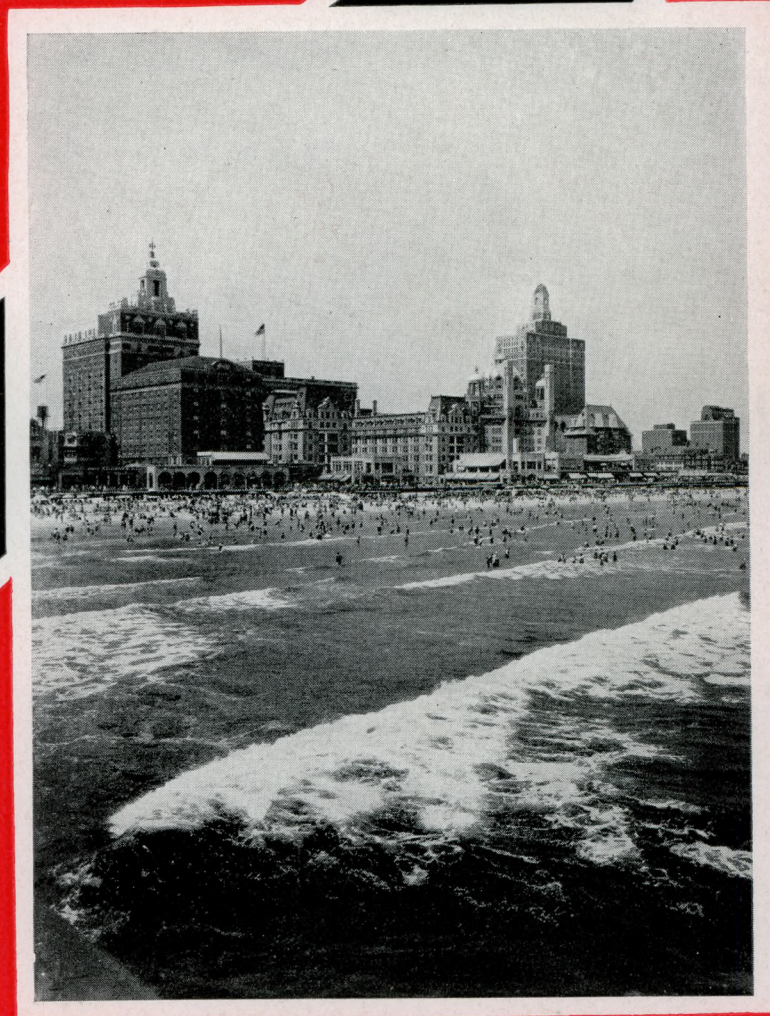


NORTHWESTERN *Banker*

SEPTEMBER

1940



ATLANTIC CITY SKYLINE

The American Bankers Association holds its 1940 Convention
in Atlantic City September 22-26

A. B. A. Convention

Page 13

Iowa Bankers Convention

Pages 57 to 102



We Salute the Iowa Association

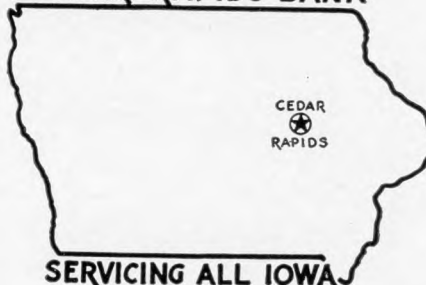
The Merchants National Bank of Cedar Rapids extends greetings to the 1940 Convention of the Iowa Bankers Association. We have both admired and taken part in Association work since the Iowa Association was organized fifty-three years ago.

In this fifty-nine year old bank, cooperation with other banks is a cornerstone of our service. That is why so many leading Iowa banks are numbered in our large list of correspondents, many of whom have enjoyed Merchants National cooperation over a long period of years.

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A CEDAR RAPIDS BANK



MERCHANTS

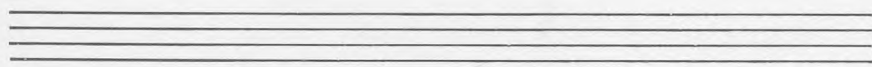
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

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NATIONAL BANK



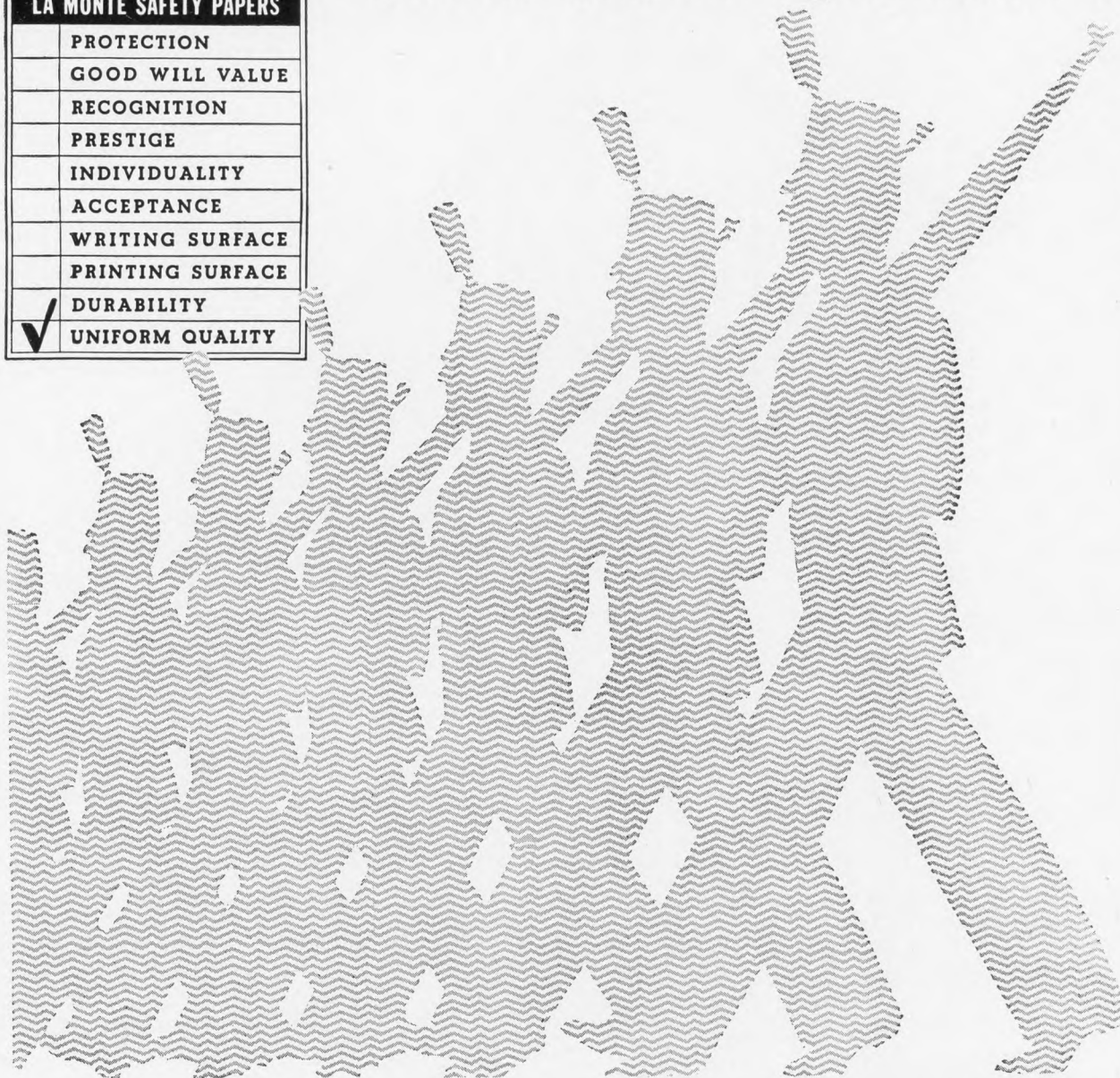
Cedar Rapids, Iowa



Northwestern Banker September 1940

REASONS WHY BANKS PREFER LA MONTE SAFETY PAPERS	
	PROTECTION
	GOOD WILL VALUE
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	PRESTIGE
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	ACCEPTANCE
	WRITING SURFACE
	PRINTING SURFACE
✓	DURABILITY
✓	UNIFORM QUALITY

UNIFORM QUALITY

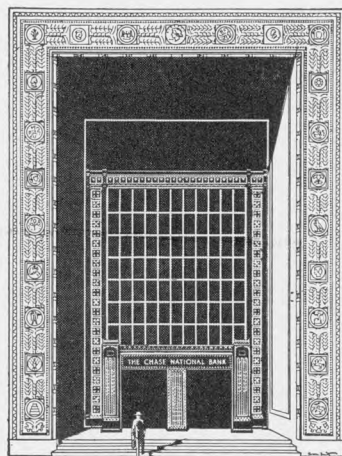


When a line of West Pointers goes swinging by, your admiration is not for the individual but for this splendid body of men as a whole » » » And in the parade of checks that pass through your institution, you cannot fail to be impressed by the preponderance of important banks and business houses that use "La Monte"—as well as by the uniformly fine appearance and obvious quality of "the safety paper with the wavy lines".

GEORGE LA MONTE & SON, NUTLEY, N. J.

Broaden customer service with Chase correspondent facilities

TRADE OPPORTUNITIES *in* LATIN AMERICA



THE attention of manufacturers and merchants throughout the United States today is focused on the possibilities for increasing trade with Latin-American countries.

The Chase National Bank maintains branches in several leading cities in the Caribbean area, and has long established relationships with financial institutions in every trade center in Latin America. The Foreign Department of the Chase at the head office in New York thus has a timely and well-rounded knowledge of business and financial conditions in these countries.

The benefits of these facilities and first hand connections are available to Chase Correspondent Banks.

THE CHASE NATIONAL BANK
OF THE CITY OF NEW YORK

Member Federal Deposit Insurance Corporation

Northwestern Banker September 1940



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Ave., where visitors
are always welcome

*Congratulations and Best Wishes
to the . . .*

IOWA BANKERS ASSOCIATION
54th Annual Convention

SEPTEMBER 9, 10 and 11
DES MOINES



Iowa Bankers Association Standard Forms

For the convenience of Iowa Bankers, we carry in stock for immediate delivery Iowa Bankers Association Standard Forms—Real Estate Mortgages Nos. 6 and 28; Chattel Mortgage No. 29; Conditional Sales Contract No. 26; Conditional Sales Contract Note only No. 26A; Extension of Time for Payment Agreement No. 41 (Supplemental to Form No. 26); Personal Loan Notes Nos. 42, 43 and 44 and Chattel Mortgage No. 45 (for use with Personal Loan Note No. 44).

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Printing ♦ Binding ♦ Engraving

1912 GRAND AVENUE DES MOINES, IOWA

Printers of the Northwestern Banker for More Than 25 Years

TYPE FACES USED FOR THIS ADVERTISEMENT ARE KAUFFMAN AND SANS SERIF

Via NATIONAL CITY to LATIN AMERICA

THIS year, more than ever, business men are giving new thought to those Americas that lie beyond our border. The wealth of opportunity in South and Central America brings new inquiries to this bank every day.

For more than 26 years National City has been the liaison unit between the business and banking of the Americas. First American national bank to establish an overseas branch—in Buenos Aires in 1914—National City has experienced every conceivable contingency which trade with Latin American countries has encountered.

Our facilities have been developed until today there are 41 National City branches in South America and the Caribbean countries.

National City outposts help to bridge the differences of race and language, and to interpret the banking laws, exchange and customs regulations. They have acquired an unrivaled knowledge of local conditions.

At our Head Office a group of National City officials is exclusively engaged in handling Latin American relationships

These international "trade embassies" are at the disposal of American banks through Head Office in New York or through Correspondent Banks the country over.

THE NATIONAL CITY BANK OF NEW YORK

HEAD OFFICE: 55 WALL STREET

71 BRANCHES IN GREATER NEW YORK

LATIN AMERICAN BRANCHES

ARGENTINA
Buenos Aires
(Sub-branches)
Flores
Plaza Once
Rosario

CANAL ZONE
Balboa
Cristobal
CHILE
Santiago
Valparaiso

BRAZIL
Rio de Janeiro
Pernambuco
Santos (Agy.)
Sao Paulo

COLOMBIA
Bogota
Medellin
Barranquilla

CUBA
Havana
(Sub-branches)
Cuatro Caminos
Galiano
La Lonja
Caibarien
Cardenas
Manzanillo
Matanzas
Santiago



DOMINICAN REPUBLIC
Ciudad Trujillo
Barahona
La Vega
Puerto Plata
San Pedro de Macoris
Santiago de los Caballeros

MEXICO
Mexico City
PERU
Lima
PUERTO RICO
San Juan
Arecibo
Bayamon
Caguas
Mayaguez
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ESTABLISHED 1812

Member Federal Deposit Insurance Corporation

BRANCHES, AFFILIATES AND CORRESPONDENT BANKS IN EVERY COMMERCIALY IMPORTANT CITY OF THE WORLD



BANKERS AND CREDIT MEN AGREE

It pays to protect *INVISIBLE* Values

WHEN fire or another peril wrecks property, it also destroys values that thrive inside a physical structure. These *invisible values* can be insured under various coverages provided by THE HOME through its agents and brokers.

If you manage property or make loans, you will find Rent Insurance and Use & Occupancy Insurance valuable coverages needed to protect *invisible values*. Ask THE HOME agent or your own broker for further particulars.



FIRE EXPELS TENANTS—Who pays for lapsed rentals? Rent Insurance is needed to reimburse for this unexpected loss. HOME agents and brokers readily provide it.



PROTECTION PLUS—"We preserved rental income in spite of the fire," says this banker to his board of directors, "by carrying Rent Insurance with THE HOME."



EARNINGS STOPPED—Use & Occupancy Insurance is a safeguard against loss of earnings interrupted by fire or other mishaps. A good coverage for your borrowers.



BORROWERS are better protected when their earnings are insured. Use & Occupancy Insurance strengthens your loan by continuing the borrower's income after mishap.

THE HOME INSURANCE COMPANY NEW YORK

FIRE — AUTOMOBILE — MARINE and ALLIED LINES OF INSURANCE

...
SEPTEMBER
1940
...

NORTHWESTERN *Banker* DES MOINES

FORTY-FIFTH YEAR

NUMBER 638

Oldest Financial Journal West of the Mississippi River

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Across the Desk From the Publisher

By Clifford DePuy

Correspondent Bank Survey

In this issue of the NORTHWESTERN BANKER will be found a very complete and very authentic correspondent bank survey covering both viewpoints of this very important question; first, from the country banker's viewpoint, and second, from the city banker's standpoint.

We are sure that you will find much valuable information in this survey in this issue of the NORTHWESTERN BANKER, and recommend your reading it carefully.

Naturally there were some city bankers who disagreed with various suggestions of the country bankers, and there were some country bankers who did not always pin roses on their city correspondents; but, by and large, we believe that the relationship of city bankers and country bankers has been a very satisfactory one.

One country banker who always speaks his mind was likewise outspoken in answering the NORTHWESTERN BANKER questionnaire, and to a few of the questions he gave the following replies:

1. "Do you want assistance from your city correspondent on your investment program? If so, in what way would you wish assistance on your investment program?—'Have not found a city bank or its personnel that has the faculty or power to look a damn bit further into the future than the average peewee banker.'"

2. "Would you be interested in having your city correspondent help you install a cost analysis system in your bank to help comply with the Wages and Hours law?—'Hell, NO. Our experience has been that it would bust the bank trying to maintain the goddam system.'"

The answer to question No. 1: "Do you want assistance from your city correspondent on your investment program?" were 43 per cent "Yes,"

39 per cent "No," 16 per cent said they are now getting such service.

In answering question No. 2: "Would you be interested in having your city correspondent help you install a cost analysis system in your bank to help comply with the Wages and Hours law?", 64 per cent replied "No," 30 per cent said "Yes," and 6 per cent said that they have such a system.

Perhaps city bankers do not have the ability to look into the crystal ball and get all the answers, but those with whom we are acquainted sincerely try to give the best possible service they can to their correspondent banks.

As far as the Wages and Hours law is concerned, we frankly agree with what our country banker friend had to say in answering question No. 2.

Certainly we have had more laws, rules and regulations for banking passed during the New Deal administration than at any time in the previous history of America, and many of them are unnecessary and only entail a great deal of extra work.

The relationship between city and country banker is a very vital one in the American system of banking, and it should be studied carefully and seriously. We hope this NORTHWESTERN BANKER survey will be of some help to you.

Taking the Mystery Out of Banking

If Democracy is to survive and if the present independent system of banking is to continue to exist in this country the public must be better informed on the functions of banking.

Taking the mystery out of banking is a real job for every American banker to help accomplish.

Work along this line has been done very effectively by the Public Relations and Education Com-

mittee of the Nebraska Bankers Association under the able chairmanship of William N. Mitten, president of the Stephens National Bank of Fremont, Nebraska.

In a recent letter to us Mr. Mitten explained what they have done by saying:

"Knowing, of course, that you are interested in what the many committees of each state association is doing, I thought perhaps you would be interested in looking over the pamphlet recently prepared by the Public Relations and Education Committee of the Nebraska Bankers Association. These pamphlets are now in the hands of the bankers of the state and our committee is tremendously pleased with the favorable comments they are receiving.

"You may also be interested to know that our committee sent out letters to all the service clubs, civic organizations and woman's clubs in the state requesting them to call on their local banker, asking him to arrange for a program so that the story of banking may reach the ears of every business man and woman of each community. Likewise, letters are being sent to the principals of every high school asking for the opportunity to appear before the student body so that the banker may have the opportunity to present a few facts about banking. In other words, **we are attempting to take the mystery out of banking**, so to speak, by telling people something about the problems, and just what a bank means to a community.

"**This program has been accepted by the various civic organizations to such an extent that it is going to be rather difficult to supply speakers to fill all the requests. We are, however, making a noble effort to have every banker in the state become so interested in our program that every-one will be glad for the privilege to tell something about their business.**"

If the bankers of Nebraska and every other state can take the mystery out of banking by such a program as has been outlined here there will be fewer attacks on our banking system.

The mere fact that Mr. Mitten's committee is having trouble to supply speakers to fill all the requests shows that there is a demand on the part of the public to know more about banking.

"How to Sell Your Bank to Your Customers and to the Public" is the booklet prepared by the Nebraska Bankers Association Committee on Public Relations and gives complete details as to the whole schedule of what they are doing.

Get one of these booklets now and do your part in your community to help take the mystery out of banking.

Let's Keep Banks Free from Political Control

No one objects to government safeguards for the funds of private depositors.

No one objects to rules and regulations which banks and bankers should follow.

What bankers do object to and what the public should object to is to see that the banking system of America does not get into the hands of politicians who can control it for their own designs.

The present dual system of banking as it now exists is the best plan yet devised by any country in the world.

As W. A. McConnell, executive vice president of the Commercial National Bank of Little Rock, Arkansas, said recently: "It is impossible to convert the entire wealth of America into cash. That is exactly what the people of this country tried to do in 1933."

America has grown great under a banking system which has been privately owned and as Mr. McConnell further said:

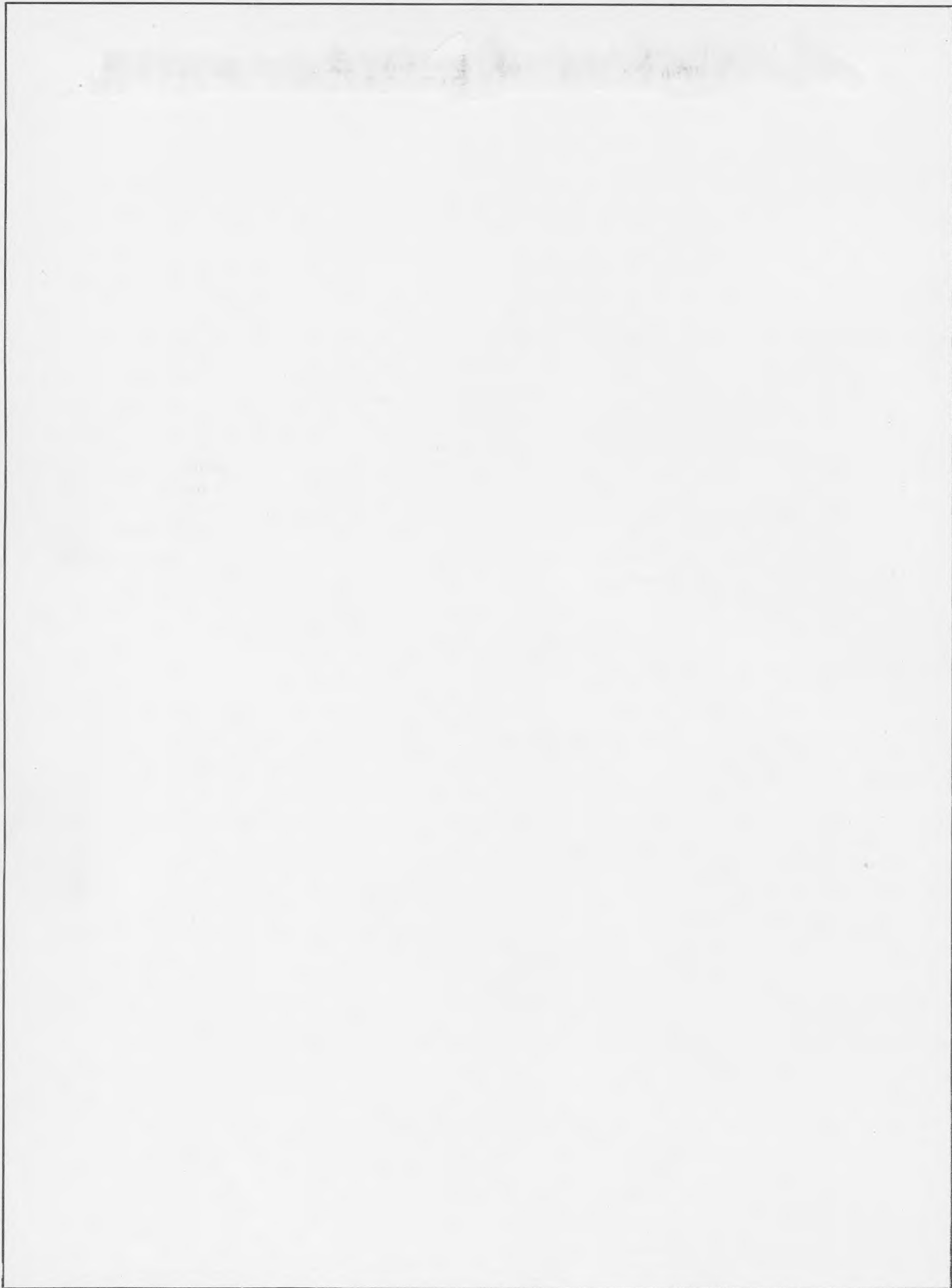
"The most important aspect of our banking system is its private ownership, for without private ownership of banks we cannot have a credit system free from political control and without an independent credit system we cannot have free enterprise, and without free enterprise we cannot have what has made the United States a great nation.

"The greatest safeguard to this private ownership of banks is the dual nature of the system. Destroy the dual credit system and you destroy independent banking. For, if we had but one system of banking, composed of only national banks, it would be but an easy step to complete Federal, political control of all credit and that would mean the end of democracy.

"Karl Marx, the author of the famous communistic manifesto, fully realized this. The first of his 10 points was this: '**Centralization of credit in the hands of the State by means of a national bank with state capital and an exclusive monopoly.**' And Lenin, who is regarded as the father of modern communism, had this to say: '**Through the nationalization of banking they (the small business men) may be tied hand and foot.**'"

If the time ever comes when the banking business of America is nationalized we will go the way that Italy, Germany and Russia and all the countries which they now control have already gone.

That is not the way that America should go, or we believe wants to go. Therefore bankers should fight to continue to keep banks free from political control and to continue the private ownership of banks and our dual system of banking.



Program

A. B. A. Convention

ATLANTIC CITY

September 22 - 26



ROBERT M. HANES

PROGRAMS for the general business sessions and the annual meetings of the principal divisions of the American Bankers Association, to be held during the A.B.A. convention at Atlantic City, September 22-26, will provide a maximum amount of consideration and discussion of current banking problems as well as of the Association's regular business, it is announced by Robert M. Hanes, A. B. A. president. Mr. Hanes is president of the Wachovia Bank and Trust Company, Winston-Salem, North Carolina.

The program for the various meetings include addresses by outstanding authorities on banking and economics and they also provide ample opportunity for "round table" discussion of current banking subjects.

Programs for the general business sessions, the division meetings, and the round table conferences follow:

General Convention

First Session

Wednesday, September 25, 1940

9:45 A. M.—Music.

10:00 A. M.

Call to Order—President Robert M. Hanes.

Invocation.

Report—Official Acts and Proceedings of Executive Council.

Address of the President.

Appointment of Resolutions Committee.

Fortieth Anniversary of the American Institute of Banking Section.

Introduction of Former Presidents American Institute of Banking Section—Harry R. Smith, Assistant Vice President Bank of America, NT & SA, San Francisco, Cal.

Presentation of National Educational Director American Institute of Banking Section—J. L. Dart, Vice President, Florida National Bank, Jacksonville, Florida.

Awarding of Agricultural Commission Plaque.

Address—The Honorable Clyde R. Hoey, Governor, State of North Carolina, Raleigh, North Carolina.

Communications.

Announcements.

Second Session

Thursday, September 26, 1940

9:45 A. M.—Music.

10:00 A. M.

Call to Order—President Robert M. Hanes.

Invocation.

Know Your Bank—Elbert S. Woosley, Vice President, Louisville Trust Co., Louisville, Kentucky.

The Honorable Carter Glass—President Robert M. Hanes.

Unfinished Business.

Communications.

New Business.

Report of Resolutions Committee.

Announcements.

Report of Nominating Committee and Election of Officers.

Installation of Officers.

National Bank Division

Monday, September 23, 1940—2:00 P. M.

Call to Order—President Melvin Rouff. Address of the President.

Appointment of Committees.

Financing the Defense Program—W. Randolph Burgess, Vice Chairman of the Board, The National City Bank, New York, N. Y.

Address—Dr. Marcus Nadler, Professor of Finance, New York University, New York, N. Y.

Unfinished Business.

New Business.

Reports of Committees.

Election and Installation of Officers.

State Bank Division

Monday, September 23, 1940—2:00 P. M.

Call to Order—President William S. Elliott.

Address of the President.

Appointment of Committees.

Our Part in a New World—William A. McDonnell, Executive Vice President, Commercial National Bank, Little Rock, Arkansas.

The System of Free Enterprise—An Answer to its Critics—Dr. William A. Irwin, National Educational Director, American Institute of Banking Section.

(Turn to page 84, please)

Northwestern Banker September, 1940

CORRESPONDENT BANK SERVICE

What the
Country Banker

Says:

What the
City Banker

Says:

The Country Banker Speaks: —

FROM time to time the NORTHWESTERN BANKER has conducted surveys on correspondent bank relationship. The previous survey was made ten years ago. Many things vitally affecting banking and financial interests of all kinds have happened during these ten years. By now, however, business and banking conditions have again assumed more or less steady progress—are again “in the groove”, as we might say, so the NORTHWESTERN BANKER now presents its Correspondent Bank Relationship Survey of 1940.

Questionnaires asking the questions appearing on the accompanying charts

were sent to 1,000 country banks in Iowa, Minnesota, Nebraska, North Dakota and South Dakota. The percentages and other information appearing in the charts were taken from replies received to the questionnaires. To obtain unbiased opinions, bankers were asked not to sign their names or names of their banks.

Since there are two sides to correspondent bank relationship, a number of questionnaires were also sent to city banks, asking them to tell us what the country banker could do to make his correspondent service of even more value than it is at the present time. Views of both the country and city bankers are presented in this survey.

Commenting first on the survey made among country bankers, we shall make little reference to the charts since they are self-explanatory.

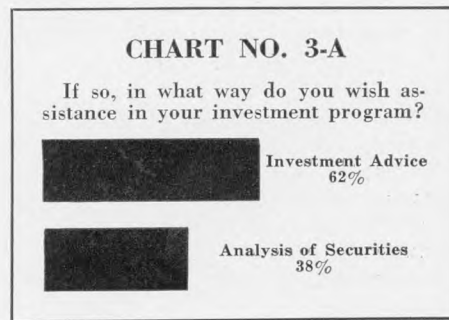
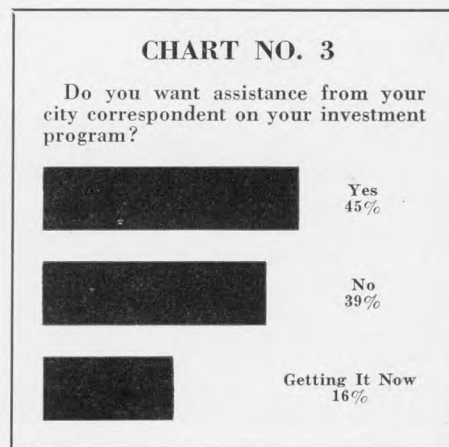
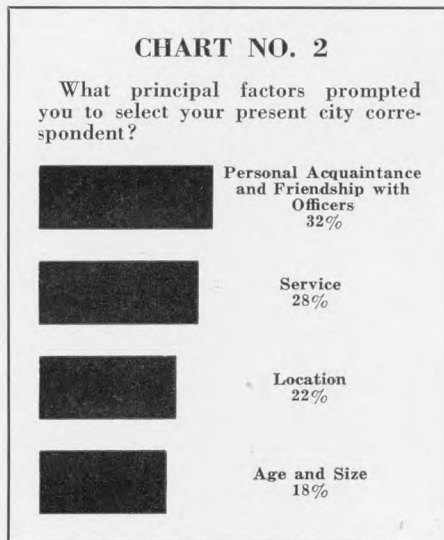
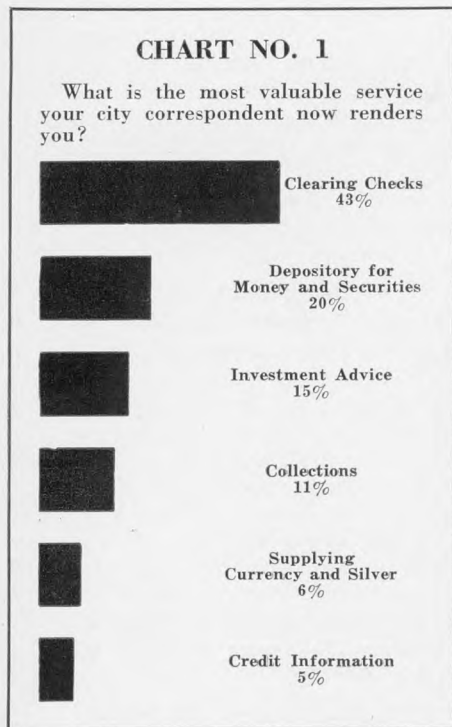
A number of bankers, however, expressed themselves at more length and in a manner which did not always permit of mention being made in the charts. We are quoting a number of their comments with reference to the questions asked on each chart.

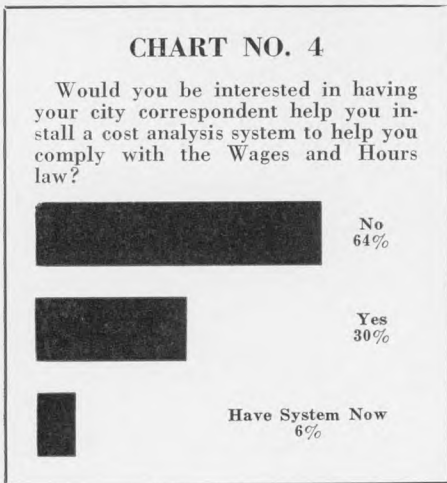
Chart No. 1

“Our city correspondents are serving us in the same fine way which we trust we are serving the people in this community who deal with us.”

“Our correspondents render us any service we call on them for, that is within reason.”

“Cashing checks without charge.”





"A ready market for excess lines of credit (if we ever have any) with a minimum of red tape."

"Furnishes us with a good place to loaf when we visit the city in which our correspondent is located."

"Satisfaction of knowing if I need their advice on some problem, I can call on them."

Chart No. 2

Before giving banker comments on this question, may we call your attention to Letter No. 6 appearing in the City Banker Survey. That letter, and the way country bankers answered this question, are pretty much down the same road. Another interesting fact—when we asked this same question ten years ago, Service headed the list, and Personnel stood third. Now Personnel stands first, and Service second.

Here are the comments:

"Have been with the same bank for fifty years."

"Their past record, both as to safety and friendly service."

"Thirty years of good service and accommodations."

"Haven't changed for many years. Originally selected because of conservative operation and management."

"The personal interest they take in your institution."

"Their readiness to grant help during depression times."

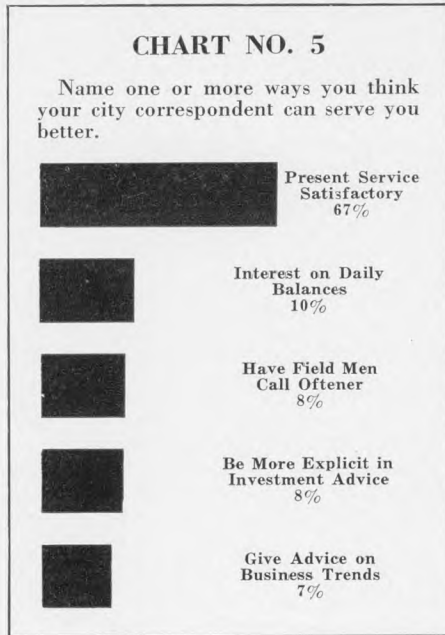
"The good record of the fair and honorable dealing of the institution."

"Stock of correspondent selling at highest figure in the city."

"Their sincere appreciation of our account, and the good fellowship that always attends our meetings."

Chart No. 3

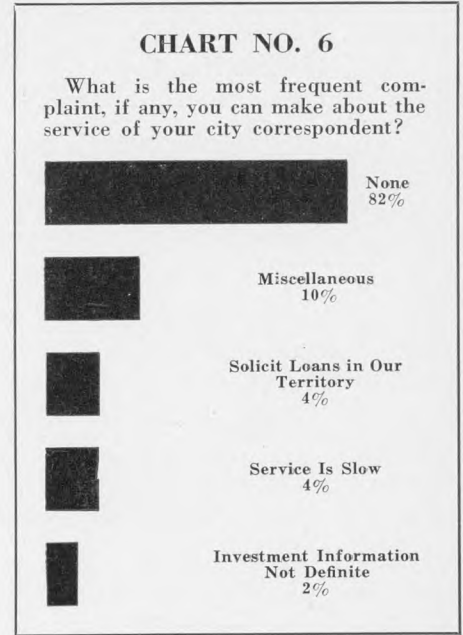
Ten years ago, 62 per cent answered Yes to this question, and 38 per cent answered No. Now 45 per cent answer Yes, and 39 per cent answer No. However, in the present survey the 16 per cent that say they are Getting



It Now very likely should be classified with those who say Yes, although we had no way of knowing from the manner in which they answered the questionnaire. If this is true, the percentages given now would be almost identical with those of ten years ago.

Comments:

"Our city correspondent gives advice on investments that is too protectively conservative to be practical in operation."



"Could render a real service by advising what to buy, and what not to buy."

"This service has been exceedingly valuable to us."

"Many country banks were closed because of depreciated bond accounts on bonds purchased through the good advice of city correspondents and their trust companies."

"We do not ask for any advice as we feel it would be an imposition on

(Turn to page 35, please)

What can the Country Banker do to improve and make more valuable the service rendered to him by his City Correspondent?

The City Banker Answers:—

YOU have read what the Country Banker has to say about the service he is receiving from his City Correspondent. As noted in Chart No. 6, the great majority of country banks have no complaint to make about the service they are receiving, and apparently are satisfied, indicating that the city banker is doing a pretty good job.

However, correspondent bank service, as we see it, is a two-sided proposition. Because of the nature of such relationship, the country banker is largely on the "receiving" end, and the city banker on the "giving" end, but we wondered if perhaps there were certain things the "receiver" could do that would make still more valuable to him the service he is already getting

from the "giver"—in other words, perhaps a little more cooperation on the part of the country bank would make it possible for the city banker to do even a better job than he is already doing.

So we asked a number of city bankers this question, "What can the Country Banker do to improve and make more valuable the service now rendered to him by his City Correspondent?" In the replies which follow we were greatly impressed, as we know every country banker will be, by the sincere desire on the part of the city banker to be of the greatest possible service to his correspondent accounts.

Northwestern Banker September 1940

Among the letters received were the following:

Letter No. 1

"Geared up and ready to serve"

"The services afforded a country banker by his city correspondent are many and varied and are always available to correspondent banks, few of whom make full use of such facilities.

"For example, all principal banks in reserve cities have investment departments that are manned by technicians and specialists in the investment field. If country bankers would check with such departments before purchasing securities, it would be advantageous for them and would occasionally save them from making investments that are not the type to fit into their portfolios.

"Present day business is trending toward large organizations that are national in their scope of operation. It is worthwhile for a country bank to contact the executive officials of such organizations and they can frequently obtain business from them through their city correspondent.

"The matter of cooperating with a city correspondent can best be obtained by using the facilities which are always available to a country bank. In other words, they are geared up and ready to serve and any country banker who does not make full use of such facilities is missing an opportunity to keep abreast of trends in business."

Letter No. 2

"Friends get what they ask for"

"Regarding suggestions as to things a country banker could do to improve and make more valuable the service rendered by his city correspondent, here is one, in a few words:

"Pick out the man in his correspondent bank who is the most familiar with country conditions, then cultivate him and become intimately acquainted with him. Keep him full of information regarding good things as well as bad things. If he is a real executive handling country bank accounts he will like it and become a close friend. The result is friends generally get what they ask for from friends (plus a lot of extras).

"Maybe this sounds a little amateurish, but after more than thirty years of experience I know it works."

Letter No. 3

"Fight Government control"

"You bring up a subject which, of course, is near and dear to us, and mention the possibility that there are two sides to the question. This is sometimes emphasized by the banker in the small town, who thinks that

conditions as well as the problems of the larger city bankers are leagued against him, when, as a matter of fact, we are all in the same boat, so to speak, or at least facing the same conditions. Oftentimes, the smaller town banker feels the city banker is making considerable profit at his expense, while, in reality, there never was a time when the correspondent banks were required to keep so many accounting and other records of all kinds and natures to assist them in the handling of their own business and be available as an aid to the small bank as well. Take service charges, as we know them, as an example: There is no question as to their soundness as to principle, which means they should be assessed fairly against the individual account or the person requesting the service and not generalized, as they often are, with a set charge against every account, irrespective of its value to and for the bank. We don't want any weakness to develop in our service charges which will possibly take away this source of revenue and, while it may mean additional accounting records, they are very useful and should produce sufficient returns to pay for themselves.

"Then too, we notice the disposition of the banker to weaken his independent position as a unit going to make up the system and, sometimes, he is the first to clamor for government aid or help, or to make use of governmental functions which can and should be handled in the banking system, if we are to continue this relationship. Of course, if the present trend continues and all banks become a part of a governmental system, then the personal aid and attention to matters will be lost and, at the same time, there will be lost one of the most valuable aids to the small town banker's community. He will not be able to assist his good client and customer on his own merit, but must comply with some regulations which, in themselves, might be well meaning, but not applicable to some circumstances, about which every banker knows, in his own territory. In other words, let us strengthen our own combined position, rather than eliminate this valuable relationship by completely committing ourselves to governmentalized activities, whatever they might be."

Letter No. 4

"Visit your city correspondent"

"It would seem to me that a small country banker should visit one of his city correspondents at least once a year in the city correspondent's place of business, for the reason that it would then be possible for him to investigate clerical methods of opera-

tion, new forms and instruments used in various departments from which he might gain one or two ideas that could be used in his own bank to make it more profitable or more efficient in its operations. Following this suggestion I do not think he should visit the same city correspondent every year but rather make the necessary trips so as to eventually cover most of his correspondent connections and in this way keep abreast of the times, getting slants from small, medium and large size city bankers.

"A small country banker should never hesitate for a moment to call on his city correspondent for any type of service or information he may desire. A telephone call, letter or, if necessary, a personal visit may oftentimes prove to be inexpensive in proportion to the ultimate result of the matter involved."

Letter No. 5

"Welcome opportunity to help"

"A country banker could improve and make more valuable the services rendered by his city correspondent if he would make full use of all of the services that are available to him. A partial enumeration would cover credit information, foreign exchange department services, checking of commercial paper, assistance in securing accounts locally from corporations coming into their cities, government and municipal bond trading, review of bond portfolio, and carrying of excess lines of credit to responsible borrowers. Under a heading of special services a great variety of things could be included and, for the lack of a better name, could all be classified as "odd jobs". Many of these "odd jobs" represent a definite problem to the country banker but in most cases are merely routine matters to the city correspondent and are usually personal services for officers, directors, or customers, and the city correspondent welcomes an opportunity to be helpful."

Letter No. 6

"Pleasant, efficient service"

"Country banks located in good feeding agricultural sections can cooperate very nicely with their city correspondents today on excess lines of credit where lines are too heavy for them to handle by themselves, to the mutual benefit of both the city and country bank.

"Competition is keen for investments at this time and often it is possible, through the city correspondent, to make a foothold with some local customer who may be dealing with a competitive bank. The country bank

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Installment Lending by Commercial Banks Is *Profitable* Business

By Verne T. Bonnett

Assistant Cashier
Iowa-Des Moines National Bank
& Trust Company
Des Moines

THE entrance of commercial banks into the field of installment lending is a comparatively recent development and one which is attracting increasing attention. Banks have traditionally looked upon commercial loans for productive purposes as the particular province of their operations. During the past few years decreasing income from commercial loans and other investments and mounting idle reserves have made profitable operations increasingly difficult. The desire for badly needed profits has caused many bankers either to embark on a program of installment lending or at least give the matter careful consideration. The banks which have entered the field have found not only the profits they sought but other benefits including the creation of considerable good will in their respective communities.

Consumer credit is commonly regarded as a recent development, although it has actually existed since the first individual purchased some commodity for his own use and deferred until a later date payment for the goods received. However, provision for the systematic liquidation of consumer credit by means of regular monthly payments is a comparatively new idea and has placed such credit operations on a sounder basis. For some time banks have extended liberal lines of credit to the stronger finance companies. In other cases they have carried collateral notes offered such as for note

It has been necessary for us to file claims aggregating only a small percentage of the original face amount of these loans. The number of claims filed in connection with loans made under subsequent periods for which the act has been extended is naturally



VERNE T. BONNETT

less because these loans have not so nearly reached their final maturity.

You can readily appreciate our satisfaction with Federal Housing Title I loans when you consider the substantial contribution they have made to our earnings during the past five years.

Since the Federal Housing Administrator is empowered to issue a contract of insurance to any financial institution he may find to be qualified by experience or facilities to handle this type of business, it is a simple matter for banks to meet the requirements. Title I of the National Housing Act, as amended June 3, 1939, will continue until June 30, 1941. This

means there remains somewhat less than a year in which banks may take advantage of the opportunity to make consumer credit loans with the protection from loss afforded by the 10 per cent insurance. Every banker interested in increasing his profits and serving his community by enabling home owners to improve and repair their property should not overlook this opportunity. Loans made on an installment basis to finance the improvement of homes undoubtedly represent consumer credit in its soundest form. Regardless of how we may feel toward the practice of spending future income before it is earned, we must concede that in loaning a man funds, within his ability to repay, for the purpose of making his home a better place in which to live, we are not encouraging careless spending or improvidence.

You will recall that the first era of Title I expired on April 1, 1936, and there followed a period during which Federal Housing insurance on modernization and equipment loans was not available. Most of the banks which had gained experience in consumer credit through Title I formulated their own plans for handling paper representing the sale of stokers, oil burners, refrigerators and other equipment. They protected themselves from unreasonable exposure to loss by replacing the Federal Housing insurance with dealer guaranties or dealer reserves. Naturally the guaranty of a responsible dealer or a cash reserve accumulated by withholding a portion of the proceeds of each loan reduced to a minimum the likelihood of loss. Since the dealers now had an interest in the perfect performance of the contracts they proved more helpful in assisting with delinquent accounts than they had under Title I when the losses were absorbed by the Federal Housing insurance. When Title I loans were again authorized they no longer provided for the insurance of paper involving the sale of equipment. The machinery which many banks had already set up for handling equipment loans now proved valuable in enabling them to continue their operations in this field.

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Northwestern Banker September 1940

NEWS AND VIEWS

OF THE BANKING WORLD

By Clifford DePuy

J. McNAMEE, assistant vice president of the National City Bank of New York, in his recent advertising copy for his institution is emphasizing the service which the National City can render to customers interested in Latin American trade.

In the bank's current advertisement it says:

"For more than 26 years National City has been the liaison unit between the business and banking of the Americas. First American national bank to establish an overseas branch—in Buenos Aires in 1914—National City has experienced every conceivable contingency which trade with Latin American countries has encountered.

"Our facilities have been developed until today there are 41 National City branches in South America and the Caribbean countries."

Charles Carey, assistant cashier of the Harris Trust and Savings Bank of Chicago, in a recent letter to us said: "While reading your very interesting and timely editorial, 'Is Foreign Trade Everything', I was struck by the fact that even the great may make mathematical errors. \$3,177,344,000 is more than 2.1 per cent of \$69,000,000,000. I would have to get our credit department to get the correct figure but I just want you to know that your public is following you and checking up on your writings."

In reply to Mr. Carey we said: "Thanks very much for your letter, and you are right that I am off about 2.5 per cent, because the percentage should be 4.6 per cent rather than 2.1 per cent.

"How I made this error I do not know, but the point of my editorial still holds good because even if you take 70 billion dollars as our total national income and take 5 per cent of this you would get \$3,500,000,000 as representing our foreign exports. The exact figure was \$3,177,344,000 for 1939.

"With at least 95 per cent of our business transacted with ourselves and 5 per cent with foreign countries, I still say that we should develop our own home economy."

Robert M. Hanes, president of the American Bankers Association, believes that, "Education in the banking process is fundamental to any pro-

gram looking to improved and modernized banking, for only as the professional knowledge of the people who work in and manage banks is enlarged, can the management of banks be improved."

The business outlook for 1941 as analyzed by one advisory service will be 10 per cent better next year than in 1940. Over \$5,000,000,000 is to be spent in 1941 alone just for the Army and Navy.

E. E. Placek, president of the First National Bank of Wahoo, Nebraska, spoke on Government competition before the Colorado Bankers Association recently and said, "With all these governmental agencies, it is necessary that the banker keep himself accurately informed on all of their activities and take advantage of every opportunity to increase his profit."

Wendell L. Willkie claims that 90,000 persons were added to the WPA roster in one month recently, and this in spite of the fact that, "There has been a steady increase in industrial activity and reemployment in this country.

"There is no justification for an increase in WPA relief rolls as a consequence of this increase in activity and reemployment. In fact, the trend was for reduction of relief rolls until recently."

Mr. Willkie believes that the relief rolls are being packed for the purpose of securing more votes in politically doubtful states.

Congress has finally passed a law giving the **Securities Commission** authority to regulate **investment trust companies**. At the time the bill was signed, President Roosevelt said, "We are cleaning house, putting our financial machinery in good order. This program is essential, not only because it results in necessary reform, but for the much more important reason that it will enable us to absorb the shock of any crisis."

Iowa's income from farm products for the first six months of 1940 was **\$347,162,000** or nearly \$29,000,000 greater than last year.

A 1940 cash income for the nation's farmers of **\$8,900,000,000**, including government payments and commodity loans, was forecast by the Bureau of Agricultural Economics at Washington.

Our constant talk about a closer relationship with Canada and some agreement as to how we can protect the western hemisphere was outlined by one authority on international affairs, who said:

"Biggest factor behind the Canadian-U. S. military talks is that Britain would carry on from Canada if the worst happened. That, of course, would mean a virtual cessation of fighting for some time, but would bring the British fleet to this side of the Atlantic, where with the U. S. Navy, it could control this hemisphere, and, perhaps, prepare to blockade the European continent some day. With the British fleet at hand and tied militarily with the U. S., Canada's weak defenses against a German invasion via Iceland and Greenland would be improved many times."

"The safety record of life insurance during the past ten years is without parallel, notwithstanding the worst depression in modern history. The policyholders want safety, and experience demonstrates that the institution of life insurance has not failed them, either in good times or bad." This is the opening sentence in a book just issued entitled "**Statement on Life Insurance**", prepared for filing with the Temporary National Economic Committee and presented by 151 companies, which represent 60.9 per cent of the total assets of all life insurance companies in the United States and 63.7 per cent of the total life insurance enforced in such companies.

This statement is an answer to the government investigation of life insurance and moves the fine record which life insurance has had in this country.

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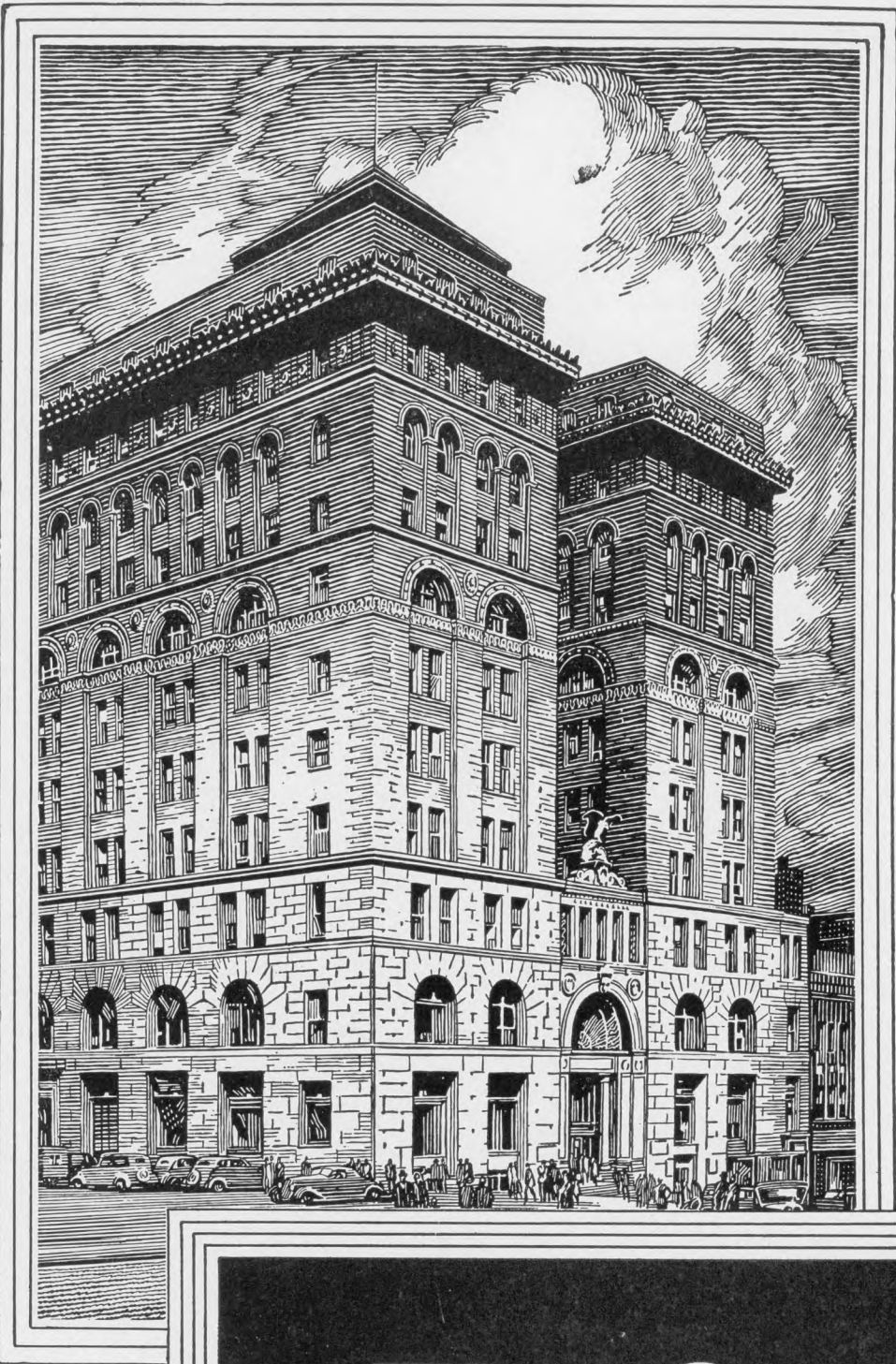
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MEMBER
 FEDERAL
 DEPOSIT
 INSURANCE
 CORPORATION

The Omaha National Bank

Northwestern Banker September 1940

How Our Directors *Direct* Our Bank

Four Bank Officials Tell What Their Directors Do in the Administration of Their Institutions, and How Their Activities Result in Profit

EVERY bank officer knows that the time is gone when being a director of a bank was a more or less honorary position—the time when the director's name appeared on the bank letter head, and on the quarterly statements, and he attended a board meeting once a month, if he happened to have nothing else to do, and gave the cashier a friendly slap on the back and told him he was doing a swell job, and proceeded to forget the whole thing. Those days, we hope, are gone forever. And they are gone, because now directors take an active interest in bank operation and management—they have found it is good business and often profitable for them to do so.

We have asked several bankers to tell us about the cooperation their bank receives from its directors—what their directors are doing to help the bank, aside from the usual routine. The following is what four bankers write.

R. J. McCleary, vice president and cashier of the Security State Bank, Keokuk, Iowa, says:

"The directors have worked very closely with the officers in the past few years in connection with the affairs of this bank. They have not been so much interested in gaining new accounts as working out the problems of our local citizens, or being interested in the progress of our local business concerns. I know of various occasions where the bank directors have made contact with reference to needs of this kind and referred the party to the cashier, and in some instances credit was extended where the party was worthy of consideration, and this promotes new business.

"Several of our directors have been influential in securing real estate loans on local property up to 50 per cent of its value on an amortized basis over a period of three to five years at a 5 per cent rate and so far these loans have proved to be very satisfactory."

A. P. Hechtman, cashier of the Farmers State Bank, of Osseo, Minnesota, says:

"In the past we did not solicit loans direct as many banks do today. We usually let the directors do that, so that we were not directly under obligations. We also did the same with accounts. I believe that system is and was OK. Nowadays, however, everything is on partial payments and banking has changed.

"We try to keep up customer relations through our active officers. Formerly our directors were chosen from points adjacent to our town, so that he could take care of his territory, and we often called on him to give us credit information on the people whom we did not know about and it worked very well.

"I believe directors should be invited more to group meetings, so that they will get a broader viewpoint."

C. W. Anderson, vice president and cashier of the City State Bank, Madrid, Iowa, says:

"Our board of directors is representative of different community interests and as such contribute considerably to the welfare of our bank. We have a manufacturer who travels considerably, an attorney of note, several leading merchants, a banker, and a farmer. They all study their bank, know the facts about it, and spread goodwill almost daily in their various spheres of activity. Our farmer director is also a stock buyer and calls upon our farm trade frequently. By this token he has an excellent opportunity to observe a farmer's progress, check on his needs, etc., and report these to the board. Also the farmers often ask him about the loaning policies of the bank and banking facilities. In many cases where we have made cattle loans this director has been employed by the borrower to buy the cattle for him. This arrangement works to our mutual satisfaction. In 1939 70 per cent of our loans were made to farmers and a good many of these came through the activity of our directors. Our directors always have their ears and eyes open for possible bank business and are constantly recommending the

bank to likely prospects; they are equally zealous in their attendance at board meetings and at their regular duties as directors. The officers of the bank make an earnest attempt to keep the directors well posted on the affairs of the bank through the medium of charts, graphs, comparative figures, etc. We heartily believe that a well informed director is one of the indispensable virtues of good management."

Byron L. McKee, vice president and cashier of the Muscatine Bank & Trust Company, Muscatine, Iowa, says:

"A committee of three of the members of the board is appointed by the president to act as the executive and loan committee, which meets twice weekly except the week in which the regular board meeting is held. At the executive committee meetings all applications for loans of \$500 and over are presented, and all loans maturing ten days in advance are reviewed and the active officers are instructed whether or not same should be paid, reduced, or renewed. In addition to reviewing the maturing notes and applications for new loans, the committee acts upon the recommendations of the active officers in regard to investments and the internal operation of the bank.

"At the board meeting each month the minutes of the executive committee meetings are read, and in practically every case approved. The meetings of the executive or loan committee are held regularly and promptly at a stated hour, which gives the members an opportunity to arrange their own personal affairs. The president and chairman of the board are ex-officio members of the committee.

"I have found that such a committee, which has functioned here for the past six years, is very helpful to the active management and I am also of the opinion that it permits the members of the board to become more familiar with the general operation of the bank than they could otherwise through just a board meeting."

How Rates and Costs Affect Safe Deposit Profits

By John J. Driscoll, Jr.

Driscoll, Millet & Company
Philadelphia



JOHN J. DRISCOLL, JR.

EVERY one fully realizes that if rates charged for Safe Deposit Service do not cover the cost of rendering this service, then departments will be operated at a loss. What is the present condition in this respect in Safe Deposit Departments as shown by our analyses of 800 banks? Very, very few departments operate at a profit, many operate at a not very serious loss and a number reflect really serious operating losses. For this reason, we have frequently said that a Safe Deposit Department that breaks even or better is doing an exceptional job.

The factors contributing to this condition, to our minds, are (1) The overbuilding of departments making available considerably more equipment and service than are being utilized, and (2) The establishment of rates that will not cover the cost of the service rendered.

Frequently, we have a bank say to us that its department is profitable because the rentals collected exceed the salaries paid in the department. If this is the only element of cost we are going to consider, then the great majority of departments would be profitable. However, there are costs in Safe Deposit Operations that materially exceed the salary cost. They are the cost of space occupied by the department, the annual obsolescence of the vault and equipment. It is true that depreciation of equipment and vault is very slow but it is generally agreed that it will be obsolete or nearly so at the end of about 25 years. This means the absorption of 4 per cent of the total capital expenditure annually. In addition, your stockholders have advanced the capital invested in the vault and equip-

ment and, hence, it was no longer available for investment or other use after being so invested. So, an additional element of cost is the return to capital or a rate based on its investment in this fixed asset. This today would be about 3 per cent per annum. In addition, we have all the normal operating expenses for telephone, insurance, stationery, etc. When all of these costs have been accumulated, it is rare to find a department collecting sufficient rents to absorb this cost and leave a profit.

It has always been our position that a Safe Deposit Department constitutes a necessary part of a well-rounded banking service and if it can be made to pay its way, without earning any substantial profit, it has justified itself.

Now, to refer to some specific studies of Safe Deposit operation.

For the year of 1937, we prepared a survey of 90 commercial banks in an eastern state, spread all over the state, and including some of the banks in a large city. Eighty-one of these banks outside this large city reflected the following results of Safe Deposit operations for 1937:

Rentals Received	\$294,940.64
Expenses	380,389.16
Net Loss	\$ 85,448.52

It would have been necessary to increase rentals approximately $\frac{1}{3}$ to break even for this group as a whole.

Further analysis of these figures shows the following:

23 departments had a profit of	\$ 19,861.49
58 departments had a loss of	105,310.01
Leaving a LOSS of	\$ 85,448.52

Of the departments reflecting a profit, 6 showed a profit of less than \$100, 13 showed a profit of more than \$100, but less than \$1,000, and only one department showed what could be termed a worth while profit. About 85 per cent of the departments showing a profit were small departments.

Of the 58 departments operating at a loss, 26 of these showed a loss in excess of \$1,000 and 16 a loss of more than \$3,000.

In another instance, our figures show the five departments in large banks in a big city reflected a loss of over \$200,000 for one year.

In a survey of 12 commercial banks in another state for the year 1938, the following results were shown for Safe Deposit operations:

Rentals Received	\$11,710.68
Expenses	17,522.45
Net Loss	\$ 5,811.77

In this instance it would be necessary to increase rentals approximately 50 per cent to break even. Six of these banks had a minimum rental of \$2.50 and six of \$3. A further refinement of these figures shows that

4 departments had a profit of	\$ 835.32
8 departments had a loss of	6,647.09

Leaving a net loss of \$5,811.77

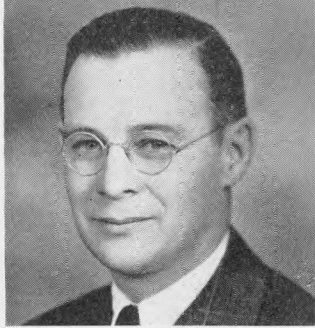
These twelve departments had provided a total of 5,780 boxes for the use of their customers, of which 3,242 or 56 per cent, were rented. This is a reasonable average indication of the

(Turn to page 92, please)

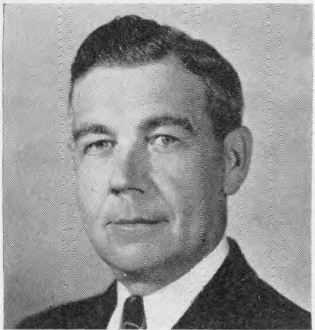
Northwestern Banker September 1940



WM. J. GOODWIN
Chairman of the Board and President



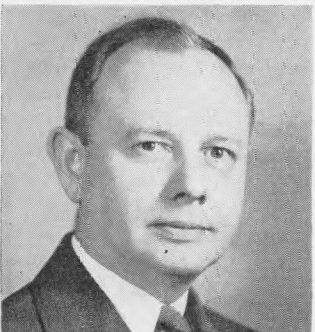
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Vice-President



FRANK R. WARDEN
Vice-President



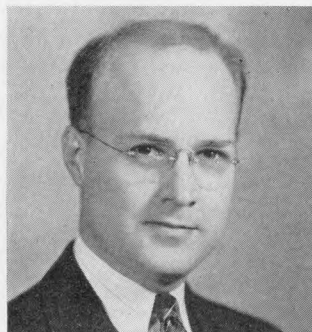
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Asst. Vice-President



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Asst. Vice-President



JOHN W. HAWK
Asst. Vice-President



IRWIN ABRAM
Assistant Cashier



G. W. BARTMESS, JR.
Assistant Cashier

A Welcome from Iowa's

*You are cordially invited to
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"IOWA'S FRIENDLY BANK"

CENTRAL NATIONAL

FIFTH AVENUE BETWEEN

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*make our banking home your
the 54th Annual Conven-
Association.*

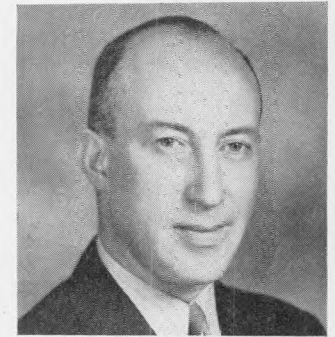
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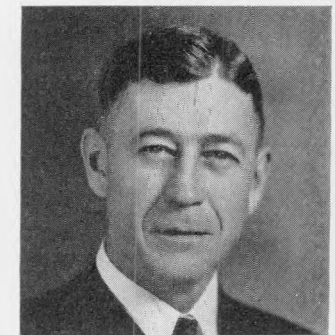
A. T. DONHOWE
Vice-President



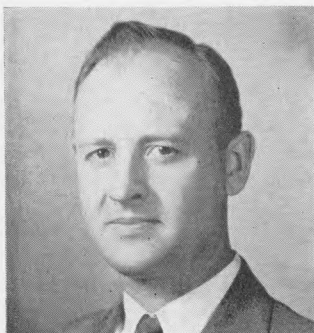
LEHMAN PLUMMER
Vice-President



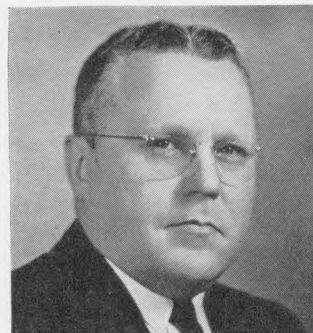
J. R. CAPPS
Cashier



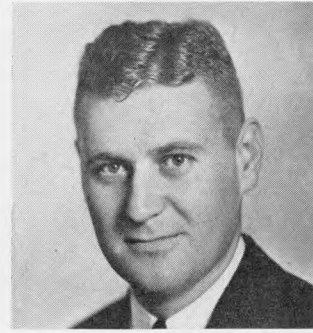
I. L. WRIGHT
Trust Officer



J. E. QUINER
Assistant Cashier



H. C. WINDER
Assistant Cashier



D. R. WITHINGTON
Assistant Cashier



GEO. L. NISSLY
Asst. Trust Officer

Northwestern Banker September 1940



Digest

BUSINESS CYCLES

Speaking before the Graduate School of Banking, Col. Leonard P. Ayres, vice president of the Cleveland Trust Company, said in part:

"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 wavelike 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 wavelike 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 resulted from changes in the volume 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 80 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 wavelike 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."

WINDOW DISPLAYS

Banks which are not making use of their windows for display purposes are not taking advantage of the possibilities this type of publicity offers. Walter Distelhorst, advertising manager of the First National Bank of Louisville, Kentucky, in a recent issue of *Bankers Monthly* offers several suggestions. While what he had done applies to Louisville only, even the smaller towns can arrange attractive displays based on community events or industries.

Taking advantage of the fact that most people have a hobby of some kind or other, Mr. Distelhorst suggests the following:

1. Photographs from the amateur photographers club.
2. Courier and Ives prints representing the life of a fireman.
3. Souvenir spoons from all parts of the world.
4. War relics picked up in the battlefields of France.
5. Filipino native weapons.
6. Dolls from all parts of the world.
7. Tools and materials for making wooden shoes.
8. Dressed dolls illustrating the development of the nurses' uniform.

Other types of displays fit in just as well, and here are further suggestions:

1. Heat resisting linings for glass furnaces.
2. Cups and trophies for a local kennel show.

Bank Management— Customer Relations— Loans—New Business

3. Mounted birds in connection with a bird lovers' convention.

4. New products made from milk.

5. Loving cups won by the bank's own teams.

6. A collection of hats from many parts of the world to advertise travel service.

7. A letterpress exhibit commemorating 300 years of printing.

8. Crime detecting equipment from the police department.

BANK MONEY ORDERS

I. I. Sperling, writing in *Banking*, says there is profit in issuing bank money orders. Here is what he says:

"Is there money to be made in bank money orders? How do they differ from official checks and why do commercial banks with checking account services offer them in addition? Will the use of money orders tend to reduce the fees from ordinary and special checking accounts?"

"These are some of the questions the careful banker will want to answer to his entire satisfaction as he studies the many newly-devised or improved services that are offered the public in an effort to provide additional facilities and income.

"One bank introduced the bank money order at about one-third of its branch banks as a test campaign. At the end of two months, it found that there was no appreciable drop-off in the number of money orders issued in the second month of the test, although managers had said that they did not expect repeat business because of the increased cost as compared with cost of official checks.

"A second significant fact of the test was that the branch offices averaged considerably more income from the money orders in contrast to a previous 'loss operation' on official checks.

"As a result of the test, bank money orders will now be offered in all of the company's branches and additional annual income of more than \$20,000 is anticipated at the branches alone.

"At first in the test offices, the tellers were fearful that the money order would be in competition with the bank's other checking account services and with the facilities of the post office and competing financial institutions. At the end of the test, however, no loss of business was reported.

Director Cooperation— Special Services— Personnel Problems



Digest

"There are three general classes of users of checking services.

"The first group (by far in the majority), requires a regular checking account for the payment of business and personal bills and is willing to maintain an adequate balance or pay the necessary service charges. The second group has only a relatively few personal bills to pay and these people seem to find the quarterly statement, 5 cents-per-check plan satisfactory.

"The third group includes those who have infrequent need for paying bills by some form of check. This is the group that finds the bank money order well suited to its needs.

"The test offices found that customers were interested in such features as the receipt stub and the fact that the name of the remitter appears on the face of the money order. One office reported it was less trouble to sell money orders at the present scale than it had been to sell official checks at a straight 10 cent charge. The advantages of the receipt stub and name of the remitter are definite benefits in comparison with official checks. In some instances it also leads to the establishment of a 5 cent checking account.

"The schedule of bank money order fees is roughly comparable to those established after many years of experience in the postal system.

The schedule in this instance is as follows:

"Ten dollars or less, 10 cents; \$10.01 to \$50, 15 cents; \$50.01 to \$100, 20 cents; \$100.01 to \$250, 25 cents; \$250.01 to \$500, 30 cents."

HUMAN NATURE

Speaking before a county bankers association meeting in New York State, Milton Wright, of the customer relations department of the A. B. A., said in part as follows:

"Bankers certainly have an opportunity to learn about human nature, and some of them use this knowledge to good advantage in getting prospects interested in taking on additional bank services.

"Up in New England there is a bank which has been very successful for some time past in getting itself named as executor of wills. Most of this business is obtained by the cashier, and this is one of his stunts.

"Lying on his desk is a very attractive little booklet, bound in leather, bearing the title, Facts About Your Will. Also on the cover, stamped in gold, is the cashier's name. This booklet is left in a spot where any visitor sitting beside the desk cannot fail to see it. The cashier, in the course of the conversation with some one who he thinks might be a prospect, always makes it a point to have to attend to something or other, leaving the visitor alone for a moment. Inevitably, the visitor picks up the attractive-looking booklet.

"When the cashier returns, the booklet is in the visitor's hands. Then the cashier says:

"That's a mighty useful little book there. It tells a man everything he ought to know about wills, and, believe me, there is plenty of information that is necessary. There are a lot of important little things that most of us don't know about."

"Very interesting," says the visitor. "I'd like to read it."

"I wish I could give it to you," says the cashier, "but I need it myself. I use it every day."

"Well, I don't want to take it if you need it," says the customer.

"I have some influence with the people who issue this booklet. I have done them some favors and they ought to be willing to do some for me. I'm going to ask them if they haven't an extra copy they can spare for you."

In a few days the cashier receives a duplicate of this "private, personal" booklet on wills, stamped with the visitor's name in gold on the leather cover. He presents it to the visitor. The booklet is thereafter cherished as something extra special, and it has been a big factor in building up the trust business in that particular bank.

"In the course of our A. B. A. study of business-getting methods for banks, we ran into nearly all the angles of salesmanship. It is not surprising, therefore, that we came across the episode of the traveling banker and the farmer's daughter. This traveling banker is the assistant cashier in the center of the farming country in northern New York state. He is a key banker, and has made a reputation as a business getter.

"This young man is out of the bank

substantially all of the time, digging up business. He is becoming more widely known all the time, and, according to what they tell me, this is how he accomplishes it. He will be driving along a country road on business for the bank, and will notice some hen houses. He will turn in, drive up to the farmhouse, and speak to the farmer's daughter. His excuse is that he wants to buy a dozen eggs.

"Now it takes a little time to gather up a dozen eggs, find something to put them in, and make change. All of this time provides the traveling banker with an opportunity. He has a winning manner, and the farmer's daughter proceeds to tell him all she knows. Presently, the farmer, himself, appears to find out what this good-looking young man is doing there. And so the traveling banker engages him in conversation. He finds out how many cows, pigs, and chickens he has, how much money he owes on his farm equipment, what the size of the mortgage on his property is, what his income the last year was, and what he has planted for the next season.

"He doesn't have to say good-bye to the farmer's daughter, because it has dawned upon her that the handsome banker wasn't interested in her, but in business.

"This young banker has told me that often he has arrived home at the close of a day with a dozen dozen eggs, bought at a dozen different farms for purposes of getting the farmers interested in using his bank.

"This fellow gets business because he is always looking for business. No matter where he is or what the circumstances are, he makes it a point to sales-slant his conversation. He will be driving along a road, and see a man coming in the other direction with a load of hay. He will stop and ask directions, follow them up by asking the price of hay, then ask the profit on it, and as likely as not, he will have found another customer for his bank."

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Wrongful Dishonor of a Check No Cause for Damages

As payment for a fur coat, Hare gave Sterling his check for \$500. The check was drawn on a Mississippi bank and the entire transaction occurred in that state. When Sterling presented the check to the bank for payment, the bank wrongfully refused to honor the instrument, although Hare had sufficient funds on deposit to cover it. The refusal to pay the check was simply an oversight, and no malice on the part of the bank's representatives existed with reference thereto. Hare sued the bank for damages, claiming he was embarrassed and humiliated by its action. He did not attempt to prove any other damages. Could he recover?

No. The wrongful dishonor of a check by a bank will not justify the recovery of damages by an injured depositor for his embarrassment and humiliation unless the dishonor was malicious, in which event punitive damages are warranted. It has been so held in Mississippi, and in Kentucky and Texas. New York, however, has held to the contrary.

Able, a Nebraska banker, was appointed administrator of the Nebraska assets of the estate of Whifler, who died in and a resident of Germany. One of the assets of the estate consisted of a promissory note, secured by a mortgage which was in default. Able sued as administrator to foreclose the mortgage. At the trial he was unable to produce the promissory note in court. Should he therefore lose the foreclosure suit?

No. In an action for the foreclosure of a real estate mortgage given to secure the payment of a promissory note, the possession and production of the note for cancellation is not in all cases an absolute requirement as a basis for a decree. It is, however, necessary that the plaintiff prove ownership of the debt represented by the note and that it has not been sold, assigned, or otherwise disposed of. By such proof, Able might succeed in the foreclosure case.

A North Dakota banker made a series of purchases and of sales of "wheat

Northwestern Banker September 1940

These and Other Timely Legal Questions Are Answered

By the
LEGAL DEPARTMENT

futures" there. His dealings were with a grain elevator and he ended owing them several thousand dollars. The grain concern sued to recover. As a defense he claimed the transactions were wagering contracts which were void because he never intended to take delivery of the grain bought by him. The grain elevator representatives proved to the satisfaction of the jury, however, that their intentions in this regard did not coincide with that of the defendant. Should the defense prevail?

No. The test of whether contracts for the sale of commodities for future delivery are illegal as wagering contracts is not the intention of one party, but that of both. Since the parties here did not both intend that there should be no delivery, the defense interposed in the case will not be permitted to prevail.

Blackwell owed a South Dakota bank certain monies. He owned a farm in that state which was his homestead. The farm was conveyed by him, without consideration, to Johnston. The bank sought to have the conveyance set aside as a fraud on the creditors, of which there were several, of Blackwell. Could it prevail?

No. A homestead is exempt from creditors' claims. Because of this, a conveyance of it does not constitute a fraud on creditors who have no rights in such property and who, by reason thereof, are not affected by its transfer with or without consideration, and with or without a fraudulent intent.

Under Iowa law actions to recover on written contracts must be begun in 10 years. Buchley executed in favor of Wallace a promissory note payable on demand in that state in 1925. Wal-

lace made no demand on Buchley for the payment of the note until 1937. Buchley refused to pay and Wallace sued. Can he recover?

No. An action on a demand note is barred by limitations in Iowa if it is not brought within ten years from the date thereof. A demand note is due on the date it was signed for the purposes of limitation.

A Minnesota banker owned a tract of land on a lake in that state. To drain the land, he established a ditch which, in addition to effecting the drainage, caused the water level of the lake to be lowered substantially. For several years after the establishment of the ditch, nothing was done about the reduced water level. The state authorities, however, after long delay, brought proceedings to require the banker to do the construction work required to restore it. Was such delay fatal to the state's case?

No. A long delay occurring between the establishment of a ditch and the institution of proceedings to restore a lake level affected thereby does not limit the right of a state to require the restoration of a lake level where there is no statutory provision creating a time limitation, as is the case in Minnesota.

Carroll, a benevolent banker, contracted to pay for the maintenance of seven children in an orphanage for five years, and made the payments as agreed. During the years such payments were made he sought to secure, in his income tax returns, the deductions permitted by the Federal income tax law for "each person dependent upon and receiving his chief support from the taxpayer." Is he entitled to such deductions?

No. One who has contracted to pay for the maintenance of a stated number of children at an orphanage cannot base thereon a claim to the deduction permitted by the Federal income tax law for dependents. To constitute one a dependent within the provisions of such law there must be some bond be-

(Turn to page 94, please)

BUILDING WITH YOU IN YOUR TERRITORY



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\$30,000,000 of excellent assets
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beneficiaries since organization, the Company is proud to be so vital a factor in the financial and social development of your territory.

AMERICAN MUTUAL LIFE INSURANCE COMPANY



Established in 1897

DES MOINES, IOWA

Ward F. Senn, President

Northwestern Banker September 1940

We Come Here Not to Praise **...but to Appraise the Investment Banker**

The purpose of this advertisement is to discuss dispassionately the qualities necessary to succeed as an Investment Banker—to appraise—rather than praise.

We would, indeed, be remiss if we did not admit that there have been all kinds of Investment Bankers. However, conditions existing during the past several years have definitely weeded out the less efficient and incapable.

Recognizing this truth, we have only to concern ourselves with the attributes of the successful, respected Investment Banker.

He must be an individual of keen perception. He must possess the faculty of viewing, and re-viewing, all considerations—retaining them in their true perspective. And finally, he must be able to pass seasoned judgment. To these acquired qualities are added scrupulous honesty and innate integrity.

No small part of America's present-day efficiency of industry—of America's high standard of living—can be attributed to the intelligence, capacity and foresight of the Investment Banker.

Iowa Investment Bankers Association

Northwestern Banker September 1940

The Month's Market Maneuvers



JAMES H. CLARKE

On the morning of Thursday, August 29th, as we write this, the markets are quiet—but firm. Reports of air raids over London and Berlin continue, and war is still the most potent single force affecting security prices — but until

either Germany or England is able to report definite success not much should happen marketwise. Domestic considerations—better earnings, larger orders and the like—are pretty well disregarded in the prices of securities so long as the uncertainties of war prevail.

The longer Britain holds out, the more optimism appears in the stock market. The reports as to when bad weather will come to aid England's defense, however, are too conflicting to be relied upon—but it may easily be October before Germany is forced to abandon mass air attacks. Under these conditions it may very well be that price trends will be inconclusive—but after a year of it we should be fairly well accustomed to it now.

Reading the daily reports on the stock market in August was a very dull business. Volume of trading was low, net price changes over the month were small and items of interest almost too few to mention. On the negative side—the New York Stock Exchange on Monday the 19th, traded only 129,650 shares—the smallest turnover for any full session of trading since August 7, 1916. This, by the way, is much worse than the 195,300 shares traded one day in July and mentioned in our last month's article. When you recognize that the brokers of the country need days in which at least one million shares are traded in order to break even, it is easy to see why sales of New York Stock Exchange seats are at successively lower levels.

As is to be expected in periods of modest volume, price changes during the month were unimportant. As of the close of business July 31st, the Dow-Jones industrial average figure was 126.14—yesterday afternoon (August 28th) at the close it was 126.87—a little better than a half point improvement in about a month of trading. To date there have been twenty-four days of market activity in August

Prepared for
The Northwestern Banker

By James H. Clarke

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

—gains were reported fifteen times and there were nine days of losses. While these figures indicate a somewhat better market, it is of interest—although of no special significance—to observe that on August 13th there was a break of 4.28 points. This was the largest market swing of any day and was accompanied by the greatest volume—640,000 shares. As you probably have already figured out—this was the first day on which London was bombed.

Despite firm prices in the high grade bond market during the month, the new issues which were offered met with but moderate success. Even in a market hungry for bonds, apparently buyers are still insisting that bonds be priced right. There were three issues of importance in August—excluding railroad equipment trust certificates. They were — \$22,150,000 Carolina, Clinchfield and Ohio 1st 4's of 1965 at 102½; \$6,000,000 of Northwestern Public Service Company 1st 4's of 1970 at 102½ and \$25,000,000 of Celanese Corporation of American deb. 3's of 1955 which came out at 98. As we write this, there are still bonds around at the offering prices and in one or two cases there probably will be some concessions. In short, August did not provide an enthusiastic market for low coupon, long term bonds.

There are a number of prospective issues on the fire. San Antonio Public Service plans \$16,300,000 of first 3's of 1970, Western Auto Supply Company has registered \$6,000,000 of debentures due in 1955, while Columbus and Southern Ohio Electric will offer \$29,000,000 of first 3¼'s of 1970. The \$32,000,000 deal of the International Paper Company is still held up. As is to be expected, a number of other companies are planning to take advantage of these good markets to do some financing. Southern California Edison is said to be planning to refund the \$108,000,000 of 3¼'s of 1960 which are outstanding—and Dow Chemical is consid-

ering a \$25,000,000 bit of financing including \$15,000,000 of ten year debentures and the balance in stock. Iowa Electric Light and Power proposes to offer \$12,600,000 in a 3½ per cent mortgage bond plus \$1,980,000 of general mortgage serial notes.

Under present conditions, September should see considerable activity in new issues of bonds—and perhaps the coming offerings will be more favorably priced. In passing it may be mentioned that underwriters believe that the recent amendment to the Securities Act of 1933 which permits the S. E. C. to ease up in the twenty day registration period will be helpful in new financing.

There were but minor changes in quotations on United States Government bonds during the month. The long 2¾'s of 1965/60 were quoted around 106.15 on the bid side on August 1st—yesterday the bid was 106.10. The new 2¼'s of 1956/54 were 102.20 bid early in the month and are about 102.18 today. The Government did no new financing in August except in the way of Treasury Bills. It is expected that there will be some financing in September, however, probably by both the Treasury and the RFC. It is simple to see that appropriations which we have made and are making for national defense will require much new financing—but it is also quite likely that the bulk of that will come in 1941 and thereafter.

General business was good in August, and, barring a collapse of England, should continue at satisfactory levels over the immediate future. For instance, steel activity is around 91 per cent of capacity compared with 87.7 in the best month of the 1937 boom—and manufacturers of steel expect even greater activity as the delays in our defense schedule are eliminated. Export demand—direct and indirect—accounts now for about twenty points of our production—any change for the worse abroad would have sharp and severe repercussions here.

The automobile industry is making good progress in introducing the 1941 models, electric power production continues at record levels. Standard Statistics has estimated that fixed charges of Class I railroads as a whole will be earned 1.35 times as against 1.19 times last year. Increased activity in numerous other industries has resulted in improvements in the unemployment situation.

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SERVING IOWA INDUSTRIES

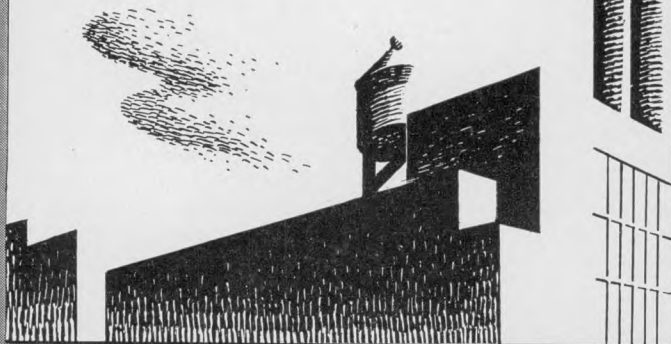
Sound Investment Service

To Iowa banks, and Iowa Industry, the name POLK-PETERSON stands for the most constructive and time-tested type of modern investment service.

To our clients interested in the buying and selling of bonds, we offer a nationwide service, an analytical and research department, and a network of Iowa branch offices that are of obvious advantage to all our customers, both large and small. And, as underwriters, this house has played an important part in the permanent financing of many leading industries, both in Iowa and the nation.

Investigate the modern investment facilities of Polk-Peterson Corporation.

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POLK - PETERSON CORPORATION

DES MOINES BUILDING
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Bank Women Convene

The 18th Annual Convention of the Association of Bank Women will be held in Atlantic City, N. J., September 19th to 21st inclusive, announced Miss Mildred Roberts, president of the Association and assistant cashier, Citizens National Trust & Savings Bank, Los Angeles, California. Headquarters will be at the Hotel Dennis.

In discussing the convention, Miss Roberts stated: "Never in the history of our organization has greater significance been attached to our members' attendance. Chaotic conditions in Europe are reflected in the economic reactions of the whole world. Women in our profession are faced with the necessity of being better equipped to offer intelligent counsel and timely advice to our banks' customers, to help them meet unusual situations.

"This year the Association is serving, in the truest sense of the word, its basic purpose. It was organized in 1921 by a small group of bank women in New York. Its primary object is to bring together women in executive positions in banking institutions throughout the country for mutual exchange of ideas and experience in order that practical benefits be derived therefrom. It furthermore promotes the interests of all women in this profession and upholds their dignity and integrity.

"Those members who have attended our conventions in the past," she continued, "have found them both stimulating and inspiring. We are confident that all of us who meet in September with our associates from forty-two states of the Union, for a frank discussion of common problems and interests, will derive benefits greater than ever before to aid us in contributing constructive service to our banks, to our customers and to our respective communities."

Miss Roberts announced further that the following chairmen of committees for the convention had been approved by the board of directors of the Association: General Convention Chairman—Miss Katherine Moore, National Newark & Essex Banking Co., Newark, N. J.; Headquarters and Reservations—Miss Rebecca R. Haines, Provident Trust Co., Philadelphia, Pa.; Printing and Badges—Miss Marjorie Allison, Lehigh Valley Trust Co., Allentown, Pa.; Program—Miss Anne Houstoun Sadler, Bank of the Manhattan Co., New York City; Publicity—Co-Chairmen—Mrs. Mary Berkeley Finke, Morris Plan Bank of New York and Miss Hilda M. Hoffman, Bowery Savings Bank, New York City; Registrations—Mrs. Elizabeth Van Sciver,

First National Bank of Princeton, Princeton, N. J.; Entertainment and Hospitality—Mrs. Mary G. Roebing, Trenton Trust Co., Trenton, N. J.; Nominating—Miss Grace S. Stoermer, Bank of America, N.T. & S.A., Los Angeles, California.

Wins Decision

The Lawrence Warehouse Company, with the Bank of America N.T. & S.A., recently won an exceedingly important decision in the United States Circuit Court of Appeals for the Ninth Circuit. The decision should interest all loan officers because it clarifies several points regarding bailment of commodities as loan collateral. Also, it confirms the amount of legal protection which banks have on their warehouse-receipt loans.

In brief, the rulings are as follows:

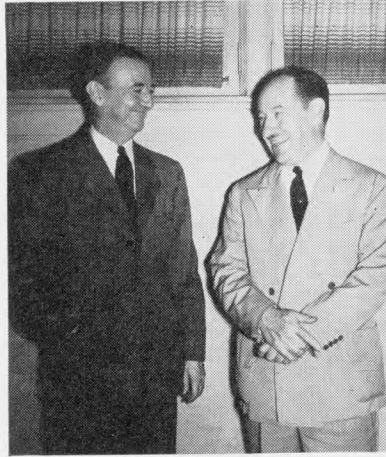
1. The Uniform Warehouse Receipts Act expressly repeals all acts which conflict with it.

This means that notice of transfer, required under certain circumstances by Bulk Sales Laws, is not necessary where title is transferred to a bank under field warehousing.

2. Merchandise held against bona-fide warehouse receipts is not subject to attachment by creditors.

James F. Twohy Entertained

A luncheon was held at the Des Moines Club in Des Moines last month, honoring James F. Twohy, governor of the Federal Home Loan Bank, Washington, D. C., who paid a short



Mr. Twohy and Mr. Richardson

visit to Iowa's capital city. Pictured here are Mr. Twohy, and R. J. Richardson, president of the Federal Home Loan Bank of Des Moines.

Representatives of twenty savings and loan associations from in and out of Des Moines, totaling about forty people, attended the luncheon. Discussion at the meeting centered around the relationship of Government and private financial institutions, and the relationship of the Federal Home Loan Bank and savings and loan associations.

Department Enlarged

Indicating that the supervision of public relations activity is gradually becoming of major importance in the larger banks of the country is the recent action of The National City Bank of New York in adding another official to its public relations department in the appointment of Granville S. Carrel, assistant cashier, as head of the department. National City's public relations work will continue under the supervision of J. J. McNamee, assistant vice president, and J. J. Lawlor will be Mr. Carrel's assistant.

What is probably the best equipped department of its kind in the country meets in most respects the requirements of an average advertising agency with its own motion picture projection room, staff photographer and developing room, staff commercial art-

A Hearty Welcome to Members of...

The Iowa Bankers Association
and
Iowa Investment Bankers Association

We sincerely hope that your visit in Des Moines
will be as pleasant as our business relations.

JACKLEY & COMPANY
INVESTMENT SECURITIES

EQUITABLE BUILDING PHONE 3-5181
DES MOINES

V. W. BREWER CO. MUNICIPAL BONDS

North Dakota and South Dakota are Number One and Number Two in percentage of debt reduction in the entire United States.

FIRST NAT - SOO LINE BLDG.
MINNEAPOLIS

Federal Discount Corporation

Dubuque, Iowa

Automobile Finance

*Time Payment Plans for Purchasers of
Automobiles and Household Appliances*

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SMALL LOANS

• • •

BRANCHES IN Iowa Minnesota Wisconsin

Capital, Surplus and Undivided Profits

Exceed One Million Dollars

• • •

Short Term Collateral Trust Notes

• • •

Information on Request

ist and addressograph unit. National City's advertising and publicity contact for its branches in 24 foreign countries as well as its 71 branches in New York City is directed from this department at head office.

Mr. Carrel has always been interested in public relations activities and his diversified experience since entering the bank has enabled him to form a wide acquaintance among bankers throughout the country. During his "prep" school days in Greeley, Colorado, he was associated with the Greeley National Bank. Following graduation from the Wharton School of Finance of the University of Pennsylvania, Mr. Carrel joined National City on July 15, 1929. He rotated through various divisions of the bank until July, 1930, when he was transferred to the personnel department as educational director in charge of the junior program. In May, 1937, Mr. Carrel joined the credit department and later that year went to the western district as a service man where he was appointed assistant cashier on May 23, 1940.

Defense Loans

The First National Bank in St. Louis is inviting applications for "defense loans" from business and industrial concerns of that area through newspaper advertising and other media. The bank says it fully realizes the importance of the national defense program and stands ready to make loans to business and industry for that purpose.

Coming Conventions

- Sept. 9-11:** Iowa, Hotel Fort Des Moines, Des Moines.
- Sept. 18-20:** National Association of Supervisors of State Banks, Richmond, Va.
- Sept. 22-26:** American Bankers Association, Atlantic City, New Jersey.
- Sept. 30, Oct. 1, 2:** Morris Plan Bankers Association, Del Monte Hotel, Del Monte, Cal.
- Oct. 2-4:** Mortgage Bankers Association, Chicago, Ill.
- Oct. 9-11:** Kentucky, Brown Hotel, Louisville.
- Oct. 16-19:** National Association of Bank Auditors and Comptrollers, St. Louis.
- Oct. 24-25:** Nebraska, Hotel Lincoln, Lincoln.
- Oct. 28-30:** Financial Advertisers Association, The Homestead, Hot Springs, Va.
- Nov. 7-8:** Mid-Continent A.B.A. Trust Conference, Chicago.
- Nov. 13-15:** U. S. Savings and Loan League, Chicago.



WALTER E. VIETH
President
Davenport

IOWA

Investment Bankers Association

Organized 1935



ROY W. LERICHE
Secretary
Des Moines

PLANS and arrangements for the Annual Field Day of the Iowa Investment Bankers Association, to be held at the Wakonda Club in Des Moines the afternoon and evening of Wednesday, September 11th, are now completed, according to an announcement by Arthur H. Keyes, general chairman for the occasion.

Outdoor sports will consist of golf and tennis, and perhaps a horseshoe



ARTHUR KEYES

game or two if anyone cares to indulge. The committee has made no special arrangement for indoor sports, since activity of this kind usually needs no committee supervision—the members and guests are perfectly capable of supplying their own indoor amusements.

Entertainment for the banquet in the evening will be of its usual high quality. We understand there are so many golf and attendance prizes that practically everyone at the party will win something. Editorial and advertising copy for the Northwestern

BUNKER has been in the hands of the printer for several days, and the 1940 edition of the world's most dirty rag should be coming off the press about the time you are reading this. Remember—it's all in fun.

Committees for the Field Day are as follows:

General chairman—Arthur H. Keyes; golf and tennis—Jack Sparks and T. C. Henderson; transportation and reservations—Harry Westphal and James C. Shaw; prizes, Harry Graefe, Don Murdoch and Kenneth Henkle; sweepstakes tickets—Sherm Fowler, Homer Kaupp and Fred Gaehner; entertainment—James A. Cummins, Winfield Jackley and Mike Dearth; registration—Homer A. Cook.

As previously announced, the Iowa Investment Bankers Field Day is being held on the closing day of the Iowa Bankers Association convention. The bankers' sessions conclude at noon of September 11th, and the Field Day festivities start immediately thereafter. A buffet luncheon will be

served at the Wakonda Club from 12:30 to 2 p. m.

Anyone seeking further information regarding the Field Day is requested to communicate with Roy Leriche, association secretary, at 200 Equitable Building, in Des Moines.

Denied Overtime Pay

The Fair Labor Standards Act does not require that employes be paid overtime wages when their stipulated salary exceeds the amount to which they would be entitled if they were receiving the minimum wage required by the law, plus time and a half for extra hours worked, based upon the hourly minimum.

This, in substance, was the stand taken recently by Judge T. Whitfield Davidson of the U. S. Court for the Northern District of Texas, in deciding a wage suit brought under the labor law by five refining company workers, who claimed amounts due under the statute.

Judge Davidson dismissed the suit of an employe who had contracted to work for a flat monthly wage of \$150. Although this employe worked in excess of the 42 hours per week limit provided by the law, the court held he was not entitled to overtime, stating: "Considering the number of hours actually worked, this pay (\$150 per month) exceeds the minimum time and overtime provided by the act, and therefore complied with the act . . . he having entered into a contract for a stipulated consideration which is in excess of the minimum wage fixed by law.

BONDS

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Industrial

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Municipal

A.C. ALLYN AND COMPANY

Incorporated

100 West Monroe Street, Chicago

New York

Milwaukee

Omaha

Boston

Representatives:

Waterloo

Des Moines

Cedar Rapids

Northwestern Banker September 1940

"Under the Act of Congress now before us, 25 cents per hour is made the minimum wage. Parties may contract as before, but employers of labor must not pay less than 25 cents per hour . . . In this case each of the plaintiffs entered into a contract with this employer. Insofar as these contracts did not violate the Wage and Hour Law, they are valid and binding upon both parties."

The above should be of special interest to bankers, with respect to the operation of the Wages and Hours Law in their institutions.

Assistant Cashiers

Milton J. Hayes and Paul C. Raymond were elected assistant cashiers of the American National Bank and Trust Company of Chicago at a meeting of the bank's board of directors, held last month.

Mr. Raymond came to Chicago in 1926, following his graduation from Yale University, and has been associated with the American National Bank in its credit division since 1933. He is a member of the faculty of Northwestern University evening school of commerce and formerly

served as secretary-treasurer of Chicago Chapter, Robert Morris Associates.

Mr. Hayes attended the University of Chicago, and has taken graduate work at Northwestern University. He entered the bank's employ in 1935 and has served continuously on the investment staff. He is a member of the faculty of Chicago Chapter, American Institute of Banking.

New Vice President

The directors of The Live Stock National Bank have promoted Harold P. Johnston to vice president, it was an-

The INTERSTATE FINANCE CORPORATION of Dubuque, Iowa

. . . the "15 Year Record" of this rapidly growing corporation has just recently come off the press, and is available to any bank or institution upon request. This complete history shows the reasons and proof of Interstate's rise in Automobile Financing.

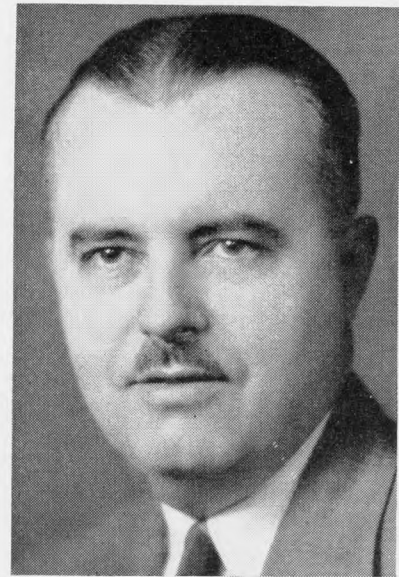
The "Economy Plan" of automobile financing, which offers rates as low as \$3.00 per \$100 per year, is featured by established automobile dealers in Iowa, Wisconsin, Minnesota, and Illinois.

One standard form of note is issued for all short term accommodations. This obligation is held by leading banks and institutions and is offered in convenient maturities and denominations at current discount rates.

Prompt reply and complete information to all inquirers. Address your request to . . .



INTERSTATE FINANCE CORPORATION
HOME OFFICE . . . DUBUQUE, IOWA



HAROLD P. JOHNSTON

nounced recently by David H. Reimers, president. Mr. Johnston formerly served as assistant vice president.

With Central Hanover

Central Hanover Bank and Trust Company announces the appointment of Foster M. Hampton to its out-of-town division. Mr. Hampton will represent the bank in Missouri, Kansas, Iowa and Nebraska.

From 1931 until he joined the Central Hanover staff, Mr. Hampton was a member of the New York Stock Exchange brokerage firm of McClave & Company. Prior to entering the brokerage business, he was associated with the Bankers Trust Company of New York for about eight years, first as manager of its St. Louis office and later as supervisor of out-of-town offices.

Mr. Hampton is a native of Arkansas. He was graduated from Yale University in 1916 and served as an officer in the United States Navy during the World War.

THE COUNTRY BANKER SPEAKS

(Continued from page 15)

them to tell us what kind and when to buy, since they do not wish to commit themselves."

"We very seldom invest in any securities without first consulting the officers of our correspondent bank."

"Our largest loss was on investments made on the advice of a former correspondent."

"They have been very helpful to us."

Chart No. 3-A

Comparing the percentages on this chart with those of ten years ago, the same two items of Investment Advice and Analysis of Securities were listed, but with an increase this year in the percentage of those seeking Analysis of Securities, and not so many looking for Investment Advice as there were in the previous survey.

Comments:

"Setting up a bond account and furnishing credit information on various issues in which we might be interested."

"Their research facilities and willingness to advise has been a great aid in the selection of our investments."

"Go over our investments once or twice a year and give us the same help we would give to one of our valued customers."

"God help country banks that depend on city correspondents for investment advice."

"Counsel and advice as to specific securities."

"After sad experience, we will never play in another man's back yard and slide down his cellar door, because sooner or later you are going to get slivers where it will hurt the most."

"We contact our city correspondent on most of our investments."

"Every banker must think for himself and use his best judgment."

"Want a direct opinion when making inquiries about certain investments."

"Just general counsel—we can't expect them to tell us when to buy and what to sell."

Chart No. 4

As apparent from the replies to the question in Chart No. 4, most country banks are not interested in having their city correspondent help them install a cost analysis system to help them comply with the Wages and Hours law. You will note that 64 per cent of the replies said they were not interested, and 6 per cent said they already had a system of some kind. In analyzing the replies to the

questionnaires, it was sometimes difficult to separate these two items, since a number of banks said "No, we have a system now." It can be assumed, therefore, that 70 per cent of the banks are not interested or already have a system of their own.

A few comments on this question are as follows:

"Not very practical for a small bank."

"Such a service would be welcome to us."

"We think the law will be amended to exempt banks."

"We already obtain analysis and suggestions."

Chart No. 5

The city banker should feel that he is doing a pretty good job of servicing his correspondent accounts, when 67 per cent of the country banks say their Present Service Is Satisfactory, as they do in the answers to the question which this chart illustrates. Ten years ago only 33 per cent answered "satisfactory" to this question—in 1940 the favorable response has more than doubled. It would seem that, as a whole, the country banker is getting well-rounded service, since the comparatively few suggestions for improvement are along what might be termed specialized lines.

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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.

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Apparently 10 per cent of those replying to this question haven't heard about the Banking Act of 1933, since they still want interest on daily balances.

Some of the comments on this question are:

"Come right out and recommend purchase of certain investments."

"Gather up more cash items on which we get exchange."

"By keeping abreast of the times, and when a national tendency or trend seems to be developing which

would materially affect the bank served, give us timely notice thereof."

"Assist in placing farm loans on a ten year plan."

"Furnish us with tickets on the fifty-yard line."

"Stay out of country bank loaning territory until asked to participate."

"I sometimes wonder if our account actually pays for the service we receive."

"Advice on new laws affecting banks."

"They are great glad-handers in fair weather—but icebergs in times of stress."

Chart No. 6

That they had no complaint of any kind to make about the correspondent service they are now getting was the reply of 82 per cent of the country banks in response to the question illustrated by this chart. The percentage was exactly the same as that obtained from an analysis of the replies to this same question ten years ago—city bankers take a bow!

As noted on the chart, complaints registered were few. Ten per cent of them were of miscellaneous nature, too scattered to classify. One percentage noted on the chart should be mentioned—4 per cent of the country bankers said their complaint was that the city bank solicited loans in the country bank territory. This condition seemed to apply largely to one state in which the survey was made, and when the replies from this state are analyzed separately, 7 per cent of the country bankers make this complaint.

The following are a number of the complaints mentioned:

"Lack of knowledge of country banker problems."

"We would like to have the executive officers of the bank call on us occasionally."

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"Soliciting loans in our territory at rates lower than ours."

"Some city banks actively solicit loans in the territory of banks which are not their correspondents, but agree to withdraw from loaning if said country bank will open an account with them."

"Charge back exchange charges when account should carry same under analysis."

"Too lifeless and hard-boiled."

"Charging our account 10 cents to 15 cents on every little check they are unable to clear at par, while we are carrying a balance with them of \$40,000 to \$50,000 at all times, and receiving no services only what we pay for."

"When they call on us or see us at conventions, they promise a lot, but they do not seem to remember this after they get back to their city bank."

THE CITY BANKER ANSWERS

(Continued from page 16)

also can render its own customers a service by having them get in contact, when it is necessary to come to the city, with their city correspondent who may be of considerable help in directing them when they come in to do their buying.

"As I said before, competition is exceedingly keen between city banks for the country correspondent bank account and is largely a matter of personal relationship as there is very little that one bank has to offer that a competitor cannot duplicate.

"Pleasant service, given in an efficient manner, is the best advertising that a country or a city bank can have among its customers."

Letter No. 7

"A few general ideas"

"First of all, we feel that it is most important for the banker to familiarize himself with the varied facilities offered by his correspondent, to make intelligent and full use of all services available. Naturally, officers and representatives of city banks will endeavor to contact the out-of-town banker at conventions, group meetings, or in his own office, to acquaint

him with such services in a general way. When possible, however, we believe that it would also be mutually helpful for the latter to call in person upon his correspondent to become better acquainted with its personnel, special facilities, connections, or any phase of its operations in which he may be especially interested.

"We have set out in the following paragraphs a few general ideas which occur to us in connection with the cooperation as desirable on the part of the out-of-town banker, in order to improve and secure the most service from his city correspondent. Our own experience with banks convinces us

that the majority are willing and anxious to cooperate with their correspondents, and these suggestions are not offered in any spirit of criticism, but rather for mutual protection and service.

"Confirm instructions over official authorized signature, use coded telegrams and test words, and exercise care in all important financial transactions involving the payment or transfer of funds and the purchase, sale, or delivery of securities.

"Adopt uniform instructions pertaining to protest and wiring nonpayment of items, recommended by the American Bankers Association.

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These NOTES are available, in limited amounts,
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IN PRINCIPAL CITIES



"File proper authority with city correspondent covering signatures and extent of signing authority.

"Notify promptly of changes in authorized signatures, title of account, or previous standing instructions.

"Endorse properly all items, stock certificates, or other documents sent to correspondents.

"Handle promptly collections or cash items received from city correspondent and give careful attention to special instructions, reasons for non-payment of returned items and wire

advices when required.

"Furnish published figures and sufficient data to place city correspondent in better position to direct business to him and render more than routine service whenever special occasions present.

"Maintain adequate or compensating balances in return for services rendered.

"We look upon it as our job to handle in a prompt and satisfactory manner any business received from correspondent banks, regardless of the form in which it may be submitted, but we have searched for ways in which mutual cooperation might tend to improve such service between correspondent banks generally and, in turn, redound to the benefit of banks and their consumers as a whole."

Net Profits

Net profits after dividends of all insured commercial banks rose last year to 30 cents per \$100 of deposits compared with 15 cents per \$100 of deposits in the previous year, according to a survey of bank earnings and expenses prepared by the Bank Management Commission of the American Bankers Association.

Operating earnings from all sources before deduction of expenses by 13,544 insured banks throughout the country were only \$2.87 per \$100 of deposits in 1939 compared with \$3.19 in the previous year.

Current operating expenses of the banks declined during the year to \$2.00 per \$100 of deposits from an average of \$2.25 in the preceding year. Deduction of these expenses from op-

erating earnings left a net operating earnings average of 87 cents for the year as against 94 cents in the previous year.

Recoveries on previous losses and profits on securities sold increased slightly in 1939. They rose to 68 cents per \$100 of deposits from 66 cents a year earlier. Losses and charge-offs last year, on the other hand, declined to 83 cents per \$100 of deposits compared with \$1.00 a year earlier.

Addition of recoveries and profits on securities, after deduction of losses and charge-offs, left net profits before dividends of 72 cents per \$100 of deposits for the year compared with net profits of 60 cents for the previous year. Dividends paid on both preferred and common stock amounted to 42 cents per \$100 of deposits in 1939, while a year earlier they totaled 45 cents. Deduction of these dividends paid from net earnings left a net profit figure for last year of 30 cents per \$100 of deposits compared with 15 cents for the year 1938.

Ten Consecutive Years

Dana E. McCutchan, associated with the White & Odell agency of Northwestern National Life of Minneapolis, recently became the 16th of the company's agents to complete ten consecutive years of membership on the App-A-Week Club. Mr. McCutchan joined Northwestern National in 1929 and began his 520-week record of consistent production shortly thereafter. In recognition of his achievement Mr. McCutchan has been awarded \$100 cash—\$10 for each year of membership—and a pair of sterling silver candlesticks as a special 10-year award.

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We are glad to take this opportunity in this convention issue to express our appreciation to Bankers of Iowa for their cooperation in supplying data for our recent confidential Survey on the Evaluation of Bank Shares.

The continuous accumulation of data of this type makes possible the various valuable services rendered by competent Investment Counsel.

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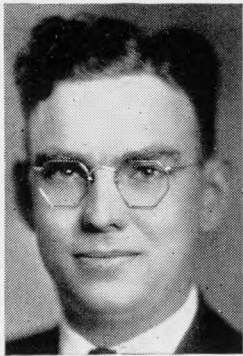
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NEBRASKA INVESTMENT BANKERS ASSOCIATION

CECIL W. SLOCUM
Secretary

May Martin, after nearly 37 years with the Occidental Building and Loan Association of Omaha, 25 of which she had been head of the association's insurance department, retired recently.

Employees of the association tendered a testimonial dinner in her honor at Omaha's Hotel Fontenelle.

Her successor was **Mrs. E. N. Rowell**, who had been head of the institution's tax and rental department.

Miss Martin became secretary to the late E. N. Bovell, then secretary of the Occidental, on November 7, 1903, when she was a young Nebraska school teacher who had just come to Omaha and taken a business course. It was her first job in the business world.

As head of the firm's insurance department, it was Miss Martin's job to see that all the property in which the association had an interest was covered by insurance. In the 25 years she held that particular job, she recalled there were no losses which were not covered.

She plans to travel and "to do a few things I never had time to do before". She will live in Kansas City.

Federal collections of both corporation and individual taxes in **Nebraska** and **Iowa** rose during the fiscal year just ended, compared with collections the preceding year, according to the internal revenue bureau.

Nebraska returned \$4,652,589 in corporation and \$2,852,515 in individual income taxes for 1940, compared with \$4,217,853 and \$2,841,635. Iowa's \$7,732,684 corporation and \$4,817,189 individual tax collections for 1940 compared to \$7,011,762 and \$4,699,286.

The Waubonsie bridge across the Missouri river at **Nebraska City** officially became the property of the city of Nebraska City August 17, when \$800,000 was paid to the private company, representing a return to stockholders of about \$85 on \$200 preferred shares.

Mayor F. E. Ziegenbein of Nebraska City signed \$868,000 of bonds at Chicago the day before. Bridge tolls will remain unchanged.

Previously, Mayor Ziegenbein registered with State Auditor Ray Johnson the \$868,000 issue of bridge bonds (bearing 3½ per cent interest), recently purchased by the city.

The municipality hopes to make the bridge free by retiring the bonds from toll receipts.

Douglas county officers at Omaha recently held a 22-year-old Negro who confessed, they said, the killing of Wallace Richie, 27, Negro chauffeur employed by **Ford E. Hovey**, president of the Occidental Building and Loan Association and king of Ak-Sar-Ben.

The confessed slayer was first held on a charge of robbing a service sta-

tion at Gretna, Neb., and came to Omaha from southern Missouri last fall.

Richie's body was found at a spot a little more than a mile west of Eighty-fourth street road.

Harold Johnson, Nebraska securities director, said at Lincoln recently that the broker's permit of an Omaha securities concern and the salesman's permit of its president, were suspended on the basis of an injunction obtained by the securities and exchange commission in federal court at Omaha.

The injunction prohibits the company and its president from "violating the fraud provision of the securities act of 1933 and the over-the-counter section of the securities exchange act of 1934, in effecting fraudulent transactions as broker-dealer."

Most Lamblike

Doris was in love, and was anxious to hear the news.

"So you've seen daddy, darling? Did he behave like a lamb?" She asked Billy.

"Absolutely! Every time I spoke he said 'Bah!'" declared her sweetheart grimly.

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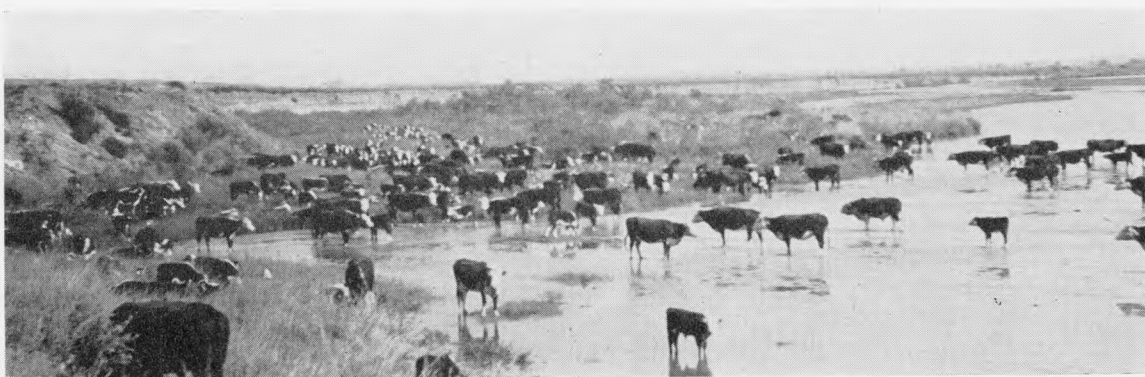
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NEBRASKA NEWS



WM. B. HUGHES
Secretary
Omaha

With Chadron Bank

Franklin Coffee recently assumed duties in the First National Bank, Chadron, and in doing so is the third member as well as generation in the family to take up active work in this long-established banking institution in Chadron. He is a son of Mr. and Mrs. C. F. Coffee, and a grandson of the well-known Col. C. F. Coffee, who until his death, was connected with the bank.

Dies in Oakland

A. L. Cull, long-time resident of Oakland and well known throughout Burt county, died at his home recently.

Mr. Cull, a resident of Oakland for nearly half a century, was in the banking business at one time and later entered the real estate and insurance business. He was an extensive landowner and prominent in affairs in his community and county.

Anniversary

Twenty-five years ago last month the Farmers State Bank, Grant, opened for business in the back room of a drug store in a frame building at the present location. M. D. Keller and E. E. Jackman were the officers. The bank steadily grew under the management of those officers until 1930 when it was converted into a national banking institution under the name of The Farmers National Bank of Grant.

From the \$11,000 original capital the bank has built up its capital stock account to nearly \$90,000. The old wooden structure has been displaced by a good brick building, and the bank now has deposits of over half a million dollars.

Capital Increased

At a special meeting of stockholders of the Commercial State Bank of Wausa, a change was made on the book value, and some obligations retired. The listed preferred capital stock was for \$36,000, and under the new amendment preferred capital stock will be listed at \$50,000.

Former Banker Killed

Nathan Wilson, 65, former banker at Stromsburg, was instantly killed when his car crashed into the rear end of a truck on a county highway three miles south of Polk.

Wilson resided in Stromsburg many years, but disposed of his interests there about 17 years ago. He removed to California but recently returned to Stromsburg to reside.

Celebration

The First National Bank of Belden celebrated its 50th anniversary last month. Registration began at Rabdau Park at 4 p. m. and a Virginia ham supper was served at 5:30, followed by a talk by Don Cunningham, secretary of the Sioux City Live Stock Exchange.

Six hundred and sixteen registered, which would probably have been doubled if rains had not held up threshing. Small grain was beginning to sprout in the shocks and the farmers

wanted to get their grain binned. Some rigs shut down early and attended.

The bank received many letters and telegrams of congratulations and the lobby was filled with flowers sent by their city friends.

Fifty years of service speaks well not only for the bank management but also for the community around Belden.

Change in Hours

Commencing August 15th, banking hours were changed at Neligh from 9 to 3 instead of 9 to 4 as at present. The change was made necessary to comply with the provisions of the wage and hour law regulating hours of labor.

For New Bank

The Tilden National Bank has filed articles of incorporation at Lincoln for a state charter with a capital of \$25,000. The incorporators are J. R. Kinder, Lincoln; J. J. Ryan and B. E. Graham, Tilden; C. H. Kelsey, Norfolk; C. E. Marquardt, Madison, and C. A. Smith, Lincoln. Mr. Ryan states that it will probably be the latter part of September before the reorganization is finally completed. The change will not affect the business of the bank as far as the public is concerned and will continue as a member of the Federal Deposit Insurance Corporation.

Rotary Speaker

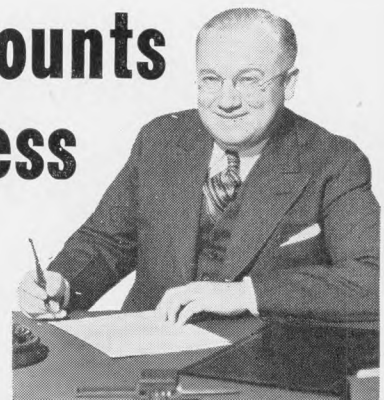
John S. Van Auken was the guest speaker of the Lexington Rotary Club at a recent weekly meeting. Mr. Van

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Auken, who is vice president of the Lexington State Bank, talked on the subject, "Economic Trends."

Retires Preferred Stock

The First National Bank of Hooper has retired all of the remaining of the preferred capital stock of the bank held by the Reconstruction Finance Corporation.

The capital stock of the bank now consists of all common stock in the amount of \$50,000, and has surplus and undivided profits of \$20,800, a total capital structure of \$70,800.

The stock of the bank is all owned by local people, and its investments are nearly all of local origin.

Change in Officers

A meeting of the Dalton State Bank was held recently, at which time R. L. Scherer resigned as vice president and Guy E. Ellsworth, a new stockholder, was named to the position. Mr. Ellsworth will serve as executive head of the institution. Lyle Rabe, an employe of the bank the past ten years and the last few years assistant cashier, was given an advance to the cashiership.

Bad Checks

Quick thinking of Lloyd Blair, an employe of the Stephens National Bank, thwarted the attempt of two

STATE CONVENTION

LINCOLN

Thursday and Friday

OCTOBER 24th and 25th

HOTEL LINCOLN

transient Texans to pass bad checks in Fremont recently.

L. C. Diyer and his wife of Dallas, Texas, opened a \$3.00 checking account at the local bank. They immediately wrote a check for the full amount of the deposit in the bank. The couple then made two cash purchases in other stores in town and visited with the clerks so that they would be recognized when they returned to cash a check, officers believed.

Just before the bank closed, Lloyd Blair received a telephone call from a cafe asking him if a check by Diyer was good. Blair told the waitress to hold the man there until he arrived. He went to the restaurant after calling the sheriff's office and detained Diyer and his wife until a deputy arrived to make the arrest.

Diyer pleaded guilty to a charge of issuing a check without sufficient funds and his wife also pleaded guilty to a charge of vagrancy.

Director Dies

Services were held recently for E. F. Wiley, 77 years, who passed away at his home in Wauneta. Mr. Wiley, a director of the Wauneta Falls Bank, was a pioneer, coming to Wauneta in 1885. He retired from the real estate and insurance business at the age of 70 years.

Resigns

Walter Good, assistant cashier at the First National Bank, Chadron, for the past several years, completed his service there recently.

Mr. Good came to the bank 10 years ago last April. During this time he has rendered faithful and efficient service.

On Bank Board

Ray Moon of Fairbury, well known in Beatrice, has been made a director of the First National Bank at Fairbury. He is a son of Mrs. Mabel Moon of that city and the late Frank R. Moon, postmaster there who died early this spring.

Charter No. 209

First National Bank

of Omaha

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E. G. SOLOMON.....Assistant Trust Officer	

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Omaha Clearings

Jacob J. Grest, 49-year-old vice president of the Federal Farm Mortgage corporation in charge of the Omaha branch, was injured fatally recently in an elevator accident at the Farm Credit building in Omaha.

He was crushed between the sill of the elevator cage and the floor sill and wall at the second floor level.

Mrs. Grest and their daughter, Peggy, were at Lake Okoboji, Iowa, when the accident occurred. A son, Richard, was in Chicago.

Mr. Grest was born at Little Falls, Minn., and was a banker at Valley City, N. D., until 1921. From 1921 to 1927, he was associated with the War Finance corporation, a federal agency, at its Minneapolis office. He then was connected with the Chicago Joint Stock Land Bank until coming to Omaha in 1936.

Robert Changstrom, 14, son of Mr. and Mrs. John A. Changstrom, suffered a fractured wrist and other injuries when he fell from the roof of a building at Battle Lake, Minn., while launching a model airplane.

His father, vice president of the Omaha National Bank, said the youth spent two days in a hospital there after the accident.

W. B. Millard, jr., vice president of the Omaha National Bank, was called to Butte, Montana, by the serious illness of his brother, Joseph Millard, following an appendectomy.

Mr. and Mrs. Walter Roberts returned to Omaha recently after a stay at Lake Milona, near Alexandria,

Minn., with **Mr. and Mrs. T. L. Davis**, who have been summering there. Mr. Davis is president of the First National Bank of Omaha.

Also visiting the Davises were Mr. and Mrs. W. H. Wheeler of Omaha.

The Davises expected to return to Omaha after Labor Day. Returning at the same time were **Mr. and Mrs. Wallace E. Spear** and **Mr. and Mrs. Lawrence Brinker**.

Miss Jessie Clark, daughter of **Mr. and Mrs. W. Dale Clark**, entertained

at a buffet supper at the Clark home for eight couples preceding dancing at the Omaha Country Club. The party honored John Schirding of Petersburg, Illinois, a guest of the Clarks. Mr. Clark is president of the Omaha National Bank.

The Omaha club's building at Twentieth and Douglas streets in Omaha was sold recently to the club for \$30,000 by the **Omaha National Bank** as trustee for the estate of C. N. and Nettie Dietz of Omaha.

Accused of national bank act violation, an Iowa woman, 22 years old, was brought to Omaha recently and taken to the county jail. She and her husband were accused of soliciting fake magazine subscriptions among rural teachers. The woman was accused of cashing checks, obtained from such subscriptions, at national banks at Hartington and Belden, Nebraska. Her husband was being sought.

Fred W. Thomas, vice president of the First National Bank of Omaha, was appointed to the Omaha public library board recently by Mayor Butler, to succeed **W. B. Millard, Jr.**, who is vice president of the Omaha National Bank.



FEEDER LOANS

For more than thirty years Correspondent Banks have found our co-operation, in the handling of their excess Feeder Loans, very satisfactory.

Write us

Live Stock National Bank Omaha

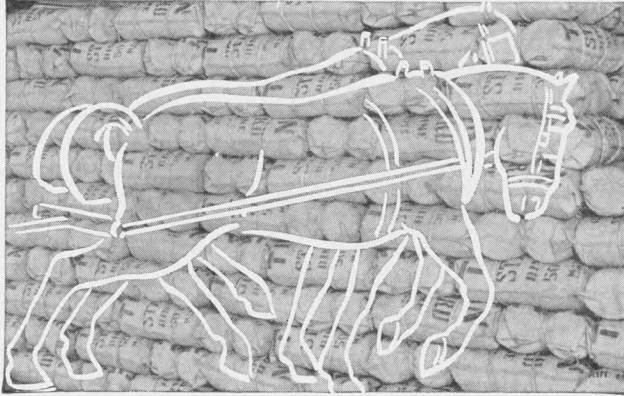
Send us your surplus WHEAT LOANS

(Member Federal Deposit Insurance Corporation)

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

Harness the Loan Power in Inventory

Don't make the mistake of thinking that all business executives, big enough to be worthwhile loan prospects, know all about inventory financing and Douglas-Guardian service. Our field men report that hundreds of them don't, and that desirable loan opportunities exist almost everywhere.



through

Field Warehousing *by* Douglas-Guardian

Call in your Douglas-Guardian man. No obligation. He'll be glad to answer any questions and suggest how to locate new and desirable loans. Our booklet FREE on request.

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Nation-wide Field Warehousing Service

Suite 1104A, 100 W. Monroe St., Chicago, Ill.
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New York, N. Y.
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Memphis, Tenn.
Los Angeles, Cal.
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San Francisco, Cal.
Atlanta, Ga.
Cleveland, Ohio
Portland, Ore.

Springfield, Mo. Portland, Ore.



Booklet FREE
Write for it.

Mr. Thomas smiled when he was asked if he had read John Steinbeck's "Grapes of Wrath", two copies of which are owned (but not circulated) by the Omaha library.

Mayor Butler expressed regret that Mr. Millard found it impossible to continue on the library board, and thanked him for "the fine work he has done."

Mr. and Mrs. Ray R. Ridge left recently for a vacation at Devil's Gap lodge on the Canadian border in the Lake of the Woods country. Before returning to Omaha, they expected to go to Northern Pine lodge near Park Rapids, Minn., where they have spent three seasons. Mr. Ridge is vice president of the Omaha National Bank.

Invitations were received in Omaha for the marriage of Miss Shirley Gertrude Ford, daughter of Mr. and Mrs. S. Ford of Minneapolis, formerly of Omaha, to Robert Faegre of Minneapolis, at St. Mark's Episcopal church in Minneapolis. A reception followed at the Minikahda club.

Mr. Ford was an officer of the United States National Bank of Omaha before going to Minneapolis. His daughter attended Brownell Hall in Omaha.

Alvin E. Johnson, president of the Live Stock National Bank of South Omaha, was host recently at the bank's annual picnic at the Twenty club on the Platte river south of Omaha. A chicken dinner was served to employees and their families. Games and dancing followed.

Mrs. W. Dale Clark and daughter, Miss Jessie, returned recently from California, where they spent three weeks. They were in Los Angeles most of the time and visited the San Francisco fair.

The First National Bank of Omaha has doubled the size of its personal loan department. John F. Davis, vice president, and son of President T. L. Davis, said all new fixtures and the latest type of indirect lights have been installed.

SELL YOUR BANK

The "Walters" Way
Without Publicity

Qualified, carefully investigated bank
employees furnished free

THE CHARLES E. WALTERS CO.
Omaha, Nebraska

REST · PLAY · RESTORE HEALTH

LET'S **PEP UP**
WITH THE WORLD FAMOUS
MINERAL WATERS OF

**EXCELSIOR
SPRINGS**
MISSOURI



Curative mineral waters . . .
Opportunities for all sports
and recreations . . . Air
conditioned sleeping rooms
. . . Write for information
or reservations.

THE **ELMS** HOTEL



Lincoln Locals

THE job of salvaging what was left following the eruption of Nebraska's banking system back in the early thirties came to a virtual conclusion August 22 when the administrative receivership division of the state banking department put the assets of Bank of Staplehurst on sale.

The Staplehurst bank is the last of ninety-four the administrative receivership, under the direction of Ben N. Saunders, state superintendent of banking, has liquidated since June, 1933.

During that period, the depositors of those institutions have received a total of \$7,666,617, or an average of 70 per cent of their deposits. Fourteen of the banks paid their depositors in full, dollar for dollar. The cost of administering the receiverships

during the five-year period has averaged 7.05 per cent.

In the opinion of Superintendent Saunders, the bitter banking lesson handed to Nebraska during the past decade has one shining virtue: it won't happen again.

"We won't have bank failures like those again," he said, "for several reasons. In the first place, the experience bankers received during the days of depression and drouth have made them far more cautious and conservative.

"In the second place, Nebraska bankers are cooperating fully with the department of banking and the department is carefully supervising the banks.

"The creation of the FDIC has done much to strengthen banks and that agency is cooperating to make banks stronger.

"With everything considered," he added, "I think Nebraska banks are stronger today than they've ever been despite the drouth and the general agricultural outlook."

That Nebraska banks are stable is indicated further by the fact there hasn't been a failure since the Security State Bank of Lawrence closed its doors October 3, 1939. Covered by the FDIC, the depositors were paid in full, and the banking department as administrative receiver had paid all claims, including the FDIC, by last July 3rd.

"The life of a receivership," Saunders commented, "should run between two and five years. If it runs longer than that, I would say it's no longer in the interest of the depositors."

Nebraska has two divisions acting as receivers. One is the administrative division under Saunders, the other is the judicial under E. H. Luikart, judicial receiver.

The United States National Bank of Omaha and the Charles B. Keller estate appealed recently to the Nebraska supreme court from a Douglas county district court judgment of \$584 in their \$2,500 suit against the Loup River Public Power district for damages to land caused by transmission line construction.

Robert B. Vance, manager of the Omaha National Bank building, thought he had a right to "beef" recently when he got a letter from a dog raiser in Connecticut about what to feed his English setter, Maxine, which Vance obtained from the Connecticut man.

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



"Experienced"

Experience is the keystone of Continental National service. Our officers have had years of correspondent experience and this bank has served Nebraska for 31 years.

The
CONTINENTAL NATIONAL
BANK
of
LINCOLN



Member Federal Deposit Insurance Corporation

NEBRASKA NEWS

The easterner wrote: "If fresh and frozen meats are not available in Omaha, feed her . . ." etc., etc.

Omaha, in case you and the easterner have not heard, ranks as one of the biggest meat packing centers in the nation and claims to have passed Kansas City as the nation's second largest livestock market.

Annual Meeting

The directors of the Plattsmouth State Bank met recently for the purpose of electing officers, this bringing

into the membership of the executive staff of the bank, E. W. Burdic, who has closed out his banking interests in St. Edward, Nebraska.

The officers selected were:

President, H. A. Schneider; vice presidents, Carl J. Schneider and E. W. Burdic; cashier, Frank A. Cloidt.

Directors—H. A. Schneider, C. J. Schneider, E. W. Burdic, Frank A. Cloidt and Henry Horn.

Mr. Burdic, who is now a member of the executive officers of the local bank, has closed five very successful years in the Bank of St. Edward, one

of the most successful banks in that part of Nebraska.

At Ashland

C. N. Turner is now located at Ashland. Mr. Turner, who was formerly engaged in banking business at Marquette, Nebraska, later going to Seward, has been named as cashier of the Citizens National Bank of Ashland.

Stock Dividend

The board of directors of The First National Bank of Chicago, at a recent meeting, declared a special dividend of one share of The Middle West Corporation stock in kind, on each share of First National Bank stock. The dividend is payable September 3, 1940, to stockholders of record at the close of business on August 23, 1940.

Edward E. Brown, the president of the bank, following the meeting, stated that the 300,000 shares so declared as a dividend are part of a total holding of 506,978 shares of Middle West stock now owned by the bank, almost all of which was acquired in settlement of claims against the old Middle West Utilities Company at the time of its reorganization, and the balance in satisfaction of other debts due the bank. Mr. Brown said that under the Public Utility Holding Company Act of 1935 the holder of more than ten per cent of the stock of an utility company is defined as a holding company subject to the jurisdiction of the Securities Exchange Commission. Although the commission by regulation has heretofore granted exemptions from the holding company provisions in the case of banks which, like The First National Bank, had acquired their stock in settlement of debts, the directors of the bank thought it desirable that its holdings of Middle West stock be reduced. In view of the condition of the security markets, which makes it impossible at this time, in the opinion of the bank, to sell such a large block of stock at its intrinsic value, the directors decided to declare this special dividend.

Mr. Brown stated that the bank's surplus and undivided profits would not be affected by this dividend inasmuch as an amount, equivalent to the cost of the 300,000 shares has been transferred from reserves to undivided profits.

Slow

Night Watchman: "Young man, are you going to kiss that girl?"

Young Man: "No."

N.W.: "Here then, hold this lantern."



"The Bank at the Yards"

OFFICERS

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

DIRECTORS

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

CONVENTION TIME

Down through the years, the Live Stock National Bank of Sioux City has worked hand in hand with fellow members of the Iowa Bankers Association. We enjoy Association activities and county, group and state meetings.

Our officers look forward to our 1940 State Convention this month for the renewal of old friendships and to participate in Association work.



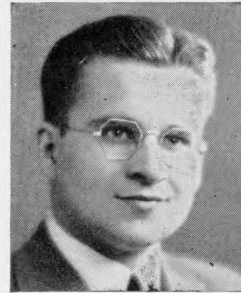
Sioux City, Iowa

Member Federal Deposit Insurance Corporation



F. F. PHILLIPPI
President
Milbank

SOUTH DAKOTA NEWS



GEORGE M. STARRING
Secretary-Treasurer
Huron

Clearing House Meets

The Lake Region Clearing House Association met in the First National Bank building in Britton to talk over problems which come before the various members. Sixteen were present from Pierpont, Langford, Webster, Roslyn, Forman, Claremont, Veblen, Eden and Aberdeen. Claremont and Hecla, not members previously, were taken into the organization.

Among the various topics up for discussion was that of handling government grain loans and it was decided that the member banks would take them at 1½ per cent, plus a fee of \$1.00.

The following officers were elected: President, O. R. Skola, Eden; vice president, J. J. Warkentin, Britton; secretary-treasurer, Roger Williams, Langford.

Final Dividend

Notices have been mailed to depositors of the Volin State Bank that the final dividend checks are ready for distribution upon presentation of the claim certificates issued when the bank closed.

The final dividend represents 3.9 per cent of the \$185,000 on deposit when the bank closed in September, 1931. The amount of dividends to be distributed to depositors is approximately \$5,600. Previous to this final dividend, other dividends totaling 20 per cent, were declared.

Heads Bank Group

E. A. Eystad, of the Security State Bank, Wakonda, was named president of the Bankers Association of the southeastern district in a meeting of directors in Vermillion. Plans were made to hold a meeting of the association in the Centerville park last month.

Organizing Classes

Orville Bonacker, of the First National Bank and Trust Company, Sioux Falls, South Dakota, and presi-

dent of the Sioux Falls Chapter of the American Institute of Banking, along with other chapter officers and committee chairmen, are busy organizing classes for the coming year and announce that Economics II and Trust Business, Trusts I, will be the two courses offered students enrolling for the season 1940-41.

Instructors for last year's classes will again conduct work in their respective fields: Clarence R. Beck, of Washington high school, instructing the economics class and P. H. McDowell, vice president and trust officer of the Northwest Security National Bank of Sioux Falls, tutoring the trust business group.

It has been the custom of the local chapter to hold its commencement exercises in early September each year and plans are under way for this year's commencement at which time diplomas will be presented to students who have successfully completed the required number of courses.

The meeting rooms of the local chapter are in the Northwest Security National Bank building and the classes will again be conducted on Wednesday and Thursday evening of each week for twenty-eight weeks.

Miss Christina Mueller represented the Sioux Falls chapter as its official delegate at the national convention held at Boston last June. The national organization has selected San Francisco for its meeting place for its next year's convention.

Bank Closed

The Badger State Bank was closed recently by the state banking department. The late Andrew Nelsen was president; Peter Pedersen, vice president; Louie Horstad, cashier; and Mrs. Frank Carpenter, assistant cashier.

Sixtieth Anniversary

Mr. and Mrs. W. D. Morris, Sr., continuous residents of Watertown since they moved there in 1885, quietly observed their sixtieth wedding anniversary recently.

When they first resided in Watertown it was but a small city of about 3,000 population. Mr. Morris, 84, and Mrs. Morris, 86, have maintained a keen and alert outlook on life as they participated in the city's steady growth to a thriving community.

Mr. Morris, who has been a long-time member of the Elks Lodge, organized the Citizen's National Bank in Watertown in 1885. The first president of the organization was A. D. Leet, an uncle of Mr. Morris. In the late nineties Mr. Leet died and was replaced as president by Mr. Morris.

Mr. Morris retained the position as head of the institution until about 1929 when his son, Lorenzo T. Morris, took over the presidency. Shortly after the consolidation of the Citizens National and the First National banks, Mr. Morris replaced H. D. Walrath, who died soon after taking office, as chairman of the board of directors.

Kimball Meeting

The regular August meeting of the directors of the Bank of Kimball was held at Kimball. The directors in attendance at the meeting were M. Plin Beebe and Lloyd Cronholm of Ipswich, L. M. Larsen of Wessington Springs, Mrs. J. H. Drips of Gann Valley, and R. A. Johnson of Kimball.

Ernest Beebe of Florida, who is visiting his parents, Mr. and Mrs. M. Plin Beebe at Ipswich, also attended the meeting.

Making Progress

The Farmers and Merchants Bank of Watertown last month celebrated their fifth year as a Watertown banking house.

From deposits of \$242,918.42 on December 31, 1935, five months after opening their institution, has grown until the deposits on June 30, 1940, totaled \$981,930.30, or nearly a million dollars.

Officers, John H. Hanten, chairman; L. H. Loken, vice president; Stewart B. Crothers, cashier; and C. O. Rogge-man, assistant cashier, are Watertown men and H. Kopperud, president, makes his home at Lake Preston where he operates another bank.

Moved to Armour

D. H. Ewing, who is employed by the National Federal Land Bank and has been stationed at Geddes, moved to Armour recently to make his headquarters.

Deadwood in 1941

The executive council of the South Dakota Bankers Association has set June 26th and 27th as dates for the

Northwestern Banker September 1940

Character and reputation, tradition and precedent, strength and experience, — these are intangible but forceful reasons for the maintenance of bank relationships.

Yet even these will lose their appeal to hard business judgment unless supported by a record of efficient service consistently maintained.

We have been providing complete facilities for every correspondent bank need for more than 136 years.

... THE ...

PHILADELPHIA NATIONAL BANK

ORGANIZED 1803

PHILADELPHIA, PA.

Capital, Surplus and Undivided Profits
\$43,000,000

Member of Federal Deposit Insurance Corporation

1941 convention, it was announced by Geo. M. Starring, the association secretary. The 1941 convention will be held at Deadwood.

Sioux Falls Clearings

Bank clearings for July, 1940, showed a gain of \$385,123.73 over the previous year, it was revealed at the Sioux Falls clearing house in the Northwest Security National Bank. The bank clearings for the month just concluded were \$6,467,581.17 as against \$6,082,457.44 for the similar month of the previous year.

MINNESOTA NEWS

New Cashier

Carl O. Iekel has assumed his duties as cashier of the First State Bank of Swanville.

Mr. Iekel, who replaces the later Walter A. Lindquist as cashier, was transferred from the Perham State Bank at Perham, Minnesota. Previous to his connection with the Perham bank he was engaged in the life insurance business in St. Paul.

Large Attendance

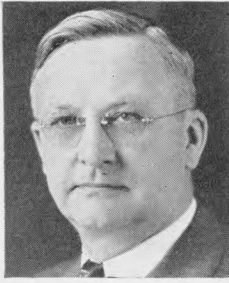
With an unexpectedly large attendance of 85 bank officials and their wives representing 15 northern Minnesota banks, the North Central Minnesota Regional Clearing House Association's annual meeting was held at Ruttger's Birchmont Beach Hotel in Bemidji.

In charge of the meeting which featured election of offices for the coming years was Retiring President C. J. Elsenpeter of Walker. Association officials elected for the coming year were president, R. W. Smith of Park Rapids, vice president and cashier of the State Bank of Park Rapids; vice president, W. J. Browne of Wadena, president of the Wadena County State Bank; secretary-treasurer, R. H. Wells of Bemidji, cashier of the First National Bank of Bemidji.

Becomes Director

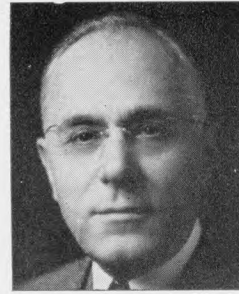
Albert Heidelberg of Dumont was unanimously elected as a director of the First State Bank of Wheaton at a special meeting of the board of directors.

Heidelberg fills the vacancy created by the death of John Zimbrick, who has been connected with the bank many years.



K. O. SATTRE
President
Blue Earth

MINNESOTA NEWS



WILLIAM DUNCAN, Jr.
Secretary
Minneapolis

BRIEF MINNESOTA NEWS By J. S. Hoaglund

Russell Lake, of Devils Lake, North Dakota, has joined the staff of the State Bank of Lake Park, Minnesota.

The First National Bank of Breckenridge is the proud possessor of a new lighted electric clock, displayed on the front of the bank building.

The Farmers and Merchants Bank of New York Mills has recently undergone a complete remodeling in the interior of the institution. Floors are of tiletex, new low-type counters have been installed, and the directors' room has been redecorated in colors.

E. H. Buerkle, cashier of the Farmers and Merchants, also advises that his bank helped to sponsor a modern sales pavilion in New York Mills. The structure has a seating capacity of 500, and is heated for winter use. Cost was about \$2,000.

Miss Meryle Barney, bookkeeper at the State Bank of Anoka, was married recently to **Leland Sorterberg**. The couple is residing in Anoka after a brief honeymoon. **Paul C. Heard**, cashier of the State Bank, has returned from a vacation trip down East, where he attended the New York fair, and spent some time touring the New England states.

The State Bank of Long Lake last month celebrated its 35th anniversary. The occasion was commemorated by the bank in a gift to its customers and friends. **K. W. Bolhum**, cashier of the bank, has been with the institution for the past 26 years.

J. H. Grinnell, cashier of the State Bank of Loretto, took his vacation in his own state this year, doing some long-delayed fishing. He reports he was lucky and the fish were biting.

The **First National Bank** of International Falls is another institution

which has recently completed remodeling and rearrangement of its interior. The floor plan was changed in that executive desks are now at the rear of the banking room. New low counters were installed.

A number of changes in officers are reported at the First National Bank of Deerwood. **F. W. Schwanke**, president, and **A. Newstrom**, cashier, remain the same. **G. A. Oldberg** is a new vice president of the bank, and **E. N. Skone**, also a vice president, has been made a director and is active in the bank. Mr. Schwanke is devoting a large part of his time toward his reelection as representative at large.

Elected Cashier

G. P. Bauman of Hoskins, Nebraska, was elected cashier of the Ellsworth State Bank, Ellsworth, and assumed his duties August 15. He takes the place of **H. G. Rostomily**, who has other plans. Mr. Bauman was cashier of this bank several years ago, but returned to Nebraska in the spring of 1939 to take care of the interests of his father-in-law, who was very ill and who now has fully recovered. Mr. Bauman is married and has one son, **Keith Gary**, 5 years old.

Final Dividend

The sixth and final dividend has been paid to depositors and creditors of the old State Bank of Franklin. A total of 41.26 per cent was paid to the depositors.

Meet at Rushford

The annual meeting of the South-eastern Minnesota Clearing House Association was held at the Ferndale Country Club, Rushford, and was attended by about seventy bankers, their wives and friends, from this section of the state. Banks in Fillmore, Houston and Winona counties are members of this association, which in turn is a unit of the state association.

Preceding the business session, visiting men played golf on the beautiful

Ferndale course, while the ladies enjoyed bridge. Following the business meeting, a three-course dinner was served to 68 people.

At the business session, officers were elected to act for the coming year. As a result of this election, **John Ambrosen**, cashier of the Winona National & Savings Bank, was named as the new president, succeeding **R. E. Sprague** of Caledonia. **John Frisvold** of Rushford, cashier of the Rushford State Bank, was elected vice president, to succeed Mr. Ambrosen, and **L. H. Briggs** of Houston, was named secretary-treasurer to succeed Mr. Frisvold.

Directors for the ensuing year are **Elvin Humble** of Rushford, representing Fillmore county; **E. A. Highum** of Lewiston, representing Winona county, and **O. E. Burtness** of Caledonia, representing Houston county.

The next quarterly meeting of the association will be held at Spring Valley in November.

Domeier Resigns

H. C. Domeier has severed his connections as president of the First National Bank, New Ulm, according to officials of the bank. At a directors meeting, **L. H. Ickler** of the American National Bank of St. Paul was elected president, to fill Mr. Domeier's position. Although Mr. Domeier has been president about a year, he has been employed at the bank for nearly thirty years, and during much of that time was the cashier.

Clearing House Meets

Last month about 150 bankers, their wives, employes and directors gathered at Duke's Place on Long Lake, Watonwan county, for the annual meeting of the Corn Belt Clearing-house Association, comprising counties of Martin, Jackson, Cottonwood and Watonwan.

A banquet at 6:30 followed by dancing, card playing and a general social get-together featured the entertainment.

At the business session the following officers and directors were elected for the ensuing year:

President, **Arthur J. Peterson**, Triumph State Bank, Triumph; vice president; **M. T. Laingen**, Odin State Bank, Odin; secretary-treasurer, **E. C. Joslyn**, Farmers State Bank, Ormsby.

Directors—Martin county, **W. H. Norman**, Fairmont National Bank, Fairmont; Jackson county, **W. T. Payne**, Farmers State Bank, Lakefield; Cottonwood county, **T. V. Peterson**, Citizens State Bank, Westbrook; Watonwan county, **J. Brogger**, State Bank of Butterfield.

Northwestern Banker September 1940

New Bank

The articles of incorporation for the State Bank of Hendricks were published recently.

The bank will be capitalized at \$25,000, with surplus of \$5,000 and undivided profits of \$2,500, for a total of \$32,500.

The board of directors will be J. W. Siverson, J. M. Reinen, Carl N. Trooien, K. E. Holian and Martin P. Digre.

Pioneer Dies

Funeral services for J. H. Erickson, 74, Big Stone county pioneer merchant

and banker who purchased and platted the town site of Clinton in 1886, were held recently.

For many years Erickson was vice president of the Clinton First National Bank, resigning in 1926. During his long residence in Clinton, he had held many public offices.

At Green Lake

The Tri-County Bankers Association, comprising bankers of Kandiyohi, Renville and Meeker counties, held their annual summer meeting at Green Lake, followed by a banquet. Seventy-

five bankers and their wives were in attendance.

Officers elected at the meeting are A. E. Piffner of Litchfield, president; W. E. Berglund of Pennock, vice president; A. G. Siewert of Sacred Heart, secretary and treasurer.

At the banquet, which was presided over by T. G. O'Connor of Renville, Don Hutson of the Minneapolis Federal Reserve Bank spoke, as did F. A. Amundson of St. Paul, commissioner of banks of Minnesota, and William Duncan of Minneapolis, secretary of the Minnesota Bankers Association.

Remodeled

Remodeling operations carried on presents an attractive interior to the customers at the Alexandria State Bank.

All of the partitions and iron grill work which separated the vaults and office section of the bank from the lobby section were torn out and replaced with short white oak wood panels. Instead of bank employes being able to service patrons through metal grilled windows, the new arrangement provides open sections which add to the convenience and efficiency of business operations.

Besides replacing the counters in the bank, new linoleum will be installed throughout the bank offices. Also included in the remodeling plans will be the addition of new lighting fixtures throughout the bank.

At Blooming Prairie

The regular annual three-county bankers meeting was held in Blooming Prairie recently. The afternoon program was held at the Country Club, and members had dinner at the Community Club Building.

Paul Evans presided. New officers elected were: W. P. Jones, Meriden, president; Charles Spaulding, Waseca, vice president, and J. E. Hegstrom, St. James, secretary-treasurer.

Improvements

Improvements to the interior of the First National Bank, Baudette, have been made. The vestibule has been torn out so that more room for counters and windows could be obtained, and there are now five window desks for the use of the public. The office at the front has been moved to the rear, and rearrangement gives much more space for the business of the bank, and makes it more convenient for the public.

Your customer wants his money quickly

And We Can Help You Get it for Him



One of the ways in which the First of Minneapolis can help you help your customers is through its collection service. Maintaining deposit connections with banks in 40 cities located on major air lines throughout the country, we use air mail with more than average frequency and faster than average returns. On items collectible either here in the city or anywhere else, our aim is to *make the money available to the customer in the shortest possible time.* Your customers will like the collection service you can give them through the First of Minneapolis.

FIRST NATIONAL BANK and TRUST COMPANY OF MINNEAPOLIS

Member Federal Deposit Insurance Corporation

Department of Banks and Bankers

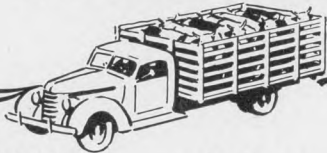
M. O. Grangaard • C. B. Brombach • W. A. Volkmann • J. J. Maloney
Vice President Assistant Vice President Assistant Cashier Assistant Cashier
Bank Advisory Division, K. T. Martin • J. M. Downes

Affiliated with FIRST BANK STOCK CORPORATION

Northwestern Banker September 1940



MEASURED PROFIT in FEEDING



IMPROVED feeding methods are making it possible to measure more accurately the prospective profits for Northwest cattle feeders.

Constant experiments by agricultural colleges of the Northwest states and experienced feeders in the search for better feeds, superior feeding conditions and improved

stock help the cattle feeder better his practices and increase his profits.

The "Northwestern" is anxious and willing to cooperate with correspondent banks in rendering a complete service for cattle feeder loans. We are as near as your telephone, telegraph or typewriter.



NORTHWESTERN BANK BUILDING—30,000 people enter and leave the Northwestern Bank Building every working day. Many moderate sized Minnesota towns contain fewer people and less improved real estate than is represented by this one "Community."

USE "NORTHWESTERN" SERVICES

Department of Banks and Bankers

Wm. N. Johnson
Vice President

F. W. Conrad
Asst. Vice Pres.

D. E. Crouley
Asst. Cashier

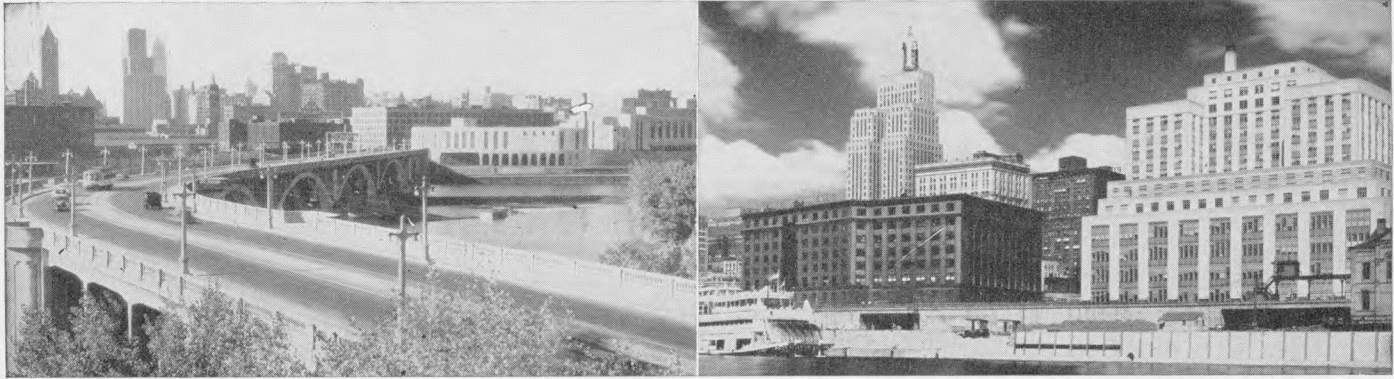
L. P. Gisvold
Assistant Cashier

NORTHWESTERN NATIONAL BANK AND TRUST COMPANY

MARQUETTE AVENUE: 6TH TO 7TH STREET • MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker September 1940

TWIN CITY NEWS



PROMOTIONS involving four men were announced by First National Bank & Trust Company and its affiliate, Hennepin State Bank, following meetings of the directors of the two institutions.

Elmer Lindborg, chief clerk at First's St. Anthony Falls office since 1931, was named assistant manager there. His association there dates back to 1917. **William E. Neudeck** and **Edwin R. Wistrand** were re-elected manager and assistant manager, respectively.

Walter H. Fafro, cashier at Hennepin State Bank since November, 1939, was made assistant manager of First National's West Broadway office, with **C. G. Haberland** re-elected manager and **F. R. Sleavin** assistant manager. Mr. Fafro was assistant manager at the North Side office of First National prior to going to Hennepin State.

By James M. Sutherland

Special Correspondent

To succeed Mr. Fafro, directors of Hennepin State advanced **R. V. Hagen** from assistant cashier to cashier and made **Donald W. McGregor** assistant cashier. Hagen has been associated with the bank since 1929, while McGregor has served in various banks of the First National group for a similar period.

Four members of the **Minneapolis Chapter**, American Institute of Banking, have been assigned to national committee of the A.I.B. They are: **Genevieve M. Nevin**, Northwest Bancorporation, to the national department conference committee; **Mildred**

V. Olson, First National Bank & Trust Company, women's committee; **Evelyn G. Swanson**, Marquette National Bank, publicity committee, and **F. Mariner Clark**, Federal Reserve Bank, debate committee.

Formerly a South Dakota corporation, Bank Shares Corporation has incorporated under Minnesota laws and changed its name to **Bank Shares, Inc.**

The company operates Marquette National, Chicago Lake and University State Banks, all in Minneapolis. Officers and operation continue as before, according to **Ralph W. Manuel**, president of Bank Shares and of Marquette National.

It was "just another day" for **C. T. Jaffray** recently when he passed his seventy-fifth birthday. So the president of First Bank Stock Corporation, chairman of the Soo Line and former president of First National Bank & Trust Company, spent the day at his desk—working.

Two new directors have been elected by Fidelity State Bank, Minneapolis, according to **V. E. Mikkelson**, president. They are **George Hart**, merchant, and **Herbert C. J. Olson**, associated with the bank for 20 years and its present cashier.

The Minnesota Bankers Association will hold its fifty-second annual convention June 11 to 13, 1941, in St. Paul, according to **William Duncan, Jr.**, secretary.

Five members of the Minneapolis sales organization of Investors Syndicate, Inc., have been promoted.

J. R. Ridgway, Jr., agency manager, now is assistant to **King Merritt**, vice president and general sales manager. Mr. Ridgway also is an assistant vice president and director of the firm.

Bankers Deserve the Best

and when it comes to Accident and Health Insurance they are entitled to the lowest of cost.

You can get both in the policies of the "Minnesota" which has served bank officers and clerks for thirty-five years of successful operation.

\$2.00 pays for either Health or Accident Insurance in full to the middle of next March. Don't be without protection. Send for application and literature to

PAUL CLEMENT, Secretary

MINNESOTA COMMERCIAL MEN'S ASSOCIATION

2550 Pillsbury Ave.

Minneapolis, Minnesota

MINNESOTA NEWS

Paul J. Koughan, associate divisional manager with the late George C. Young, is now divisional manager for Minnesota, North Dakota, South Dakota and northern Michigan.

Mark G. Skinner has been made assistant divisional manager under Mr. Koughan, while **James S. Lane** and **Clifford L. Oman** have been named agency managers for the Twin Cities.

Twin City Bond Traders Club staged a most successful annual guest and field day at the Minneapolis Golf Club. **Joyce S. Finrud**, First National Bank & Trust Company, Minneapolis, was chairman of the committee in charge, assisted by **Arthur Rand** of Woodard-Elwood & Company, Minneapolis, and **William Howard**, J. M. Dain & Company, Minneapolis. **A. N. Plumley** of First National is club president.

William A. Durst, 69, chairman of the executive committee of Northwestern National Bank & Trust Company

and chairman of the governing committee of Northwest Bancorporation, died August 19 at Twin Falls, Idaho, while on a vacation trip.

One of the nation's outstanding bankers, he had exercised outstanding influence in shaping the financial policies of the bank for 30 years and of the bank holding company since its founding.

Born in Monroe, Wisconsin, he came to Minneapolis when 17 years old and secured a position as bookkeeper with the Minnesota Loan and Trust Company. Winning various promotions, he finally was made president in 1918. From then until its consolidation with Northwestern National Bank in 1934 he retained the presidency.

With the merger, he became chairman of the executive committee.

Mr. Durst was active in numerous civic matters. During the World war he was a member of the capital issue committee for the Ninth Federal Reserve district.

Directors of **First Bank Stock Corporation**, meeting in Minneapolis, have voted to pay a dividend of 30 cents a share October 1 to stockholders of record September 16. A dividend of 30 cents was paid April 1, 1940, and one of 25 cents was paid October 1, 1939.

S. H. Finger has been transferred from the credit department of First Service Corporation, Minneapolis, to the Merchants National Bank & Trust Company, Fargo.

FACING THE FORTIES

*Two Questions Thoughtful
Life Agents Are Asking:*

1. Will the 1940's offer me opportunities for a successful career in life insurance selling?
2. Will my compensation accurately reflect the value of my services to my policyholders and my company?

The decade of the 1940's will surely be a fateful one, imposing new and heavier responsibilities on business management, new tests of ability to surmount adversity.

Life insurance has weathered many depressions, wars, and epidemics. Always it has emerged safely; grown stronger and better able to serve. The soundness of its fundamental principles, the skill and integrity of its management are, of course, primarily responsible. But of importance, too, is the fact that our business, like a true Democracy, enjoys free exchange of ideas and open discussion of its problems within the ranks of the many fine organizations which serve the industry, each concerned with its own particular phase of the business. Organizations such as the National Association of Life Underwriters (which will hold its yearly convocation in Philadelphia this month) serve as great national forums in which new ideas are espoused and old ones subjected to the tests of continuous debate. And they afford a worth-while check on progressive ideas introduced by company managements.

Never has discussion in life insurance circles been franker and more realistic than it is today. Never have progressive ideas been more favorably received than by today's leaders in field and home office. The questions posed above will be answered with a vigorous affirmative by all fieldmen who know the life insurance tradition of facing problems courageously, and solving them wisely.

NwNL will do its part; it pledges steadfast adherence to its primary rule—"no compromise with security, for policyholder or for agent"—and continued emphasis on compensation methods that increase the agent's rate of compensation as he improves the quality of the service he renders—methods that meet the agent's pressing need and keep pace with the buyer's demands for more efficient life insurance service.

**NORTHWESTERN
National LIFE
INSURANCE
COMPANY**



O. J. Arnold, President
Minneapolis, Minnesota

Northwestern Banker September 1940

Eleventh Annual Gladiolus Show



Pictured above are part of the thousands of enthusiastic amateur and professional gladiolus growers who viewed the Eleventh Annual Show of the Minnesota Gladiolus Society, held August 19 and 20 in the main lobby of the First National Bank of Saint Paul. Adjudged Grand Champion of the show from among more than 10,000 individual blooming stalks was "Queen Mary", a magnificent lavender and cream bloom grown by E. J. Flynn of Winnipeg. The First National Bank trophy for the most outstanding exhibit was awarded to Arthur C. Koerner of Grey Cloud Island, Minnesota, for his striking display of miniature "glads".

NORTH DAKOTA NEWS

MARTIN AAS
President
New Rockford



C. C. WATTAM
Secretary
Fargo

The State Treasury

North Dakota's treasury showed a total cash balance on hand of \$8,148,991 on June 30, 1940, or \$532,870 more than the \$7,616,121 on hand a year ago, State Treasurer John Omland reported recently.

The cash balance in the general fund was \$878,438 as compared with \$342,849 a year ago, but part of this \$535,589 increase was due to the fact that sales tax receipts went into the general fund instead of a special fund because of an act of the 1939 legislature. They go back into a special fund now, however, following passage of an initial measure at the June 25th primary.

Part of the increase in the general fund, however, is due to the increased

tax collections, C. H. Lincoln, deputy state treasurer, declared. Total collections for the general fund during the past year totaled \$8,108,922 while payments out of this fund totaled \$7,573,332. Thus the difference, plus the balance on hand June 30, 1939, leaves the balance on hand June 30, 1940, of \$878,438.

Sales of certificates of indebtedness, proceeds of which went into the general fund, totaled \$433,000 during this period. These are issued against uncollected taxes. The previous year, however, \$1,525,000 of certificates of indebtedness had to be issued to keep enough cash on hand to meet the state's obligations.

Real property taxes which went into the general fund during the past

year totaled \$920,411 compared with \$767,248 collected during the previous year.

Other major items in the general fund collections were: beer commissioner \$555,948 compared with \$552,724 in the previous year; cigarette stamp tax revenue \$510,345 compared with \$498,813; income tax \$588,636 compared with \$419,146; and \$2,690,000 from the retail sales tax. The retail sales tax the previous year was not transferred to the general fund.

However, the report shows total sales tax collections for the year ending June 30, 1940, of \$3,098,851 compared with sales tax collections the previous year of \$2,750,572. Of the \$3,098,851 collections, \$2,690,000 were transferred to the general fund.

New Cashier

G. A. Ruana, formerly of Heil, is new cashier of the First State Bank of New Leipzig. He succeeds E. P. Danelenko, who resigned recently. Mr. Ruana has made his home in California for the past six years, but prior to that was cashier of the Farmers State Bank at Heil.

Mr. Danelenko has gone to Billings, Montana, where he has accepted a position with a credit company.

Killed in Accident

Injured fatally when the car in which he was traveling with a friend, collided with a train at Bellingham, Minnesota, Henry Leum, prominent citizen of the Mayville community, died in a hospital at Madison, Minnesota. Mr. Leum suffered from a skull fracture and died within two hours of the accident.

He was financially interested in the Goose River Bank, serving as its president for the past several years. He was a large landholder in this community. A member of the Mayville Lutheran church, he had held offices in that congregation for years.

Loan Payments

Word has been received by Harry Lord, secretary-treasurer of the Cando National Farm Loan Association, that the organization has been authorized to receive payments for all loans made through that association. Borrowers in the association are being notified to get in touch with Mr. Lord and transact such business as may arise in connection with their loans.

This servicing agreement will continue until such a time as other notice is given by either the Federal Land Bank or the local association.

THE TRAVEL TREND
is Toward

A location in the center of the downtown district, with shops and amusements nearby, attracts travelers to this fine hotel - where they invariably enjoy the comfortable accommodations, the fine food in the Coffee Shop, and the superior service. Garage service. All rates reasonable.

WITHOUT BATH \$1.50 UP
WITH BATH \$2.00 UP

4th STREET AT HENNEPIN

Stop at the
ANDREWS HOTEL

in **Minneapolis**

A. W. STADE
Manager



R. D. MOUNTAIN
President
Conrad

MONTANA NEWS

ETHEL W. WALKER
Secretary-Treasurer
Helena

Remodeling

Complete modernization of the Richland National Bank, Sidney, is now under way. Old-style cages will be cut down, the side door will be bricked up part way and converted into a window to conform to others, a new front will be built, including new entrance, directors' and adjoining rooms in the rear will be opened up into one large bookkeeping room. The basement is being improved for installation of a vault and the main floor vault is being enlarged and additional safe deposit boxes installed. The office of President Axel Nelson will be moved to the same space on the opposite side of the building to conform with the other changes.

Clearings Increase

Substantial increases in bank clearings in northwest cities and towns during the first seven months this year over the corresponding period in 1939 indicate general improvement in business conditions.

In Helena, July clearings were \$15,619,999, up from \$14,298,484 in July, 1939. That brought the seven-month total to \$95,972,657, a jump over the 1939 figure for that period of \$84,219,643.

Experienced

L. A. Christensen, newly elected president of the First State Bank of Shelby, was a Wyoming bank examiner for two years; vice president of the the State Bank of Wheatland, Wyoming, five years with the Farm Credit Administration, three of them as president of the Production Credit Corporation of Omaha.

Bankers Son Drowns

James W. Woodard, 19, son of James D. Woodard, president, Metals Bank & Trust Company, Butte, and a companion were drowned when a small sailboat capsized at the Woodard summer

home. Both attempted to swim to shore, then tried to return to the boat. The second man succeeded and later was rescued, but young Woodard sank in 100 feet of water, in view of several persons on the shore, powerless to help. An excellent swimmer and ardent sportsman, Mr. Woodard is survived by his parents, a sister and a brother.

F. A. A. Convention

Interpreting financial facilities to the public will absorb the attention of more than 500 members of the Financial Advertisers Association for a three-and-a-half day convention at Hot Springs, Virginia, October 28th, 29th and 30th, when that organization

meets for its twenty-fifth annual conference, according to Stephen H. Fifield, president. Mr. Fifield is vice president of the Barnett National Bank, Jacksonville, Florida.

In announcing the conclave, which marks a quarter century of the Association's activity, Mr. Fifield listed four qualities which he says characterizes all Financial Advertisers Association conventions. The annual conferences are short, never more than four days; the first hour of each day, beginning at 9:00 a. m., is devoted to a school session attended by all delegates and led by a national authority touching upon advertising, sales, or public relations; a comprehensive exhibit of current financial advertising prepared and displayed by members receives not only program attention, but is studied by the many financial advertising men and women who attend; "rout table" sessions on specific merchandising and public relations problems are scheduled each afternoon.

The 1940 convention committee appointments are completed, with Robert J. Izant, vice president, Central National Bank of Cleveland, serving as general chairman.

For Good Stationery

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DES MOINES, IOWA

EXPERIENCE
- QUALITY -
SERVICE

IOWA LITHOGRAPHING CO.
Edwin G. Ragsdale, Secy.—DES MOINES

SERVICE...

FRIENDLY

AND

FAIR!

Officers

H. G. NORTHEY, President
 R. W. WAITE, Vice President
 CARLETON SIAS, Vice President
 J. J. MILLER, Cashier
 F. R. LABARRE, Asst. Cashier
 V. SPALDING MILLER, Asst. Cashier
 OLIVER J. SCHUTTE, Asst. Cashier

IN ALL its many years of active service the Iowa Bankers Association has constantly sought to serve both the state of Iowa and its member banks on an equal basis. This is why it has grown and prospered and we extend kindest greetings to the Association as we prepare for our annual Convention this month in Des Moines.

In the same spirit of friendly fairness the Waterloo Savings Bank serves its many customers and correspondent banks. We believe every transaction should be constructive for both the bank that is served and for the bank that serves.

We cordially invite your Waterloo account. Thirty-eight years of correspondent bank experience is available at this institution.



WATERLOO SAVINGS BANK

Waterloo, Iowa

Member Federal Deposit Insurance Corporation

1940 Convention IOWA BANKERS ASSOCIATION

C. R. Gossett, President of the Iowa Bankers Association, Announces Program for Annual Meeting in Des Moines

SEPTEMBER 8, 9, 10, 11

The Program



C. R. GOSSETT

First Day
SUNDAY EVENING, SEPTEMBER 8, 1940
Third Annual Meeting
Iowa Association of Bank Auditors
and Comptrollers
PROGRAM

P. M.

4:00 to 6:00 Registration and visiting, Oak Room, Main Floor, Fort Des Moines Hotel.

6:00 "Dutch Treat" Supper (\$1.00 Per plate) Oak Room, Main Floor, Fort Des Moines Hotel.

7:00 Meeting called to order, B. P. Olsen, auditor, Muscatine Bank & Trust Company, Muscatine; president, Iowa Association of Bank Auditors and Comptrollers.

(a) Brief comments.

(b) Presentation of Members of Board of Governors of the Association:

1. R. L. Carson, vice president, Auditor, Iowa-Des Moines Nat'l Bank & Trust Company, Des Moines.
2. C. R. Colton, secretary-treasurer, auditor, Fidelity Savings Bank, Ottumwa.
3. E. H. Ketelsen, auditor, Davenport Bank & Trust Co., Davenport.
4. Ira L. Hays, cashier, City National Bank, Council Bluffs.

5. V. Spalding Miller, assistant cashier, Waterloo Savings Bank.

6. Arnold Boehm, cashier, City State Bank, Ogden.

(c) Appointment of Nominating Committee.

Introductions, H. C. Winder, auditor and assistant cashier, Central National Bank & Trust Company, Des Moines; past president, Iowa Association of Bank Auditors & Comptrollers.

SPEAKERS

Greetings from President I. B. A., C. R. Gossett, president, Iowa Bankers Association; president, Security National Bank, Sioux City.

"Bank Merchandising", G. W. McSweeney, sales manager, De Luxe Check Printers, Inc., Chicago.

"New Wage and Hour Regulations—the 'Constant Wage' or 'Time Of' and 'Prepayment' Plans", Phil R. Clarkson, official representative of the Wage & Hour Division of the U. S. Department of Labor, Des Moines.

"Auditing of a Personal Loan Department", A. G. Nelson, assistant cashier, Security National Bank, Sioux City.

Report of Secretary-treasurer, C. R. Colton, auditor, Fidelity Sav-

ings Bank, Ottumwa; secretary-treasurer, Iowa Association of Bank Auditors & Comptrollers. Report of nominating committee and election of officers and governors of the association, B. P. Olsen.

(a) Unfinished business.

(b) Introduction of new officers and governors.

Felicitations and adjournment, R. L. Carson, auditor, Iowa-Des Moines Nat'l Bank & Trust Company, Des Moines; vice president, Iowa Association of Bank Auditors & Comptrollers.

Second Day

9:30 a. m.

MONDAY, SEPTEMBER 9, 1940
Third Annual Meeting of the Iowa
"Junior Bankers"

South Ballroom, Mazzanine Floor
Hotel Fort Des Moines
PROGRAM

A. M.

9:30 Meeting called to order, Dale C. Smith, manager, Transit Department, Central National Bank & Trust Company, Des Moines; Associate Councilman or Head of the A. I. B. for Iowa to which he was appointed by the national officers of the A. I. B. Musical program, Jerry the Swedish Yodeling Cowboy, Zelda Scott, Glen Burkland.

(Turn to page 63, please)

Northwestern Banker September 1940

MOVING GOODS AND

One of Iowa's Greatest Industries



Upper Left—Speedy transport planes offer coast to coast east-west service, and soon will provide rapid north-south service for both mail and passengers. Upper Right—Trucks have rapidly become one of the biggest factors in the movement of freight within the state, and between states. Center Left—Privately owned cars are today the biggest single factor in personal transportation for the passenger stream—lines like the U.P. City of Los Angeles trek across the continent. <https://www.frbstl.org>

PEOPLE—

When hundreds of Iowa bankers travel to Des Moines for the state convention, they will patronize one of Iowa's largest industries—transportation—an industry which contributes largely to Iowa employment as well as government.

Thirteen steam and 9 electric railroads—operating almost 10,000 miles of line in Iowa—alone show earnings within the state of more than \$90,000,000, with expenses, also within the state, better than \$75,000,000. Iowa operations are estimated to employ 27,500 persons, earning about \$50,000,000 a year.

Trucks, exclusive of farm owned, total more than 50,000, providing employment for an estimated 60,000 persons, and wages approaching the \$100,000,000 mark. Delivery trucks, drivers and the like, of course, appear in other industry classifications, yet, they likewise belong to transportation.

Bus lines, with annual operating revenue in Iowa of more than \$2,000,000, employ approximately 400 people in the state.

Also directly connected with transportation are almost 4,000 car dealers and service garages and more than 6,000 gasoline stations employing approximately 20,000 in sales, service and mechanical work. It is estimated that Iowa will use 600,000,000 gallons of gasoline in 1940, better than four-fifths of it in highway transportation.

Air transport is a small employment factor in the industry, yet Iowa is well served by an east-west mainline air operation and soon is to have a major north-south line. The east-west route is the oldest air mail route in the country, this month celebrating its 20th Anniversary.

Transportation in Iowa, including rail, all forms of motor transport, highway maintenance, motor car and truck sales and service, and gasoline and oil distribution account for a total employment of well above 100,000 persons, with wages in the neighborhood of \$180,000,000.

As well as providing big employment, transportation also bears its part of state taxes. Iowa, in 1938, derived \$25,567,000 from auto registration fees and gas taxes, 20.2 percent of the total state income. Railways, terminal companies, and the like pay Iowa taxes approximating \$4,500,000.

Transportation is a foundation stone of Iowa and the nation. It has made possible distribution of this state's vast agricultural wealth, and importation of the vast amount of manufactured products Iowa needs. Only a progressive outlook could have developed such a vast industry to so ably serve so many people.

Just as progressive transportation has become one foundation stone of both state and nation, so has progressive banking service, such as that rendered by Bankers Trust Company, been a big factor in this development. Bankers Trust is proud to serve so many Iowa banks as Des Moines correspondent.



BANKERS TRUST

6th and Locust Streets
Des Moines, Iowa

COMPANY

Member Federal Deposit Insurance Corporation

Member Federal Reserve System

Convention

Committee

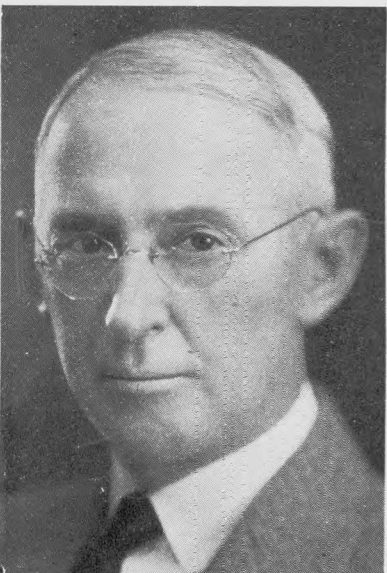
Chairman



FRED M. MORRISON
President
Valley Savings Bank
General Chairman



FRANK R. WARDEN
Vice President
Central National Bank
Chairman Publicity Committee



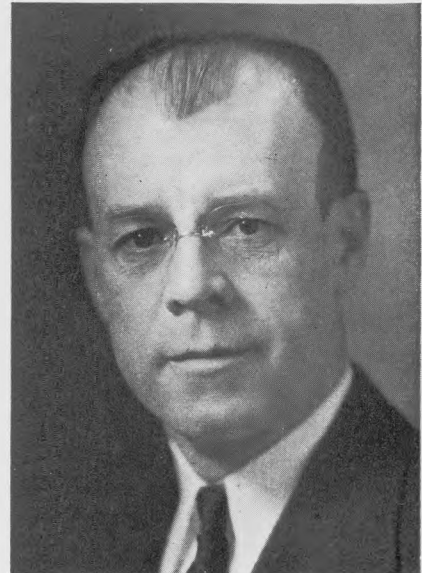
GEORGE W. RICHTER
Vice President
Capital City State Bank
Chairman Badge Committee



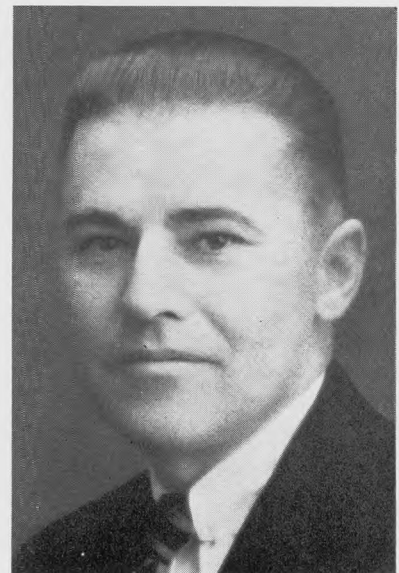
RICHARD R. ROLLINS
Vice President
Bankers Trust Company
Chairman Entertainment and Golf Committee



R. L. CHASE, JR.
Assistant Vice President
Iowa-Des Moines National Bank
Chairman Hotel Committee



J. ROY CAPPS
Cashier
Central National Bank
Chairman Automobile Committee



C. W. MESSMER
Vice President
Bankers Trust Company
Chairman Registration Committee

THE OFFICERS

V *of the*
VALLEY
SAVINGS
BANK

*invite you to make
 their offices your headquarters
 while in Des Moines for the*

IOWA BANKERS ASSN.
CONVENTION
SEPTEMBER 9-11

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*

MEMBER FEDERAL DEPOSIT INSURANCE CORP.

Northwestern Banker September 1940

★
KEEPING PACE
 with the needs of bankers has
 given this bank unusual faci-
 ties for the prompt and effi-
 cient handling of Northeastern
 Iowa transactions — these
 advantages make it the logical
 channel for your business.

★
ORDER YOUR ACCOUNT
 is invited. You can be sure
 that we will be most happy to
 serve you.

★
**for NORTHEASTERN
 IOWA BANKERS!**

↓

**THE NATIONAL BANK
 OF WATERLOO**

Member—Federal Deposit Insurance Corporation

—

Member—Federal Reserve System

PROGRAM IOWA CONVENTION

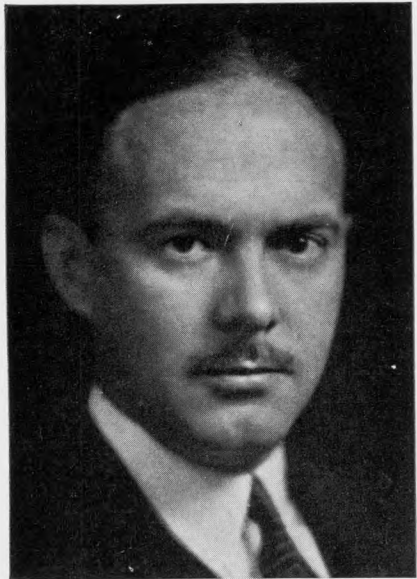
(Continued from page 57)

A Word of Welcome, C. R. Gossett, president, Security National Bank, Sioux City; president, Iowa Bankers Association. "Observations of a Personal Loan Teller," Mary Louise Moffitt, personal loan teller, Jasper County Savings Bank, Newton. "Preparedness," G. R. Alley, as-

sistant cashier, Ames Trust & Savings Bank, Ames. "Our Group Study Class," Doris Mayer, Fort Dodge National Bank, Fort Dodge. "Movies in the Banking Field," John Camp, teller, First National Bank, West Union. "What Is This Educational Section of the American Bankers Association?", David L. Colby, assistant vice president Boatmen's National Bank, St. Louis;

member, Executive Council, American Institute of Banking. "Stick-To-It-Iveness," C. H. Stephenson, vice president, Bankers Trust Company, Des Moines. Mr. Stephenson was one of the four national champion adding machine operators cited by the Burroughs Adding Machine Company in a national contest held under the auspices of that company February 21, (Turn to page 64, please)

They Will Be in Des Moines



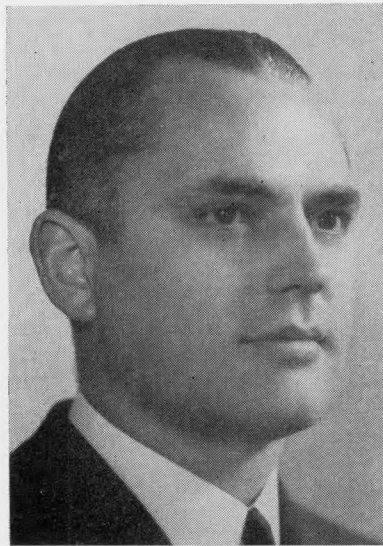
A. S. BAGNALL
Vice President
Live Stock National Bank, Chicago



FRED B. BRADY
Vice President
Commerce Trust Co., Kansas City



J. P. McDERMOTT
Vice President First National Bank
Omaha



H. M. TURNER
Assistant Vice President
Chemical Bank & Trust Co.
New York



O. PAUL DECKER
Vice President
American National Bank, Chicago



WILLIAM B. WHITMAN
Assistant Secretary
Manufacturers Trust Co., New York
Northwestern Banker September 1940

For *Your* Entertainment

Iowa Convention Visitors to Have Royal Good Time at Des Moines Meeting

FOLLOWING the penchant of our national leader for alphabetical analogies, the I. B. A. B. B. B. of 1940 (Iowa Bankers Association Big Bacchanalian Brevities), in other words, the Stag Show to be held under canvas at the Wakonda Country Club on Monday evening, September 9, certainly comprises a varied enough list of acts to please everyone. To name just a few who will be on hand to make your evening one to be remembered, we start with **Jack Herbert**, master of ceremonies from Chicago, who will present the other entertainers in his inimitable manner, and mystify you with some of his clever "out-of-pocket" magic.

The Gale Sisters—three very personable young ladies whose harmony singing will remind you of the days of the barber shop quartet, only these girls really harmonize and are good to look at (nothing personal).

Mardo and Kay—a vaudeville team packing a terrific wallop from a comedy chatter, dance, and musical standpoint. Also, be sure to watch for another party in their act, not mentioned in their billing.

Bill Talent—who is known as the "Master of Difficulties", in some feats of juggling that will beat any you have ever seen done, even with figures. Bill is a great night club favorite, and you might have "caught" his act at the Empire Room at the time Bonnie Baker took the spotlight and started on her meteoric career.

Chief Ho-To-Pi—a real honest-to-goodness North Cheyenne Indian chief will be seen in the new Wendell Wilkie Wiggle, a War Dance we will all be doing if things turn out the way we hope they will in November.

The Lonette Sisters—absolutely the tops in acrobatic dancing. These were the sisters written up in Ripley's column as the only two girls ever to execute a song and dance number while standing on their heads.

Madeline Gardiner—the piece-de-resistance of the evening's entertainment menu. She is called the "Garbo of the Dance" in three of the numbers that attracted so much attention at the World's Fair French Village. Two of her dances are titled, An Oriental Mood and the Dances of the

Veils and the Tresses. For them as likes blondes, Madeline is a real one, with Godiva tresses. Unfortunately horses are not permitted on Wakonda's fairways, but Madeline won't care.

This show, outstanding in its entertainment caliber, will be under the direction of **C. W. "Dutch" Schmidt**, and from the pictures the writer has seen of the acts mentioned above, it's going to be a dandy, be sure of that. Speak now for your place in the line-

up when the band starts playing and the flaps of the big tent are thrown open.

Then at the annual banquet, held at the Hotel Fort Des Moines on the evening of Tuesday, September 10, you are going to have the privilege of hearing **Norma Ballard** with her Electric Organ in what she terms "Music That Talks". An interesting sidelight on Norma's capabilities is a booklet she includes with her advance advertising. This booklet names in alphabetical order, 1,001 melodies from which any selection may be made, and which she in turn weaves into a musical story. Dutch says he bets there will be some banker who will want Number 1,002.

Immediately following the banquet there has been provided an unusual treat—an entertainment feature that will keep the audience spellbound by its mystery and supernatural quality. Nothing of its kind has ever before been presented at an Iowa Bankers convention. When it's all over, you'll say it can't be done, but it will be.

While the ladies, of course, will attend the annual banquet, special entertainment has been arranged for them, also. Monday evening, the 9th, there will be a dinner at Younkers Tearoom, followed by theatre attendance for those who wish. At noon on Tuesday there will be a luncheon at the Wakonda Country Club, with bridge during the afternoon. The annual banquet will be held Tuesday evening at Hotel Fort Des Moines, and the ladies are, of course, expected to attend.

PROGRAM IOWA CONVENTION

(Continued from page 63)

1906. He listed and added 500 checks of varying amounts on a hand-operated Burroughs machine in 9 minutes 48½ seconds. So far as is known, Mr. Stephenson is the only Iowa banker ever to hold such a national championship. At the time of that contest Mr. Stephenson was a "Junior Banker" in a former Des Moines banking institution



MADELINE GARDINER

Northwestern Banker September 1940

and also a then member of the Des Moines Chapter of the A. I. B.

Reports of committees, if any.

11:30 2nd Annual Statewide Adding Machine Contest of Iowa "Junior Bankers." The finals in the adding machine contest will be conducted on the Convention platform in full view of the audience. The 10 contestants selected at the preliminaries will compete for 10 cash prizes, made larger this year and also offered by the Iowa Bankers Association.

Announcing the winners of the adding machine contest.

12:00 Noon—Adjournment.

Third Day—Forenoon

9:15 a. m.

TUESDAY, SEPTEMBER 10, 1940

Hotel Fort Des Moines
PROGRAM

Convention called to order by C. R. Gossett, president, Security National Bank, Sioux City; president, Iowa Bankers Association. Musical program, Bud Webster and his Buckaroos and soloist. Singing, "God Bless America" by audience.

Invocation, Rev. Patrick N. McDermott, pastor, Saint Peter and Paul church, Atlantic, Iowa; national chaplain, American Legion.

Address of welcome, F. M. Morrison, president, Des Moines Clearing House Association; president, Valley Savings Bank, Des Moines.

Response to address of welcome, Clay W. Stafford, vice president and treasurer, Iowa Bankers Association; cashier, Ames Trust & Savings Bank, Ames.

(Note: Mr. Stafford, as vice president of the Iowa Bankers Association at this time assumes the chair and presides over the Convention until after the presentation of the Ivory Gavel to the president.)

Annual address of the president, C. R. Gossett, president, Security National Bank, Sioux City.

Presentation to the president of the Ivory Gavel, Harry W. Schaller, president, Citizens First National Bank, Storm Lake.

Response, President C. R. Gossett. (The president resumes presiding.)

President appoints convention committees.

(a) On resolutions.

(b) Any special committees.

Presenting Hon. D. W. Bates, state superintendent of banks, Des Moines.

(Turn to page 68, please)

Union Bank and Trust Company

OTTUMWA

Over 61 Years of Service

OFFICERS

FRANK VON SCHRADER
Chairman of Board and President

H. L. POLLARD
Vice President

R. W. FUNK
Vice President

MAX VON SCHRADER
Cashier

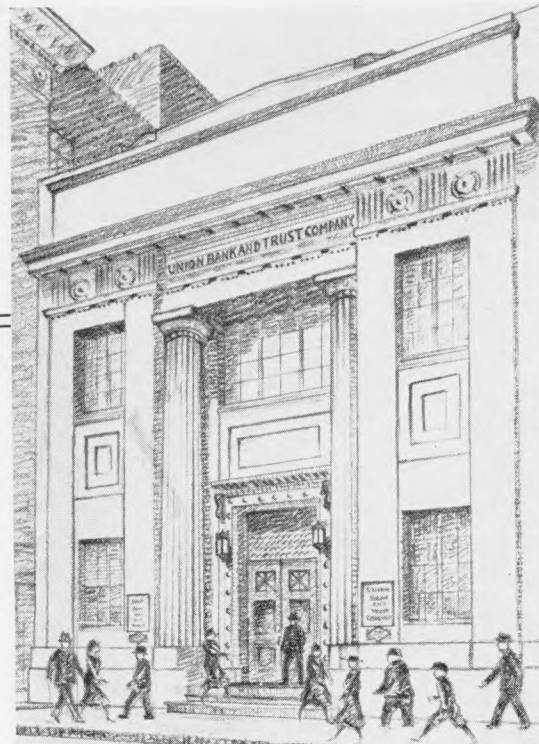
C. P. GLENN
Assistant Cashier

W. C. MILLER
Assistant Cashier

FRED DIMMITT
Assistant Cashier

C. G. MERRILL
Trust Officer

By keeping constantly in touch with all the important developments in this area we are able to provide banks and bankers with a very helpful correspondent service in southern Iowa where we respectfully solicit your business.

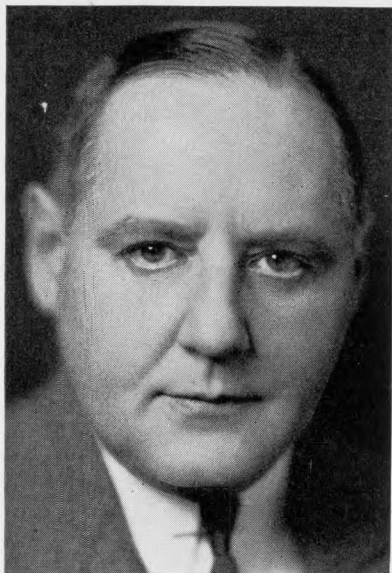


Member Federal Reserve System
Member Federal Deposit Insurance Corporation

**TOTAL
RESOURCES
OVER
\$6,500,000**

Northwestern Banker September 1940

See Them at the Iowa Convention



GEORGE A. MALCOLM
Vice President and Cashier
Drovers National Bank, Chicago



VERNE L. BARTLING
Assistant Cashier
First National Bank, Chicago



H. N. BOYSON
Vice President Merchants National Bank
Cedar Rapids



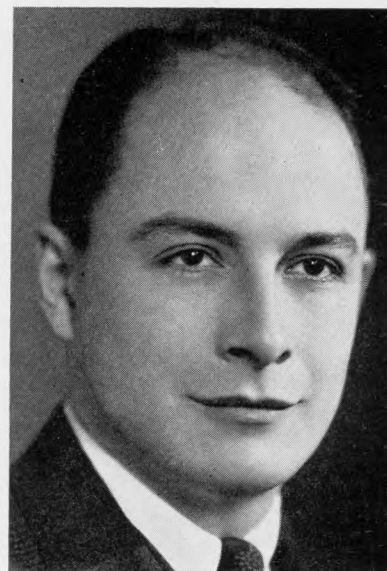
H. C. KARPF
Vice President
Live Stock National Bank, Omaha



CHARLES S. MCKINSTRY
Vice President The National Bank
of Waterloo, Waterloo



FRITZ FRITSON
Vice President and Cashier
First National Bank, Sioux City



JOHN V. HAAS
Assistant Cashier
Northern Trust Co., Chicago

(Advertisement)

"ROLL OF HONOR" BANKS

It is an honor to be listed among the HONOR ROLL BANKS. It indicates that the bank has SURPLUS and UNDIVIDED PROFITS equal to or greater than its capital



The banks listed on this page are some of Iowa's outstanding "Honor Roll" Banks. By careful management and sound banking they have achieved this enviable position. These banks will be especially glad to handle any collections, special credit reports or other business in their communities which you may entrust to them. Correspondence is invited.

TOWN	BANK	OFFICER	CAPITAL	SURPLUS PROFITS
Arlington	American National Bank	H. R. Young	\$ 25,000	\$ 35,000
Baldwin	Baldwin Savings Bank	C. A. Harding	20,000	24,000
Beaman	Farmers Savings Bank	W. E. Whorrall	25,000	33,000
Blencoe	Blencoe State Bank	B. E. McElwain	25,000	27,000
Britt	First State Bank	V. D. Koons	50,000	67,000
Buffalo Center	Farmers Trust & Savings Bank	E. E. Sapp	25,000	40,507
Burlington	Burlington Savings Bank	W. H. Swiler	100,000	198,000
Burnside	Burnside Savings Bank	O. B. Lundgren	10,000	17,000
Carlisle	Hartford-Carlisle Savings Bank	G. D. Schooler	25,000	38,967
Council Bluffs	Council Bluffs Savings Bank	E. H. Spetman	150,000	209,000
Decorah	Decorah State Bank	J. N. Lee	50,000	121,000
Des Moines	Central National Bank & Trust Co.	F. R. Warden	1,000,000	1,184,875
Des Moines	Valley Savings Bank	J. R. Astley	150,000	306,000
DeWitt	DeWitt Bank & Trust Co.	J. Yvo Floerchinger	25,000	48,000
Donahue	Donahue Savings Bank	Walter E. Paustian	20,000	22,000
Donnellson	Citizens State Bank	R. L. Schmitt	25,000	25,998
Earlham	Earlham Savings Bank	W. G. Jackson	25,000	44,000
Emmetsburg	Central Savings Bank & Trust Co.	J. W. Edge	60,000	105,000
Humboldt	First National Bank	B. B. Watson	50,000	115,000
Humboldt	Humboldt Trust & Savings Bank	J. L. Campbell	50,000	135,000
Iowa City	Iowa State Bank & Trust Co.	W. F. Schmidt	100,000	110,305
Iowa Falls	Iowa Falls State Bank	B. L. Johnson	25,000	58,000
Jefferson	Jefferson State Bank	V. W. Miller	50,000	96,000
Kanawha	Farmers State Bank	E. B. Sheldahl	25,000	50,000
Laurens	Laurens State Bank	E. B. Pannkuk	25,000	37,000
Marshalltown	Security Savings Bank	Will A. Lane	50,000	75,000
Miles	Miles Savings Bank	J. R. Witzigman	30,000	33,000
Milford	Dickinson County Savings Bank	S. I. Russell	25,000	41,406
Muscatine	Muscatine Bank & Trust Co.	B. L. McKee	125,000	192,000
Newton	Jasper County Savings Bank	Ray O. Bailey	100,000	195,000
Oelwein	First National Bank	M. C. Hanson	50,000	100,000
Onslow	Onslow Savings Bank	George H. Paulsen	20,000	39,371
Osage	Home Trust & Savings Bank	W. E. Sheldon	50,000	65,000
Pocahontas	Commercial State Bank	Charles E. Watts	25,000	30,000
Reinbeck	Lincoln Savings Bank	J. W. Hepperle	25,000	45,000
Shelby	Farmers Savings Bank	L. O. Stoker	25,000	30,000
Spencer	Clay County National Bank	A. E. Anderson	85,000	104,676
Spencer	Farmers Trust & Savings Bank	K. R. Tuttle	75,000	94,531
Union	Union-Whitten State Savings Bank	C. F. Long	25,000	26,500
Vincent	Farmers Savings Bank	A. O. Swasand	15,000	24,000
Waterloo	The National Bank of Waterloo	R. L. Penne	250,000	285,800
West Bend	Iowa State Bank	J. J. Jaeger	20,000	24,000
Whittemore	Farmers State Bank	J. P. Uhlenhake	25,000	31,500
Wright	Farmers Savings Bank	Oliver Anderson	15,000	44,000

Northwestern Banker September 1940

PROGRAM IOWA CONVENTION

(Continued from page 65)

SPEAKERS

Address, E. L. Pearce, executive vice president, The Union National Bank, Marquette, Michigan, "What Does the Future Hold for the Country Bank—Its Definition, Position and Traditions."

Address, Hon. Hamilton Fish, member of the U. S. House of Representatives, Washington, D. C., "Peace and National Defense." Meeting of the Iowa A. B. A. members. The I. B. A. convention will at this time be temporarily suspended and resolved into a convention of the Iowa members of the A. B. A. All who are not members of the A. B. A. are also cordially invited to remain.

Presentation by President C. R. Gossett, J. J. Miller, vice president of the A. B. A. of Iowa, and cashier of the Waterloo Savings Bank, Waterloo.

Remarks and report of the year's A. B. A. work in Iowa, J. J. Miller.

Election of Iowa A. B. A. officers. Meeting of the Iowa members of the A. B. A. adjourned.

President C. R. Gossett resumes presiding.

Session adjourned, 12:00 o'clock noon.

Third Day—Afternoon

12:15 p. m.

TUESDAY, SEPTEMBER 10, 1940

**West Ballroom, Mezzanine Floor
Hotel Fort Des Moines**

**20th Annual Conference of the Officers
of the County Bankers Association on**

**"Still More Profitable Bank
Operation" in Iowa**

PROGRAM

P. M.

12:20 "Dutch treat" luncheon (Tickets 75c per plate). Master of ceremonies, C. W. ("Dutch") Schmidt, Des Moines. Accompanist, Mrs. Mabel Moss Madden. Singing, (Pamphlet of selected songs will be at each plate).

1:45 Conference called to order and remarks, A. T. Donhowe, president, "Organization of Officers of County Bankers Associations"; secretary, Polk County Bankers Association; vice president, Central National Bank & Trust Company, Des Moines.

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

Report of the secretary, H. B. Hammer, secretary, "Organization of Officers of County Bankers Associations"; former president, Louisa-Washington County Bankers Association; executive vice president, State Bank of Wapello.

Appointment of committee.

(a) Resolutions and nominating committee.

2:00 Greetings from president of I. B. A., C. R. Gossett, president, Security National Bank, Sioux City; president, Iowa Bankers Association.

Guest speaker, Marshall R. Diggs, executive vice president, Travelers Credit Corporation, Washington, D. C., "Travel-on-credit, or Bankers' Opportunity

DROVERS

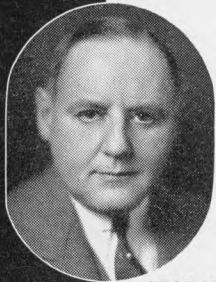
Union Stock Yards • Chicago

IOWA BANKERS CONVENTION September 9th to 11th DES MOINES

We look forward with real pleasure—each and every one of us—to the opportunity which the Iowa Convention presents of meeting fellow-bankers. The constructive exchange of thoughts, the enjoyment in knowing "the other fellow" just a little better—make convention days delightfully worthwhile. And explain why we look forward to meeting you in Des Moines.



**DROVERS NATIONAL BANK
DROVERS TRUST & SAVINGS BANK**
MEMBERS, FEDERAL DEPOSIT INSURANCE CORPORATION



GEORGE A. MALCOLM
*Vice-President
and Cashier*



FRANK M. COVERT
*Assistant
Cashier*



FRED D. CUMMINGS
Representative

Dependable **BANKING** *Service Since 1882*

Northwestern Banker September 1940

of Cooperating with a Major Industry."

"Farm Appraisal Schools for Bankers," (Emmet County), K. J. McDonald, president, Iowa Trust & Savings Bank, Estherville; chairman, Agricultural Committee of Iowa Bankers Association.

"Should We Have an Iowa Bankers' retirement Pension Plan? Why?" (Plymouth County), R. E. Tool, cashier, First National Bank, LeMars.

"Our Kind of Annual Report to Our Stockholders," (Boone County), C. W. Anderson, vice president, Boone County Bankers Association; vice president and cashier, City State Bank, Madrid. "Report by Iowa's Representatives to the Wage and Hour Hearing in Washington, July 9, 1940, Endeavoring To Get Redefinition of Bank 'Executive', 'Administrative' and 'Professional' Employees,"

(a) (Story County), Clay W. Stafford, cashier, Ames Trust & Savings Bank, Ames; vice president and treasurer, Iowa Bankers Association.

(b) (Louisa County), H. Lee Huston, cashier, Columbus Junction State Bank, Columbus Junction.

"National Defense Loans—How Can Iowa Banks Help?" (Marshall County), W. A. Lane, president, Security Savings Bank, Marshalltown.

Guest speaker, C. C. Jacobsen, "Agricultural Chattel Loans."

"Panel" discussion on installment lending,

(a) Lehman Plummer, director; vice president and in charge of personal loan department of the Central National Bank & Trust Co., Des Moines; chairman, Consumer Credit Committee of the Iowa Bankers Association.

(b) W. G. Nelson, assistant cashier and in charge of personal loan department of The Live stock National Bank, Sioux City.

(c) K. A. Coates, cashier, Peoples Savings Bank, Crawfordsville; member, Consumer Credit Committee of the Iowa Bankers Association.

(d) H. L. Ollenburg, vice president and cashier, Hancock County National Bank, Garner.

(e) John T. Hamilton II, vice president and in charge of personal loan department of

the Merchants National Bank, Cedar Rapids.

4:45 Session adjourned until 9:15 A. M.

TUESDAY, SEPTEMBER 10, 1940

P. M.

7:00 Sharp — Banquet — West ballroom, mezzanine floor, Fort Des Moines Hotel. A fine program of entertainment and a big surprise feature for you. Open to ALL men and ladies registered for the convention and having a ticket. Admission by ticket only. This banquet arranged for by

the Des Moines Clearing House Association.

**Fourth Day—Forenoon
WEDNESDAY, SEPTEMBER 11, 1940**

9:15 a. m.

**Final Convention Session
West Ballroom, Mezzanine Floor
Hotel Fort Des Moines**

Meeting called to order by the president.

Musical program, The Northwesterners and Betty Jean, soloist.

Election of officers.

(Turn to page 71, please)

This month all roads lead to the 1940 Iowa Bankers Association Convention. You'll find the First National Bank in Sioux City well represented at the convention, and we hope to see you there.

Like the Iowa annual convention, First National Bank correspondent service becomes better and more complete each year. You, too, will enjoy doing business with this institution.

OFFICERS

A. S. HANFORD
President

A. G. SAM
Vice President

J. P. HAINER
Vice President

J. R. GRANING
Assistant Cashier

E. A. JOHNSON
Assistant Cashier

J. T. GRANT
Assistant Cashier

FRITZ FRITZSON, Vice President & Cashier

Member Federal Deposit Insurance Corporation



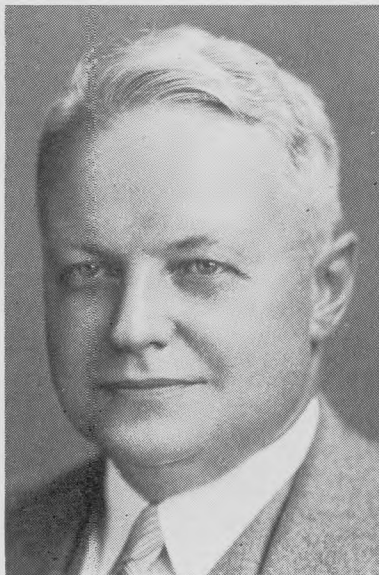
**FIRST NATIONAL
BANK
IN SIOUX CITY**

Northwestern Banker September 1940



JOHN A. CHANGSTROM
Vice President
Omaha National Bank, Omaha

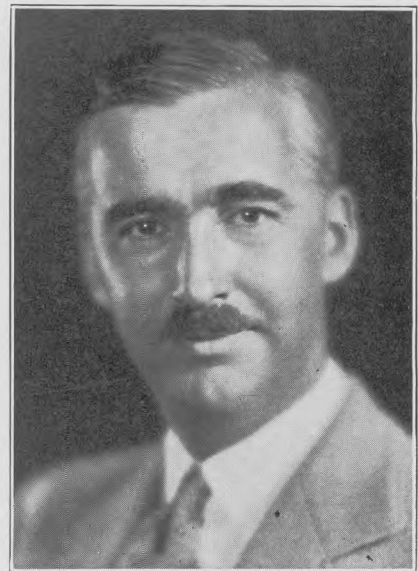
Meet Them In Des Moines September 9-10-11



CHARLES M. NELSON
Vice President
Northern Trust Co., Chicago



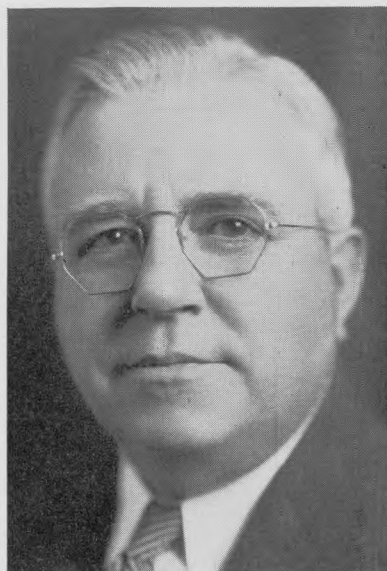
RAE LAUDER
A. C. Allyn Company
Des Moines



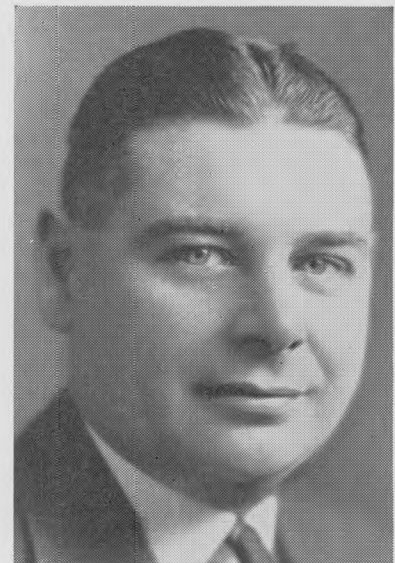
JOHN J. ANTON
Vice President
First National Bank, Chicago



BRUCE TOWNSEND
Vice President
City National Bank, Clinton



FRANK M. COVERT
Assistant Cashier
Drovers National Bank, Chicago



D. R. CROULEY
Assistant Cashier
Northwestern National Bank
Minneapolis

PROGRAM IOWA CONVENTION

(Continued from page 69)

Address, Dr. Eddie Anderson, M. D. Head football coach, State University of Iowa, Iowa City, "The Youth and Our Land."

Address, C. B. Upham, senior deputy comptroller of the currency, Washington, D. C., "The Bank of the Future."

Address, Colonel Philip B. Fleming, administrator, Wage and Hour Division, U. S. Department of Labor, Washington, D. C., "Effect of Wage and Hour Law on Banking."

Report of committees.

Unfinished or new business.

Receiving invitations for the 1941 convention.

Adjournment of the 54th convention, 12:30 P. M.

Convention Entertainment

A new kind and an outstanding kind of program has been arranged by the entertainment committee of the Des Moines Clearing House Association and by the "Ladies of the Des Moines Bankers Club" for the men and ladies, respectively, attending this convention.

For the Ladies

(Tickets required at all features)

MONDAY, SEPTEMBER 9, 1940

P. M.

6:30 Dinner at Younkers' Tea Room, Eighth and Walnut streets, local ladies acting as hostesses.

Style show, courtesy of Younkers' Store.

Theatre party.

TUESDAY, SEPTEMBER 10, 1940

1:00 Luncheon, Wakonda Country club, local ladies acting as hostesses. Transportation will be provided and cars will leave the Fort Des Moines Hotel between 12:15 P. M. and 12:30 P. M. Ladies may drive their own cars if they prefer.

Afternoon bridge.

7:00 Banquet, Mezzanine floor, Fort Des Moines Hotel. Extraordinary entertainment.

For the Men

(Tickets required at all features)

MONDAY, SEPTEMBER 9, 1940

AFTERNOON

Golf tournament, Wakonda Country Club.

EVENING

5:00 to 7:00 Social hour, Wakonda Country Club.

7:00 Buffet supper, Wakonda Country Club.

8:30 Superb tent floor show, Wakonda Club.

TUESDAY, SEPTEMBER 10, 1940

7:00 Banquet, Mezzanine floor, Fort Des Moines Hotel. Extraordinary entertainment.

County Meeting

The Clayton County Bankers Association held their summer meeting at Strawberry Point with forty-five attending. Following a seven o'clock dinner the following program numbers were enjoyed:

Vocal solos by Eldon Stafford and Miss Alice Ivory with accompaniment by Mrs. E. L. Gross; cornet solo by George Gundacker, accompanied by his father, Don Gundacker; talk on banking by H. R. Young of Arlington; illustrated lecture by County Agent Grover Hahn of Elkader.

Election of officers resulted as follows: President, F. J. Oehmke of Guttenberg; vice president, James Adams of Edgewood; secretary and treasurer, C. Adrian Riveland of Luana.

The next meeting will be held at Luana in October.

At the Iowa Bankers Convention

the **COMMERCE** will be

represented by

FRED B. BRADY
Vice President

RICHARD L. DUNLAP
Assistant Vice President

Commerce Trust Company

Capital, Surplus and Undivided Profits 12 Million Dollars

KANSAS CITY'S LARGEST BANK

Established 1865

MEMBER FEDERAL DEPOSIT
INSURANCE CORPORATION

Scholarships

Announcement has been made by the National City Foundation of the National City Bank of New York, of the award of a second scholarship to a South American student for a college course in an American university. The selection was made by a board of well known figures in South American finance, education and diplomacy, in cooperation with the officers of the National City Bank, and Trajano Pupo Netto of Brazil received the award.

The scholarship is the second one given out by the Foundation in line with its effort to further cement the cultural and commercial relations between Latin America, where the National City has 41 branches, and the United States. The first went to Loreto M. Dominguez, of Buenos Aires, Argentine, in 1939, and the recipient has just completed his first year of study at the Harvard Graduate School of Business Administration with such success that the National City Foundation decided on a second award.

Elected Director

Election of John C. Brown, well-known Fort Dodge grocer, to the board of directors of the State Bank, was announced last month.

He succeeds William F. Becker, who died recently.

Mr. Brown is a life-long resident of Fort Dodge, and has been a leader in many civic activities. He has been president of the Young Men's Christian Association, and is a past commander of the American Legion.

Mr. Brown's business is the oldest in the city in the point of continuous years, and occupies the same location it had when his father founded the firm in 1867.

President Dies

Delos E. Waldron, 73, president of the First National Bank of Glidden, died suddenly at his home. He had not been in good health for some time past.

Since 1892, Mr. Waldron had been connected with the banking institution which he served as president. However, this service with the bank dated back to earlier than that year. In 1886 he took his first position with the institution then known as the Glidden State Bank which was incorporated as the First National Bank, in 1892.

Advancing from bookkeeper to assistant cashier, Mr. Waldron was promoted from the latter position to that of cashier in 1892. He served as cashier for many years before becoming president.

The Strong West

Easterners used to look down their noses at the country west of the Alleghenies because banks were smaller there and more of them failed. But federal deposit insurance has brought to light a changed condition. In the last six years or so, New Jersey, New York, and Pennsylvania have been the trouble spots.

The Federal Deposit Insurance Corporation, in the period from January 1, 1934, through July 31, 1940, has paid a gross outlay of 221 million dollars in the form of loans or payoffs to insured banks—71 per cent of it in those three states.

Of course the weak banks west of the Alleghenies had mostly gone before the FDIC was established. Still, it's nice to know that our regional record is now a good one.

A Man of Distinction in Your Community



YOUR HAWKEYE CASUALTY AGENT

He serves best who serves others well. This is the slogan and plan of operation of the Hawkeye Casualty agent. He is proud of the Company he represents and the Company is proud of him.

This man knows his business and is a credit to the Insurance Profession. Well trained by study and experience he is better qualified to prescribe for your insurance needs. The Hawkeye man is your neighbor, close at hand, always ready, willing and able to discuss a loss settlement or protection problem. The Hawkeye Casualty agent is a highly regarded reputable man in your community. He wants to know you—it will pay you to know him.

Hawkeye Casualty Is Iowa's Own Stock Company, with assets of over one million dollars.



**HAWKEYE
CASUALTY COMPANY**
DES MOINES, IOWA

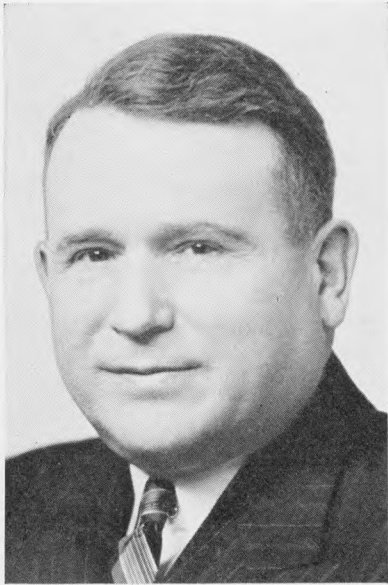
Talks in Ames

R. E. Hill, public interest director of the Federal Home Loan Bank of Des Moines, told the Kiwanis club of Ames that savings, building and loan associations were a dominant factor in financing American homes.

"Proof that they are operated on sound business principles and that they have responded faithfully to a real public service need is evidenced by the fact that almost 9,000 of them are actively functioning in this country today," he asserted.

For Executive Council

As the convention of the Iowa Bankers Association draws near, and with no further announcements from other prospective candidates, it would appear that J. J. Miller, cashier of the Waterloo Savings Bank, will run for



J. J. MILLER

the office of member of the executive council of the American Bankers Association without opposition. It will be remembered that Mr. Miller announced his candidacy for the office last May.

Mr. Miller has been with the Waterloo Savings Bank since 1906, progressing from assistant cashier in 1917, and a short time later was elected a director of the institution. State vice president for the A. B. A. from Iowa at the present time, he has always taken an active part in state and national banking affairs, and is admirably fitted for the office he now seeks.

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

GREETINGS to the IOWA BANKERS ASSOCIATION

May your 1940 Annual Convention, September 9-11 in Des Moines, be highly successful and enjoyable as usual. As always, this bank is happy to take part in Association affairs and to work for the betterment of Iowa banking.

DIRECTORS:

Dr. E. M. MacEwen, Dean of College of Medicine, State University of Iowa
R. J. Baschnagel, Director, Federal Land Bank, Omaha
George A. Thompson, Retired
George J. Keller, Professor of Engineering, State University of Iowa
M. B. Guthrie, Cashier
Guy A. Stevens, Farmer
Ben S. Summerwill, President

OFFICERS:

Ben S. Summerwill, President
Dr. E. M. MacEwen, Vice President M. B. Guthrie, Cashier
M. E. Taylor, Auditor W. F. Schmidt, Assistant Cashier
W. W. Summerwill, Credit Manager

IOWA STATE BANK & TRUST COMPANY

Iowa City, Iowa

Member Federal Deposit Insurance Corporation

Keeping Abreast of This Fast-Changing World!

These are extraordinary times. With some nations at war and others bulwarking their defenses, history is constantly in the making. As a consequence, the banking world must be alert—up on its toes. Our connections, fortunately, are such that we can at all times give our customers up-to-the-minute information and efficient service . . . in keeping with the trend of the times.

SECURITY NATIONAL BANK SIOUX CITY

OFFICERS

Charles R. Gossett, President Delko Bloem, Vice President
Albert C. Eckert, Vice President R. Earl Brown, Cashier
Daniel B. Severson, Frank H. Abel, Alvin G. Nelson,
Robert W. Lewis, Assistant Cashiers

Member Federal Reserve and FDIC

Northwestern Banker September 1940

Adding Machine Contest

THE following are rules governing the "Adding machine contest" to be conducted as a part of the "Junior Bankers' Session" of the Fifty-fourth Annual Convention of the Iowa Bankers Association which is a contest open to all staff members below cashiers (including men and women) of any and all Iowa banks. In other words the contest is open only to those who actually carry on the clerical and routine and mechanical operations of their banks and who consider themselves as "Junior Bankers."

The try-out will be open to each and every Junior Banker, including both men and women of any and all Iowa banks who may desire to try out in the preliminaries. The preliminaries will be held in Parlor A. Mezzanine Floor, Fort Des Moines Hotel, Des Moines, from 9:00 A. M. to 11:00 A. M., only, Monday, September 9, 1940. Contestants must be on hand promptly and ready to enter either preliminaries and/or finals when their names are called or forfeit their right to compete.

CONTINENTAL
ILLINOIS
NATIONAL BANK
AND
TRUST COMPANY
OF
CHICAGO

Member Federal Deposit Insurance Corporation

Both Burroughs and Allen Wales adding machines will be provided so the contestants can take their choice. The opportunity is also open to any other manufacturer of adding machines to furnish its machine for the free use of the contestants if it is willing to do so. No contestant will be permitted to bring an adding machine to this contest. He or she must take their choice and must use one of the machines that will be provided. Only straight listing machines electrically operated will be used.

Contest takes into consideration accuracy and speed. The contest will be one taking into consideration first accuracy and then speed.

Number of checks to be added. Each contestant in both the preliminaries and finals will be asked to add 150 checks each of a different amount.

How application is made. Must be on file with I.B.A. to be eligible. Applications may be made in person or in writing. But all applications to be eligible must be received by the State Headquarters of the Iowa Bankers Association by not later than 6:00 P. M., Sunday, September 8, 1940.

Persons chosen for the finals. The finals will include the 10 persons either men or women who held the 10 highest rankings in the preliminaries subject to the limitations set forth.

Finals. The finals will be held on the convention platform itself and may be attended by any and all bankers and ladies present for the Convention. The finals will commence promptly at 11:30 A. M., and will be finished at or about 12 o'clock noon, Monday, September 9, 1940.

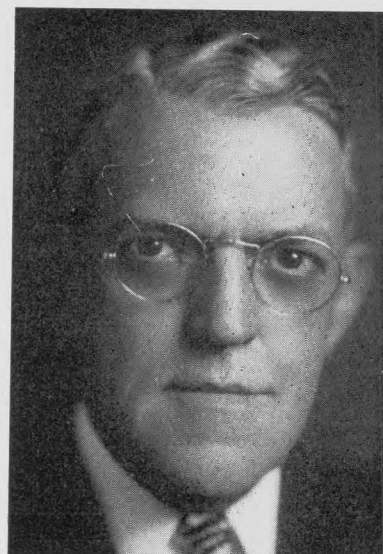
Judges. Judges for the preliminaries and finals will be selected by the president of the Iowa Bankers Association. The decision of the judges will be final. Names and time of each winner will be put on a score board.

Prizes. Ten cash prizes will be awarded to the 10 persons competing for the finals as follows: First prize, \$30.00; second prize, \$20.00; third prize, \$12.00; fourth prize, \$7.00; three prizes of \$2.00 each; and three prizes of \$1.00 each. Total of \$78.00.

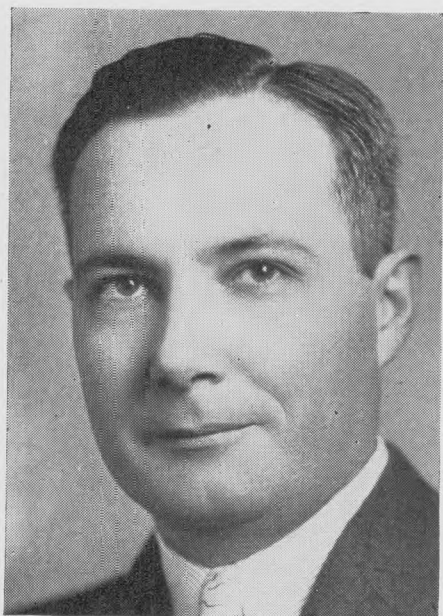
Limitations. Not more than one contestant from any one bank can enter the finals. Not more than any two can be won by the aggregate number of contestants of any one city or town. Any contestant having previously won any cash prize cannot again win another cash prize in this contest except one of some higher ranking than that which he previously won. In order to help maintain the continued interest of all who have won first cash prize it is hoped and anticipated that next year a trophy cup can be added

(Turn to page 76, please)

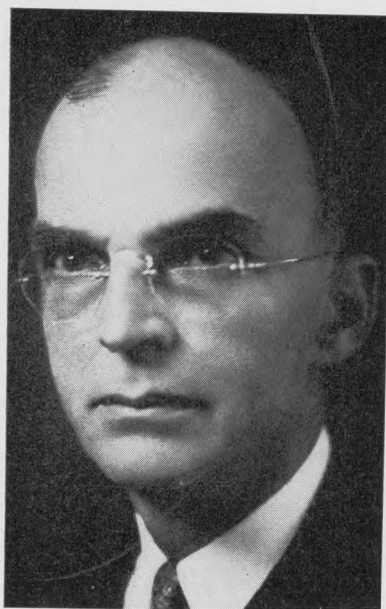
These Men Will Be At The Iowa Convention



FRANK KAUFFMAN
President
Bankers Trust Co., Des Moines



JOHN McCUMBER
Cashier
Stock Yards National Bank, Omaha



NORMAN B. SHAFFER
Vice President
Continental-Illinois National Bank, Chicago



OWEN McDERMOTT
Shaw, McDermott & Sparks
Des Moines



L. K. BILLINGS
Assistant Vice President
City National Bank, Chicago



LAWRENCE A. KEMPF
Assistant Cashier
Northern Trust Co., Chicago



J. J. MALONEY
Assistant Cashier
First National Bank & Trust Co.
Minneapolis

ADDING MACHINE CONTEST

(Continued from page 74)

to the prizes for the person ineligible for first cash prize but winning the highest rating in the contest, and to be awarded to the contestant's bank to be held by that bank for one year; any one or more contestants of that bank winning the trophy for three consecutive years will entitle that bank to keep the trophy permanently it is

now planned. The plan if adopted next year will be made retroactive to and inclusive of the first adding machine contest held last year (1939).

In Case of Ties

In case of ties either in the preliminaries or in the finals the winner may be chosen by any method deemed mutually fair by the judges, either by flipping a coin or having the tie contestants make re-runs of their addings and select the one having the two best records out of three re-addings of the

150 checks. The Officers of the State Association reserve the right to cancel this contest without notice if the number of cities or towns represented by contestants should be less than two, the reason being obvious. Judging from present indications, however, they do not anticipate that that will happen. It is the hope of the Association officers that there will be a long list of contestants from many banks located in many different communities of the state.

Cashier Resigns

Harry W. Enger has resigned his position as cashier of the First State Bank of What Cheer to accept a position with the Hardware Dealers Mutual insurance company. His office will be located at Johnson City, Tennessee, a city of about 30,000.

Mr. Enger has been cashier of the First State Bank since its organization.

Arnold C. Petznick, formerly cashier of the LaPorte City State Bank, has been selected to succeed Mr. Enger.

Change in Capital

The Farmers State Savings Bank of Independence announces a change in its capital structure, the remaining outstanding preferred class "A" stock being retired and replaced with an equal amount of common stock.

Each stockholder of record as of August 10th, becomes the owner of a pro rata share in the new common stock. For each share of stock held the stockholder gets two additional shares.

New shares to be issued will be of \$50 par value, the same as the old stock.

The common stock is increased from \$25,000 to \$75,000, and there is outstanding \$25,000 class "B" preferred stock. Accordingly, the total capital stock of \$100,000 remains the same as before.

By this move the bank pays off the \$50,000 class "A" preferred stock issued to the government back in the bank holidays, clearing up the indebtedness, and placing the bank in the same position it occupied before the holiday.

Bush Named President

Meeting in Sioux City recently, members of the Woodbury County Bankers Association elected Henry W. Bush, assistant cashier at the Farmers Savings Bank, Pierson, president

Clinton Is Growing!

Since 1935, Clinton annual payrolls have increased more than a million dollars, from new industries locating here. REASON: Desirable local situation, five railroads and the new Mississippi river docks.

YOU CAN SAFELY RECOMMEND CLINTON!



THE
CITY NATIONAL BANK
CLINTON, IOWA

Member Federal Deposit Insurance Corporation



CAPITAL CITY STATE BANK

DES MOINES

Efficiently Meeting
Every Modern
Banking Requirement

Sixty-two Years of
Conservative Banking

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

for the new year. He was advanced from the office of association secretary which he has held for the past four years. Mr. Bush succeeds W. H. McDonald of Smithland.

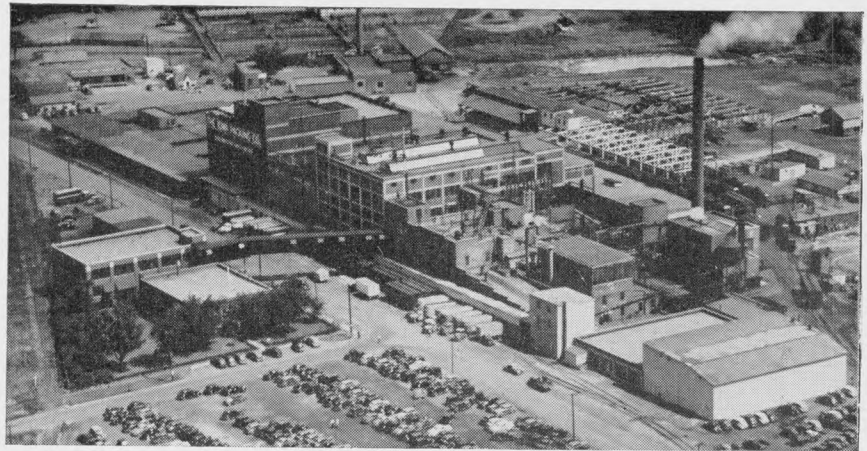
Other new officers elected were James Byers of Sloan, vice president; and Homer Boyd of Anthon, secretary-treasurer. W. G. Nelson of Sioux City was appointed chairman of the annual picnic in Riverside park. assisted by A. C. Eckert and C. A. Johnson, both of Sioux City, and A. W. Weis of Sergeant Bluff.

A series of panel discussions on interest rates, inactive accounts, stop payments of checks, pension plan for banks were led by C. R. Gossett, president of the Security National Bank of Sioux City.

To Arrange Date

Members of the Vigilante shoot committee of the Scott County Bankers Association met at the home of Rudolph Schroeder, president of the association, in Buffalo recently, to fix the date for the annual shoot to be held at Camp Lincoln.

The members of the committee include P. J. Thede, president of the Dixon Savings Bank; Louis Martin, assistant cashier of the First Trust



Pictured above is an airplane view of the several processing buildings and general office of the Iowa Packing Company, Des Moines. A rapidly growing organization, the following statistics, based on 1939 figures, are interesting. The Iowa Packing Company pays in wages to its employes \$1,540,000; pays for livestock, \$18,000,000; burns coal amounting to 16,800 tons; uses 380,900,000 gallons of water; uses 5,315,000 cubic feet of gas; uses 4,033,000 KWH of electricity; and uses 20,000,000 pounds of ice. These figures, as stated above, are on an annual basis, and are for the fiscal year 1939.

& Savings Bank, and Fred Grunewald, assistant cashier of the Davenport Bank & Trust Company.

Elected Cashier

D. J. Lewis has been elected cashier of the Security Savings Bank, Wil-

liamsburg, to succeed A. H. Evans, who has been made manager of the Williamsburg lumber store. Mr. Lewis was assistant cashier of the bank before the change. He has been in the banking business 36 years.

Mr. Evans, who was president of the old Williamsburg Savings Bank, which

MR. BANKER:

When you are considering new FLOOR COVERINGS in your bank, or ACOUSTICAL CEILINGS, let us show you what we are doing for others and then, what we can do for you.

Designers and Contractors

*Parkay Tile - Rubber Tile - Wood Tile - Cork Tile
Asphalt Tile - Acoustical Tile*

H. B. BUCKHAM & CO.

INSTALLERS OF FINE FLOORS IN IOWA FOR OVER 15 YEARS

Offices and Display Room:—Hubbell Building Lobby
DES MOINES, IOWA

was later reorganized and called the Security Savings Bank, had been in the banking business 33 years.

Buys Missouri Bank

Carl J. Chalstrom, president of the Primghar Savings Bank until a few months ago, has purchased the Canton State Bank at Canton, Missouri, and has taken possession. A few months ago, Mr. Chalstrom sold his banking interests in Primghar and at Gaza. Mr. Chalstrom's home was at Gaza and his family has left Gaza for their new home.

In New Position

Herbert H. Kimball, formerly of Davenport, has been placed in charge of the new foreign property control department of the Federal Reserve Bank of New York. In order to take over the new department which numbers one hundred employes, Mr. Kimball resigned as secretary of the bank but will continue to hold the office of assistant vice president.

The foreign property control department will have charge of handling the applications under the U. S. Treasury's regulations freezing the balances

of countries invaded by Germany and of handling the inspection of foreign mails to determine whether dollar securities are being sent in contravention of Treasury regulations.

The Treasury regulations apply to the citizens and government of Denmark, The Netherlands, Norway, Belgium, Luxemburg and France.

Contract Awarded

C. C. Larsen and Sons have been awarded the contract for the new Council Bluffs Savings Bank building, B. A. Gronstal, president, said recently.

Formal approval of the Larsen bid, lowest submitted, took place at a meeting of the board of directors of the bank.

Construction work on the two-story \$150,000 building will start immediately, with the back half of the building to be completed by December 15, 1940.

When the back half of the building is completed, the bank will move into the new unit and demolition will start on the present six-story building.

When completed in 1941, the two units will form a single building with more floor space than is now available in the old structure.

Total cost of the building and furnishings will be \$200,000.

Air Conditioned

An air conditioning unit has been installed in the basement of the Northwestern State Bank, Orange City, to keep customers and force cool during the hot days of summer. Cellar entrance and one wall had to be enlarged and pushed back so that the big piece of equipment could be eased into the basement.

Land Bank Officer Dies

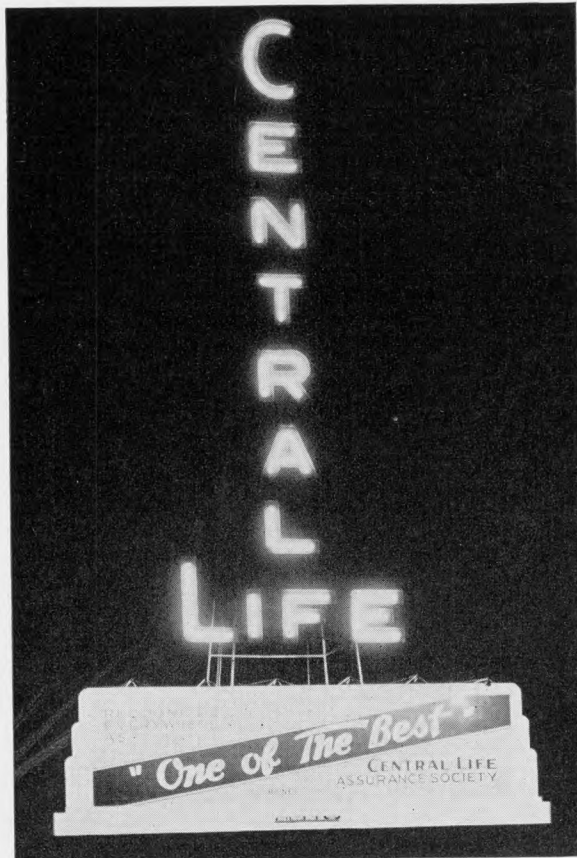
M. J. Kuhl, Sioux City, treasurer of the Iowa Joint Stock Land Bank for the last seven years, died unexpectedly in an International Falls, Minnesota, hospital following an operation.

Mr. Kuhl had been in failing health for the last several weeks. He and members of his family were on a vacation trip when he was stricken and taken to the hospital.

Mr. Kuhl was a veteran employe

WANT TO BUY—Controlling stock or minority interest in north central or north eastern Iowa bank. Address C. W. care of Northwestern Banker, Des Moines, Iowa.

THE SIGN OF SECURITY



A reproduction of the 84-foot neon tower signs erected on highways approaching Des Moines

CENTRAL LIFE ASSURANCE SOCIETY (MUTUAL)

DES MOINES, IOWA

of the James F. Toy banking interests, having formerly been cashier of the First National Bank at Osmond, Nebraska, for about twenty years before coming to Sioux City in 1933.

Examiner Resigns

Edwin C. Manning, former mayor of Ottumwa, has resigned as examiner in charge of the closed banks at Fairfield for the state banking department, state officials disclosed. He is understood to have entered private employment.

Remodeled

The interior of the Manly State Bank has undergone considerable change and improvement. The small rooms at the side of the vault have been made into one large enough to accommodate the posting machines, thus getting them out of the front room where they cause considerable congestion and noise. The phone booth has also been removed which helps the working space in the bank as well as its appearance.

With the added business from the Kensett and Plymouth branches going

through this bank the previous arrangement was not satisfactory and the move was made to give more working space.

Resigns

John T. Schultz, teller in the Farmers Savings Bank, Remsen, for the past more than sixteen years of faithful service, resigned his position last month. Mr. Schultz states he has no definite plans for the immediate future.

Select Officers

Officers of the Farmers Loan and Trust Company, Sioux City, with the

exception of treasurer, were reelected by the new board of directors at a meeting held in the Toy National Bank building.

R. R. Brubacher, president, received reelection. However, the board chose a new treasurer, J. William Van Dyke, to replace C. A. Bond, who has retired after approximately sixty years with the company.

The other reelected officers are John W. Van Dyke and Earl A. Hoffman, vice presidents, and E. H. Spiecker, secretary. Mr. Hoffman, Mr. Spiecker, Mr. Brubacher, John W. Van Dyke and J. William Van Dyke were reelected directors by the stockholders, who will benefit this year from a 5

No Longer An *Experiment!*

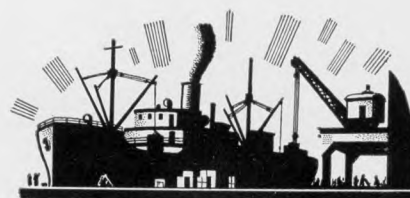
The system of applying business principles to farm management, inaugurated by us more than 10 years ago, has been tested in the crucible of time.

Our steadily growing list of clients is the best proof of its success.

Farmers National Company

388-396 Brandeis Theatre Bldg.
Omaha, Nebraska

Farm Management
"From the Ground Up"



ENABLING OUT-OF-TOWN BANKS TO SERVE CUSTOMERS BETTER

A high degree of organization and the wide experience of fifty years enable The Northern Trust Company to offer out-of-town banks many helpful services. These include, among others, the collection of checks, drafts and other bills of exchange, safe-keeping of securities, investment advice, and information regarding trust methods and procedures. A correspondent connection here can be of value to you in achieving that completeness of service which your customers value so highly. Your inquiry is invited.

THE NORTHERN TRUST COMPANY

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

per cent dividend which was declared by the new board.

Quarterly Meeting

The quarterly meeting of a regional clearing house association was held at Templar Park recently. A dinner was served in the dining room. The association is made up of the banks in Clay, Dickinson, Palo Alto and Emmet counties.

Those attending from Estherville were Miss Margaret Staudenbaur, Miss Hazel Ross, Lloyd Jensen, K. J. Mc-

Donald, Miss Helen Hartinson, Mrs. Verman Sidle, Miss Dorothy Nourse, Wayne Vallie, W. C. Currell, Robert Knight, Delbert Hinsch and John Raife.

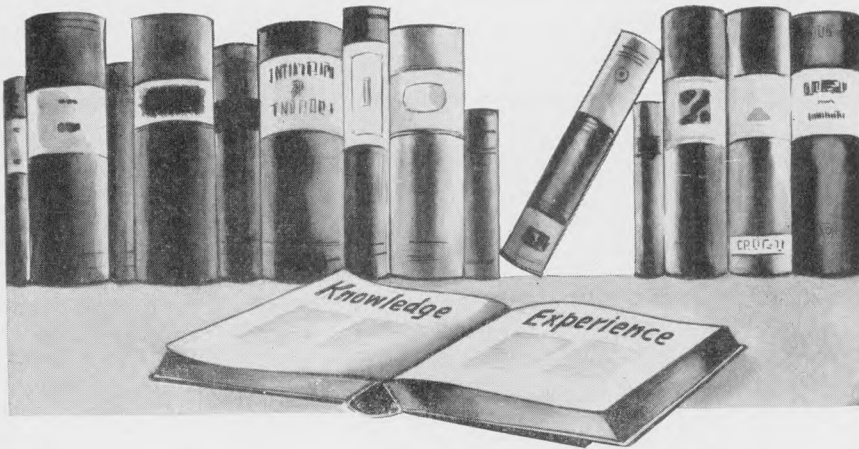
Engagement Announced

Announcement has been made by Count and Countess Alfonso P. Villa, Newport, Rhode Island, of the engagement of their second daughter, Miss Consuelo V. L. Villa, to John T. Hamilton II, son of Mr. and Mrs. James E. Hamilton of Cedar Rapids.

The announcement was made by the count and countess at a large dinner party given at their residence, Fairholme.

Miss Villa, who has been a popular member of the younger set of the fashionable summer colony for several years, attended Miss Hewitt's finishing school in Florence, Italy, and made her debut at a ball given at Fairholme by Count and Countess Villa on August 21, 1936.

Mr. Hamilton prepared at Pomfret school at Pomfret, Connecticut, and was graduated from Princeton University in 1934. He is a member of the Ivy club and the Racquet and Tennis club of New York, the New York Yacht club, and the Racquet club of Chicago. He is vice president and director of the Merchants National Bank in Cedar Rapids.



**“...always ready to
share the benefits...”**

If you are interested in agriculture, why not have a Chicago correspondent that speaks your language and knows your problems?

Why not be represented in the heart of the great middle-western market — *inside* the Union Stock Yards? Live Stock National's specialized experience offers special correspondent advantages.

For 72 years, we have been in close and constant touch with leading agricultural interests . . . and are *always ready to share the benefits of this association with those we serve.*

May we tell you about the “plus” values nearly 500 agricultural banks find here?

Live Stock National Bank of Chicago

UNION STOCK YARDS

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker September 1940

Business Gains

Check transactions through Des Moines banks showed a twenty million dollar increase during the first seven months of 1940, as compared with those of the first seven months of 1939.

The total this year was \$676,211,000, as compared with \$656,117,000 last year.

Other figures compiled by the Chamber of Commerce for the compared periods show that postal receipts went from \$1,718,051 to \$1,724,600; new car and truck sales from 4,217 to 4,853, and electric power consumption, from 50,575,024 to 52,613,305 kilowatt hours.

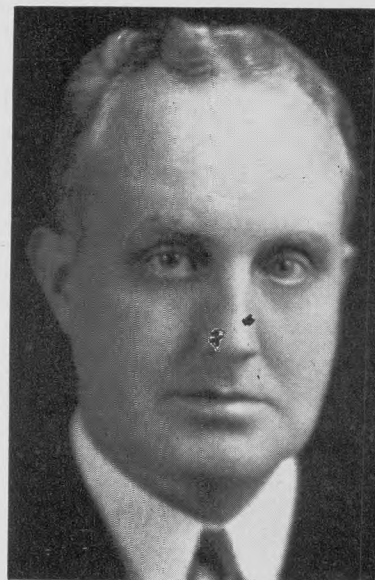
Visiting New York State

H. L. Horton, president of the Iowa-Des Moines National Bank & Trust Company, Des Moines, with Mrs. Horton, left last month to spend a month's vacation in New York State with Mrs. Horton's family. It has been the custom for many years for all the members of Mrs. Horton's family to gather for one month with their parents at their home in upper New York State.

Excused

Johnny played truant from school one day, and the following morning was worried as to how to square himself with the teacher. He decided to write a note of excuse, signing his mother's name, which resulted in the following: “Dear Teacher: “Please excuse Johnny for being absent yesterday. I tore my pants. Yours truly, Mrs. Jones.”

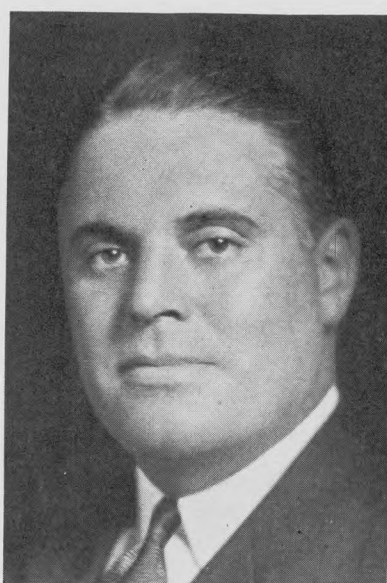
They Will Attend the Convention



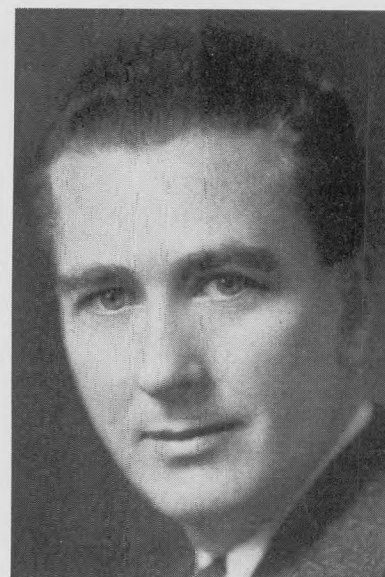
HERBERT T. LOHR
President
Iowa-Des Moines National Bank
Des Moines



S. E. COUILLETTE
President
Merchants National Bank
Cedar Rapids



W. H. MILLER
Vice President
City National Bank, Chicago



JAMES SHAW
Shaw, McDermott & Sparks
Des Moines



FRANK FUCHS
Assistant Cashier
First National Bank, St. Louis



WALTER B. ALLEN
Vice President
Continental-Illinois National Bank, Chicago



DELKO BLOEM
Vice President
Security National Bank, Sioux City

Over 1,000 Accounts

The six banks in Sioux City, Iowa, that have installed PAYC (pay-as-you-check) checking accounts systems within the past year have opened, together, over 1,000 of these new, no-minimum-balance accounts. It was just one year ago when the first PAYC system was installed in a Sioux City

bank. The banks now offering the plan are as follows: Security National, First National, Livestock National, Toy National, Woodbury County National and the Morningside Savings. Combined resources of these banks is over thirty-one million dollars.

That all of these banks are genuinely enthusiastic about the PAYC

plan and are well pleased at the response it has received is attested by the United States Check Book Company, originator of the plan. One of the Sioux City banks has opened over three hundred PAYC accounts since November, 1939.

Depositors in PAYC accounts come from every walk of life, according to the Omaha firm. Some people are disgruntled with regular checking systems and the service charges inherent in them, while others are folks who have never had checking accounts before. Many, especially young men and women, are learning of bank services for the first time in their lives. The natural appeal of the PAYC account is apparently bringing them into the bank where they are being exposed to the multitude of services available to everyone. That this is wise public relations is certain.

The PAYC plan is the first no-minimum-balance checking account system to be offered in the middlewest. Essentially it operates as follows: The depositor purchases a book of checks for a specific amount, this being the only charge for carrying the account. Thus, he knows exactly what each negotiation is costing him. Any amount is accepted by the bank as an opening deposit.

There are now over fifty banks in Iowa, Nebraska and South Dakota using the PAYC plan.

Since 1881

F. E. DAVENPORT & CO.

Has served the Bankers in Time-lock, Safe and Vault Inspection

We are proud of this record and of our relations as the official experts of The Iowa Bankers Association

Our 24-Hour Continuous Service Guarantees You Immediate Attention

Distributors of YALE & TOWNE MFG. CO.
Bank Locks and Day Protection Equipment

F. E. DAVENPORT & CO.

OMAHA



"The Building of the Decade"



W. K. NIEMANN
Des Moines Agency Manager

THE CHAMPION AGENCY

of the

BANKERS LIFE COMPANY

Des Moines, Iowa

Takes Western Trip

W. H. Tillson, vice president of the Cresco Union Savings Bank, has returned from a 6,500 mile trip to the Pacific coast. He and members of his family visited Bryce Canyon, Zion Park, Boulder Dam, the Redwoods, Columbia River Highway, Yellowstone, the Cody exit, Shoshone and the Black Hills and the Bad Lands, but he says "Iowa never looked better to me than on my return. All that I saw does not add up to our corn, hogs, sheep and cattle, plus a whole state of fertile soil."

Past Presidents

Past presidents of the Iowa Bankers Association planning to attend the past president and ex-councilman's dinner at the coming Iowa convention are: C. B. Mills, Moline, Illinois, president 1902-1903; Frank Epperson, Federal Farm Mortgage Corporation, Omaha, Nebraska, president 1913-1914; Ivan O. Hasbrouck, Jefferson, president 1916-1917; F. B. Yetter, Davenport, president 1921-1922; C. C. Jacob-

sen, director, Regional Agricultural Credit Division, Farm Credit Administration, Washington, D. C., president 1924-1925; George J. Schaller, president, Federal Reserve Bank, Chicago, president 1928-1929; W. G. C. Bagley, Treasurer of State, Des Moines, president 1930-1931; M. W. Ellis, president, First Security Bank & Trust Company, Charles City, president 1936-1937; E. A. Ebersole, cashier, State Central Savings Bank, Keokuk, president 1938-1939.

It is anticipated, too, that J. K. Deming of Dubuque, the oldest living past president of the Iowa Bankers Association, now eighty-two years of age, will be present to also take his bow when recognized with the other past presidents by the presiding officer.

Largest in West

Iowa now has one of the largest floor designing and contracting firms west of the Mississippi river. The H. B. Buckham & Company, Des Moines, has been specializing in floor coverings for the past fifteen years, and last year installed more than a million feet of floor, wall and ceiling coverings, which puts this firm as one of the leaders in its field in the United States.

H. B. Buckham & Company are now enlarging their wall covering department to handle exterior walls, specializing in a fairly new but substantial material—porcelain on steel, used principally for store or commercial building fronts.

Farm Who's Who

Something new in the way of bank public relations has recently been prepared and distributed by the Citizens National Bank, Boone. It is called the Boone County Farm Who's Who, and in it are listed all the various farm organizations in the county, with a list of the officers and directors of each. Mentioned are the Boone County Agricultural Association, both boys' and girls' 4-H clubs with their several leaders, County Farm Bureau, Sheep Men's Association, Live Stock Marketing Association, Beef Producers' Association, County Agricultural Conservation Association, and many statistics relating to agriculture in Boone county and the state of Iowa. Naturally, space is reserved for presenting the latest statement of condition of the Citizens National, and a list of its officers and directors.

You would not knock the jokes we use

Could you but read those we refuse!

*"Joe Has
Something
Here!"*



Dear Fred,

This Portsmouth, Iowa, storm has made me wonder how a like disaster might affect my bank.

Insurance Companies paid thousands for losses in Portsmouth, but at least half of the total loss was not covered by insurance.

How could I loan money to people who have lost everything and have no chance to recover?

I was shocked to find I've been missing a bet. If all of my clients and policyholders had insurance to value my commissions would be in four figures. Then if a storm struck this community I could safely loan money to those who would need it and neither the business of my bank or my town would suffer.

I'm going after this, Fred. The Western Mutual is swell about helping on these things and their commissions are very liberal, too.

Yours truly,

Joe

Legal Reserve

Non-Assessable

Fire and Auto Policies

WESTERN MUTUAL

FIRE INSURANCE COMPANY

DES MOINES

**Over a Third of a Century of Safety and
Service With Savings**



Northwestern Banker September 1940

PROGRAM A. B. A. CONVENTION

(Continued from page 13)

Forum Discussion.
Unfinished Business.
New Business.
Reports of Committees.
Election and Installation of Officers.

Savings Division

Monday, September 23, 1940—2:00 P. M.
Call to Order—President A. George Gilman.
Free Men Make a Nation.
Address—The President.

Address—Dr. Paul F. Cadman, Economist, American Bankers Association.

Unfinished Business.
New Business.
Reports of Committees.
Election and Installation of Officers.

Trust Division

Monday, September 23, 1940—2:00 P. M.
Call to Order—President Roland E. Clark.
Address of the President.
The Job Ahead for Trust Service—a symposium conducted by former

presidents of the Trust Division during the past decade.

Merrell P. Callaway, Vice President, Guaranty Trust Co., of New York, New York, N. Y.

Robertson Griswold, Vice President, Maryland Trust Co., Baltimore, Maryland.

Leon M. Little, Vice President, New England & Trust Co., Boston, Massachusetts.

Gilbert T. Stephenson, Director of Trust Research, The Graduate School of Banking.

Samuel C. Waugh, Executive Vice President and Trust Officer, The First Trust Co., Lincoln, Nebr.

Unfinished Business.

New Business.

Election of Officers.

Installation of Officers.

State Secretaries Section

Monday, September 23, 1940—10:00 A. M.
Board of Control and General Meeting.

Call to Order—President C. C. Wattam.
Annual Report of the President.
Appointment of Committees.

Reports of Standing Committees:

Banking Education and Public Relations—James C. Scarboro, Chairman.

Insurance—Armitt H. Coate, Chairman.

Standard Forms—Lander Hodges, Chairman.

State Bankers Association Management and Regional Clearinghouses—George M. Starring, Chairman.

State Legislation—Eugene P. Gum, Chairman.

Unfinished Business.

New Business.

Election and Installation of Officers.

Adjournment until evening session.

Monday, September 23, 1940—8:00 P. M.

Call to Order—President C. C. Wattam.

Round table discussion and question period on topics of interest to secretaries of state bankers associations.

Operating Problems of State Associations—J. Carlisle Rogers, Secretary and Treasurer, Florida Bankers Association, First National Bank, Leesburg, Florida.

Interest Rates on Savings—Paul W. Albright, General Secretary, Savings Banks Association of the State of New York, New York, N. Y.

Public Relations—Claude L. Stout, Executive Vice President and Cashier, Poudre Valley National Bank, Fort Collins, Colorado.

Explanation of New York State Bankers Retirement System—Sigourney B. Romaine, Manager, New York

Out-of-Town Banks

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

CITY NATIONAL BANK AND TRUST COMPANY of Chicago

208 SOUTH LA SALLE STREET

(Member Federal Deposit Insurance Corporation)



Iowa's Largest Business School

Many banks, bond houses, insurance companies and other financial institutions employ A. I. B. graduates. Write or telephone when you need efficient office employees.

Be sure to visit the A. I. B. when in Des Moines

E. O. FENTON, Director

AMERICAN INSTITUTE OF BUSINESS

DES MOINES

Tenth and Grand

Phone 4-4221

• IOWA NEWS •

State Bankers Retirement System,
New York, N. Y.

New Business Development

Tuesday, September 24, 1940—9:30 A. M.

Call to Order—Dunlap C. Clark, President, American National Bank, Kalamazoo, Michigan.

Influence and Value of Bank Staff Contacts—William Powers, Director of Customer Relations, American Bankers Association.
Discussion.

How to Survey Your Trade Area—C. W. Bailey, President, First National Bank, Clarksville, Tennessee.
Discussion.

Liquidity of Loans Made to Farmers—C. C. Neumann, President, Nebraska Bankers Association, Farmers and Merchants National Bank, Oakland, Nebraska.
Discussion.

Panel discussion on **Research as a Basis for New Business Development in Country Banks** conducted by A. G. Brown, Deputy Manager, A.B.A., in charge of Agricultural Credit Department, with Messrs. Powers, Bailey, Neumann and William J. Kinnamon, Cashier, Hunterdon County National Bank, Flemington, New Jersey, as members of the Panel.

Real Estate

Tuesday, September 24, 1940—2:00 P. M.

Call to Order—Joseph M. Dodge, President, The Detroit Bank, Detroit, Michigan.

Real Estate Loans in the Investment Portfolio—Dr. Ernest M. Fisher, Director of Research in Mortgage and Real Estate Finance, American Bankers Association.

A Question and Answer Panel discussion on **Real Estate Loans** conducted by Dr. Ernest M. Fisher along the line of Information Please, with the following Panel members:

Frederick M. Babcock, Assistant Administrator, Federal Housing Administration, Washington, D. C.

William A. Marcus, Vice President, American Trust Co., San Francisco, California.

Earl B. Schwulst, First Vice President, The Bowery Savings Bank, New York, N. Y.

William W. Slocum, President, The United Savings Bank of Detroit, Detroit, Michigan.

Operating Problems

Wednesday, Sept. 25, 1940—2:00 P. M.

Call to Order—J. L. Dart, Vice President, Florida National Bank, Jacksonville, Florida, President, American Institute of Banking Section.

Productive Work Planning—Ernest S. Woolley, Bank Consultant and Analyst, New York, N. Y.
Discussion.

Research, Analysis, and Budgetary Control as an Aid to Bank Management—Maurice L. Breidenthal, President, Security National Bank, Kansas City, Kansas.
Discussion.

Greater Efficiency and Increased Earnings through Simplification of Bank Operating Forms—Louis W. Bishop, Cashier, State-Planters Bank & Trust Co., Richmond, Virginia.
Discussion.

Consumer Credit

Thursday, Sept. 26, 1940—2:00 P. M.

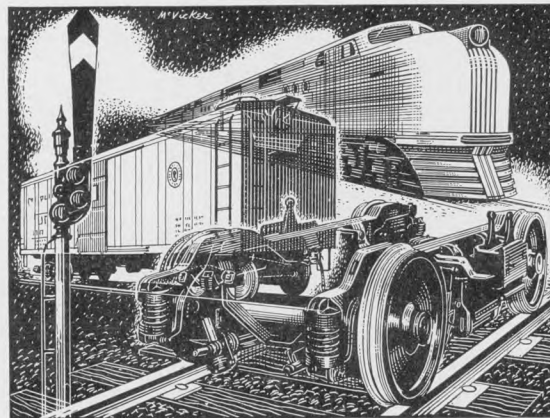
Call to Order—Walter B. French, Deputy Manager, A.B.A. Consumer Credit Department.

Automobile Financing—Kenton R. Cravens, Vice President, Cleveland Trust Company, Cleveland, Ohio.
Discussion.

A Question and Answer Panel discussion on **Consumer Credit** conducted by Walter B. French along the line of Information Please, with the following Panel members:

Kenton R. Cravens.

John H. Lucas, Vice President,



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BASIC INDUSTRIES**

● Chicago is not only the railroad capital of the United States; it is also an important center for the production of railway equipment and supplies. Both are fields in which the American National Bank and Trust Company has demonstrated its ability to serve capably and well. Therefore, if the business problems of your depositors involve transactions with either of these basic Chicago industries, we invite you to discuss this institution's complete correspondent facilities with our officers.

**AMERICAN NATIONAL BANK
AND TRUST COMPANY**

of Chicago

LA SALLE STREET AT WASHINGTON

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Northwestern Banker September 1940

Peoples - Pittsburgh Trust Co.,
Pittsburgh, Pennsylvania.
George A. MacLachlan, Vice President,
National Bank of La Crosse,
La Crosse, Wisconsin.

Inaugural Ceremony

Thursday, September 26, 1940

University of Pennsylvania Glee Club.
Inauguration of New Officers.
Presentation to Retiring President.
Recital—John Charles Thomas.

INSTALLMENT LENDING IS PROFITABLE

(Continued from page 17)

Equipment loans will be found a very satisfactory form of installment lending if they are properly handled. Obviously the purchaser of equipment should make a substantial down payment and possess from the start an equity which he will wish to protect. The terms of the contract should be sufficiently short that the monthly payments will reduce the loan more

rapidly than depreciation will reduce the value of the article purchased. It has been our experience that contracts covering the purchase of equipment essential to the operation of a household are paid with more promptness than those representing articles which are, to a degree at least, a luxury for the purchaser. Constant attention must be given to accounts which become delinquent and the dealers must be required to take up promptly all contracts which fail to respond to collection efforts:

The field of consumer credit which is receiving the most attention today is that of automobile financing. For a time many bankers hesitated to enter this field because they felt they would profit most by permitting bank's funds to reach the automobile industry through the extension of credit to the well operated finance companies. The drastic reduction which has taken place in the rate of interest received on such loans is responsible for the decision of many banks to engage in lending on automobiles. It has been estimated that over one thousand banks first began making automobile loans during the last half of 1939. In response to a recent questionnaire 82 per cent of the reporting banks indicated that they were making automobile loans only to the individual purchasers, while the remaining 18 per cent reported that they were endeavoring to build their volume through the purchase of contracts from dealers. Conditions prevailing in each individual community seem to determine the manner in which the loans are obtained. Generally speaking, the banks in the larger cities, because of the intense competition they encounter and the difficulty experienced in breaking down relationships that dealers already have with finance companies, prefer to direct their efforts toward the acquisition of business from the individual automobile purchasers. In the smaller cities and towns where the competition is not so keen and the banks may be more selective in the quality of the paper they accept, contracts are more often obtained through dealers. It must be admitted that volume may be acquired more rapidly through dealers than by making direct loans. In the opinion of the majority of bankers this advantage is more than offset by the fact that in order to compete with the finance companies for dealer business the banks must provide the dealers with funds to floor plan their cars and meet their other credit requirements. Unfortunately

(Turn to page 88, please)



*The First National
Bank of Chicago
invites business on
the basis of facilities
it has developed
in building with
Chicago since 1863*

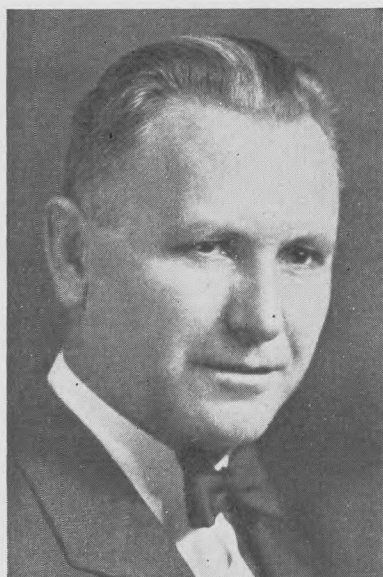
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

You Will See

Them In Des Moines



MARVIN R. SELDEN
Vice President Merchants National Bank
Cedar Rapids



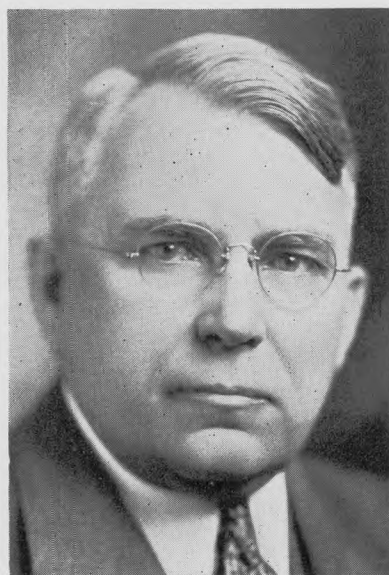
CARL TROUT
Assistant Vice President
Live Stock National Bank, Chicago



CHARLES C. KUNING
Assistant Vice President
American National Bank, Chicago



W. A. SAWTELL
President Stock Yards National Bank
Omaha



A. G. SAM
Vice President First National Bank
Sioux City



RAYMOND A. LOCKWOOD
Vice President
Manufacturers Trust Co., New York



EMIL A. STAKE
Vice President
First National Bank, Chicago

Northwestern Banker September 1940

INSTALLMENT LENDING IS PROFITABLE

(Continued from page 86)

many automobile dealers cannot be classed as desirable risks by accepted banking standards. Because he is largely dependent upon the fortunes and policies of the manufacturer whose product he handles and because intense competition involving excessive trade-in values destroys his expected profits, the automobile dealer often presents a credit problem banks can well avoid.

It is generally conceded that volume obtained by direct loans is more permanent than business acquired from dealers. By making the loans direct a bank may be more selective in choosing the risks they wish to accept.

I might mention in passing that our bank decided at the outset to build its volume by making loans direct to its customers and we have had no occasion to change our policy or regret our decision.

Safe, conservative lending against automobiles requires that each loan be considered to some extent as a personal loan to the purchaser. While the value of the automobile as collateral is of vital importance, it should not be the sole basis of credit. The character of the applicant and his ability to meet the necessary monthly installments should receive careful consideration. Repossession and resale is at best a salvage activity and one which may result not only in a loss of money but good will as well. It is generally accented as sound that the purchaser

should pay at least one-third down if he wishes to extend his obligation over a period of eighteen months or less and that he should pay at least 40 per cent down if his contract involves 24 months. Loans made against used cars are often just as sound as those made in connection with new ones. Quite frequently the man who purchases a used car for \$300 is better qualified to meet his monthly installments than the one who buys a new car involving a payment program unsuited to his income.

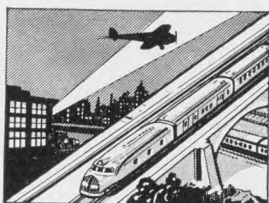
I am sure you will be interested in knowing that by following the above policy we have succeeded in developing a satisfactory volume of automobile business which may be appraised as to quality by the fact that we have had only one repossession per each 425 loans made.

There remains one important division of installment lending for us to consider. I refer to personal loans. Of the various forms of installment credit we have considered, personal loans represent the least departure from long established banking practice. Banks for years have been compelled to make a considerable number of small loans which yielded insufficient income to justify their existence. Placing such loans on an installment basis makes them not only profitable but satisfactory from a liquidation standpoint. Personal loans offer an unparalleled opportunity to build good will and assist greatly in removing from the public mind the idea that banks are indifferent to the credit needs of the average man.

It is essential that the applicant for a personal loan possess good character and ability to repay. The most practical yardstick of character from a credit standpoint is the reputation which a man bears for the prompt payment of his obligations. Information of this nature may be easily obtained from the various agencies organized to investigate and report such matters. Ability to repay can be determined by discussing with the applicant the relationship between his income and his expenditures. We have found that many people have a tendency to overestimate their ability to repay from income. When making a personal loan we undertake to impress upon our customer the importance of meeting his obligation promptly, pointing out that he is establishing bank credit which is a valuable personal asset.

The signature of a co-maker makes it possible for us to make a loan we could not otherwise consider but we have found that the borrower who ob-

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EXCELLENT MAIL SCHEDULES

BOTH BY RAIL AND AIR

TO SERVE OUR

CORRESPONDENTS' REQUIREMENTS

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

tains a loan based solely on his own credit qualifications is more likely to display the proper attitude toward his obligation than one who feels that we trusted not him but the person who signed with him. Co-maker loans are characterized by another disadvantage arising from the fact that the co-maker may be a substantial customer of the bank and feel, in the event he is called upon to pay the loan, that the bank should not have been instrumental in creating a situation which resulted in a loss to him.

Our belief that through personal loans we are rendering a valuable service to many credit-worthy individuals to whom we formerly offered no credit facilities has been confirmed by records we have kept relative to the source of our business. We have found that 75 per cent of our customers are repeat borrowers. In other words, 75 per cent of the individuals who apply for personal loans are men and women who have promptly and successfully discharged one or more obligations by means of regular monthly payments and desire again to borrow on that basis to meet some unexpected emergency or to place themselves in the position of a cash buyer in connection with merchandise they contemplate purchasing.

As early as March 1, 1936, we began insuring the lives of our personal loan borrowers under a policy issued by one of the oldest and most responsible life insurance companies in America.

The life of each borrower is insured for the unpaid balance of his loan and his family or estate is relieved of all responsibility in connection with his obligation in event of his death. The cost is so small that the privilege of obtaining so much protection at such a low rate, is welcomed by the borrowers without exception.

In closing I would like to make a few observations concerning the acquisition of installment paper. In the case of Title I and equipment loans the dealers offer the best field for promotion. They may be encouraged to confine their sales efforts to prospects

who appear able to pay and they should be supplied with applications, credit statements and conditional sales contracts simple in form and easy to use. Promptness in considering the applications they deliver to you and the absence of delay in reporting your decisions will do much to increase their satisfaction with your service. This also applies to automobile contracts obtained through dealers. Applicants for personal and automobile loans should be given prompt and courteous attention, which will make them feel they are just as important to the

(Turn to page 91, please)

Harris Trust and Savings Bank

Organized as N. W. HARRIS & Co., 1882

Incorporated 1907

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Chicago



Capital, Surplus and Undivided Profits over . \$ 17,600,000

Resources over 310,000,000

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to
Visiting Bankers**

**Des Moines Bank
and Trust Co.**

Sixth Avenue
Between Locust and Walnut

G. B. Jensen, President
A. W. Crossan, Vice President

See Them at the Iowa Convention



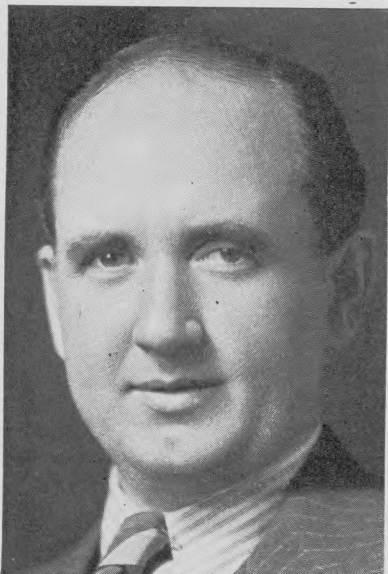
E. F. BUCKLEY
Vice President
Central National Bank, Des Moines



E. N. VAN HORNE
Executive Vice President
American National Bank, Chicago



MAX von SCHRADER
Cashier
Union Bank & Trust Co., Ottumwa



JACK SPARKS
Shaw, McDermott & Sparks
Des Moines



W. E. BROCKMAN
Vice President
Midland National Bank, Minneapolis



EVERETT M. GRIFFITH
Assistant Vice President
Iowa-Des Moines National Bank
Des Moines



J. C. THOMSON
President
Northwestern Bancorporation, Minneapolis

INSTALLMENT LENDING IS PROFITABLE

(Continued from page 89)

bank as customers seeking commercial loans.

Installment credit has definitely become a banking function. Its value to ourselves and the communities we serve will depend upon the intelligence with which we extend it. Nowhere in the bank are human relationships so intimate as in this department. No one can engage in handling installment loans without a feeling of admiration for the integrity and character of the average American man and woman.

It seems to me that if I were operating a bank in any size community, I would make a very careful and thorough check and survey to determine whether or not any credit worthy citizens of my community were borrowing funds from any source other than my bank. If I found upon making this investigation that any important number of good local people were obtaining Federal Housing Title I loans, automobile loans, equipment loans, or personal loans from any outside source, I would certainly want to consider most seriously setting up in my bank machinery for handling these types of loans.

I say these things for the two reasons which I have heretofore stated. First, I would want the good people of my community to feel that their bank was equipped and stood ready to take care of their sound credit needs whatever their nature might be. This is vitally important if we are to re-establish ourselves in the good will of the public, and beyond that to arouse all of the people to the realization that their local bank is an absolute essential, yes, an indispensable part of American business life. Second, and again I repeat for emphasis, such operations as these which I have mentioned, properly handled will undoubtedly help the undivided profits in a substantial way, thereby fulfilling an obligation which all of us as bank officers owe to our stockholders.

NEWS AND VIEWS

(Continued from page 18)

the board walk where each year approximately 15 million visitors are entertained.

Incidentally, the Association of Bank Women do not fight among themselves politically as they nominate just one individual for each office. The president for next year will be **Emma**

Claus, who is assistant secretary-treasurer of the Bankers Trust Company of Gary, Indiana.

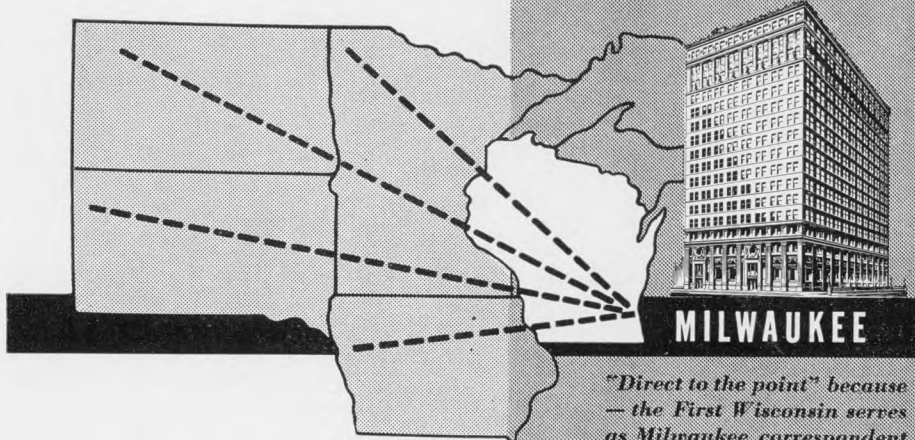
Ray F. Kauffman, son of B. F. Kauffman, president of the Bankers Trust Company of Des Moines, will have his new book "Hurricane Wake" on sale September 17th. The book is being published by McMillan Company and is the story of Mr. Kauffman's trip around the world in a 45 foot sailboat which took him and his compan-

ion three and one-half years. Ray Kauffman's wife is the former **Diana Davis**, daughter of **Mr. and Mrs. J. Stuart Davis**. Mr. Davis is Associate editor of the **NORTHWESTERN BANKER**.

George Malcolm, vice president of the Drovers National Bank of Chicago, took a trip into Michigan not long ago and had postal cards to his friends all typewritten in advance and then to show his increased efficiency he had the greetings "all rubber stamped and

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A First Wisconsin account is your master key to prompt, efficient collection of Wisconsin checks and drafts. This bank is the largest in the Wisconsin-Iowa-Dakota-Minnesota area... serving more than 500 Wisconsin correspondents, as well as banks in key cities of neighboring states. Your inquiries are invited. Address our Banks and Bankers Division.

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**FIRST
WISCONSIN
NATIONAL
BANK
OF MILWAUKEE**

Northwestern Banker September 1940

everything" and they said "We are having a wonderful trip. Mae and George Malcolm".

The postal card we received was of the Book-Cadillac Hotel, Detroit, and we don't know whether they were having a wonderful trip going up and down in the elevators, having lunch on the roof garden or making whoopee in the cocktail lounge. Anyway we are glad to know that they had a grand time.

Richard R. Rollins, vice president of the Bankers Trust Company, and **Rob-**

ert Root, Des Moines representative of Blair, Bonner & Company, have organized a new corporation known as **Shine, Inc.**

The company will hire shoe shining boys who will come right to the offices of business men in the city and do their shining for them at their desks.

Similar projects are operating in Chicago and New York, but this is the first time such a plan has been introduced into Des Moines.

"Say nothing, see nothing, hear nothing" will be the creed of the shoe

shiners, when they enter the private offices of the big executives.

The cost of a shine in the office will be 15 cents, although coupon books of \$1.25 will be sold which will be good for 10 shines. The shine boys will all wear special maroon uniforms and caps like those used by bellboys.

The officers of Shine, Inc., are **Mr. Rollins**, president; **Mr. Root**, vice president; and **Ellen De France**, an employe of the Bankers Trust Company, as secretary. These three will comprise the board of directors.

It is understood that their business slogan will be taken from the Harvest Moon song entitled "Shine On, Shine On".

Why, Sam!

Blushing Brunette: "Do you believe in the theory that all brunettes are knock-kneed?"

Sinful Sam: "Don't know, les' see."

SAFE DEPOSIT PROFITS

(Continued from page 21)

excess supply of boxes over the actual and real needs of the communities served.

If the cost of operating these departments was spread evenly over the 3,242 boxes actually rented, it would result in an average cost of \$5.40 per rented box for the year. The average rental collected on these boxes was \$3.61 for the year.

Here are some facts regarding rentals of 51 departments throughout the east.

Boxes Available 76,780
Boxes Rented 48,412
Per cent of Boxes Rented ... 57%

The rates of rental in these departments may be summarized as follows:

Rate	Boxes Rented	Per Cent of Boxes Rented
\$2.00	982	2.0
2.50	1,657	3.4
3.00	6,793	14.0
3.50	119	.2
4.00	2,506	5.2
4.50	98	.2
5.00	28,350	58.6
Over \$5.00	7,907	16.4
	48,412	100.0%

It is interesting to note that 58.6 per cent of these boxes were rented at \$5.00, as compared to 25 per cent rented at a rate lower than this.

In 26 of these 51 departments, we have available detailed operating and cost figures that I think may be of interest.

(Turn to page 96, please)

PIONEER

First Commercial Producer of

HYBRID SEED CORN

AHEAD OF THE PARADE

In 1926—One Hundred Iowa farmers planted Pioneer and all of the seed was processed in one plant.

In 1940—Over 85,000 Iowa farmers planted Pioneer and in Iowa alone nine plants were required to process the seed—Pioneer is the first choice of Iowa farmers because of sound corn breeding—careful processing—and responsible sales policies.

PIONEER HI-BRED CORN COMPANY

DES MOINES, IOWA

GARST AND THOMAS HYBRID CORN COMPANY

Coon Rapids, Iowa

They Are Coming to the Convention



R. W. WAITE
Vice President
Waterloo Savings Bank, Waterloo



WINFIELD JACKLEY
Jackley & Company, Des Moines



D. H. REIMERS
President
Live Stock National Bank, Chicago



M. A. WILSON
Vice President and Cashier
Live Stock National Bank, Sioux City



E. W. JONES
Vice President
Iowa-Des Moines National Bank
Des Moines



R. O. WAGNER
President
Capital City State Bank, Des Moines



DONALD A. HARPER
First Wisconsin National Bank
Milwaukee

LEGAL DEPARTMENT

(Continued from page 26)

tween the taxpayer and the person supported other than a mere desire to benefit.

Quite often in various transactions bankers will discover that persons claiming to represent certain principals as agents do not represent them because they are nonexistent or fictitious. When this occurs after a contract is executed may the agent be personally held to the contract?

Yes. Subject to a few exceptions involving certain special circumstances, it is generally held that an agent who contracts in the name of a nonexistent or fictitious purported principal renders himself personally liable on the contract so made.

A Georgia banker died, leaving as part of his assets an apartment building there. By his will, the property went to his son for life, and thereafter to his grandchildren. The son, as life tenant, insured the premises against loss by fire. A fire occurred that totally

destroyed them. The son sought to treat with and use the insurance proceeds as his own property absolutely. Could he do this?

No. The proceeds of insurance on a building, taken out by an owner of a life interest in the property, stand in the place of the property destroyed and should either be used in rebuilding or should be held by the owner of the life estate for the benefit of the remaindermen upon the termination of the life estate. In the event the funds are not used in rebuilding, the life tenant is entitled to the interest thereon during his life.

Maxwell, a banker, carried on himself certain insurance that provided for disability benefits and the waiver of premiums during disability. Maxwell became involved in an automobile accident and was disabled as a result of injuries received therein. As an incident to procuring his insurance benefits, he was examined by a doctor for the insurance company. Such doctor insisted that if he would go through a major operation, which was somewhat risky, he would completely recover from the effects of the accident. Maxwell refused to undergo the operation and the insurance company refused to accord him further benefits under the insurance policy. Thereafter Maxwell sued. Could he recover?

Yes. The cases are in substantial agreement that an insured, in order to recover benefits or successfully to claim waiver of payment of premiums, as provided in an insurance contract in the event of his total disability, need not, as a condition, submit to a major operation, or to one in which a precedent, material risk is involved.

Logik

What is double petunia?

Well, a petunia is a flower like a begonia;

A begonia is a meat like a sausage;

A sausage and battery is a crime;

Monkeys crime trees;

Trees a crowd;

A rooster crowd in the morning and made a noise;

A noise is on your face like your eyes;

The eyes is the opposite of the nays;

A horse nays and has a colt;

You get a colt and go to bed and wake up in the morning with double petunia.

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FOREIGN TRADE SERVICE

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These Men Will Be
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 September 9-10-11



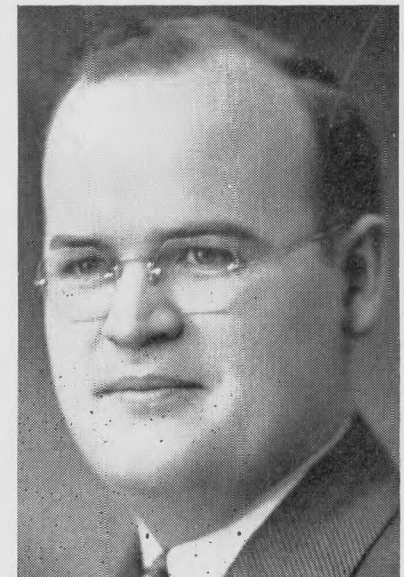
ALVIN E. JOHNSON
 President
 Live Stock National Bank, Omaha



A. T. DONHOWE
 Vice President
 Central National Bank, Des Moines



ROLAND C. IRVINE
 Vice President
 Chase National Bank, New York City



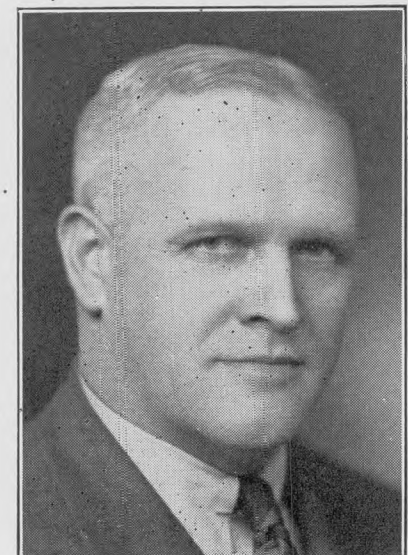
FRED D. CUMMINGS
 Drovers National Bank, Chicago



GEORGE M. PETERSON
 Polk-Peterson Corporation
 Des Moines



CHARLES CAREY
 Assistant Cashier
 Harris Trust & Savings Bank
 Chicago



RAY MILLER
 Cashier
 Capital City State Bank, Des Moines

\$18,000,000 per year
for Iowa Livestock
\$1,540,000 per year
to Iowa workers

Old Homestead

Contributes to
Iowa's Agricultural
and Industrial
Stability

Request Old Homestead
meat for your own table.

While you're attending the convention
visit our plant, one of Iowa's finest
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Specializing
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**SURETY
BONDS**



Iowa's Own Company

Iowa Bank Agencies Solicited

**MUTUAL SURETY
COMPANY**
OF IOWA

Des Moines, Iowa

SAFE DEPOSIT PROFITS

(Continued from page 92)

These departments reflected the following combined figures:

Rentals Received	\$154,727.04
Expenses	193,952.89
Net Loss	\$ 39,225.85

The average net income per rented box was \$5.67, the expense was \$7.11 and the net loss was \$1.44.

6 departments had a profit of	\$12,468.24
20 departments had a loss of	51,694.09

Leaving a net loss of \$39,225.85

Further refinement of the cost of operating these departments into the cost of maintaining a box and the cost of servicing an entry reflects the following:

The cost of maintaining a box was arrived at by dividing the total maintenance cost by the number of boxes available whether rented or vacant. This element of cost varied from 91 cents per box per year to \$6.27 and an arithmetical average of \$2.23 per box per year was shown.

The cost of servicing an entry varied from 24 cents to \$1.67. Combining these costs in the 26 departments and treating it as one department results in an entry cost of \$.414. There was an average of 8.4 entries per rented box per year or a total average entry cost of \$3.48. Hence, the following average cost per box per year results.

Cost of maintaining a box	\$2.23
Cost of Entry Service	3.48

Average Annual Cost \$5.71

However, to recover the entire cost, the maintenance cost of unrented boxes would have to be absorbed by the rented boxes and this would increase the above average cost by another \$1.50 per year.

This raises a question frequently discussed. Should a charge be made for excess entries over a minimum number allowed for the basic rent? Or should a basic rent be set and then a charge be made for each entry? Such a procedure does not appear to us to be unsound or unreasonable and at last places the cost of service upon those that use it.

Your present plan of stating a basic rental and then permitting unlimited access at no additional charge is comparable to the situation we found ourselves in when service charges were originally instituted on small checking accounts. A service charge of \$.50 or \$1.00 per month was made

I. B. A.

recommends the use of our
No. 7-IBA
SAFETY DEPOSIT BOX
RECEIPT BOOKS

Marbleboard binding with cloth back. Two semi-carbons furnished with each book. 375 duplicate forms to book.

1 book \$3.50 6 books \$16.00

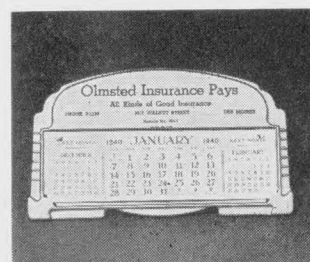
Sent prepaid when remittance in full accompanies order.

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is seldom
dark for the
man who
always main-
tains a good
appearance!

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DESK CALENDARS

• Create customer good-will and establish year 'round "desk contact" for your firm name with these attractive, easel type, metal desk calendars. Made in several sizes and styles. For prices in various quantities, write:

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Incorporated
DES MOINES, IOWA

**While at the Convention Ask
the Man at Booth No. 14**

(South End of Mezzanine)

TO EXPLAIN HOW THE

Mimeograph Duplicator

can save money for your bank.

The Office Equipment Co.

418 W. 10th St. Des Moines, Iowa

See the
**COMPTOMETER
BANK UNIT**

at the Convention

Mezzanine Floor

Emil Nelson

FELT & TARRANT MFG. CO.

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Des Moines, Iowa

Have You Seen
Our New
TELLER'S CASH RELEASE

We also make forms for
every use:

Deposit Tickets
Counter Checks
Notice of Return Items
Service Charges
Collection Notices
Statements—Letterheads
Ledger Cards

Write

The Shelby Salesbook Co.

Shelby, Ohio

or

L. E. GILBERT

Representative

421 Flynn Bldg.

Des Moines

against accounts whose balances fell below a stated figure; but once having paid this charge, the customer was free to draw and deposit as many times as he wished with no additional charge. This has been changed and the charge now applied bears a direct relation to the number of checks handled for the customer. Isn't it reasonable to think of applying the same principles to Safe Deposit operations?

Every time I hear a discussion of a charge for Entry Service, it brings to mind an instance that occurred in the safe deposit department of a large centrally located Philadelphia bank back in 1924. At that time, I was spending considerable time in this bank and they made one of the large rooms in this department available to me for working quarters. Practically every day when going out for lunch, I would see an elderly gentleman coming into the department, taking out his box and retiring to a booth. After the lapse of a few minutes, he would replace the box and leave the bank. It aroused my curiosity. So, one day I discussed this gentleman with the head of the department and inquired what his business was that necessitated regular daily visits to the department. Apparently, his business did not necessitate his action but the department head explained that every week or so he would come in with a package under his arm and after taking his box out as usual, leave with the same package, the answer being that he would bring in a bottle of liquor periodically and stop in for a punch before lunch each day. I am convinced this man would have gladly paid an extra charge for entry service.

In conclusion, may I summarize by stating—

1. That a minimum annual Safe Deposit Box rental of \$5.00 is indicated by these surveys.
2. That with this minimum rental many departments will still fail to operate at a profit, but they will curtail their loss.
3. That a restriction on the number of entries to a box without a charge appears reasonable and has precedence in other banking practices.

In the course of our experience with banks, we have frequently recommended that the increase in their safe deposit rates in substantially every case has resulted in an increase in their income even though it at times reduced the number of boxes rented somewhat.

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I. B. A. Vice Presidents

Three vice presidents of the Investment Bankers Association of America have been nominated for reelection and the two other vice presidential nominees have been chosen from among members of the committee that is conducting the public information program recently inaugurated by the association. This make-up of the "regular" ticket, announced through the Chicago office of the association, is consistent with the policy set two months ago when Emmett F. Connely was nominated for reelection as president. It is the first instance in twenty-four years that a president of the organization is to succeed himself and the committee that nominated Mr. Connely stated that he had been induced to accept the office a second time in order to assure "continuity of the vigorous administration of the program of public information started this year." Meanwhile, Mr. Connely has taken a leave of absence from his own investment house, the First of Michigan Corporation of Detroit, of which he was president, to serve as full-time chairman of the Public Information Committee.

Officers of the association are nominated by the board of governors and elected at the annual convention, which this year is to be held at Hollywood, Florida, December 9th to 13th. Nomination is considered tantamount to election since the selections of the board have always previously been approved by the convention.

Present vice presidents who have been nominated for reelection are:

Paul H. Davis of Paul H. Davis & Company, Chicago; Edward H. Hilliard of J. J. B. Hilliard & Son, Louisville; Joseph P. Ripley of Harriman, Ripley & Company, Incorporated, New York.

Those nominated to be vice presidents for the first time are:

John S. Fleek of Hayden, Miller and Company, Cleveland; John O. Stubbs of Whiting, Weeks & Stubbs Incorporated, Boston.

These men, the nominating committee of the board pointed out, have been serving as Mr. Connely's "cabinet" in carrying out the aggressive and militant policy initiated by the association this year. Mr. Hilliard and Mr. Ripley were members of the special committee that planned and launched the public information program. Mr. Fleek and Mr. Stubbs are members of the committee that is responsible for its operation, and Mr. Davis was chairman of the national committee of sponsors that raised the funds to carry it out.

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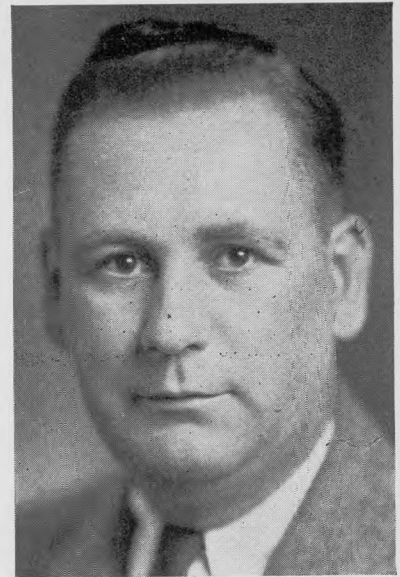
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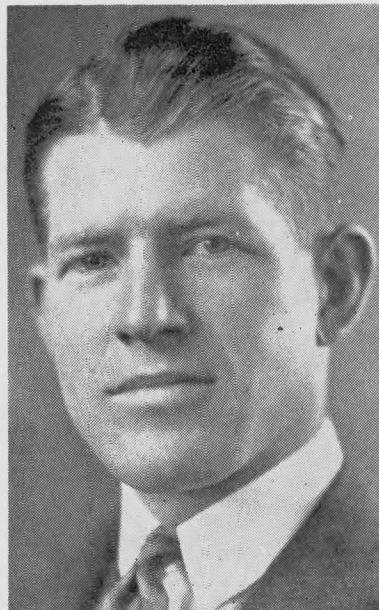
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R. L. DUNLAP
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Commerce Trust Company, Kansas City



BEN S. SUMMERWILL
President
Iowa State Bank & Trust Company, Iowa City



EUGENE MCGUIRE
McGuire, Welch & Company
Des Moines



LOUIS JACOBY
Chase National Bank, New York

Mid-Year Review

Commenting on the municipal bond situation, Halsey, Stuart & Company, Inc., in its *Mid-Year Review of the Municipal Bond Market*, states that most of the ground lost in the recent price decline has since been regained.

"The recent drop in the price level,"

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Northwestern Banker September 1940

the *Review* states, "was to some extent more apparent than real, for liquidation at the low point was comparatively minor and quotations were often nominal, actual offerings in any quantity failing to appear with bona fide bids. Reflecting some anticipation of demand for cash on the part of banks and large corporate buyers to finance expansion of inventory or plant growing out of the government defense program, there has been some contraction of buying of short maturities with resultant wider price fluctuations in this classification than among longer term issues. In part, this merely reflects the fact, however, that short-terms, because of the long continued heavy demand for such issues, achieved disproportionately high levels and were thus more vulnerable to change."

Referring to the effects of the war developments, the *Review* continues, "events abroad have naturally been mirrored in the price trend of the municipal bond market. In view of the unprecedented character of such developments and the incalculable long-term results, it is imperative that the market stood its ground as firmly as it did. That there were no wide fluctuations and so little liquidation appears to reflect an increasing immunity to shocks on the part of American investors, likewise the growing realization that whatever the outcome abroad, there is no safer medium for the employment of surplus funds than carefully chosen tax secured obligations of American municipalities.

"Beyond the immediate repercussions of the war news, certain longer range developments in the municipal bond market appear inevitable. Already new taxes are in effect and additional levies in prospect, the effects of which can hardly fail to increase the demand for tax exempt securities. A second development resulting from the siphoning of a still larger percentage of national income into government hands, for defense measures, is likely to be, if not actual curtailment in municipal expenditures at least no substantial additions, with resulting continuance of the recently existing inadequate supply of new municipal offerings.

"To these factors must also be added the unprecedented total of unemployed reserves which because of the recently prevailing uncertainties and restrictions have been unable or unwilling to find employment. With the new international complexities, it seems unlikely that this situation will

be relieved—in fact, it may be further aggravated. Thus, so far as the effects of the over-supply of funds against an under-supply of acceptable

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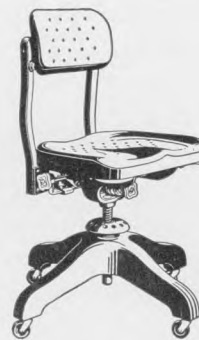
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investments is concerned, little relief appears immediately in prospect.

"Whatever may be the long-range implications of the frightful destruction of men and materials abroad—and it must be admitted that regardless of who wins, the further removed outlook is disturbing—the fact remains that the near term results can hardly be such as to change materially the price structure of the high-grade municipal bond market. Whatever change there may be may as easily be for the better, price-wise, as for the worse. With some reduction in new issues probable, little reduction in the existing volume of idle funds now in sight, and increased taxes a certainty, there appears good grounds for the viewpoint that the price level should at least be well maintained."

American National, Chicago

Loans and discounts of the American National Bank and Trust Company of Chicago increased \$2,724,000 during the first half of 1940, reaching a total of \$19,681,287 on June 29th, as shown on the statement of condition published in response to the call of the Comptroller of Currency.

Deposits totaled \$69,160,944 on the June 29th statement, compared to \$67,633,535 on March 26th, and \$62,622,135 a year ago. Cash on June 29th totaled \$26,322,636, compared to \$29,144,183 at the beginning of the year, a decrease approximately equal to the increase in loans and discounts. Investments in United States government securities decreased from \$14,568,796 to \$12,910,565 during the first half of the year, while holdings of municipal and other securities increased from \$12,896,817 to \$14,402,923.

Undivided profits increased from \$554,030 to \$651,588 in the six months, while reserves showed an increase from \$871,618 to \$921,133. An increase of \$40,000 in the preferred stock retirement fund was also indicated, the total in this fund being \$140,000 on June 29th against a total of \$600,000 preferred outstanding.

70 Years of Service

John F. Flaacke, assistant secretary of Chemical Bank & Trust Company, recently began his seventieth year of continuous service with the bank. In point of service, he is the dean of New York bankers and as far as is known, for length of continuous service with one institution he holds the record for the entire country.

Mr. Flaacke was born in New York City on August 22, 1855. He entered

the bank's employ on July 12, 1871, during the presidency of John Quentin Jones, and has served under seven of the ten presidents which the bank has had in its 116 years of existence.

Mr. Flaacke was one of the organizers of the Bank Clerks' Building & Loan Company in 1890 and was also active in organizing the New York Chapter of the American Institute of Banking, of which he was the first treasurer.

Northern Trust, Chicago

With deposits at an all time high of \$378,573,000, The Northern Trust Company, Chicago, issued its half-year statement at the call for June 29 figures. Loans have increased to \$39,373,000. Savings deposits exceed \$80,413,000 while cash and due from banks stand at \$161,524,000. Total resources are up \$39,471,000 from the March figures to \$403,276,000.

Clearinghouse Manual

Extensive development of regional clearinghouse associations for country banks as a means of promoting bank cooperation and solving local banking problems is urged in a manual of clearing house organization made public by the Bank Management Commission of the American Bankers Association.

The manual describes the origin and growth of regional clearinghouse associations and points out that the number of these organizations has increased from one in 1927 to 287 as of June 30, 1940.

"A regional clearinghouse association is a simple, feasible, practical and profitable organization to promote and stimulate banker cooperation and to make it effective," the manual declares. "Through it banking can be made safe, sound and profitable. Its potential and active usefulness is unbounded in meeting bank problems and new conditions. Through it sound banking policies and principles can be translated into practice.

"National and state bankers associations may develop better banking procedures, but unless these principles are actually put into operation everywhere we fall short of the desired goal in bank management," the

manual continues. "So far as a great majority of banks is concerned the regional clearinghouse association is the logical agency for promoting the observance of sound banking practices. Through an organization of this type the bankers in a local trade area having problems and operating conditions in common may sit down

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Northwestern Banker September 1940

together, work out a solution for each problem and take the necessary steps to put their conclusions into practice in all the institutions in that area."

The manual presents in detail the manner in which regional clearing-house associations are organized and outlines 21 banking problems which can be solved through local cooperation among banks. These problems range from methods of analyzing banking costs and auditing procedures to questions concerning taxation and advertising methods.

First Six Months

During the first six months of the year approximately \$457,000,000 flowed from savings, building and loan associations back to the people who have been putting the money into these institutions, the United States Savings and Loan League estimates. While new money was being invested at the rate of about \$2.00 for every \$1.00 withdrawn, millions of shareholders were reaping the rewards of their thrift by having these funds to meet their emer-

gencies, or as capital to take advantage of business opportunities and to make down payments on homes.

George W. West, Atlanta, president of the League, said that some \$407,000,000 of the total which savings and investing members received from January through June represented money actually paid in, while about \$40,000,000 represented dividends paid the first of the year on savings and loan lump-sum investments. Some \$10,000,000 is estimated to represent cash loans obtained on security of share accounts, which device is frequently used instead of withdrawal to prevent interruptions of systematic saving programs.

The League president pointed out that much of the capital which people withdrew from their savings and loan associations represented only a portion of the money they had invested there, demonstrating the complete confidence of the shareholder in this type of investment. The ratio of turnover is about that of normal times as it has been for several years, Mr. West said. Nearly a third of all the cash paid out was in January, the customary month of changes in investments. The amount was cut about in half the next month, rose slightly for the next two and then started to decline again.

Volume of share capital retired during the first six months of the year was increased by several million dollars of funds invested in the associations by the United States Treasury since 1934, and now rapidly being paid back because of the steady inflow of new funds from the public and because of the Treasury's needs.

Federal Home Loan Bank of Des Moines

DES MOINES, IOWA

STATEMENT OF CONDITION JULY 31, 1940

RESOURCES

Advances to Members.....	\$14,507,062.50
U. S. Government Obligations and Securities Guaranteed by U. S.....	1,367,000.00
Accrued Interest Receivable.....	45,750.25
Deferred Charges.....	17,716.11
Cash.....	3,117,294.77
	<u>\$19,054,823.63</u>

LIABILITIES

Members' Stock Subscription.....	\$ 2,523,200.00
Government Stock Subscription.....	7,394,900.00
*Debtures Outstanding.....	7,500,000.00
Premiums on Debtures.....	1,250.00
Deposits.....	916,103.82
Accrued Interest Payable.....	40,395.48
Surplus:	
Reserves.....	\$471,571.38
Undivided Profits.....	207,402.95
	<u>678,974.33</u>
	<u>\$19,054,823.63</u>

*Participation in \$48,500,000 consolidated Federal Home Loan Bank debtures outstanding, which are the joint and several obligations of the twelve Federal Home Loan Banks.

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Catalog of Theses

A catalog of theses written by graduates of The Graduate School of Banking, educational arm of the American Bankers Association for bank officers, has been prepared and is available for distribution, it is announced by Dr. Harold Stonier, director of The Graduate School of Banking and executive manager of the A.B.A.

The catalog is a cumulative listing of selected theses prepared by G.S.B. graduates of the classes of 1937-40, inclusive. It lists the theses both according to title and to subject matter. Many requests have come to The Graduate School of Banking for information concerning the theses, together with requests for their use, Dr. Stonier said. The catalog has been prepared in response to these requests, and the theses may be borrowed under conditions specified by the Library of the American Bankers Association.

Recent Developments In *Commercial* Bank Policy

SAVINGS
and LOAN

Excerpts from a Lecture by Walter Lichtenstein, Vice President of the First National Bank, Chicago, Before the Recent Graduate School of Savings and Loan

DURING the past few years it was found in practice that there were demands for credit for a longer period of time than commercial banks had been in the habit of making, and which at the same time were not of a type or kind to justify the issue of securities to meet the need. That is, demands arose for credit which could not be met by investment bankers and could not be filled by commercial bankers, if they were to follow the old orthodox theory, largely evolved in Great Britain in the 19th century, that the assets of commercial banks should consist chiefly of short term, self-liquidating loans. Of course, Dr. Moulton showed long ago that the idea of short, self-liquidating loans was more true in theory than in practice, for American banks, even before the World War, were in the habit of making loans that were nominally of short term, but which very frequently were not repaid, and were not expected to be repaid, for a number of years. Or even in those cases where they were repaid to one bank, it was done by a sort of revolving system; that is, the borrower did business with a number of banks, and when at the end of six months he had to repay Bank A, he did so by borrowing from Bank B, or he sold short term commercial paper to a commercial paper broker. Banks also had been in the habit of making mortgage loans with maturities up to five years, but the theory in those instances was always that these might be sold to an insurance company or a trust estate, just as a bond of long maturity was supposed to have a market, so that in case of need the bonds could be sold and converted into cash.

The question might be asked, on the other hand, why, if the commercial banks could no longer do underwriting, was it not perfectly feasible to go to the investment banker. It was, and it is, but even in the days before the Securities and Exchange Commission, there were certain fairly heavy ex-

penses connected with the issuing of securities, and, without going into details, an investment banker could hardly afford to handle a relatively small loan. Furthermore, under present day requirements of registration, the expenses involved in issuing securities have been considerably increased, and for reasons into which I need not enter here, investment bankers are not likely to handle loans unless they are of considerable size and are capable of rather wide distribution. It is as a result of all this that the commercial banks had to step into the picture. In consequence of amendments to the Federal Reserve act, culminating in the banking act of 1935, banks can now in case of need rediscount long term loans as well as short term loans at the Federal Reserve banks, which formerly was not the case. Furthermore, where loans are of sufficient size to justify an issue of securities, corporate officials and investment bankers might at times hesitate to subject themselves to the liabilities provided in the securities act of 1933. So at first some banks and gradually more and more began to make serial loans; that is, loans extending for a period of usually not more than five years, and which the bank would carry as a loan in its own portfolio.

The possibility of carrying a long term loan was also increased by a change of bank examination procedure. It had been the practice of Federal and state bank examiners to classify all loans that were not paid within a relatively short time, say within a year, as being "slow" loans, or even worse. But by an agreement, arrived at comparatively recently by the Comptroller of the Currency, the Secretary of the Treasury, the Board of Governors of the Federal Reserve System, as well as certain other Federal and national bank supervising authorities, the classification of loans has now been changed and any loans, regardless of the length of maturity, the re-

payment of which seems reasonably sure, are not henceforth to be classified separately in the examination report. Banks need not henceforth set up any reserve against such loans, no matter when they fall due, nor will they be subject to criticism by the examining authorities in connection with any loans so grouped. You can readily see how the whole psychology of the banks will have changed as a result of such alterations in examination procedure. For, after all, even the largest and best managed banks are very susceptible to criticism by examining authorities, and what is true of the larger banks is even more so in the case of small banks which may feel the necessity of taking every hint from an examiner as a command from above.

Let us now look a little more closely into the whole problem of these term loans. Certainly there is much more risk involved in them than there was, or is, in the ordinary so-called short term loan, for, after all, if the lender binds himself not to call for repayment of the loan except after a given number of years, he must face the fact that within that time much may happen to change the management of the business, or the markets upon which such business depends. A successful corporation under sound leadership may rapidly become an unsound risk under on the public market if a banker feels poor management. Bonds can be sold there is to be a change of conditions, but in the very nature of things, a long term loan is not marketable, for remember that the commercial bank under present laws is not allowed to sell the loans it has made to others—that would be investment banking. The only seeming exception is in those instances where a term loan required by the borrower is too large for one bank to handle; then the loan may be divided among several banks. Where a loan is so split, the banker must not do anything which would put him in the position of having sold a portion of

Northwestern Banker September 1940

the loan to another banker, and he must see to it that the loan is not so issued as to make it a marketable security.

Mr. Edward E. Brown, president of The First National Bank of Chicago, the bank with which I happen to be connected, wrote an article on this subject and in conclusion I may quote from him as to certain other factors:

"Interest rates on serial loans may be uniform for all maturities, but generally they are made on a sliding scale, with higher rates for the later maturities. In all cases the borrower should have the right to pay off all or any part of the loan at any time. A small penalty, much less than is generally exacted in the case of a called bond,

should be required. Otherwise the borrower, if his business goes well, is apt to find it profitable to borrow on a current bank loan, to meet his maturities as they get within six month's or a year's distance.

"A serial loan maturing in equal installments in one to five years has an average maturity of three years. If a bank made an equal amount of such loans for five consecutive years, the average maturity of its portfolio on this class of loans would be 18 months. Considering that the rates of interest on such loans average at least twice as high as the rate on prime six months' loans, this is a short enough average maturity to protect a bank against serious loss should there be a sharp rise in the general level of interest rates. In this respect such loans are far superior to long term bonds for a bank's investment where a considerable rise in the interest level would result in a heavy price decline in the bonds, no matter how sound they might be. The interest rates on a serial loan of the highest class will generally average between 3 and 4 per cent over all maturities, which is a much better rate than can now be obtained on marketable securities of short term maturities. With the ability to borrow from Federal Reserve banks, using such serial notes as security if the credits are sound, a bank does not become unliquid by investing a moderate proportion of its total assets in them. Regard should naturally be taken of a bank's capital funds, and the composition of its assets in determining how far a banker should go with this type of loan."

Net income from operations available for dividends for the six months of 1940 was \$3,945,614.18, compared with \$3,763,614.88 for the six months of 1939, and was \$8,095,652.66 for the twelve months ended June 30, 1940. This net income is after providing for all present federal and other taxes and after deducting minority interests' portion of \$677.00 for the six months of 1940, \$2,619.22 for the six months of 1939, and \$4,398.46 for the twelve months ended June 30, 1940. The aforesaid net income for the twelve months ended June 30, 1940, includes a taxable dividend of 30 cents per share, or \$53,306.70, received November 15, 1939, on 177,689 shares of common stock of Gleaner Harvester Corporation held by the company.

After payment of \$259,118.26 dividends for the six months of 1940 on the 4% per cent cumulative convertible preferred stock outstanding, there remained \$3,686,495.92, or \$2.00 per share, applicable to 1,842,006 shares, including scrip, of common stock of the company outstanding on June 30, 1940. This compares with \$3,504,496.62 or \$1.90 per share, for the six months of 1939, applicable to 1,842,008 shares of common stock, including scrip, outstanding on June 30, 1939, and was \$7,577,416.14, or \$4.11 per share, for the twelve months ended June 30, 1940, on 1,842,006 shares outstanding on June 30, 1940.


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Gross Volume

Commercial Credit Company announced recently that its gross volume of all receivables acquired during the six months of 1940 was \$416,712,085.69, compared with \$342,260,101.80 for the six months of 1939, and was \$700,320,926.61 for the twelve months ended June 30, 1940.

Net income from operations available for consolidated interest and discount charges for the six months of 1940, after charging off losses and providing ample reserves for doubtful items, was \$8,025,341.09, compared with \$5,803,696.37 for the six months of 1939, and was \$11,808,147.78 for the twelve months ended June 30, 1940. Consolidated interest and discount charges were earned 6.54 times for the six months of 1940, compared with 4.11 times for the six months of 1939, and 6.57 times for the twelve months ended June 30, 1940.

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EMPLOYEE LOYALTY

Writing in the *Bankers Magazine*, Ray A. Ilg, vice president of the National Shawmut Bank of Boston, gave some valuable pointers on how to develop in the employe increased loyalty to his institution. He says:

"When we realize that the employes are the ones who contact approximately 90 per cent of the bank's customers, we can see how important it is that employes reflect a spirit of loyalty, a spirit of enthusiasm for the welfare of their institution in all of their daily contacts.

"The most important thought that I can bring to you is the way in which this conception of loyalty can be brought about in our banking institutions throughout the country, for without this loyalty no sincere and worthwhile effort to sell bank services can be accomplished.

"At the time a person comes into the employ of a bank it is only natural that he should want to gain all the information possible about the institution for which he is to work. He comes to the bank with an open mind concerning the qualities and operations of the institution, and it is therefore at this time that the management should attempt to create a good and lasting impression about the bank. This is the logical time to give the employe definite and complete information about the bank, and the use of a descriptive folder is, perhaps, the best way to impart such knowledge.

"Another point in this program to educate the employes is to adopt a policy aimed at the encouragement of employe group meetings. In small banks this might well bring all of the employes together at one time, to discuss the work of each department in the bank. In larger banks, it would necessarily mean breaking this down into smaller groups, possibly by departments, with each group discussing not only the particular problem which applies to their own work, but to listen to the officers or department heads of other sections of the bank in order that they may become familiar with every service which the bank is offering to the public.

"One of the best ways to conduct regular meetings for employes is the so-called 'round table' method whereby officers and employes alike sit down together to discuss their mutual problems. This lends an air of informality to the occasion and encourages each employe to take an active part in the proceedings.

"There are many plans which could be put into effect to carry out a program of this kind. The size of the bank itself is usually the determining factor in choosing a particular method. A

rather unique plan for a round table discussion is carried out by a mid-western bank in this fashion. A questionnaire is prepared covering every phase of the work of some one department, and employes are then asked to write the answers to the questions before the meeting is called. These questions are then looked over by the officer in charge, and wherever a difference of opinion appears, those questions are chosen as the ones to be discussed in the open meeting. When an employe is called upon to defend his opinion on a certain subject he is obliged to cite an actual experience which he may have encountered.

"There is another benefit which ac-

crues to a bank from holding these round table meetings. Employes become imbued with the feeling that they are actually doing something constructive for their own institution by giving their suggestions and ideas. Today, more than ever before, a bank leans very heavily on its employes to win the good will of the public, and if the employes can be encouraged to do some original thinking, in terms not only of their own jobs but of the welfare of their bank, there is no estimating the amount of good that will result. Banks are not run by machinery but by the brains, enthusiasm, initiative, and team work of all of their employes."

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IN THE DIRECTORS' ROOM

A Low Note

"Isn't Yvonne's new gown a perfect song?"

"Yes, sweet and low."

She Tells 'Em

"Just think, my dear," said the talkative wife to her husband, "one half of the world doesn't know how the other half lives."

"Never mind, my love," was the reply; "that isn't your fault!"

It's Wonderful

Father: "How is it, young man, that I find you hugging and kissing my daughter? How is it, I ask you?"

Youth: "Oh, it's great, it's great!"

Tactics

"Company attention!" bawled the drill sergeant to the awkward squad. "Company, lift up your left leg and hold it straight in front of you." By mistake one member held up his right leg, which brought it side by side with his neighbor's left leg. "And who is the galoot over there holding up both legs?" shouted the hardboiled sergeant.

Easy

Critic, to artist: "Your picture of the horse is good, but where is the wagon?"

Artist: "Oh, the horse will draw the wagon."

Poser

He—"If you keep looking at me like that I'm going to kiss you."

She—"Well, I can't hold this expression much longer."

Sho 'Nuf

Judge: "Rastus, do you realize that by leaving your wife you are a deserter?"

Rastus: "Jedge, ef yo' knowed dat woman like Ah does, yo' wouldn't call me no deserter. Ah's a refugee."

Can't Use You

Sympathetic Motorist: "Can I be of any assistance, sir?"

Second Motorist (fixing blowout): "How is your vocabulary?"

Sympathetic Motorist: "I'm a minister, sir."

Second Motorist: "Drive on, Reverend!"

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Something Durable

Ruth: "I want a lipstick, please."

Drug Clerk: "What size?"

Ruth: "Oh, two rides and a week-end beach party."

Real Courtesy

Conductor: "Did you get home all right last night, sir?"

Whifflebotham: "Of course — why not?"

Conductor: "Well, when you got up to give your seat to that lady, you were the only two people on the bus."

Foresighted

"You say you were once cast away on a desert island, entirely without food. How did you live?"

"Oh, I happened to have an insurance policy in my pocket and I found enough provisions in it to keep me alive till I was rescued."

Correct

Little Oswald: "Poppa, what becomes of baseball players who lose their eyesight?"

Poppa: "They make umpires out of them."

Viewpoint

Friend—(visiting hospital patient) "Do you know, old man, that's a swell looking nurse you've got!"

Patient—"I hadn't noticed."

Friend—"Good Lord! I had no idea you were that sick!"

Sound

Jack had just been informed by his father that he was spending twice as much money at college as he should. "Son," remarked father, "I know you're spending it on whiskey and women. I don't mind your fooling with one of these, but you can't keep up the pace with both. You've got to cut one of them out absolutely." "All right, Dad, I'm willing. Which one would you advise me to cut out?" The old man thought in silence for a moment and then said, "Son, you can drink all the whiskey you want when you get old."

Finesse

Mrs. W.—"Norah, was the butcher impudent again when you telephoned your order this morning?"

Norah—"Sure, but I fixed him this time. I says, 'Who the hell do you think you're talking to! This is Mrs. W. talking!'"

No Other Kind

Boy: "Do you like men who are always trying to kiss you, or the other kind?"

Girl: "What other kind?"

Hard to Tell

Anna: "I'm so glad you like it, dear. Mother says chicken salad and strawberry tarts are the only things I make correctly."

Alford: "Which is this, darling?"

Poor Dog!

Diner: "Why does that dog sit there and watch me as I eat?"

Waiter: "You have the plate he usually eats from, sir."

And Care Less

"I always enjoy strip poker," said the flapper. "I never know just what we're going to undo next!"

Clean

Dumb—"We're going to give the bride a shower."

Dumber—"Count me in. I'll bring the soap."

So What?

Dorothy: "What's the matter with you, Eleanor—you look awfully blue."

Eleanor: "I'm terribly worried! Jack seems to have misunderstood my last letter which told him to forget that I had said I didn't mean to reconsider my decision about not changing my mind."

Willing

She—"Say, it's past midnight. Do you think you can stay here all night?"

He—"Gosh, I'll have to telephone mother first."

That's Different

"I don't like your inviting that chap to dinner. He used to kiss you before we were married."

"Well, so did you."

"Yes, but I've gotten over it, and maybe he hasn't!"



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We'll be looking for
YOU in DES MOINES

We look forward with pleasure to welcoming customers and friends to Des Moines for the 1940 convention of the Iowa Bankers Association.

On your arrival we hope you will drop in to see us.

If there is anything we can do to make your convention visit more pleasant and profitable we shall be happy to serve you.



1940 CONVENTION
Iowa Bankers Association
Des Moines, Iowa
Sept. 9th • 10th • 11th

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