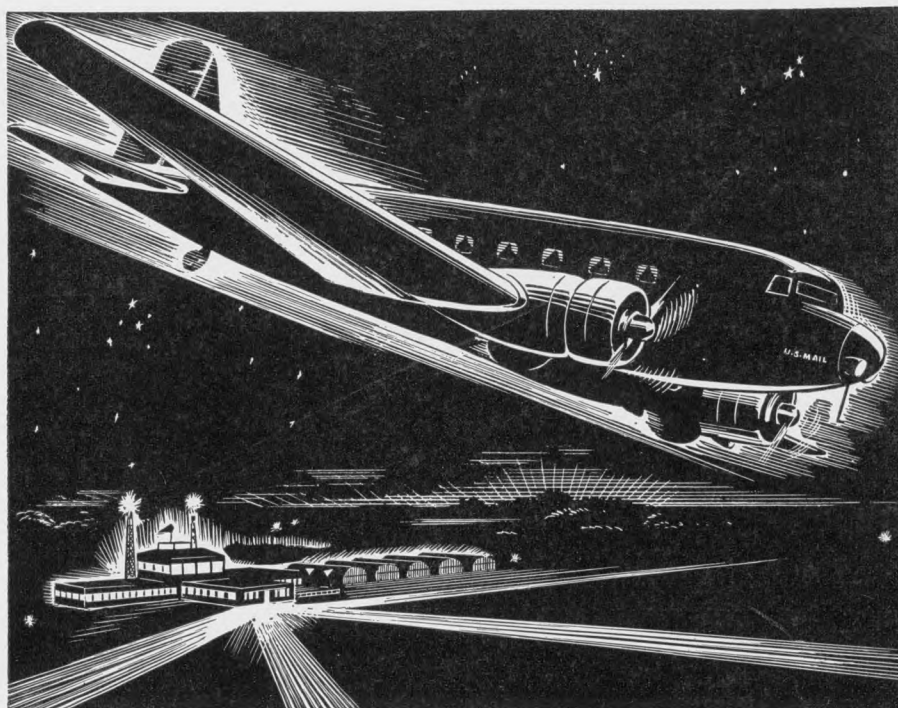
Officers are W. A. Lane, president; E. L. Williams, vice president; G. B. Brown, cashier, and C. E. Orr and Mrs. Esta Conn, assistant cashiers. Members of the stockholders examining committee, which works with a similar committee from the directors in making quarterly examinations, are D. V. McLean and E. B. Clinton.

### Surplus Doubled

The surplus of the Davenport Bank & Trust Company was doubled by action of the board of directors when it was voted to transfer \$600,000 from the reserve to the surplus fund.

As a result the surplus of the institution is now \$1,200,000, or twice the amount of the capital stock.

At the same time the directors voted to pay the regular semi-annual dividend of \$5 a share, to be paid June 29th to stockholders of record of June 15th.



## GEARED TO SAVE TIME—OFTEN A FULL DAY

*To Midwest Bankers; Get Prompt, Personal Service on Items and Collections by Using Drovers Service*

Many progressive bankers have found by experience that the highly trained staff and the specialized facilities of the Drovers—do speed collections. They appreciate the immediate personal attention which each item and collection receives under the close, personal attention of an executive. Notification of an unpaid or returned item, is prompt. Remitting of collections to banks not carrying accounts here, is geared to save time—often a full day.

WE WELCOME YOUR BUSINESS

*Members, Federal Deposit Insurance Corporation*

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

*Northwestern Banker July 1940*

Transfer books of the institution will be closed during the period from June 15th to June 29th.

### Pioneer Dies

David N. Ferguson, 75, former LeGrand banker and a member of a pioneer family of Marshall county, died recently at the home of his daughter, Mrs. Max M. Mills, Marshalltown, after a short illness.

One of the organizers of the old LeGrand Savings Bank, he also took an active interest in Republican politics. He served as assessor of Marion town-

ship while still living on the farm, served several terms as trustee of Marion township and after moving to LeGrand, was trustee of LeGrand township for three terms. He was a candidate for the Republican nomination for state senator in 1920.

### Mrs. Toy Dies

Mrs. Mary Elizabeth Toy, widow of the late James F. Toy, president of the Toy National Bank, Sioux City, died recently at her home in Hollywood, California.

Survivors are a daughter, Mrs. J.

W. Van Dyke of Sioux City, and a son, J. Fred Toy, of Hollywood. Mrs. Van Dyke left some weeks ago for California to be with her mother and was at her bedside in her last hours.

### Reserve Member

The Federal Reserve Bank of Chicago announced that the Farmers State Bank of Jesup, Iowa, has been admitted to membership in the Federal Reserve System. Officers of the bank include W. W. Blasien, president, and C. E. Stewart, cashier.

### County Election

The Jackson County Bankers Association met in the Farmers Savings Bank at Spragueville.

Election of officers resulted as follows:

President, W. L. White, Spragueville.

Vice president, H. J. Kueter of Bellevue.

Secretary, James Ripperton, Maquoketa.

### Bank Sales

The Charles E. Walters Company, Omaha, reports the following bank changes made possible through their office recently:

"Our recent sales includes the First State Bank of Shelby, Montana, to L. A. Christenson, formerly president of the Production Credit Corporation of Omaha, who has been elected president of the First State Bank of Shelby, succeeding R. D. Mountain. We have also sold the stock owned by Eugene Burdic in the Bank of St. Edward at St. Edward, Nebraska, to Bruce McFarland, who has been employed for the past fifteen years in the National Bank of Commerce at Lincoln, Nebraska. Mr. McFarland succeeds Mr. Burdic as cashier.

"We have also negotiated the sale of the stock of Carl Shalstrom in the Primghar Savings Bank in Primghar to E. T. Peterson of Malta, Montana, and local people. Mr. Peterson has succeeded Mr. Chalstrom as the executive head of the bank. Our sales include two other banks which are not ready for public announcement, one of which has totals in excess of two and a half million dollars."

## Commerce Trust Company

*Capital, Surplus and Undivided Profits 12 Million Dollars*  
**KANSAS CITY'S LARGEST BANK**  
 Established 1865 MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Statement of Condition at Close of Business June 29, 1940

#### RESOURCES

Cash and Due from Banks.....	\$ 74,301,350.31	
U. S. Obligations, Direct and Fully Guaranteed.....	40,319,321.71	\$114,620,672.02
State, Municipal and Federal Land Bank Bonds.....	27,295,738.27	
Stock of Federal Reserve Bank.....	270,000.00	
Other Bonds and Securities.....	13,388,283.14	40,954,021.41
Loans and Discounts.....		37,894,276.39
Bank Premises and Other Real Estate Owned.....		2,615,135.93
Customers' Liability Account Letters of Credit.....		28,275.53
Accrued Interest Receivable.....		353,329.90
Overdrafts.....		2,503.09
Other Resources.....		1,813.35
Total Resources.....		\$196,470,027.62

#### LIABILITIES

Deposits:		
U. S. Government Deposits.....	\$ 1,834,175.00	
Other Deposits.....	182,212,767.71	\$184,046,942.71
Capital.....	6,000,000.00	
Surplus.....	3,000,000.00	
Undivided Profits.....	3,263,959.84	
Reserve for Dividends Declared.....	60,000.00	12,323,959.84
Liability Account Letters of Credit.....		28,275.53
Accrued Interest, Taxes and Expense.....		67,592.53
Other Liabilities.....		3,257.01
Total Liabilities.....		\$196,470,027.62

Member Federal Reserve System

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



### Reserve Member

Announcement is made by the Federal Reserve Bank of Chicago that the Forest City Bank & Trust Company has been admitted to membership in the Federal Reserve System. Officers of the bank are H. R. Sloephas, president; H. N. Rye, vice president and cashier, and C. O. Nerby and Henry Gjellfald, assistant cashiers.

### New Bookkeeper

W. E. "Cy" Whorrall, vice president of the Farmers Savings Bank at Beaman, advises that his bank has obtained the services of Shirley E. Kaufmann as bookkeeper at his institution. Miss Kaufmann lives in Beaman, and was formerly employed as a tax accountant at Marshalltown.

### Re-elected Treasurer

Chester L. Price, advertising and publicity manager of the City National Bank and Trust Company of Chicago, was re-elected treasurer of the Chicago Federated Advertising Club at the club's annual meeting recently. This re-election marks the seventh consecutive year that Mr. Price has held this position, having been treasurer since the club's organization in 1934. Mr. Price was further honored when he was elected president of the Chicago Financial Advertisers Club, a post he held in 1933.

### Clement Heads Conference

Paul Clement, secretary and general manager of the Minnesota Commercial Men's Insurance Company, was named president of the Health & Accident Underwriters Conference in the concluding session of the organization at its annual meeting held recently in Minneapolis. John M. Powell, Loyal Protective Life, was named chairman of the executive committee; F. B. Alldredge, Occidental Life, becomes first vice president, and D. G. Trone, Indiana Travelers Assurance, second vice president.

Mr. Clement, a native of Minneapolis, has spent his entire business career in that city, and became associated with Minnesota Commercial Men's Club as cashier in 1915. He has held in turn offices of office manager,

and secretary of the company, before assuming his present position with the organization. Mr. Clement has been active in affairs of the Health & Accident Conference for many years.

### To A. I. B. Positions

Appointment of Dr. William A. Irwin to the post of National Educational Director of the American Institute of Banking and the advancement of Floyd W. Larson to the position of national secretary of the A. I. B., were announced by Dr. Harold Stonier, executive manager of the American

Bankers Association, after a meeting with the executive council of the Institute during the A. I. B. convention.

Dr. Irwin joined the A. I. B. on November 1, 1937, as assistant educational director and was named associate educational director a year ago. He has also been assistant director of The Graduate School of Banking for the past three years. Washburn College at Topeka, Kansas, conferred a degree of L.L.D. on him at its commencement exercises last month. Dr. Irwin was head of the economics department at Washburn for 16 years before joining the A. I. B.



## CLOSE TO CHICAGO'S BASIC INDUSTRIES

● Chicago is the second largest wholesale and retail market in the nation. Consequently, it is important that your Chicago banking connection be equipped to help you promote constructive contacts for your depositors in this key area. The American National Bank, because it is serving a broad list of basic Chicago industries, is ready to perform this mission in addition to providing you with a correspondent service that is both complete and adapted to your individual needs. Make this bank your Chicago headquarters.

## AMERICAN NATIONAL BANK AND TRUST COMPANY

*of Chicago*

LA SALLE STREET AT WASHINGTON

Member Federal Deposit Insurance Corporation

COMMERCIAL • CHECKING • SAVINGS • TRUSTS

### Bank for Sale

Controlling stock, northern Iowa town of 900 \$25,000.00. Address C. B., c/o NORTHWESTERN BANKER, 555 Seventh St., Des Moines, Iowa.

Mr. Larson has been assistant secretary of the American Institute of Banking since November, 1937, coming to the national office from Minneapolis

Chapter of which he was executive secretary for several years. In becoming secretary of the Institute he takes over the office filled by Richard W.

Hill for 24 years. Mr. Hill was promoted to the post of secretary of the American Bankers Association three years ago. He will now devote his full time to this office and to The Graduate School of Banking, of which he is registrar.

## In Sioux City . . . Personal Service to Correspondents

To keep in step with the times, the bank of today must gear its services to the pulse of progress. There should be 100 per cent performance in the handling of every customer's account. This bank is geared to give that personal service so essential in the present financial world.

### Security National Bank

#### OFFICERS

Charles R. Gossett, President  
Albert C. Eckert, Vice President

Delko Bloem, Vice President  
R. Earl Brown, Cashier

Daniel B. Severson, Frank H. Abel, Alvin G. Nelson,  
Robert W. Lewis, Assistant Cashiers

### Ayres Sees New Era

We have reached the end of an era in the history of American business, and are entering upon a new and different era, according to Colonel Leonard P. Ayres, vice president of the Cleveland Trust Company, who lectured at The Graduate School of Banking conducted by the American Bankers Association at Rutgers University. Colonel Ayres' subject was "Banking and the Business Cycle." He stated that "the change has come about because the wave-like fluctuations in the production of durable goods, which cause and constitute business cycles, no longer result, as they did formerly, from long wave-like fluctuations in interest rates.

"Durable goods," he said, "include all the machinery of production, everything that goes into construction, all plants and power lines of our public utilities, all appliances of business offices, as well as some things used by families, such as automobiles, house furniture and furnishings, refrigerators and radios. Our accumulations of durable goods largely constitute our national wealth, but they do not all increase our wealth because now our durable goods include munitions of war which consume wealth but do not produce it.

"We have been alternately speeding up and slowing down our production of durable goods for many decades, and so have all the other industrial nations, and it is that uneven production which has caused the wave-like expansions and contractions of business activity which we know as business cycles. These alternate periods of expansion and contraction in the production of durable goods result from decisive changes in the amounts of money being spent for such goods, and those changes in the volumes of purchasing have in normal times largely resulted from decisions made by business enterprises. In recent years, and at present, the changes largely result from variations in government expenditures.

"Business cycles result from wave-like expansions and contractions in the production of durable goods. Changes in the amounts of money spent by business enterprises for the purchase of durable goods have re-

## AT THE WARRIOR A GENUINE WELCOME FOR THE TRAVELER

Iowa's finest hotel, the Warrior provides comfortable accommodations of superior quality. Equally superb is the cordial atmosphere; and service is attentive yet unobtrusive. You'll like Hotel Warrior.

SIoux CITY'S  
ACHIEVEMENT IN HOSPITALITY

EPPLEY HOTELS COMPANY  
E. C. EPPLEY, President



250  
ROOMS



sulted from changes in the volumes of sales of new securities which have decreased during bear markets for bonds and stocks, and increased during bull markets. With almost complete regularity during the past eighty years the downturns of the security prices at the tops of bull markets, and their upturns from the bottoms of bear markets, have closely followed upturns and downturns in the levels of short-term interest rates.

"In bull markets for securities the advances in short-term interest rates have brought about downturns in bond prices which have normally been shortly followed by downturns in stock prices. These declines in security prices have created unfavorable market conditions for floating new securities, and so have resulted in downturns in the volumes of new issues. When the volume of new issues has turned downward the inflow of new funds into productive enterprise has decreased, and a business decline has started. The process at the bottom of the business cycle has been a similar one, but with all the turning movements reversed.

"The long wave-like upward fluctuations and downward fluctuations in the levels of short-term interest rates have been mainly caused by the operation of our banking laws and regulations which have controlled the expansions and contractions of bank credit through causing alternate increases and decreases in bank reserves. This means that in the past our business cycles have been caused by the operations of our banking laws and regulations, our business procedures, and the processes of our security markets."

### Banks and the Community

The primary purpose of banking is to serve the community, the state and the nation.

The greater part of banking operation consists of making loans to businesses and individuals where practically every loan made renders a community service.

When, for instance, a bank loans a person money to build a new home, the whole town benefits. Property values are improved. New taxable assets are created. Local workmen and dealers in supplies are given work and orders. More money goes into circulation.

And a similar thing happens when a bank loans to a local merchant, for the purpose of buying goods or improving his store, or expanding his business. The life of every commun-

ity is vitally concerned with the buying and selling of goods and services. That's what keeps men at work—keeps transportation systems busy—produces needed tax revenue—provides, directly or indirectly, the income of doctor and lawyer and candlestick maker—and maintains the local standard of living.

Few public services are so important as banking. And few institutions have done so fine a job in the public interest. Private banking, under strict public regulation, provided the financial life blood that made possible the

great industrial and economic developments of the past. And private banking, still under strict public regulation, is making possible the great industrial and economic developments of today. You may never have entered a bank, but banking is nevertheless an ever-present factor in your life and work. And its importance grows, not lessens, with the passing years.

### Unfair Rules

No citizen in this country would countenance a football game, a base-



*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

ball game or any other game in which in order to give one side the advantage, the opposing players were required to compete with legs hobbled. Public resentment would stop such a farce at once.

And yet that is the kind of unfairness you see under the present Federal power program where tax-subsidized, tax-exempt electric plants of the government go into competition with privately financed, highly taxed plants of private citizens. Not satisfied with such favoritism the public plants demand and receive exemption from all the rules, regulations and restrictions of government under which private plants must play the game.

### Responsible for Waste

It's a rare person who doesn't consider price when he makes a purchase. Whether it be a home, an automobile, a suit of clothes or a can of beans, he weighs the related factors of cost and quality before deciding whether he is getting his money's worth.

But take a thousand or a million or a hundred million of such otherwise sensible people, in their collective role as citizens and taxpayers, and they exhibit an entirely different point of view when spending their money for governmental purposes. Any glib politician or local "booster" can persuade them to enthusiastically back the spending of tremendous sums of tax money for "local betterment."

Whether it be a bridge, a park, a sewer, a playground or anything else, they endorse it wholeheartedly, irrespective of how much it costs, or how little it may be needed. There, in a nutshell, is one of the primary reasons for our desperate fiscal situation. Shrewd buyers that we are as individuals, we have proven ourselves to be suckers when it comes to spending our tax money.

It's easy enough to blame the politicians for this, and certainly they have been a factor in favor of reckless prodigality. But the fact remains that we elect the politicians, and they can't keep their jobs without our approval. The public gets the kind of representation it deserves. If the people want to court national bankruptcy, as they apparently have in the past, the politicians will gladly follow their lead, and vote for every spending measure that comes up. If the people want economy and local independence, they can have it.

The responsibility comes straight home to the voters. In the long run, they make all public policies. And they have made the present policy of fiscal insanity that has brought with it the most serious debt and tax problem in our history.

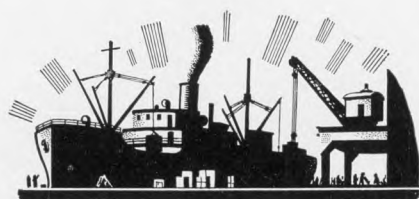
### Who Is Overtaxed?

Recently a high Federal official came forth with an astonishing statement to the effect that commercial motor vehicles are paying too much for the use of the public highways—while the private user is not paying enough. That opinion, which goes counter to the facts produced by outstanding surveys of trucking taxes, was based on the assumption that home owners, farmers and others who pay general taxes should pay 60 per cent of all highway taxes—while those who use the roads should pay but 40 per cent.

Commenting on this, John J. Pelley of the Association of American Railroads, observed: "I don't think the taxpayers of the country will accept any such conclusion as correct. . . . The question of whether trucking companies pay their share of the cost of the roads they use is one to be determined by a careful study of the facts in each state."

As it happens, two states have made such official studies—Missouri and Illinois. According to the Missouri study, the taxpayers are subsidizing the commercial truckers to the tune of from \$231 to \$615 per truck each year. And according to the Illinois study, the subsidy runs as high as \$996 per truck per year.

It is going to be hard for anyone to



## TO BROADEN THE USEFULNESS OF OUT-OF-TOWN BANKS

All departments of The Northern Trust Company offer correspondent banks the opportunity to share in the results of their wide experience. Schooled in modern methods, possessing broad fact-finding facilities, and serving with an inherent willingness, the personnel of this institution gladly assists out-of-town banks in extending their usefulness within their home territories. 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*



laugh off surveys such as these. Certainly, sweeping generalized statements, unbacked by factual data, won't satisfy the thinking citizen who must pay constantly mounting taxes to build the most costly types of highways and bridges required to carry virtually railroad-car-size commercial motor equipment which causes infinitely more wear and damage to road surfaces than do private cars and farm traffic.

It is an interesting commentary on all this that the railroads contribute over \$35,000,000 a year to construction and maintenance of highways through payment of taxes on their property. That is \$8,000,000 more than the total taxes, fees and other charges of all sorts paid for all purposes by motor trucking companies which haul freight on tax-maintained highways. If the truckers are overtaxed, most of the unprejudiced economists who have studied the question belong in mental institutions.

### Trust Conference

Present day trends in taxes, investments and public relations will be the outstanding subjects for discussion at the Eighteenth Regional Trust Conference of the Pacific Coast and Rocky Mountain States to be held in Salt Lake City, Utah, August 15-17, under the auspices of the Trust Division of the American Bankers Association, according to the program announced by Roland E. Clark, president of the A. B. A. Trust Division, who is 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.

The banquet speaker the opening night will be J. Reuben Clark, former ambassador to Mexico. Other outstanding speakers on the program include Dr. Adam S. Bennion, assistant to the president of the Utah Power & Light Co., Salt Lake City; Henry A. Theis, vice president of the Guaranty Trust Company of New York City; Roy H. Booth, assistant trust officer of the National Shawmut Bank of Boston, Mass.; and E. C. Barrett, comptroller of the California Institute of Technology, Pasadena, California.

The closing session will be devoted to a Question Box period under the direction of Gilbert T. Stephenson, Director of Trust Research of the American Bankers Association, New York.

### Two Hearings

Two hearings on petitions to redefine "executive" and other terms used to describe employees exempt from minimum wage and maximum hour provisions of the Fair Labor Standards Act were scheduled by Colonel Philip B. Fleming, administrator of the Wage and Hour Division, United States Department of Labor.

At the first hearing, testimony will be received on the working of the pres-

ent regulation defining the exemption in banking, brokerage, insurance, financial and related industries. It will be held at 10:00 a. m. on July 9th, at the New Willard Hotel, Washington, D. C. Harold Stein, assistant director of the Hourings Branch of the Division, will preside.

The second will include the publication, communication, public utilities, transportation and miscellaneous industries. It will be held at 10:00 a. m.,



JUNE 29, 1940

#### BOARD OF DIRECTORS

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Chairman, Board of Directors  
Wilson & Company

#### RESOURCES

Cash and due from banks.....	\$19,411,915.27
United States Government Securities.....	2,396,440.62
State and Municipal Securities.....	877,832.82
Other Marketable Bonds.....	1,068,288.41
Loans and discounts.....	5,946,546.41
Federal Reserve Bank stock.....	75,000.00
Bank building.....	450,000.00
Furniture and equipment.....	1.00
Interest earned, not collected.....	35,814.81
Current receivables and other assets.....	36,345.09
	<b>\$30,298,184.43</b>

#### LIABILITIES

Capital.....	\$ 1,000,000.00
Surplus.....	1,500,000.00
Undivided profits and reserves.....	104,311.87
Unearned Discount.....	23,481.66
Deposits.....	27,670,390.90
	<b>\$30,298,184.43</b>

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ESTABLISHED 1868

July 25, 1940, at the New Willard Hotel, Washington, D. C. Mr. Stein will preside at the second hearing also.

Both hearings will deal with these exemptions written into Section 13(a) (1) of the Act—"The provisions of sections 6 (minimum wages) and 7 (maximum hours) shall not apply with respect to any employe engaged in a bona fide executive, administrative, professional . . . capacity, or in the capacity of outside salesman (as such terms are defined and delimited by regulations of the Administrator)."

### Commencement Exercises

Commencement exercises were held at New Brunswick, N. J., June 28 for the largest graduating class in the history of the Graduate School of Banking, educational arm of the American Bankers Association at Rutgers University devoted to advanced education in banking and economics for bank executives.

The 232 officers of banks located in 34 states who are members of the class of 1940 were awarded diplomas or cer-

tificates of study for their three years of attendance at the Graduate School's summer sessions at Rutgers, two years of extension study, and their preparation of theses on specialized subjects in banking and finance.

Dr. Lewis E. Pierson, honorary chairman of the Irving Trust Company, New York, who is chairman of the Board of Regents of the Graduate School of Banking, presented the diplomas and certificates after the class heard an address by Dr. Douglas Southall Freeman, editor of the *News Leader*, Richmond, Virginia.

Following the precedent established by the graduating classes of previous years, members of the 1940 class contributed a gift of money to the Rutgers University Library. This year's gift of \$1,000 was presented on behalf of the graduates by Nelson McKernan, assistant secretary of the Manufacturers Trust Company, New York, and was accepted for the Rutgers library by Dr. Robert C. Clothier, president of the university.

### Chase National

The statement of the Chase National Bank for June 29, 1940, was made public July 2, 1940. The deposits of the bank on that date were \$3,190,823,000, again establishing a new high record for any reporting date, and comparing with \$3,060,769,000 on March 30, 1940 and \$2,696,486,000 on June 30, 1939.

Total resources amounted to \$3,472,779,000 compared with \$3,345,528,000 on March 30, and \$2,983,435,000 a year ago; cash in the bank's vaults and on deposit with the Federal Reserve Bank and other banks, \$1,467,007,000 compared with \$1,522,550,000 and \$1,208,138,000 on the respective dates; investments in United States securities, \$1,039,031,000 compared with \$815,586,000 and \$835,045,000; loans and discounts, \$607,859,000 compared with \$639,526,000 and \$575,427,000.

On June 29, 1940, the capital of the bank as \$100,270,000 and the surplus \$100,270,000, both amounts unchanged.

The undivided profits on June 29, 1940, after deducting \$5,180,000 from that account for a semi-annual dividend payable August 1st, amounted to \$33,821,000 compared with \$36,217,000 on March 30, 1940, and \$30,819,000 a year ago.

Earnings of the bank for the second quarter of 1940 amounted to 38 cents per share, as compared with 37 cents earned in the second quarter a year ago.

## EIGHTEEN YEARS OF PUBLIC SERVICE

The desire to provide a necessary community service prompted the organization of Minnesota Federal.

Since Nineteen Hundred Twenty-two this Association has accumulated funds from thrifty, frugal folks in the Northwest to be utilized in home financing. Over twelve thousand home mortgages have been made during this eighteen year period.

Those who invest here assist others as well as themselves. It is only right that Minnesota money should remain here and produce benefits locally. Thus Minnesota Federal serves you.

**RESOURCES OVER \$18,000,000.00**

*Minnesota Federal*  
SAVINGS AND LOAN ASSOCIATION  
OFFICES IN MINNEAPOLIS AND SAINT PAUL



# As Others See Us

Excerpts From Remarks Made at the Annual Stockholders  
Meeting of the Federal Home Loan Bank of Des Moines



W. H. HUSBAND

By W. H. Husband  
Washington, D. C.

are those of the bankers, public supervisory bodies, the public at large, home owners, and savers and investors. We must be willing to ask ourselves frankly what these various groups think of us and then form a constructive opinion of our own as to the course of action we shall pursue.

Looking first to the banking group, the past two years has marked the development of some ill feelings between organized banking interests and the savings and loan industry. For the most part, the disagreement has arisen out of legislation which has been proposed to amend the Federal Home Loan Bank Act, and also that part of the National Housing Act which created the Federal Savings and Loan Insurance Corporation. Various charges have been made against us, ranging from deceptive advertising to outright invasion of the banking field. Probably much of the criticism arises as a result of misunderstanding of

the savings and loan business, but, instead of resorting to recrimination, it is possible that we have more to gain by converting the charges to positive advantages.

Let me hasten to say that I believe the argument between the bankers and the savings and loan operators has been confined largely to the organized groups and that in various communities there actually exists a most friendly and cordial relationship. Even so, if the organized bankers take the opportunity to criticize us, we should take advantage of their efforts and benefit from whatever accusations they may make. For instance, they tell us that the rate of dividend (please note I did not say the rate of interest) paid on share accounts (observe that I did not use the expression "deposits") is too high. It is easy to get so irked by such unfriendly criticism that we may overlook its value. Possibly the bankers are correct in their view. Hence, instead of flying to attack, we may better choose to accept their verdict.

Another complaint by the bankers is that savings and loan associations (Turn to page 66, please)

IT IS human nature to welcome friendly approval and to dislike disapproval; to seek endorsement or commendation and to avoid criticism or condemnation. As a matter of fact, if we want to discover our real merit, we need to look to outside sources rather than to inside or related interests. Only by such external observation can we get a true picture of our bearings. Like a ship at sea which determines its position by measurement in relation to the stars or other remote points, we must also look beyond ourselves for purposes of self-appraisal. It is in this sense that the savings and loan industry of today must determine its true standing. Moreover, by scanning the horizon of outside opinion, we shall likely obtain many ideas pointing the way to self-improvement.

The question immediately arises as to whose opinion we shall seek. May I suggest that we give consideration to the views expressed by all groups with sufficient standing to influence public thinking. Some of these are well organized while others lack a precise entity of their own. Among the attitudes that we should appraise

## Tri-State Meeting in Minneapolis

By J. Stuart Davis, Associate Editor

THE sixth Tri-State—Minnesota, North Dakota and South Dakota—Savings and Loan Association and the 26th Minnesota Building, Savings and Loan League Conventions were called to order on Friday morning, June 14th at Minneapolis, by **Burch N. Bell**, president of the Tri-State Association. The address of welcome was made by **George E. Leach**, mayor of Minneapolis, and responses were made by **Harry C. Lindquist** of St. Paul, the new president of the Tri-State Association; **Martin Jones**, president of the North Dakota League; and **O. O. Olson**, vice president of the South Dakota League.

New officers elected by the Tri-State Savings and Loan Association were **Harry C. Lindquist**, St. Paul, presi-

dent; **J. Blaine McKusick**, Minneapolis, vice president; **Stanton R. Dahlen**, Thief River Falls, secretary; **E. Raymond Hughes**, Mankato, director at large; and **Mrs. D. E. Crary Mudd**, Minneapolis and St. Cloud, secretary and treasurer.

During the morning meeting addresses were made by **Robert J. Richardson**, president of the Des Moines Federal Home Loan Bank; **Douglas C. Vaile** of Chicago, director of Education, American Savings and Loan Institute; **Russell Johnson**, president of Twin City Chapter; **Vern C. Soash**, publicity chairman, Minnesota League, St. Paul; **E. Raymond Hughes**, attorney, Mankato; **William Duncan, Jr.**, secretary of the Minnesota Bankers Association; and **F. A. Amundson**, act-

## • SAVINGS AND LOAN •

ing commissioner of banks, St. Paul. The latter two addresses by bankers were more or less of an innovation at the meetings of the Savings and Loan Associations, and were well received.

Seated around my table at the Association were **C. O. Quail**, **Fred Cole** and **O. O. Olson** from Brookings, South Dakota; **Wesley Storms**, First Savings and Loan Association of Duluth; **H. B. Borg**, St. Louis County Federal Savings and Loan Association of Duluth; **Maurice H. Jones**, Metropolitan Build-

ing and Loan Association of Fargo, North Dakota; **Thomas Greenshields**, Gate City Building and Loan Association of Fargo; **John F. Anderson**, secretary of the Alexandria Federal Sivrria, Minn.; **N. M. Comsolle**, Benings and Loan Association of Alexandria-Franklin Federal Savings and Loan Association of St. Paul; and **Kenneth S. Kerfoot**, secretary of the Ben Franklin Federal Savings and Loan Association, and past president of the Tri-State Association.

**Colonel Charles B. Robbins** of Cedar Rapids, Iowa, arrived just in time for luncheon, and **H. H. Bennett** of the Perpetual Savings and Loan of Cedar Rapids was also present.

From Mason City, Iowa, came **J. W. Irons** of the Mutual Federal Savings and Loan Association.

The representatives from **North** and **South Dakota** helped to make this one of the best conventions held in years.

As usual, the Twin City Associations were well represented, and, of course, have the reputation of being one of the liveliest groups in the country. What would the associations do without such men as **John Scott**, **Lou Kelley**, **Roy Larsen**, **John Koch**, **Harry Miller**, **W. R. Lundquist**, **Ken Kerfoot**, **W. R. Mahood**, **Axel Olson**, **Burch N. Bell**, **Blaine McKusick**, **Barry Lindquist**, **Vern Soash**, and others who have helped so much to put Savings and Loan Associations on the map?

**H. C. Lindquist**, Minnesota Federal Savings and Loan of St. Paul, was the toastmaster at the luncheon. The main address was given by **J. O. Chris-**

## Federal Home Loan Bank of Des Moines

DES MOINES, IOWA

STATEMENT OF CONDITION JUNE 30, 1940

### RESOURCES

Advances to Members.....	\$14,369,080.00
U. S. Government Obligations and Securities Guaranteed by U. S.....	1,367,000.00
Accrued Interest Receivable.....	22,796.79
Deferred Charges.....	20,316.32
Cash.....	3,380,965.98
	<b>\$19,160,159.09</b>

### LIABILITIES

Members' Stock Subscription.....	\$ 2,533,000.00
Government Stock Subscription.....	7,394,900.00
*Debentures Outstanding.....	7,500,000.00
Premiums on Debentures.....	1,562.50
Deposits.....	981,252.47
Accrued Interest Payable.....	27,554.47
Dividends Payable July 6, 1940.....	61,461.06
Surplus:	
Reserves.....	\$471,571.38
Undivided Profits.....	188,857.21
	<b>\$660,428.59</b>
	<b>\$19,160,159.09</b>

\*Participation in \$48,500,000 consolidated Federal Home Loan Bank debentures outstanding, which are the joint and several obligations of the twelve Federal Home Loan Banks.

**C**ONSISTENT adherence to principles mutually favorable to investor and borrower, has brought strength with age to this fundamentally American Home Loan Institution.

A MILLION DOLLAR RESERVE PROTECTS INVESTORS



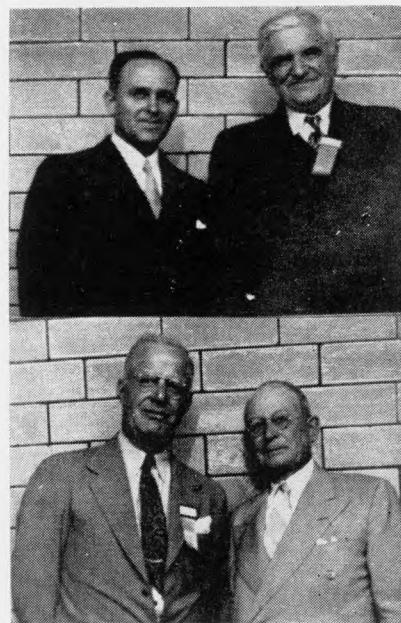
A GOOD TREE TO COME TO FOR SHELTER

**THE MINNEAPOLIS  
SAVINGS AND LOAN  
ASSOCIATION**

SAVINGS AND LOAN BUILDING  
2nd AVENUE SOUTH AT 7th ST.

JOHN W. HELM - - - - - President  
FRED L. ENDSLEY, Executive Secy. and Treas.

**Resources \$18,000,000**



AT THE TRI-STATE CONVENTION:  
Upper picture—**Verne C. Soash**, manager savings division Minnesota Federal Savings and Loan Association, St. Paul, and **A. G. McKnight**, St. Louis County Federal Savings and Loan Association, Duluth.

Lower picture—**Harry C. Lindquist**, president Tri-States Savings and Loan League, and vice president Minnesota Federal Savings and Loan Association, St. Paul, and **J. W. Irons**, secretary Mutual Federal Savings and Loan Association, Mason City, Iowa.



## • SAVINGS AND LOAN •

**tianson**, superintendent of the University Farm School at St. Paul, his subject being "The Roots of Civilization". His speech was interspersed with amusing stories and humor, but the main part was that sound, strong appeal to Americanism which we all need so much today.

At the afternoon meeting there were addresses by **William Shure**, Fargo, North Dakota; **A. F. Mortenson**, Watertown, South Dakota; **John W. Ladd**, Illinois division manager of the United States Savings and Loan League; **H. W. Friedlund**, architect, Central Bureau of St. Paul; **John F. Scott**, director United States Savings and Loan League, St. Paul; and **Gerald S. Beskin**, Minneapolis. There were also reports from the following committees:

Auditing, **B. F. Pay**, Mankato; Resolutions, **H. M. Alygers**, Tracy; Legislative, **John F. Scott**, St. Paul; Public Relations, **L. H. Kelley**, Minneapolis; and Publicity, **Vern C. Soash**, St. Paul.

As usual the ladies were very much in evidence. Those who added beauty and gaiety to the occasion were **Mrs. Robert Richardson** and **Mrs. Blaine McAneny** of Des Moines; **Mesdames John Koch**, **Burch N. Bell**, **Roy W. Larsen**, and **Misses Alene Engstrom**, **Esther Johnson**, **Catherine Mootz**, **Elinore Fleming** and **Rosamond Fisch**—not forgetting the charming and capable secretary of the Tri-State Association, **Mrs. D. E. Crary Mudd**, and **Miss Matilda Gage**, secretary of the South Dakota League.

The Federal Home Loan Bank of Des Moines was represented by its genial president, **R. J. Richardson**; **W. H. Lohman**, vice president and treasurer; **J. M. Martin**, assistant secretary; and **Blaine McAneny**, auditor.

**Morton Bodfish**, executive vice president, and **A. D. Theobald**, assistant vice president of the United States Building and Loan League, were very much missed. However, we were glad to have with us from the same office **John Ladd** and **Douglas Vaile**.

Probably one of the oldest representatives at the convention was **John F. Anderson**, secretary of the Alexandria-Federal Savings and Loan League.

All in all the sixth Tri-State—Minnesota, North Dakota and South Dakota—Savings and Loan Association convention was one of the best that has been held, and everyone went away with new ideas for the coming year.

The officers, the committees and others in charge of the entertainment are certainly to be congratulated for the excellent way in which the convention was conducted throughout.

### Public Relations

In his report as chairman of the public relations committee of the Minnesota League of Building, Loan and Savings Associations, **Louis H. Kelly**, secretary of the Hennepin Federal Savings and Loan Association of Minneapolis, said:

"One of the erring thoughts of human beings is to have their horizon come right down around them. We must realize there are other people besides ourselves. But with this realization certainly no man can deny us the right to capitalize our own good will and this we surely must do. We also must have something to work for—something to strive for—some incentive, but there need no longer exist any fear that some sinister clique outside may attempt to steal away from us the result of our effort. Therefore,

**INSURED**



**SAVINGS**

**350 Cedar Street**

**St. Paul, Minnesota**

### Balance Sheet, June 29, 1940

#### RESOURCES

First Mortgage Loans.....	\$2,365,818.87
Loans Secured by Pledge of Accounts.....	25,144.00
Federal Home Loan Bank Stock.....	36,600.00
Furniture and Fixtures.....	5,476.07
Cash on Hand and in Banks.....	117,072.51
	\$2,550,111.45

#### LIABILITIES

Savings & Investment Accounts.....	\$1,862,037.00
Advance from Federal Home Loan Bank.....	472,049.00
Mortgage Loans in Process.....	89,480.94
(To be distributed on houses under construction)	
Reserve for Dividends.....	26,449.79
(Payable July 1st)	
Reserves and Undivided Profits.....	100,094.72
	\$2,550,111.45

#### Officers and Directors

**GERHARD J. BUNDLIE**, President, Attorney  
**THOMAS F. ELLERBE**, 1st Vice President, Architect  
**JOS. J. MOSHOFSKY**, 2nd Vice President, President Northwestern Hardware Co.  
**FRANK E. VILLAUME**, 3rd Vice President, President Villaume Box & Lumber Co.  
**HARRY M. MILLER**, Secretary and Treasurer

**LEONARD M. SMITH**, Assistant Secretary  
**WM. HAMM, JR.**, Pres. and Treas. Hamm Brewing Co.  
**HERBERT D. RISDON**, Pres. and Treas. Roe-James Glass Company  
**PAUL STEENBERG**, Pres. and Treas. Paul Steenberg Construction Co.

FIRST FEDERAL SAVINGS come largely from conservative persons who seek maximum safety and fair return, free from the risks of market fluctuation.

#### WE HAVE ALWAYS PAID 3 PER CENT

Funds Received by the 10th of Any Month Draw Dividends from the First of the Month

## • SAVINGS AND LOAN •

this committee wishes to report definite progress has been made with our public relations such as better understanding with our state and national

representatives, better United States League relations, better public understanding, and last but not least, a definitely better competitive understanding."

### Dividend Payment

A semiannual dividend of 3 per cent, payable July 1st to members of Twin City Federal Savings & Loan Association, Minneapolis, was announced by Roy W. Larsen, vice president of the association. According to Mr. Larsen, this is the thirty-sixth consecutive dividend to be declared since the organization was founded in 1923.

Twin City Federal's resources have increased to more than \$11,700,000, making this association one of the nation's largest Federal savings and loan associations. Growth of the association in 1940 is the largest of any similar period in its history.

### Ross Retires

On Saturday, June 15th, in the ballroom of the Fort Des Moines Hotel, officers of the Iowa National Guard held a reception in honor of Major General and Mrs. L. D. Ross. Mr. Ross is secretary of the Polk County Federal Savings and Loan, in Des Moines. The occasion of the reception was the retirement of General Ross after a long period of most useful leadership in the National Guard in Iowa.

### AS OTHERS SEE US

(Continued from page 63)

have violated the code of good ethics in using the term "deposits" to cover what in reality are share accounts. Here again, undoubtedly there has been some abuse of the terminology by savings and loan operators, and more is to be gained by mending our practice than by adopting tactics of retaliation. Incidentally, I might point out that building and loan associations may possibly have prior claim to the term "deposits" than have the banks. It is my understanding that the State of Ohio provided for the acceptance of deposits by building and loan associations as early as 1868. As you know, however, the mutual-deposit type of institution predominates in that state.

Most important is what the public thinks about the savings and loan business. Each institution needs to ask itself the question in a most honest and searching manner, "Does my community believe in what I am doing and do I have its complete confidence?" As you know, the depression served to unsettle public confidence in the

savings and loan business and a large task of restoration was imposed upon savings and loan management. Your government has helped you materially to meet this tremendous task. The Federal charter has undoubtedly been of benefit to the industry at large and to the state institutions, themselves. The Home Owners' Loan Corporation and the United States Treas-

## WE OFFER

### 1. SAVINGS PLANS

Our basic plan of systematic savings enables you to build your regular little-by-little savings into worthwhile amounts . . . with credited dividends speeding up your goal.

### 2. INVESTMENT PLANS

For those who have substantial sums of money from which they desire to derive an income, we offer our basic type of investment which is issued in multiples of \$100. Dividends are paid semi-annually by check.

### 3. MORTGAGE LOANS

At current rates to Build, Buy, Refinance or Modernize your home. Long term—monthly payoff plan.

## Ben Franklin Federal Savings and Loan Association

4th at Robert St.

St. Paul, Minnesota

## ATTRACTIVE INVESTMENT

**Liberal dividends—insured  
safety—plus extra security  
assured by well financed,  
ABOVE average homes.**

**Assets \$1,500,000.00**

## POLK COUNTY FEDERAL

**Savings & Loan Assn.**

**511 Seventh St.  
DES MOINES**

*Member Federal Home Loan Bank System*

## LEGAL INVESTMENT

For

## INSURANCE COMPANIES

Accounts Insured up to \$5,000

Convenient . . . Safe

# 3%

(Current Rate)

## St. Paul Federal Savings & Loan Association

Axel A. Olson, Sec'y-Mgr.

4 East Fourth St., ST. PAUL, MINN.



Since 1878

## LIBERAL EARNINGS with SAFETY

Statement on request

### Waterloo Building and Loan Association

East Fifth at Lafayette

WATERLOO IOWA

#### A SAFE INVESTMENT FOR SURPLUS FUNDS

Our investment certificates yield a regular income, currently 3%, and their safety is insured, up to \$5,000, by a permanent government agency.

#### Twin City Federal

Savings and Loan Association  
801 Marquette Ave. Minneapolis  
Established 1923 Resources \$11,500,000

#### DES MOINES BUILDING-LOAN & SAVINGS ASSOCIATION

### Oldest and Largest in Des Moines

411 6th Ave. Dial 4-7119

ELMER E. MILLER HUBERT E. JAMES  
Pres. and Sec. Asst. Sec.

Member Federal Home Loan Bank System

#### UNBROKEN DIVIDEND RECORD FOR 20 YEARS

### HOME Building and Loan Association

FORT DODGE, IOWA


Member Federal Home Loan Bank System

ury made direct investment in savings and loan associations in an amount of approximately \$270,000,000. To mention one other well-recognized facility, the insurance of accounts up to \$5,000 has done much to revive public confidence.

Like it or not, rates of interest on home loans are now a matter of broad social concern and the public is demanding economical financing. To oppose this sweeping and engulfing trend is suicidal to the savings and loan industry. It is for this reason that the business must make loans of reasonably long-term maturity and at rates of interest consistent with the prevailing cost of money. All too often, there is a tendency to deprive the rural and small urban areas of the facilities offered in the larger cities. This is true not only of the savings and loan business but it a condition common to most fields of enterprise. For example, it may be noted that in 1938 the average rate of interest charged customers on commercial loans by banks in 19 large cities was 2.53 per cent; but, in smaller areas, borrowers were paying 5, 6, and 8 per cent. Actually, during that year, it is reported in the Federal Reserve Bulletin that one-fifth of the member banks received an average of 7 per cent on their loans.

The savings and loan business would do well to take advantage of the opportunities found in the low cost housing field. The terms must necessarily be liberal but much safety is achieved through the regularity of monthly amortization. I could speak at length to show that the real market for residential construction in the future must be at a price under \$4,000, but I think you are sufficiently familiar with the underlying facts. The important point is that the savings and loan business realize the promising character of this housing market and take advantage of the opportunities which it presents. It is easy to be misled by the greater details required in the handling of small loans, but this overhead can be met by greater volume and the proper development of managerial technique. As a timely reminder, we may well keep in mind the example of automobile business. Both volume and profits reached their peak in the low-priced bracket. There is reason to believe that similar results may be obtained in the residential area.

You may well inquire what the effect of economical home financing will have upon savers and investors. After all, we must always keep in mind that it is this important group which provides the funds for the financing of homes. Moreover, it requires three or four savers to accom-




**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

**ASSETS OVER  
\$1,200,000.00**



**UNITED  
FEDERAL SAVINGS  
AND LOAN ASSOCIATION  
OF DES MOINES**

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Many banks, bond-houses, insurance companies and other financial institutions employ A. I. B. graduates. Write or telephone when you need efficient office employees.

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for  
**IMMEDIATE  
SALES**

**Lessing Advertising Co.**  
INC.  
Des Moines

moderate one borrower. Fortunately, the answer is determined for you largely by the market. To often, savings and loan management oppose prevailing market conditions and seek to maintain a dividend record. But

remember! Pride goeth before a fall. This applies with a vengeance to dividend records as well as to the more common ways of day-to-day living.

### Through Normal Channels

Financing of the national defense program "can and should be carried on through the normal existing channels without the creation of new agencies, mechanism or devices," banks of the country were told in a letter sent to members of the American Bankers Association throughout the country by Robert M. Hanes, president of the Association, in which he urged support of the defense program.

Mr. Hanes urged the banks to "try in every possible way to make every loan that has anything to do with the defense program."

His letter follows:

"The government is launching a huge program for the defense of the United States. I am sure you have been thinking about how this program is to be financed and how the banker can help. The required financing will take two forms: direct expenditures by the government financed by the sale of federal securities, and the financing of business concerns which have government contracts.

"My own belief and that of others with whom I have discussed this question is that both sorts of financing can and should be carried out through the normal existing channels, without the creation of new agencies, mechanism or devices. The banks of this country have the resources, the trained personnel and the knowledge of their own communities, which equip them, along with the investment markets, to handle a very large part of the necessary financing. This financing can be carried out in such ways as will enable the banks to provide an adequate volume of loans and at the same time safeguard the funds of their depositors.

"All banks should be actively and energetically soliciting every sound loan in their communities. Especially is it true that they should try in every possible way to make every loan that has anything to do with the defense program.

"In presenting these views to Congress, the Administration, and the public, your officers will be reassured if they can feel that they have the concurrence and support of the membership of the Association. Therefore, if you agree I shall appreciate it if you will telegraph me to that effect immediately."

### Your Fault

There was a terrible crash as the train struck the car. A few seconds later Mr. and Mrs. crawled out of the wreckage. Mrs. opened her mouth to speak, but her husband stopped her, "Don't say a word," he snapped, "I got my end of the car across. You were driving the back seat and if you let it get hit it's no fault of mine."

## MERCHANTS MUTUAL BONDING COMPANY

Incorporated 1933

Home Office  
VALLEY BANK BUILDING  
Des Moines, Iowa

• •

This is Iowa's oldest surety company.

A progressive company with experienced, conservative management. We are proud of our hundred and fifty bank agents in Iowa.

To be the exclusive representative of this company is an asset to your bank.

• •

Write to  
E. H. WARNER  
Secretary and Manager

## WOOD BROS. Specialized

### HARVESTING MACHINERY

1886

1940

### Threshers Combines Corn Pickers

Dependable products for over 50 years to Harvest and Thresh all grains and seeds.

A good investment for farm owners.

A profitable business for dealers.

Safe and desirable farm paper is profitable for local financing.

□

Wood Bros. Thresher Co.

Des Moines, Iowa

Northwestern Banker July 1940

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Federal Reserve Bank of St. Louis



DES MOINES, IOWA

## BANKER AGENTS WANTED

The oldest mutual company of its kind in America offers liberal agency contracts covering—

- AUTO INSURANCE
- TORNADO INSURANCE
- TOWN DWELLING INSURANCE
- HAIL INSURANCE on growing crops

Over \$1,000,000 cash surplus — 47 years of proven protection.

Write for our liberal proposition to bank representatives.



**T**HE keen executive equips his clerical force with G-F Goodform chairs of aluminum. He knows it's good business to keep his office help comfortable and relaxed.

## KOCH BROTHERS

PRINTERS - BOOKBINDERS - OFFICE OUTFITTERS  
STATIONERS - BUSINESS MACHINES  
GRAND AVENUE AT FOURTH



## In San Francisco

The 39th annual convention of the American Institute of Banking will be held in San Francisco, California, June 2-6, 1941, it is announced by J. L. Dart, president of the Institute. The St. Francis Hotel will be headquarters for the convention.

The A. I. B. is the educational section of the American Bankers Association. More than 47,000 bank employes, studying in Institute chapters, chapter branches, and study groups in 385 cities throughout the country are enrolled in its classes on Bank Organization and Operation, Law, Economics, Accounting, Money and Banking, Credit Administration, Bank Administration, Investments, and Trusts.

## Manufacturers Trust

The statement of condition of Manufacturers Trust Company as of June 29, 1940, shows deposits of \$792,181,954 and resources of \$889,091,344. This compares with deposits of \$735,645,748

and resources of \$851,180,426 shown on June 30, 1939.

Cash and due from banks is listed at \$250,650,149, as against \$252,770,947 a year ago. U. S. government securities stands at \$306,873,709; one year ago it was \$270,278,537. Loans and bills purchased is \$203,332,207, which compares with \$199,306,522 a year ago.

Preferred stock is shown as \$8,749,520, common as \$32,998,440, and surplus and undivided profits as \$40,151,109.

Net operating earnings for the six months ending June 30, 1940, after amortization, taxes, etc., as well as dividends on preferred stock, amounted to \$3,137,020 or \$1.90 a share as compared with \$3,071,315 or \$1.86 a share for the corresponding period last year.

## Dividend

The 170th consecutive dividend of The Northern Trust Company, Chicago, was declared payable July 1, continuing the annual rate of \$18.00 per share.

## Not So Nuts

The superintendent of an insane asylum noticed an inmate pushing a wheelbarrow upside down.

"Why do you have it upside down?" asked the superintendent.

"You don't think I'm crazy, do you?" was the reply. "I pushed it right side up yesterday and they kept filling it with gravel."

## Policyholders Mutual Casualty Company

**Legal Reserve—Maximum Service**

Home Office: West Liberty, Iowa

Business Office: Des Moines, Iowa

**Full Coverage Automobile  
Accident and Health**

**Agency Inquiries Invited**

## AUTOMOBILE INSURANCE

## EMPLOYERS MUTUAL CASUALTY COMPANY

**DES MOINES**

## Lowest Cost

Our policy provides a maximum assessment of 2½% in Zones One and Two—and 3½% in Zone Three (Western Iowa).

## Hawkeye Mutual Hail Insurance Association

Carver Bldg. Fort Dodge, Iowa

## WHY

## DO IT FOR NOTHING?

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Northwestern Banker July 1940

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# IN THE DIRECTORS' ROOM

## Diplomatic

Boy: "And now, doctor, that I've told you I am going to marry Anne, there's one thing I want to get off my chest."

Doctor: "What is it, my boy?"

Boy: "A tattooed heart with the name Mabel on it."



## Off Color

"There's only one thing wrong with me, blondie, I'm color blind."

"You'all sho' must be, mistah!"

## Cheap Skate

Patient: "I hate to mention, but my wife thinks the fee you charged for my operation was far too high."

Surgeon: "But, my dear sir, surely you do not set the same low value on your life that your wife does?"

## Can't Be That Smart

A smart man is the one who hasn't let a woman pin anything on him since he was a baby.

## Here's An Idea

"Are you John A. Van Dorky?" asked the young man beside the coat-rack.

"No," was the surprised reply.

"Well, I am," came the frosty rejoinder, "and that is his overcoat you are putting on."

## Hi, Kid

Sally: "I was out last night with a perfect stranger."

Betty: "Where did he hail from?"

Sally: "A cute yellow roadster."

## Disconcernment

A visitor at the capitol was accompanied by his small son. The little boy watched from the gallery when the House came to order.

"Why did the minister pray for all those men, Pop?"

"He didn't. He looked them over and prayed for the country."

## Homelike

Hard-boiled drill sergeant to married recruit: "Button yer coat!"

Recruit (absently): "Yes, dear."

## Snappy Comeback

Smith: "Why do radio announcers always have stubby fingers?"

Jones: "Because they need short paws for station identification."

## We Wonder, Too

Husband: "Have you ever wondered what you would do if you had Rockefeller's income?"

Wife: "No, but I have often wondered what he would do if he had mine!"

## They Always Do

"I'm glad you're so impressed dear, by all these explanations I have been giving you about banking and economics," remarked the young husband.

"Yes, darling. It seems wonderful that anybody could know as much as you do about money without having any."

## The Real Reason

There had been an auto accident. The policeman arrived to take notes.

"Look here," said one of the drivers angrily, "I clearly had the right of way. This man here"—he pointed to the other driver—"ran into me. Now you say that I was to blame."

"And you certainly were," insisted the policeman.

"But why, officer?" pleaded the driver.

"Because his father is mayor, his brother is chief of police, and I'm courting his sister."

## Correct

A visitor called at a doctor's house.

"Is your father at home, dear?" he asked the doctor's small daughter.

"No, he's out, giving an anesthetic."

"An anesthetic! That's a big word. What does it mean?"

"Ten dollars," was the reply.

## Final

"How are you getting on with your affair with Alice?"

"Not so bad. I'm getting some encouragement."

"She's beginning to smile on you, is she?"

"Not yet, but last night she told me she had said 'No' for the last time."

## Left in a Hurry

The business man dashed into the employment agency.

"Look here," he said to the clerk, "I'm looking for a cashier."

The clerk looked somewhat surprised.

"Why, sir," he said, "I thought I furnished you with one last week."

"I know," came the irritable reply. "That's the one I'm looking for."

## Smart Boy

Father: "You lazy boy! What would you have done if you had been brought up among people who lived by the sweat of their brows?"

Son: "I would have sold them pocket handkerchiefs!"

## Keeping His Word

The landlord called for his rent, which was many weeks overdue.

"I'm sorry," said the tenant, "but I can't pay you this week."

"But you said that last week, and several weeks before that," snapped the landlord.

"Yes, and didn't I keep my word?" replied the tenant blandly.

## She Fooled Him

The girl about to travel alone was warned not to talk to strange men. At the station the conductor asked: "Where are you going?" "To Detroit," she answered, so he put her on a Detroit train. As the train pulled out, she looked and said, "Ha, ha, I fooled him that time. I'm going to Chicago."

## For a Dime

"Lady, if you give us a nickle my little brother'll imitate a hen."

"What'll he do?" asked the woman, "cackle like a hen?"

"Naw," replied the boy in disgust. "He wouldn't do a cheap imitation like that. He'll eat a woin."

## Persistent

Miss Smith: "Did that course in English help your boy friend any?"

Miss Tellman: "No, he still ends every sentence with a proposition."





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