

NORTHWESTERN *Banker*

JANUARY
1941



A WINTER VISTA IN GREENWOOD PARK, DES MOINES

How Our Bank Solved the Wage-Hour Problem

Page 11

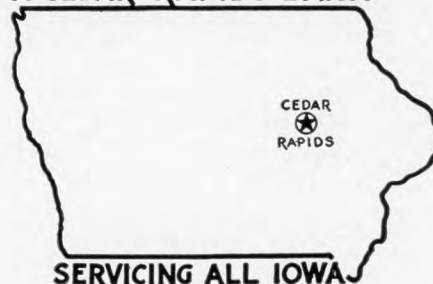


A NEW YEAR

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Because of our efficient transit department, our carefully trained personnel, our close association with banks for more than 59 years, and our eagerness to render unusual service, the Merchants National Bank is your logical correspondent in Cedar Rapids in 1941.

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Cedar Rapids Iowa

Member Federal Deposit Insurance Corporation



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STATEMENT OF CONDITION

December 31, 1940

"Iowa's Friendly Bank"

CENTRAL NATIONAL BANK AND TRUST COMPANY of Des Moines

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

RESOURCES

Cash and due from Federal Reserve and other Banks	\$10,944,448.58
United States Gov- ernment securities	3,556,137.09
	<u>\$14,500,585.67</u>
Municipal Securities	1,314,885.46
Market Bonds	1,524,488.81
Short Time Securities	2,305,339.09
Loans and Discounts	10,045,243.32
Overdrafts	5,150.50
Stock Federal Reserve Bank	43,500.00
Accrued Interest Receivable	109,007.18
Bank Premises and Equipment	296,610.85
Total	<u>\$30,144,810.88</u>

LIABILITIES

Demand Deposits	\$21,502,063.18
Savings Deposits	2,285,931.31
Public Deposits	4,096,243.88
	<u>\$27,884,238.37</u>
Discount Collected	118,715.84
Common Stock	\$660,000.00
Preferred Stock	340,000.00
	<u>1,000,000.00</u>
Surplus	460,000.00
Undivided Profits	254,078.81
Reserve for Retirement of Pre- ferred Stock	340,000.00
Other Reserves	87,777.86
Total	<u>\$30,144,810.88</u>

United States Government and other securities carried at \$953,817.00 are pledged to secure public and trust deposits as required by law.

DIRECTORS

G. E. BRAMMER
BRAMMER, BRODY, CHARLTON & PARKER

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The Legions of Credit are Mobilized

Behind the vast production machine of national defense, now beginning to mesh into gear, stand billions of credit dollars mobilized in the commercial banking system of the nation.

This great army of credit dollars assures industry of sufficient funds to meet the demands of our national defense program. It answers the call to

service at costs to the borrower lower than ever before in the nation's history.

The Chase National Bank, in its relationships with correspondent banks throughout the country, is earnestly co-operating in the effort to make our "dollar army" effective and useful, to the end that the needs of the nation may be met swiftly and fully.

THE CHASE NATIONAL BANK
OF THE CITY OF NEW YORK

Member Federal Deposit Insurance Corporation

INSURANCE PROTECTION M-U-L-T-I-P-L-I-E-D

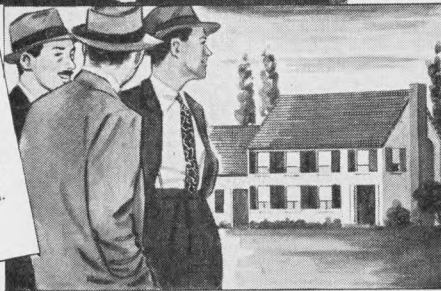
PROTECTING
INVISIBLE
VALUES
NO. 19

**THAT'S
EXTENDED
COVERAGE!**



Business men, bankers, credit executives and all others who are interested in safeguarding property values — whether theirs or others' — know that the safest, most complete protection is afforded in the Extended Coverage Endorsement. This elastic coverage is added to the regular fire policy at a very slight cost increase.

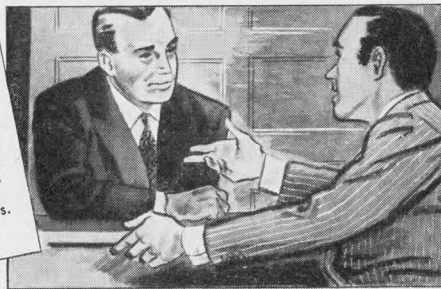
Some savings bankers insist that the Endorsement be written to cover all properties in the bank's control.



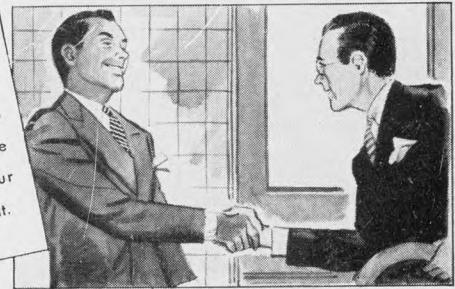
An executive advised a credit applicant to get Extended Coverage for complete protection of premises.



A trust officer proudly reports giving all properties Extended protection to safeguard beneficiaries' real estate interests.



In all cases, the insurance agent or broker is best qualified to recommend coverage fully meeting your every requirement.



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**EXTENDED
COVERAGE**
BEST INSURANCE BARGAIN

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George La Monte & Son
Nutley, New Jersey



...
JANUARY
1941
...

NORTHWESTERN *Banker* DES MOINES

FORTY-SIXTH YEAR

NUMBER 642

Oldest Financial Journal West of the Mississippi River

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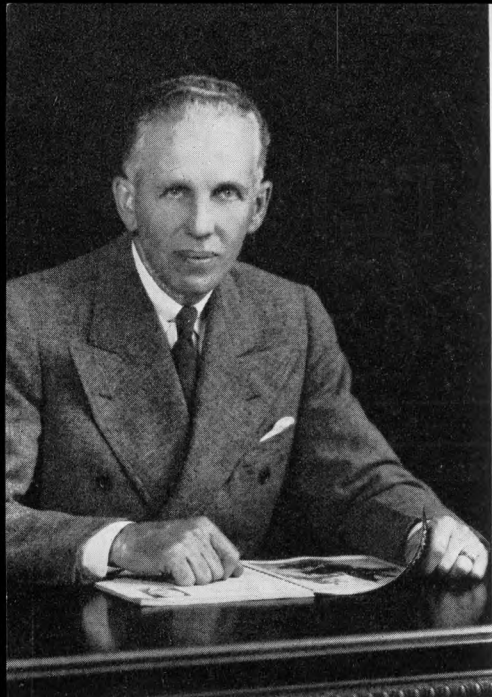
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MEMBER
Audit Bureau of Circulations
Financial Advertisers Association



Across the Desk From the Publisher

By Cliford DePuy

Plans to Prevent Inflation by Federal Reserve Board

Based on the unanimous approval of the Federal Reserve Board, the presidents of the 12 Federal Reserve Banks and the Federal Advisory Council which represents the 7,000 individual banks belonging to the Federal Reserve System, a recommendation has been made for the purpose of preventing future inflation.

This is the first time that a report of this character has ever been made.

Also the report points out that our present vast expenditures for our military program make it necessary to review our existing monetary machine and to take measures to prevent the development of inflationary tendencies attributable to defects in the machinery of credit control. The fact is that these tendencies, if unchecked, would produce a rise of prices and would retard the national effort for defense and greatly increase its cost.

The 5 main features of the Federal Reserve Board's plan to prevent inflation are these:

1. Immediate increase by congressional action of deposit reserve requirements on all federal reserve member banks; authorization for the federal reserve board to double these requirements if necessary in the future; make all banks, whether chartered by the federal government or states, subject to these requirements.

2. Repeal treasury authority to issue 3 billion dollars of "greenback" money, repeal treasury authority to issue money against the foreign silver it buys, and allow to expire June 30 the president's power to devalue the dollar.

3. Neutralize money expansion effect resulting from United States purchases of foreign gold.

4. Sell future government securities to individuals and corporations, and not to the banks.

5. Gradually increase taxes until a balanced budget is reached, not later than some future time when the country will have reached its "full utilization of its economic capacity, with appropriate considerations of both employment and production."

Whether such a program will be adopted is a question which the incoming Congress will decide, but one thing is sure, that the plan drastically increases the Federal Reserve System's powers at the expense of the Treasury Department.

Incidentally this is the first time that Chairman Marriner S. Eccles has ever talked about balancing the budget and perhaps at last he has been converted from his idea of spending our way back to prosperity.

The statement points out that the Federal Reserve System has the responsibility of credit control but has insufficient powers to effectively discharge those duties and these 5 points referred to, if put into effect, would give them such power.

Whether we agree with all the points as outlined or not, one thing is certain whatever can be done to prevent an uncontrolled inflation in this country certainly should be done.

Should Banks Take Profits in Government Bonds

Some authorities believe that banks should take profits in Government bonds in order to meet future increases in corporate income taxes.

Many United States Government bond buyers have been rather reluctant to purchase more securities at this time.

One prominent investment firm, in discussing this subject, said:

"Most banks now have very handsome profits in their United States Government bond account. They know at the present time it is necessary for them to pay 24 per cent normal tax on realized profits, and some feel it is better to take the profits now and pay the tax than to wait until the tax rate might be 24 per cent, 30 per cent or 35 per cent and they might not have the profits to take.

"Those wishing to realize at best a portion of current book profits have two courses open, either:

"(1) Outright sale if they are disturbed over the current uncertainties in the market or

"(2) An exchange into other issues which would establish the profit but maintain their income account."

Whether individual banks should or should not take profits in Government bonds is, of course, for each individual bank to decide but it is at least a very important question to consider in the management of any bank at this time.

"Capitalism The Creator"

If you have not already done so, may we recommend that you put on your list of "required reading" for 1941 "Capitalism the Creator" by Carl Snyder.

This is the best answer we have seen to all of the crack-pot theories of controlled economy, as well as an answer to the theory of life based on communism, fascism, socialism or nazism.

If you read nothing more than the first chapter it will be worth the price of the book.

Briefly "Capitalism the Creator" presents the proof that **Capital Savings** and the benefits derived from them have been the basis through all the generations for whatever progress has been made in the world and this book presents the proof through statistical and factual evidence.

Mr. Snyder sums it up in this way: "There is one way, and only one way, that any people, in all history, have ever risen from barbarism and poverty to affluence and culture; and that is by that concentrated and highly organized system of production and exchange which we call Capitalistic: one way, and one alone. Further, that it is solely by the accumulation (and concentration) of this Capital, and directly proportional to the amount of this accumulation, that the modern industrial nations have arisen; perhaps the sole

way throughout the whole of 8 or 10 thousand years of economic history."

Perhaps some day we will realize the true place that Capitalism occupies in the world and that the profit motive is basic in every human heart and soul and as the author says: "all this represents the aggressive drive of the deepest and strongest of human motivations; the will to live, to gain, to discover, to conquer; and that whenever these begin to wane and weaken, and a nation is given over to visionaries, doctrinaires, and novices in 'social experimentation,' its decadence has begun."

Let us hope, that out of the world of turmoil and blood-shed we may in the near future regain our equilibrium in our relationship between nations and individuals and when we do we will find that "Capitalism the Creator" will again be recognized for its real worth and value as a motivating force in all the worthwhile actions of mankind.

Let Investors, Not Banks, Finance Government

Already the banks of the United States have a tremendous amount of their funds in Government securities. Many economists and financiers believe that our financing to be used for defense purposes should come as much as possible from the public rather than from the banks.

This thought was recently expressed by Winthrop W. Aldrich, Chairman Board of Directors of the Chase National Bank of the City of New York when he said: "To safeguard his interests, the increase in public debt incident to the defense program should be lodged as far as possible with investors. Government securities should not be coined into commercial bank credit. Increases in fiat credit are quite as harmful in the long run to the body economic as are increases in fiat currency. Dictates of prudence require that the public deficit not be so financed that the defense program will assume a feverish character to be followed by an equally severe slump. Only by following conservative fiscal policies will the private citizen be protected, and will our industrial machine operate most efficiently to bring the defense program to a successful conclusion."

Also the more Government bonds and Government securities that are owned by the general public, the more will that same public be interested in seeing government economies carried out and a balanced budget established at the earliest possible moment.

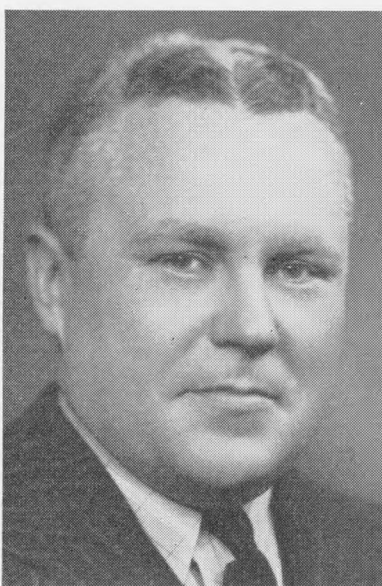


Northwestern Banker January 1941

How Our Bank Solved The *Wage-Hour* Problem

By H. C. Winder

**Assistant Cashier
Central National Bank &
Trust Company, Des Moines**



H. C. WINDER

THE Fair Labor Standards Act of 1938, commonly known as the Wage and Hour Law, became effective October 24th of that year. Since that time, attempts have been made to secure exemption for both State and National Banks. To date effort in that direction has not been successful. Under the circumstances, it seems to many that the safe course to pursue would be to consider banks as covered by the Act until such time as banks might be definitely exempted.

As the subject of Wage and Hour compliance has been thoroughly discussed by various banking groups throughout the country during the past two years, I do not propose to advance arguments for or against exemption. As we have recently passed through an inspection by the Wage and Hour Division, I do propose to outline our experience in the hope that it may be helpful.

We have found the Wage and Hour Division more than willing to help us with our problems and as far as we are concerned, the Wage and Hour Law has ceased to be a bugbear. Within the past year, interpretative bulletins and rulings issued by the Division on points not made clear in the Act itself, have served to make compliance less difficult.

Let us review some of the principal requirements of the Act.

The Maximum Standard Workweek provided by the Act is:

44 hours per workweek from Oct. 24, 1938 to Oct. 24, 1939.

42 hours per workweek from Oct. 24, 1939 to Oct. 24, 1940,

40 hours per workweek thereafter.

These are not absolute limitations upon the number of hours an employee may work. The Act merely requires that work above these weekly limits shall be paid for at the rate of at least one and one-half times the employee's regular hourly rate of pay.

A workweek is seven consecutive, 24-hour days. It may begin at any time of the day, but no changes in the workweek may be made for the purpose of evading the provisions of the Act. There is no limitation on the number of hours that may be worked in any one day.

The Minimum Wage Rate required by the Act is:

30c per hour for 6 years from Oct. 24, 1939 to Oct. 24, 1945,
40c per hour thereafter.

Compensation for overtime must be paid in cash and at the time when an employee normally received his compensation. Overtime payments may not be accumulated and paid to the employee quarterly, semi-annually or annually.

Working Hours: The Division makes the following statement in Interpretative Bulletin No. 13:

"The Act contains no express guide as to the manner of computing hours of work and reasonable rules must be adopted for purposes of enforcement of the Wage and Hour Standards. As a general rule, hours worked will include (1) all time during which an employee is required to be on duty or to be on the employer's premises or to be at a prescribed workplace, and

(2) all time during which an employee is suffered or permitted to work whether or not he is required to do so."

Determination of weekly wage for salaried employees:

The Division makes the following statement in Interpretative Bulletin No. 4:

"If the employee is on a monthly salary basis, the monthly salary is subject to translation into its equivalent weekly wage by multiplying by twelve (the number of months) and dividing by fifty-two (the number of weeks)."

Records:

Employers covered by any provisions of the Act must keep records, though no definite form is required. The only requirements are the following:

1. Records must be kept either at the place of employment or at an office of the employer in the same state.

2. They must be kept for at least four years and be open for inspection and transcription by representatives of the Wage and Hour Division.

3. They must be in such condition that an inspector can easily obtain the following information: (a) Name in full, (b) home address, (c) date of birth if under 19, (d) hours worked each workday and each workweek, (e) total wages paid each workweek, (f) date of payment, (g) regular hourly rate of pay and basis upon which wages are paid, (h) earnings at regular hourly rate of pay for each workweek; and (i) extra earnings for overtime.

There can be no substitute for an accurate daily record of the number of hours actually worked by each employee. The posting of a notice specifying the regular hours of work and forbidding overtime "without express official authority" does not release an employer.

Exemptions:

Due to the publicity given the recent definition of executive and administrative employees, it does not seem necessary to review those definitions. But we should bear in mind (Turn to page 41, Please)

Northwestern Banker January 1941

NEWS AND VIEWS

OF THE BANKING WORLD

By Clifford DePuy

It is 42 floors above the sidewalk—it is the Electric Club in the Civic Opera Building—it is the penthouse where the memories of the late Samuel Insull linger on but are not forgotten. The club is decorated with holly and flowers and the Yuletide "spirit" flows from the punch bowl and the bubbling souls gathered around. It is the annual Christmas party of the Chicago Financial Advertisers Association. **Chester L. Price** is master of ceremonies. **Robert Lindquist** and his charming wife—who missed the Hot Springs, Virginia FAA meeting because of sickness in the family—are among those present and add joy to the occasion. **Guy Cooke** and **Charles S. Frye** act as auctioneers for a pair of red "warmer-uppers" 1941 ladies model. **Preston Reed** and **Lucy David** know everyone by their first names. **Julius K. Waibel**, **J. M. Easton** and **John O'Laughlin** arrive a little late. **Pete** because of a budget meeting at the bank. **Gaylord Morse** looking plumper than ever, renewing old acquaintances. **Don Cameron** demonstrating his usual charm and graciousness. **Mabel "gorgeous blond" White** besieged by dancing partners. **Rufus R. Jeffris** discussing higher mathematics and having fun. **Jack Dawson** telling that he is about to become a "grandpa." **Sue E. Downing** wearing her lovely dimples and captivating everyone. **Mrs. Charles M. (Erilla Johnson) Foresman** reminiscing about her girlhood days in Des Moines.

Then standing by the window you look north toward the Merchandise Mart which is illuminated like a great castle. Weaving in and out on the streets below and over bridges and dodging behind buildings are street cars and trains and taxis which look like miniature toy reproductions with their tiny lights flickering in the darkness like so many iridescent fire flies. Then you remember that you have the next dance and you are glad **Pres Reed** invited you to such a grand party and also that you live in a country where the streets are still lighted at night and where "blackouts" are not part of the regulations when the lengthening shadows fall and the sun has gone to rest in the West.

Carl Frederickson, president of the Live Stock National Bank of Sioux City, is treasurer of the Sioux City Rotary Club and a member of the board of directors.

Henry H. Byers, secretary of Charles E. Walters & Co. of Omaha, attended the Rose Bowl game, and he said there were plenty of "roses" outside of the Bowl.

A. G. Sam, vice president of the First National Bank of Sioux City, is a real "outdoor man." He has purchased a beautiful new home surrounded by two acres, on the grounds of which are 18 kinds of beautiful trees, and it keeps him busy looking after his new estate whenever opportunity and weather conditions will permit.

B. M. Wheelock, vice president of the Security National Bank, and **Ralph W. Moorhead**, associate publisher of the *Northwestern Banker*, used to be on the same tennis team when they were in Grinnell College.

Maybe it would be a good idea for them to put on an exhibition match at the next state bankers convention.

Ray Ridge, vice president of the Omaha National Bank, is also state vice president for Nebraska of the A. B. A.

There are now 207 members in Nebraska, and 32 members were taken in just recently.

This story was told to me by the vice president of one of the biggest banks in the Middle West about a bank examiner who was checking the bank and told the officers in all seriousness that they **must pass a rule forbidding girls in the bank to wear tight sweaters**. The basis for this, the examiner said, was that he saw 10 young men all standing around one desk where one of the most beautiful young ladies in the bank was working.

Perhaps this is the reverse of the young man who was looking through a knothole at a nudist camp and remarked, "Gee whiz, that blonde over there would certainly look beautiful in a sweater"!

W. A. Sawtell, president of the Stock Yards National Bank of Omaha, invited us to lunch the other day when we were in his fine institution. The Stock Yards National has made excellent progress this year, and this reflects real credit on Mr. Sawtell and his associates.

W. B. Millard, Jr., vice president of the Omaha National Bank, is also chairman of the Omaha Committee for British War Relief, and visited New York last month, where he conferred with national headquarters officers.

The work which Mr. Millard has been doing has received praise in New York, as they were very much pleased with the response made by units in Omaha and other Nebraska cities.

The goal placed for the national organization is \$20,000,000, one-fourth of which has already been raised. **Winthrop Aldrich**, Chairman of the Board of the Chase National Bank of New York City, is also chairman of the national society.

William B. Hughes, the popular and well-liked secretary of the Nebraska Bankers Association, had only about a two-day vacation this summer, and when we dropped in to visit with him, "Believe it or Not" he was leaving for game of golf.

Jack W. Hughes, president of the Guarantee Mutual Life Insurance Company of Omaha, is Bill's brother, and is also a crack golfer. In addition to being high up in financial circles, these Hughes boys are also hard hitters—whether at golf balls or in business.

If you are in Chicago and visit the newest bank in the city you will approach **glass doors** which automatically open as you break the circuit of the **magic eye**. Inside you will step on carpets two inches thick in the lobby of the bank—the **only bank in America which has rugs and carpets in the lobby**, as well as in the officers' private rooms. Everywhere you will find a modern streamlined city club atmosphere. The tellers and bookkeepers talk with you not behind grill work, but across open counters and greet you with a smile. The chairman of the board and the president's offices are the last words in interior decorating and they are delightful to the eye and restful to the pulse. And if you don't know the name of the bank by now, it is the La Salle National Bank at 135 South La Salle Street of which **Laurance Armour** is chairman of the board and **C. Ray Phillips**, president and **Leonard C. Phillips** (no relation

(Turn to page 72, Please)



When The Board Meets

A Country-Town Director Speaks

By William C. Shaper

Director

*Broken Bow State Bank
Broken Bow, Nebraska*

FIRST: As a director of a county-seat country town bank for thirty years, having known personally and intimately officers and directors of many small-town banks, some whose banks went down during the depressions and some whose banks have withstood the depressions, I want to say for the small-town banker that I am absolutely convinced that ninety-nine out of every hundred bankers are honest, and that they are honestly operating their banks with a view of serving the community and the public in which the bank is located. I want to state further, many have sacrificed their private savings and property in an attempt to save their institutions and many times supervising authorities have taken advantage of the officers and directors and forced them to make sacrifices which did neither the bank any good nor the community in which the bank was located, but did do the officers and directors irreparable damage.

Second: The supervising authorities, partly because of necessity but more often because of unnecessary red tape regulations, have caused a certain cynicism among small-town bankers. The old fashion virtues of honesty and thrift of the borrowers count for little in the value of a loan because the examining authority does not know the individual borrower personally and, consequently, the good old fashion virtues count for very little in the classification of the loan. This policy has reflected itself in the attitude of the public toward the small-town bank to such an extent that the man on the street has come to believe that there is a wide gulf between good loans and the good old fashion hon-

est virtues. That is, that the common man hasn't much of a chance. This attitude on the part of the public is finding support in the various governmental loan agencies, relief and assistance organizations, so that the legitimate banking business is gradually and almost imperceptibly slipping from private enterprise to government banking and loaning.

Third: The part the officers and directors of the small-town bank must play is to change the public attitude toward the small-town bank. This may be done partly by the many little courtesies and attentions on the part of the officers and directors which good breeding requires. Then too, small loans based upon character, thrift and decent living will do as much as anything to restore banks in country towns to their former good standing in the country community. Supervising authorities should encourage a small per cent of the bank loans to be placed in this type of investment. That will bring to the bank the small-amount borrower and bring to the bank the common man, and thus give the officers of the bank an opportunity to cultivate that good will and good attitude of the public which is so necessary for the proper friendly relationship between the man on the street and the bank.

Fourth: The director can use his influence and prestige to encourage the man in need of a few dollars, to borrow from the bank rather than to pay exorbitant and criminally high rates to the loan shark and broker, by whatever name or disguise, that exists in every small community.

Fifth: Every director should be a sort of a public relation man in addition to raising Cain with the officers and supervising authorities.

A. I. B. Conference

The fifth Regional Interchapter Faculty Conference of the American Institute of Banking, embracing chapters and study groups from seven central states, was held in Chicago last month.

Bankers, lawyers, college professors and accountants were among the instructors from Chicago, St. Louis, Minneapolis, St. Paul and other cities who were active in the discussion of the Institute's teaching methods.

The conference was under the direction of Dr. William A. Irwin, National Educational Director, American Institute of Banking. Among the speakers were Harry A. Brinkman, vice president, Harris Trust and Savings Bank, who spoke on "What the Senior Banker Expects of the Institute," John S. Stubblefield, president, Peoples State Bank, St. Joseph, Michigan; Dr. Isaac Lippincott, Washington University, St. Louis, Missouri, and Jay F. Christ of the University of Chicago. C. Edgar Johnson, assistant vice president of The First National Bank of Chicago and member executive council A. I. B., presided at the luncheon and dinner meetings.

Northwestern Banker January 1941

Federal Registration of *All* Issues Should Be Required

Annual Year-End Bond Review by Halsey, Stuart & Company, Inc., Analyzes
Past, Present, and Future of this Type of Investment

"ANALYSIS of the seemingly satisfactory showing of the 1940 bond market quickly reveals its unsubstantial foundation. The rise in the price level was most general in the so-called 'gilt edge' type of bonds; the greatest activity in emissions consisted of refunding operations. The former reflected the prevailing unwillingness of investors to employ their funds in any but the comparatively riskless type of enterprise; the latter, the reluctance of management to incur new debts for any except the most urgent requirements"—so state Halsey, Stuart & Co., Inc. in their annual year-end bond review. Continuing, they say, "Both of these attitudes reflected apprehension regarding the long-term outlook and distrust of those factors and policies held responsible for it. It is significant that even the recently greatly accelerated business activity and the prospect for its continuance over the near term have not been sufficient to alter appreciably this deep underlying concern about ultimate consequences."

"The immediate cause of unsettlement growing out of the war situation is, of course, the enormous expense involved in preparing for our own defense. This outlay, superimposed on the several years of reduced national income and vastly increased costs of government operation and debt charges, presents problems which, if not handled with wisdom and statesmanship, threaten not only our national solvency but the very foundations of our whole economy."

In so far as these problems directly affect the investment market, the bond organization states that certain fundamental facts appear inescapable. "Comparatively little new investment capital has been set aside in this country during the past ten years, and looking ahead to the demands of the forthcoming years it appears likely that little more, if as much, will be conserved in that period. A substantial part of whatever profits result from activity growing out of the defense program will go either to the govern-

ment (in the form of taxes), which will consume such wealth in goods or services that are not reproductive, or to labor (in the form of wages) which, while adding to the demand for consumable goods, is not likely to increase greatly the investment backlog of the country."

"Such a situation obviously points toward further reduction both in the supply of and the demand for private investment securities. Unless our course is altered, it suggests the ultimate possibility of consumption as produced, of substantially all current income through the day-to-day necessities of the government and the individual. If current income is inadequate, the gradual extinguishment of past accumulations to make up deficits is the further prospect."

"Whether we can avoid such an unhappy eventuality depends on both the extent and duration of existing extraordinary demands and the wisdom of our national leaders, as well as on the will, restraint and discipline of our people in the years ahead. The wise course on the part of both government and the people would appear to be to face the disturbing realities of the situation forthrightly and to recognize the need for revival of such basic virtues as efficiency, thrift, industry and team-work—in short, to so plan and manage our affairs that whatever effort and sacrifice may be required to surmount current and impending problems, our basic liberties and economy will be preserved for the future."

Turning to the question of financing the defense program, the opinion is expressed that, "Questions of plant expansion to meet the additional demands of both government and consumers will present difficult problems to management, whose natural impulse will be to do all in its power to help, yet who will quite naturally be restrained by the prospect of excess facilities and burdensome debt as defense demands taper off. It is to be expected therefore that much of the longer term financing of such expan-

sion as is done will come from government sources, a development which neither industrialists nor investment bankers contemplate with pleasure, yet which, in view of the realities of the situation, seems unavoidable. Because of the cheapness of borrowed money and the prevailing questionable attractiveness of equity securities, it seems probable that, among established enterprises, fixed interest securities rather than equity issues may be favored by both management and investors for such private industrial financing as may develop out of the defense program."

On the now current question of removal of the tax immunity of municipal bonds, the investment house states that, "If the revived agitation for the removal of the tax-exempt feature from future issues of municipal bonds is successful, another deterrent to additional municipal financing will result, for the cost of such financing will very probably then be increased, restricting the possibility of refunding advantageously and impelling taxpayers to look more critically at capital expenditures."

"Whether or not the tax exemption feature will be removed remains to be seen although, following statements from the Treasury and distribution of the first taxable government issue, it appears certain that the effort will be made. While students of this question have heretofore felt that any such development could be achieved only by constitutional amendment and that such serious opposition would develop to any attempt in that direction as to make passage dubious, they are now less sure of their position—influenced both by prevailing new concepts of procedure in high circles and recognition of the necessities of the present revenue situation. One probable result of the modification, if effected, will be to create a sharper distinction among various grades of municipal credit than has heretofore been the case. Market prices of new issues, in other words, will probably reflect

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Consumer Credit Operations Are Profitable For Our Bank

By Ray Brandt

Vice President
First National Bank
Minot, North Dakota



RAY BRANDT

MANY banks enter the installment loan field for the purpose of making additional profits. I think the profit angle has been overemphasized because in handling consumer credit you handle a large number of items and it takes a lot of effort in order to secure a volume of loans which will bring in any amount of income. These loans, even though they are small, must be made under high credit standards and good judgment.

Service is probably the most important reason for entering this field because we are in business mainly to give service and if our service is economically sound and our business is efficiently operated, it should be profitable and we are filling a necessary place in our present day complex economic system. Our installment loan departments are making many friends for our banks. More people are becoming acquainted with banking and have a better idea of what banks mean to this country and as a result should have a much more wholesome feeling toward banks.

There is some difference of opinion as to the effect of war upon consumer credit. It is reported that the banks in England are having difficulties with their installment loans and of course that is probably true of all loans. England has a moratorium under which the borrower or the purchaser is protected against foreclosure. The Congress of the United States enacted a Soldiers and Sailors Relief Act of 1940 which became a law last October 16. This protects anyone in military service on obligations existing prior to the passage of the Act. Some of the more important provisions applying to installment credit are: Mortgaged property cannot be repossessed without a court action, and in such action the court may stay the proceedings, may require the repayment of installments paid as a condition to the termination of the contract or repossession of the property. The right of the court to order stay of foreclosure proceedings is limited insofar as motor vehicles, tractor or the accessories of either are concerned to cases where the court finds that 50

per cent or more of the purchase price has been paid. Where less than 50 per cent has been paid, the court may order the plaintiff to file a bond to indemnify the defendant against loss. Any modification or termination of an installment contract or repossession of the property may be by mutual agreement, but such agreement must be in writing. The benefits of this Act also extend to the sureties, guarantors or endorsers. Much of the relief provided by the Act is within the discretion of the Court.

When we consider the actual number of men to be drafted into the service from any given area during peace times, it will be small, after eliminating the deferred classes and the remainder to see actual service probably will aggregate only a small percentage of the borrowers in any of our installment loan departments. It does not appear that there will be a very great increase in the risk in loaning or accepting installment loans from men within the draft age. There is addi-

tional risk involved but the restrictions should not be too severe because we should be willing to assume some responsibility as a part of our contribution to the National Defense Program, and until the war advances to a stage where we are involved for a long period of time, it is hardly probable that there will be any great amount of loss because of borrowers being in the service.

I think probably the most serious question confronting us, more serious than war, is the unsettled economic condition in this country and the world generally. Rolf Nugent, director of the department of Consumer Credit Studies of the Russell Sage Foundation states the effect of war on consumer credit to be as follows:

1. Applications will probably fall off. Reason: More work and higher wages; more potential borrowers in military service.

2. Less automobile production and pleasure cars. Reason: Facilities largely diverted to the service forces.

3. Although three-year-old cars are now considered about the age limit in the average department, five and six year old cars would become eligible. Reason: Increased value because of market shortage.

4. More improvident borrowers. Reason: Money comes more easily, and temptation is for many people to buy luxuries. When emergencies arise, they are compelled to borrow.

5. People with fixed incomes will be obliged to borrow. Reason: Cost of living likely to go up.

6. The possibility of a moratorium for all men in military service is an important factor to be considered.

7. Source of income becomes very important in a time like this. If the borrower is employed by a war industry, his financial status may change quickly.

8. Co-maker paper is more desirable, and one name should be that of a person not of draft age and not employed in the same industry.

9. If interest rates go up, banks contemplating entering the consumer credit field will probably delay for a time.

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Northwestern Banker January 1941

Who Owns Progeny of *Livestock* Covered in a Chattel Mortgage?

A Michigan banker contracted with a real estate broker there to sell for him certain property in the City of Detroit. The broker arranged with another broker, who represented a purchaser, for the sale. Without the consent of either the seller or the buyer, the brokers entered into an agreement between themselves to divide their commissions. When the banker and the purchaser learned of this they refused to go ahead with the deal and ultimately completed it themselves. In such circumstances were the brokers entitled to compensation?

No. An agreement between real estate brokers representing different principals to split or divide their commissions deprives the brokers of the right to compensation unless both principals consent thereto, and this rule applies even though the principals themselves finally conclude the sale.

Egenette died in Iowa leaving by will all of his property to his wife to have, use and control in her own right as long as she remained his widow. Did she, by reason of the provisions of the will, receive only a life estate in the property?

Yes. A devise to a wife of all of a testator's property to have, use and control in her own right as long as she remained the testator's widow grants to the widow a life estate only and such life estate is subject to her remarriage.

In certain circumstances the district courts in North Dakota have power under the statutes to grant an extension of the period of redemption in mortgage foreclosure proceedings. Shallcross purchased certain land at a mortgage foreclosure sale in that state, the period of redemption thereon expired, and the title vested in him as holder of the certificate of sale. Could the district court involved extend the period of redemption thereafter?

No. After the period of redemption in a real estate mortgage foreclosure

These and Other Timely Legal Questions Are Answered

By the
LEGAL DEPARTMENT

action has expired and the title to the real estate has vested in the holder of the certificate of sale, the district court is without power to further extend the period of redemption. The North Dakota Supreme Court has so held recently.

A Minnesota bank had certain electrical work done on its premises by a master electrician which proved to be defective. By statute in that state such electricians are licensed and they are required, before plying their trade, to furnish a bond naming the state as obligee and conditioned on the licensee's faithful and skillful performance of his work. The electrician failed to make good the defective work and the bank sued him and his bonding company. Was such suit proper?

Yes. The fact that the bond ran to the state did not mean that the state was the only one that could sue thereon. It was obviously the intent of the legislature that this should not be the case and that the right to redress should rest with those that are the victims of defective work. As a consequence the suit by the bank was proper. The Minnesota Supreme Court so decided recently.

A Nebraska banker owned a farm in that state. Directly upon the line between his farm and the adjoining farm was a beautiful, large shade tree. In such circumstances did the tree belong to the banker?

No. A tree standing directly upon the boundary line between adjoining owners so that the property line passes through it is the common property of both parties.

A storekeeper in South Dakota executed a chattel mortgage on his stock

of merchandise to his son. Under the mortgage, he retained possession of the mortgaged property and the power to sell it. The storekeeper became insolvent and the question arose of whether the mortgage was fraudulent. Was it fraudulent simply because of the retention of possession and the power to sell?

No. The retention of the possession of the mortgaged property and the reservation of the power to sell the property do not, standing alone, mean that the mortgage was fraudulent. In such circumstances, there is a presumption that the mortgage was fraudulent, but such presumption may be rebutted by a showing that the mortgage transaction was bona fide in all respects.

Blackington executed in favor of Johnson a mortgage on his home. He was unable to make the payments thereon and, to avoid a foreclosure, agreed with Johnson that he would give to him a deed to the place. The deed was duly executed and delivered and Johnson surrendered to Blackington the mortgage duly cancelled. Did such handling on the part of Blackington operate to forfeit any right of redemption he might have?

Yes. The basic question in matters of this account is the intention of the parties. The circumstance that the mortgage indebtedness was extinguished by the transaction of conveyance showed that the equivalent of a sale was intended. As a result, any equity of redemption Blackington might have had was abandoned by him.

Most fidelity bonds require the obligee to give notice of any loss covered thereby within a certain time after the discovery of the loss. Jackson, an employee of a bank and the subject of a fidelity bond running to it, was observed by his superiors to be doing certain suspicious acts, but he was not apprehended in any defalcation until sometime thereafter. Did the provision in the bond require the

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What the *Financial* Advertiser Wants to Know About Advertising

By Preston E. Reed

**Executive Vice President
Financial Advertisers Association
Chicago**

*An address before the
Advertising Club of Des Moines*



PRESTON E. REED

LET'S get together on our ideas of this shibboleth which has swept the business, banking, and industrial field—Public Relations.

Isn't it just what it says—Relations with the Public?

All right. From the banker's angle, who is the public? First it's his employees, as they are part of the public. Then his customers and finally the great mass outside, part of which may be potential customers.

And this larger group may never be customers, nevertheless the banker has a real job and a responsibility, not only to make friends, but to educate those who never have and never will enter the doors of his place of business. Remember, each adult has a ballot and each has a part in making Public Opinion.

Can we take a look at the job of the Public Relations manager?

I like to compare him with the old Roman God, Janus. You'll remember he had two faces. His place was over the gates of the city and looked to the outside and to the inside.

The Public Relations manager has not only the important job of interpreting the bank to the public but what is just as important, he must interpret the public to the bank. How many times in past years could the bankers have avoided misunderstandings if they had known what the public wanted and how little they knew of what service was being offered by the bank. I have found that the public is very reasonable. They are fair. They are willing to pay for what they get—most of them do not want charity. But they must be told what they are getting. The bankers will at once think of the service charge. No bank has had trouble in establishing the service charge if the customer has been told in advance—in language he understands—just why the service charge is being installed, and what the customer is getting in the way of real money saving service in his checking account.

Scotland Yard operatives who accompany the King and Queen of Great Britain, unlike our American secret service agents, spend their time out in the crowd.

Isn't that the place for the director of public relations—"out in the crowd"?

Too many of us are like the American secret agents—we like to be close to the main actors.

The bank executives don't need shadowing—they need information from the crowd.

Most of them don't need to see their business from the inside. Most of them know that. They need the outside viewpoint.

They are busy men. They lead a strenuous but somewhat segregated life. The banker has a certain group of associates and business customers which consume most of his entire waking hours—not by choice but because of the crowding 60 minutes in an hour.

Some are trying to reduce the work

week to 40 hours. Most bank executives are looking for a 40 hour day.

Yes, the outsider's viewpoint is most essential to banking.

The job of public relations from the inside has had an intensive and enthusiastic beginning in the last five years. Employee training classes have not only been the vogue but have been practical and productive. The subject of constructive customer relations is an interesting study in itself.

Let's get to the work of the Public Relations Man for the Outside of the bank. In brief, this covers **advertising, publicity, and selling.**

It is the one phase of advertising which is most important to us today.

Here is what a banker said a few years ago which shows the spirit of good bank advertising:

"I want an advertising campaign that will make my average employee feel just a shade superior to the employees of other banks, and a little prouder of his institution than he ever felt before. I want this campaign as badly as any commercial advertiser wants an Amos and Andy or a Hali-tosis. Of course, any campaign that did that would also carry a feeling of confidence and an impression of leadership to my old customers, to my stockholders, and to the kind of prospect I want to reach."

Let me brief some salient points. Most of them should be self-evident:

1. Banking is a sacred trust. Its entire business is of a very confidential nature. Almost every bank has a declaration of secrecy which is signed by every officer and employee. In some banks this is done ceremoniously annually. Here is a sample:

2. The market for bank services covers every strata of human life where more than a livable minimum is earned.

3. Business is one of deposits and the "renting-out" of those deposits to responsible firms and individuals.

4. A financial advertising man deals in intangibles.

5. There are few differentiated characteristics setting one bank off from its competitors such as a manufacturer of a product.

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Northwestern Banker January 1941

How Direct Mail Will Make *Friends* For Your Bank

THE 14,000 banks of the country are urged to get together on a nation-wide program of "thinking big" about their advertising and using local and direct mail advertising as a means of taking the leadership in selling America on sound business policy and building back to prosperity by sound thinking and public opinion.

These were the sentiments expressed by Perry I. Prentice, vice president of *Time*, Inc., who addressed a recent session of the Financial Advertisers Association, adding that: "Direct mail could do its part in making and holding friends." His topic was the use of direct mail advertising.

"The reason why *Time* Magazine uses two-page letters and *Fortune* Magazine uses five-page letters to sell by mail," Mr. Prentice told the delegates, "is that tests have shown that they sell better than one-page letters, and the reason for that is that unless the reader can be interested enough to continue into a long letter he can hardly be expected to be interested enough to do \$10 worth of 'forking over' in the case of *Fortune* and more than a mere dollar trial in the case of *Time*."

Explaining that *Time*, Inc., sent out 30 million letters annually, but that all mass mailings were entered into only after tests had proved their pulling power, with a dozen new ideas tested and discarded weekly before mass mailing was attempted, Mr. Prentice said that direct mail was not to be regarded as merely a method of selling cheaply.

Direct mail at its best is a method of making the friends and sales for which magazine and newspaper space advertising should prepare the way, Mr. Prentice said.

"We practically gave up using our advertising space to make a direct sale of *Time* years ago," Mr. Prentice explained. "This year we are spending something like 67 per cent of our total profits on advertising, but that advertising is not saying, 'Step up here and give us your money for our product.' What we are doing with our advertising is selling American journalism to America, selling America the importance of taking an intelligent interest in the news, selling

America on the idea that the news is the most important thing in the world to them as individuals, selling America that the only way this country can be free is for Americans to take an intelligent interest in the news, selling America the idea that it can respect the press, not just *Time*, but all the rest of the press of the

"After all, if banks won't take the leadership in reselling America on sound business policy, if the banks won't take the leadership in selling America on the importance of the business process, if the banks won't take the leadership in selling America on the importance of banking itself, who is going to take that responsibility?"

United States. In the past year we have spent over a half million dollars on newspaper and magazine advertising in which *Time* itself is hardly mentioned. Our journalism campaign has one and only one purpose, to restore confidence in the American press as a whole. We hope that every one of America's thousands of daily newspapers will profit from this advertising as much as we will."

The *Time* vice president declared that American business executives have become more self critical in recent years, and were beginning to realize that changes in business as well as Government attitude toward business would be needful to bring back responsibility.

"If someone does not take the responsibility of selling America on sound business policy and banking, and start spending some money to meet that responsibility, I seriously

question whether we are ever going to have a sound emergence from this depression," Mr. Prentice, who is one of the major active executives of *Time*, observed.

Reverting to the province of direct mail, the *Time* executive said that he saw in direct mail the means of making friends, "and it is important to bankers right now that they should have a gosh awful lot more friends than they've got now."

"It isn't really important to the bank that they should cash in over night on their advertising and see just where every dollar is coming back," Mr. Prentice continued.

The thing that is important for the banks of America is that they should change the thinking of America about banking and about business as a whole. This does not mean just two or three men in Washington, it means getting more friends, more depositors into banks who believe in banks.

Quoting from the Biblical story of the return of the Jews to Jerusalem from the Babylonian captivity, Mr. Prentice pointed out that "each man rebuilt that part of the wall which was nearest his home."

He urged the 14,000 banks of this country to use their local advertising and direct mail as the means of building the part of the wall nearest their home. He urged that the larger banks lead off with a national campaign in magazines and newspapers, since they are no more local institutions than *Time*, while the smaller banks of the country, with the aid of the Financial Advertisers Association and other skilled counsel, carried the messages locally.

To back up such an indirect campaign of building back to prosperity by sound thinking and public opinion, he said direct mail could do its part in making and holding friends.

"The most important thing any letter can do, which is to personalize your message," Mr. Prentice said, "is to let your prospective customer see just what your service can mean to him, and to make sure your customers know that yours is a friendly service and that you are a friendly institution, interested in him.

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STATEMENT OF CONDITION

December 31, 1940

RESOURCES

Loans and Discounts.....	\$16,908,895.17
Overdrafts	641.57
U. S. Government Obligations.....	9,405,000.00
State and Municipal Bonds.....	5,478,792.85
Other Bonds and Investments.....	2,270,377.09
Banking House.....	749,000.00
Furniture and Fixtures.....	1.00
Interest earned but not collected.....	151,634.84
Other Assets.....	28,028.15
Cash on hand and due from Federal Reserve Bank and other Correspondent Banks.....	21,206,989.14
	<hr/> \$56,199,359.81

LIABILITIES

Common Stock.....	\$ 2,000,000.00
Surplus	1,900,000.00
Undivided Profits.....	242,494.14
Reserve for Contingencies.....	154,671.69
Reserve for Dividends declared and unpaid.....	30,000.00
Reserve for Taxes, Interest, etc.....	111,512.89
Interest collected but not earned.....	20,538.78
Deposits	51,740,142.31
	<hr/> \$56,199,359.81

The Omaha National Bank

Member
Federal Deposit Insurance Corporation

Northwestern Banker January 1941

North Dakota Farm Income Hits a New High

Increased Wealth and Prosperity Reflected in Annual Economic Review of Greater North Dakota Association

BESIDES the mere wealth of money, North Dakotans have a great wealth of "comfort things"—homes, schools, churches, modern highways, automobiles, cheap fuels, healthful climate, ample food and feed.

Money wealth and a prosperity the territory had not felt in years are shown in the 16th annual economic review of the Greater North Dakota Association.

But comfort things, intangibles, such as a greatly improved morale, cannot be added in columns.

Figures don't show the improved morale in North Dakota. But an increasingly optimistic outlook of its citizenry is reflected in the greatest desire in a generation for home ownership, both urban and rural, the GNDA report says.

New High Farm Income

The review of 1940 shows the highest average agricultural production in 11 years—start of new industries—new development in irrigation, lignite coal, oil prospecting and natural gas—new cash crops—increased tourist traffic—better tax payments and governmental divisions on sounder footings—agricultural leadership in many lines, with income up and debts down.

North Dakota is on the verge of great development in a dozen different fields and is offering its immense stores of natural resources for utilization in the national defense program, the report declares. Looking ahead to the new year, the review shows an optimistic picture.

It is indicated that North Dakotans will be wealthier, will have more homes, will be able to capitalize on what they have learned in adverse times and what they have built in better times.

7,000 New Farm Homes

"Perhaps most outstanding in developments of the last year is the sale of 7,000 farms to owner-operators in North Dakota," said B. E. Groom, GNDA secretary.

The land movement started with the good crops of 1939, Groom said. Tenants wanted to own homes of their

own and owners wanted to add to their holdings. This movement was aided and augmented by special sales programs launched early in 1940 by the Federal Land Bank, the Bank of North Dakota, the state school land department and insurance companies.

Buyers knew that the time for action had come. Farms were priced reasonable, interest rates were low and terms for payment arranged over long periods, and "purchasers are in better position to succeed than were those of an earlier day."

F. W. Peck, president of the Federal Land Bank of St. Paul, reports 1,604 farms were sold in North Dakota during 1940, exclusive of December.

Real estate sales by the bank were more than double those of 1939, and represented the largest increase in sales of any of the four states in which the bank operates, according to Ralph L. Harmon, information agent. Half the sales were to people on the land or living within two miles of the property.

Bank officials state that of the 85 per cent sold to people living within 25 miles of the land, 16 per cent was sold to present occupants or renters. Cash in full was paid for 25 per cent of the properties. For 1941 the bank already has leased 3,318 farms in North Dakota.

Lands Return To Tax Rolls

The Bank of North Dakota, as agent for the state, has sold 760 farms, covering 185,670 acres, for a total price of \$1,585,890.00, F. A. Vogel, manager of the bank, reports.

Of the total, the bank had 120 cash sales covering 29,600 acres for an aggregate price of \$194,680.

"Where the original owner has requested to repurchase the land and has some funds with which to buy, he is given first consideration," Vogel stated.

The bank sold 590 farms under contract for deed where payment of 20 per cent or more has been made. The total of these sales is 142,680 acres for a price of \$1,255,350.

"Fifty leases have been made with the purchase privilege involving the

payment of 10 per cent or more, covering 13,390 acres," Vogel reports. Those leases cover 13,390 acres, and the total price is \$135,860.

"There are numerous other sales in the process of closing," according to Vogel. He adds, "This has been the best year on state-owned farms for sales, rental income and the improved morale of the people."

E. E. Swanston, director of the state school land department, reports interest and payments for 1940 at \$1,048,823, as compared with \$834,901 for 1939 and \$762,116 for 1938. Rentals and other collections for the department exceed the 1939 income by \$249,921.

Desire for urban home ownership is disclosed in a study of 18 North Dakota cities, which issued building permits during 1940 totaling \$3,251,129. Private building accounted for 69 per cent of this total, and 576 permits were for new residences and improvements.

The North Dakota total farm income in 1940 was \$235,759,349, as compared with an average income for the five previous years of \$173,592,820, an increase of 36 per cent.

Farm Income \$235,759,349

The itemized gross farm production income for 1940 shows benefit payments, adjustments for increased or decreased livestock inventories and allows for produce consumed on farms. The figures, prepared from basic figures provided by Federal Statistician Ben Kienholz, are presented by GNDA:

Wheat and durum	\$ 70,291,204
Oats	7,699,360
Barley	8,419,200
Rye	2,932,800
Flax	5,248,800
Corn	10,526,400
Potatoes	6,232,800
Hay	7,875,850
Small seeds	789,000
Beets, soy beans, honey, etc.	5,640,000

\$125,655,414

Benefit payments 22,373,000

\$148,228,414

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Northwestern Banker January 1941

Like Lace, Ladders,
Lard and Locomotives—

Money Is a Commodity

By A. E. Bradshaw

President
Oklahoma Bankers Association

FOR all practical purposes business may be divided into two general classifications — commodities and service. Business either supplies a product which is not created or manufactured by the purchaser, or it renders a service which the customer cannot or does not perform for himself.

In the field of commodities may be grouped all of those articles of merchandise which people eat, wear, or use, whether they be consumer goods or capital goods. Service includes those functions performed by public utilities, railways, life insurance companies, laundries and amusements; the medical, legal and other professions; even the barber shop and the beauty parlor.

The banking business is unique in that it deals in both a commodity and a service, for in the banking business money is not wealth in the generally accepted sense; it is a commodity.

It is not my purpose to discuss the service side of banking. The extent, variety and value of banking service is something which we need very much to explain to the public. Right now, however, I do want to say something about that commodity handled by America's banks—money.

Actually, banks do not sell money, they rent money. There is no difference between a bank renting (loaning) money, and a landlord renting a house, an office, or an industrial building which costs money to build and maintain.

Money is just as much a commodity, just as much an article of trade, just as much a tool of industry and commerce as raw materials, machinery, and merchandise; more important, because either cash or credit is necessary to acquire these business requisites.

Unique to the banking business is the fact that money may be loaned for only a specified time. The laws of economics, experience and government also restrict the quantity of money which banks may loan. What's more, they dictate the terms and conditions of banking transactions. They fix the financial and legal penalties for

errors in judgment; for inadvertent or illegal acts; even for losses sustained through the failures of borrowers, whether due to misfortune, negligence, or fraud.

Manufacturers may sell all the finished products they can make. Merchants may sell all the merchandise they can handle. Transcontinental railroads or city bus lines may haul all the passengers or freight they can accommodate. The telephone or telegraph companies are limited only by the capacity of their facilities; and theaters may put up the "standing room only" sign. Officers of corporations, superintendents of production and directors of sales, even individual salesmen, jeopardize the security of their positions if their volume fails to reach certain quotas. But with banks it is different. The law prescribes what percentage of their resources banks may loan, and places a limit on the amount of credit they may sell to a single customer.

It has been only recently that even inactive stockholders of banks were relieved of double liability for failure. Whether it was due to economic conditions, negligence, misfortune or criminal intent, made no difference.

I am not complaining of the banker's lot. Most of us are in the banking business by choice. And after all, the money which banks handle is not primarily the property of their officers, directors or stockholders. Most of the funds we handle belong to depositors. Their money must be safeguarded and instantly available should they call for it.

The unfortunate thing is that the disappointed prospective borrower rarely recognizes and never appreciates the reasons why he cannot get the money he wants his banker to loan him to discount his merchandise bills, meet his payroll, finance his manufac-

turing operations or selling campaign, buy that new truck, factory site or machine, or pay off his mortgage. It is, therefore, not sufficient merely to deny a loan with an air of indifferent finality. To the applicant it is, temporarily at least, a serious and important matter. Its refusal is a source of disappointment, inconvenience or embarrassment, perhaps all of these, to the person seeking a loan. He should know just why the loan is impracticable (unacceptable). What may be more important, perhaps, the bank is itself entitled to the benefit of a sensible explanation of its position. As customers, we expect a plausible reason from those who do not see eye to eye with us on a business transaction. As bankers, then, let us exercise the good judgment and patience to explain why we are occasionally unable to accept the patronage of those who would like to do business with us.

The other fellow may do what he pleases with his own business because it belongs to him; but with the bank, it is different. The money to be loaned is not the property of the bank. The bank is merely the fiduciary agent, the custodian of other people's money. With today's swollen resources it must be apparent that aggressive bankers would welcome every loan that complies with sound banking practices.

Banking is more than a matter of deposits and savings accounts, furniture and fixtures. It is, in fact, none of these. Rather, it is a matter of experience, business judgment, legal responsibility and personal integrity. If banking may be described by a single word, I would say it is Confidence.

Called

In a country newspaper appeared the following advertisement: "The man who picked up my wallet in Fore Street was recognized. He is requested to return it." The next day this reply was published: "The recognized man who picked up your wallet requests the loser to call at any time and collect it."

Northwestern Banker January 1941

Soundness of Company . . . Soundness of Plan



Both are essential to FAMILY SECURITY

—both are provided by N^wNL, through sound management
and a forward-looking method of agents' compensation

The soundness of a life insurance *company*—its ability to fulfill its promises to policyholders—depends on *management*. Management can be known only by its works. This company is in its 56th year of steady growth. Since 1930, in common with all companies, it has passed through the most trying decade in history, and today it is stronger than ever before.

Soundness of your life insurance *plan*, however—the accuracy with which it fits your needs—de-

pends almost entirely on *the agent*. Since 1939 your N^wNL agent has been paid, not primarily for the insurance you buy, but for the insurance you *keep in force*. He is rewarded directly, in dollars and cents, for selling you only the kind of insurance you need, and only the amount you can afford—and for keeping that insurance adjusted thereafter to your changing needs.

He is *paid* to build you a sound plan, and to keep it sound. A sound company will see to its execution.

FINANCIAL STATEMENT

December 31, 1940

As in past years, this is the **first complete and final life insurance balance sheet** to be published. Ask your banker, or some other qualified person, to give you his opinion of the intrinsic soundness of this Company's investment methods and management practices.

RESOURCES			
Cash.....	(6.4%)	\$	5,179,465
U. S. Government Securities.....	(23.7%)		19,172,559
Bonds Fully Guaranteed by the U. S.....	(6.6%)		5,308,261
Canadian Government Securities.....	(.5%)		437,747
Other Bonds:			
State, County, and Municipal.....	(3.6%)		2,872,423
Railroad Mortgage Bonds.....	(5.9%)		4,781,064
Railroad Equipments.....	(1.0%)		800,097
Public Utility.....	(17.0%)		13,755,352
Industrial.....	(2.2%)		1,789,211
Miscellaneous.....	(.3%)		208,941
First Mortgage Loans.....	(14.3%)		11,535,507
Policy Loans.....	(11.7%)		9,418,224
Real Estate (Including Home Office Building and Real Estate Sold Under Contract).....	(3.4%)		2,771,991
Premiums, Due and Deferred.....	(2.6%)		2,130,395
Interest Due and Accrued and Other Assets.....	(.8%)		622,966
TOTAL.....	(100%)	\$	80,784,203

LIABILITIES		
Reserve on Policies.....		\$62,560,118
Death Claims Due and Unpaid.....		None
Claims Reported but Proofs not Received.....		162,448
Reserve for Claims Unreported.....		115,000
Present Value of Death, Disability, and Other Claims Payable in Instalments.....		4,842,085
Premiums and Interest Paid in Advance.....		335,597
Reserve for Taxes Payable in 1941.....		290,944
Profits for Distribution to Policyholders.....		2,975,473
Reserve for Other Liabilities.....		2,913,745
Asset Fluctuation Reserve.....		918,502
Surplus Funds and Capital:		
Voluntary Contingency Reserves.....		\$1,541,931
General Surplus.....		2,478,360
Paid-in Capital.....		1,650,000
TOTAL.....		\$80,784,203

Insurance in Force \$460,034,187 { N^wNL's 1940 gain in insurance in force was \$19,463,474 which is 44% greater than 1939's gain.

NORTHWESTERN *National* LIFE INSURANCE COMPANY

O. J. Arnold, President



Minneapolis, Minn.

This advertisement, presenting N^wNL's 56th Annual Financial Statement, appears in TIME, out Jan. 9.

Things You Will Want to Know About Insurance

Facts and Figures on Life, Fire, Casualty and Surety Coverage

IOWA life insurance policyholders and beneficiaries were paid a total of \$34,300,000 during 1939, and while figures for 1940 are not as yet available, it is quite likely this amount was equalled or exceeded in the year just past. The above amount would be an average of \$13.44 for every man, woman and child in the Hawkeye state.

Also, ordinary life insurance (excluding group insurance) in force in Iowa totals \$1,465,182,000, and that the average policy in the Hawkeye state is \$1,900.

Des Moines led all other cities of the state in life insurance payments in 1939, with \$2,935,000. Other leaders in payments were Sioux City, \$1,470,000; Davenport, \$1,130,000; Cedar Rapids, \$969,000; Council Bluffs, \$945,000.

TODAY, as in 1917, the national board of fire underwriters is prepared to curtail its usual activities in order to devote all of its efforts to the national defense program, F. S. Dauwalter, assistant general manager of the board, told members of the Maryland Association of Insurance Agents at their annual meeting.

"As in 1917," the speaker continued, "its offer has been accepted, and an office has been set up in the construction division of the war department known as the war department advisory bureau on fire protection and prevention.

"This office is under the direction of three national board engineers. Plans for all construction projects under the jurisdiction of the war department will be passed upon by this bureau. Problems of construction and water supply are frequently acute in making provisions on short notice for large concentrations of men.

"In order to deal with these problems with maximum efficiency we have arranged, in cooperation with fire insurance rating boards and bureaus throughout the country, to station one or more fire protection engineers at each such project while it is under construction. The efforts of these engineers will be supplemented

from time to time as occasion may require with those of others from our own staff."

Conservation and fire protection work directed by the national board during the world war was extremely effective, Dauwalter said.

The board suspended its usual engineering activities for a period of nearly two years and concentrated on recommendations for safeguarding cantonments, supply depots, hospitals, naval properties, warehouses, terminals and shipyards.

So well was the work done, he pointed out, that when possession of army cantonments was delivered to those in authority, fire losses amounting to less than \$3,000 had been sustained on construction valued at more than 100 million dollars.

FAMILIES and other beneficiaries of Iowa policyholders received an aggregate of \$9,995,000 from life insurance companies in settlement of death claims during the first nine months of 1940, the Institute of Life Insurance has announced.

"The importance of the economic and social contribution of life insurance to the families and communities of Iowa is indicated by the fact that the funds flowing into bereaved homes so far this year have averaged \$1,100,556 a month," Holgar J. Johnson, president of the institute, said.

Of the death claim benefit payments made in Iowa last year, up to Sept. 30, a total of \$8,719,000 was paid out on ordinary policies, \$603,000 on group policies and \$673,000 on industrial policies.

Total death claim benefit payments in the seven west north central states aggregated \$59,429,000 for the nine months, comprising \$48,489,000 on ordinary policies, \$5,115,000 on group policies, and \$5,825,000 on industrial policies.

The compilation includes payments by American life insurance companies and payments by Canadian life insurance companies on policies held in the United States.

WHEN "Galloping Gertie" crashed into Puget Sound last November, she cost a group of 28 insurance companies about three million dollars.

According to insurance records, the bridge was covered for a property damage of \$5,200,000 and for use and occupancy up to \$240,000.

The fact that the towers and their foundations may still be usable prevented a possible full-coverage loss to the companies concerned.

"Galloping Gertie" is formally known as the Tacoma Narrows bridge and was built at a cost of \$6,400,000. Although she was a beauty to look at, she was never sound structurally, and at the time of the crash, engineering experts from the University of Washington were studying the bridge intently, as well as a \$20,000 model in the university laboratories.

The fact that there was a considerable amount of solid girder construction in the Narrows bridge led many construction experts to believe this was partly to blame for the collapse.

The center span of "Galloping Gertie" was the third longest in the world, and was 200 feet above the waters of the sound.

MOTOR vehicle deaths last year will exceed the 1939 total by approximately 2,000, The Travelers Insurance Company announced.

An indicated increase of 6.18 per cent in fatalities will bring the 1940 figure to 34,500, greater than the total in 1939 or 1938 but still considerably under the all-time figure of 40,300 established in 1937.

Only an unprecedented reversal of the year-long trend during the final two weeks of 1940 would hold the figure under 34,500, the company's statisticians said. In only one of the last 14 months has there been a reduction in fatalities from the same month in the previous year and that was in July. Throughout the autumn months deaths ran steadily ahead of the same months in 1939 and provisional reports show this trend continuing in December.

The rise in fatalities exceeds not

Northwestern Banker January 1941

only the increase in motor vehicle registration but also that for gasoline consumption, thus the death rate for 1940 will be above that for 1939 whether computed on the basis of number of cars in use, total mileage, or population.

Pointing to the fact that the acci-

dent trend over a period of years has closely followed the trend of business conditions, the company's statisticians predicted further increases in traffic deaths for 1941 unless accident prevention agencies find more effective methods of combating the problem.

Non-fatal injuries will also show an

increase last year but the percentage rise, 3.22, is less than half that for fatalities. The injury total, it is predicted, will reach a million and a quarter for the second time in the history of the automobile.

Pedestrian deaths rose, but not in proportion to the experience of recent years when they tended to increase even more rapidly than deaths to car occupants. The increase in such fatalities, 5.06 per cent, was slightly less than that for all deaths. It was estimated that by the end of 1940 13,100 pedestrians would have been killed and 304,600 would have suffered non-fatal injuries.

INCREASED ABILITY TO SERVE WELL

Allied Mutual's steady, consistent growth in total Net Premiums Written and in total Admitted Assets continues to indicate sound, conservative management and ever-increasing ability to serve all policyholders at all times.

	<i>Net Premiums Written</i>	<i>Admitted Assets</i>
1936 -----	378,521	266,954
1937 -----	501,609	365,247
1938 -----	602,268	519,090
1939 -----	707,147	691,487
1940 -----	\$827,134	\$875,961

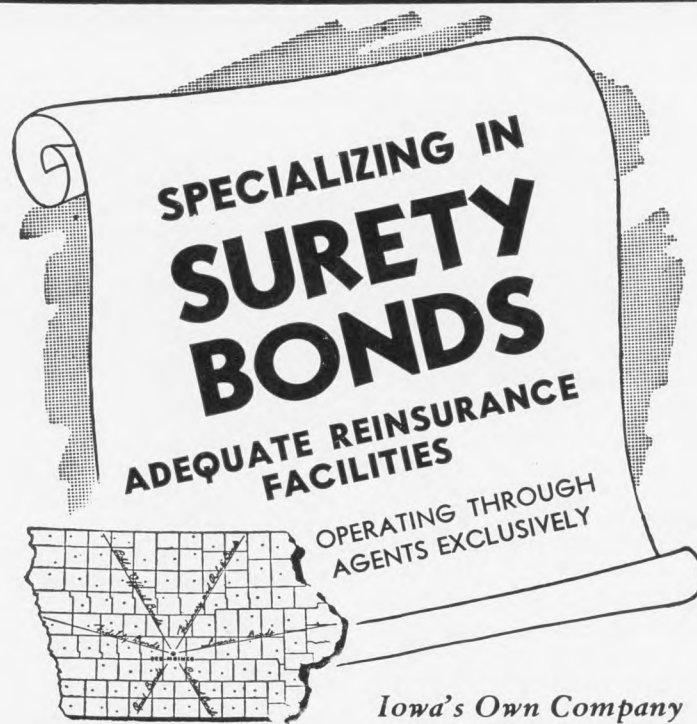
You can depend on Allied Mutual

ALLIED MUTUAL CASUALTY COMPANY

Harold S. Evans, President

Hubbell Building

Des Moines, Iowa



MUTUAL SURETY COMPANY OF IOWA

DES MOINES, IOWA

OUTSTANDING improvements in the health of young Americans of draft age, or approaching it, is indicated by the mortality records of one United States life insurance company.

Its white industrial policyholders—ages 15 to 24—have a death rate only one third of what it was for the corresponding age group in 1911, according to company statisticians.

This favorable health situation, it is explained, is due largely to the phenomenal drop in tuberculosis mortality among this group of young American men. Their death rate from this cause declined from 222 in each 100,000 in 1911, to 19 in 1939.

"Thus, the improvement in tuberculosis mortality has been so rapid that within a single generation," the statisticians point out, "the death rate was reduced to less than one-tenth of the initial value. Moreover, in 1911, about 40 per cent of all the deaths of adolescent and young adult males were from tuberculosis; in 1939, only 11 per cent of all deaths resulted from this cause."

Other important factors involved in reducing the general death rate among the young American white males include:

A drop in the influenza and pneumonia death rate from a level of about 30 in each 100,000 in the decade 1921 to 1929, to a low point of 10 in 1939.

A substantial drop during the 1911 to 1939 period in mortality from accidents.

A 50 per cent reduction in the heart disease death rate.

A drop in the typhoid death rate from 30 in each 100,000 in 1911 to less than one in 1939.

THE following extract from a general bulletin of the Illinois Bankers Association is called to the attention of all bankers:

"In many instances throughout the State custodians of public funds, particularly school treasurers, are asking officers and directors of banks to as-

sume personal suretyship in order that they can qualify for their offices. Under the laws of Illinois it is not necessary for any individual to assume that responsibility for any public official. Illinois laws provide that corporate sureties may be secured and the cost of the bond charged against the funds which are protected. For years the Illinois Bankers Association, through the recommendation of its committees, has urged the bankers in the State not to assume this personal liability and because of that urging, the Legislative Committee several years ago sponsored a bill in the Legislature to make it possible for such surety bonds to be paid for out of the funds in the treasury of the governing board which required the surety bond. The General Assembly, upon receiving this measure, agreed that it was contrary to public policy for individuals to take over such responsibilities and thereupon passed the bill which has become a law. Under these circumstances bankers are urged to refer all requests for personal surety to corporations whose business it is to provide such security for a reasonably modest premium."

WIDOWHOOD strikes approximately 400,000 women in the United States every year and leaves approximately 220,000 children under age 16 without a father's care, according to life insurance statisticians.

While the average age of wives at the death of their husbands is somewhat less than 55, it is pointed out by statisticians that the most serious problems of widowhood must be met by the 100,000 new widows under age 45.

For it is among this group that the great majority of mothers with dependent children is found.

More than 2,000 wives under 20, lose their husbands by death in the course of a calendar year.

In the age group of 30 to 34 years, more than 20,000 women annually become widows, and the number increases in subsequent age groups until the maximum is reached among women from 55 to 59, when 50,500 in those ages become widows each year.

The statisticians point out that widowhood presents specially difficult economic problems for women in two specific age groups.

The thousands of orphaned children left to the care of widows under 45 makes the lot of these women often a hard one, unless adequate provision has been made for them and their children.

The problem of how they themselves will be cared for confronts the 100,000

IT CAN BE DONE IN '41.

It is significant of the temper of American Business that—"Records are made to be broken." Now what about this brand new year we are facing?

Nineteen Hundred Forty was the best year Western Mutual has ever had, but through better than ever service and even more helpful cooperation—with the taste of great progress achieved, whetting our appetite for ever greater success—we have set our mark high for the coming year. We know "It Can Be Done in '41." We'd like to have you with us. Ask about our contract today.

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 January 1941

women past age 65 who become widows every year, for as a rule they are unable to provide for their own support.

THREE-EIGHTHS of the fatal traffic accidents and a third of the nonfatal injury accidents in cities occur on Saturdays and Sundays, according to National Safety council records.

In rural areas it's even worse. Forty-four per cent of the week's rural death total and 45 per cent of the nonfatal injury total of traffic accidents occur during the weekend.

MAL STEVENS, one of the nation's famous football coaches, admits football is a hazardous game but points out that because of traffic hazards, it is far more dangerous for spectators riding to a big game than for the players participating on the field.

Many Gains for Northwestern National

A gain of \$19,463,474 in insurance in force, bringing the total to \$460,034,187 as of December 31, a sharp gain in renewal premiums, and a \$5,579,023 increase in assets to a total of \$80,784,203 feature the 56th annual financial statement issued by Northwestern National Life. The insurance in force gain was 44 per cent larger than in 1939.

Contingency reserves, surplus funds and capital increased by \$212,373 to a total of \$5,670,291, after adding \$100,000 in excess of legal requirements, to various policy reserves.

"The substantial increase in insurance in force is especially encouraging because the gain was accomplished on approximately the same volume of new business," said President O. J. Arnold in commenting on the statement which has been the first complete and final life insurance company bal-

ance sheet to be published each year since 1925." "It therefore reflects continued improvement in persistency of business—a reduction in terminations from lapse and surrender. This, I feel, results from two things: 1940 has been a year of increasing employment and therefore of improved well-being on the part of the average family. Second, NwNL's long-range program of lapse prevention is getting results."

New business production in 1940, exclusive of revivals and increases, amounted to \$59,705,046 as compared with \$57,844,015 in 1939. The increase of \$19,463,474 insurance in force expressed as a percentage of total insurance outstanding, was over 40 per cent larger than the 1940 gain for all life companies as estimated by the Association of Life Insurance Presidents.

Total premium collections of \$10,930,964 in 1940 compared with \$10,630,054 in 1939. The increase, Mr. Arnold pointed out, was entirely accounted for by an increase in renewal premiums, reflecting still better maintenance of policies in force by their holders.

Income from all sources totalled \$15,587,796.

Death claim payments to beneficiaries totalled \$2,264,612 while payments to living policyholders, exclusive of policy loans, amounted to \$3,459,487. Policy loans outstanding amounted to \$9,418,224 compared with \$9,565,148 at the end of 1939.

Holdings of U. S. Government securities and fully guaranteed bonds of government agencies totalled \$24,480,820 compared with \$24,313,613 a year ago. First mortgage loans increased during the year from \$7,292,650 to \$11,535,507. The increase was due to expansion in the company's holdings of FHA insured loans on city homes. The cash item stood at \$5,179,465 compared to \$4,474,631 the previous year.

Real estate owned, which includes sold under contract, decreased from the home office building and real estate \$2,882,675 to \$2,771,991 which is 3.4 per cent of total assets compared with 6.7 per cent estimated for the life insurance business as a whole.

Premiums Increase Over Forty-six Per Cent

The Mutual Surety Company of Iowa, Des Moines, had an increase in premiums of over 46 per cent during the past twelve months.

This indicates a very substantial growth in this well known Iowa institution and reflects a great deal of credit upon the officers, who are: Russell F. Lundy, president; D. S. Peter, vice president; E. L. Lundy, secretary and E. J. Sathe, assistant secretary.

L. E. Ellis, Pres.

H. G. Zimmerman, Sec.

L. E. ELLIS & CO. General Insurance

- 46 Years In The Iowa Field
- We Write No Counter Business
- Represented In Over 1200 Iowa Agencies

415 Securities Bldg.

Des Moines, Iowa

**COMMERCIAL—MONTHLY
ORGANIZATION PROTECTION
HOSPITALIZATION—NON-OCCUPATIONAL
BUSINESS WOMEN**

A Wide Range of Policies
with unusual features.

Write for Complete Details Today.

Inter-State Business Men's Accident Company

A Mutual Legal Reserve Income Protection Company

Organized in 1908

Robert A. Brown, President

Des Moines, Iowa

The company writes only Fidelity and Surety Bonds and has specialized



RUSSELL F. LUNDY

in Probate Bonds although all types of business are written.

John W. Gunn Heads Employers Mutual Casualty

John A. Gunn, president of the Employers Mutual Casualty Co. of Des Moines since it was organized in 1911, last month announced his resignation at the quarterly meeting of the board of directors.

Gunn was elected chairman of the board and will remain as treasurer. He was one of the founders of the company.

John W. Gunn, vice president, was elected to the presidency to succeed his father. John F. Hynes, secretary, was named vice president, and retains the office of secretary.

A report on business of the company for the first 11 months of 1940 showed a gain in premiums of \$181,433. October business showed the biggest gains of any month for 1940, and was the biggest October in the history of the company, Gunn reported. Premiums totaled \$271,100, a gain of more than \$50,000 in premiums over October, 1939, officials said.

The company's home office building is located at 204-210 Seventh Street. The company operates in 13 states and writes automobile, general liability and plate glass insurance and workmen's compensation.

Ouch!

Customer: "Have you a book called 'Man, the Master'?"

Salesgirl: "Fiction department on the other side, sir."

The 1930s...

10 years STEADY PROGRESS for HAWKEYE

Total Assets

1930.....	\$616,000
1935.....	714,000
1940.....	1,310,000

Business written in year

1930.....	\$331,000
1935.....	407,000
1940.....	906,000

Surplus to Policyholders

1930.....	\$345,000
1935.....	384,000
1940.....	500,000



**HAWKEYE
CASUALTY COMPANY**
DES MOINES, IOWA

Full coverage automobile, workmen's compensation, general liability, burglary insurance.

THE THREE R's . . . *and the Iowa Investment Banker*

Public education is one of the most important of our democratic processes.

Iowa, with her enviable reputation of having the highest percentage of literate people of any state in the Union, has been alert to, and progressive in, keeping her public schools abreast of rapidly changing times and educational ideas.

During the past decade and a half, Iowa has spent millions in improving and enlarging public school structures—in the construction of new public school buildings—consolidated schools, grade schools, junior and senior high schools.

A very large part of the financing of our state's public school development program has been carried on by the Investment Banking interests of Iowa, through the underwriting and distributing of innumerable issues of school bonds.

Today—hundreds of thousands of Iowa youths are receiving the benefits of a free education in the stimulating and healthful environment of pleasant and modernly-equipped public school buildings.

The Investment Bankers of Iowa are rightfully proud of the important role they have played in providing Iowa youth with school buildings and equipment that are not surpassed anywhere in our broad nation.

Iowa Investment Bankers Association

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The Month's Market Maneuvers



JAMES H. CLARKE

In 1940 stocks declined, but bonds rose to record highs. That statement while true seems an over-simplification of a year in which crisis followed crisis in world affairs. Certainly at no time

in the past ten years have the markets faced more uncertainties. And faced them without being excessively disturbed.

In Europe and Asia there were periods when all was chaos. At home the markets were confronted with almost unbelievably bad news. Russia and Finland fought a war—almost forgotten now. Hitler took over Denmark and beat the Allies to capture Norway. Holland and Belgium fell quickly under the Nazi assault—but the greatest blow of all was the collapse of France—Maginot line and all. Italy decided all was over and entered the war, but underestimated England. Germany poured bombs on London and industrial England—while the R. A. F. retaliated. Russia seized part of Rumania—Hungary grabbed even more—and thousands of German troops came in while King Carol fled. Germany scored additional “diplomatic triumphs” but Italy suffered staggering defeats in her attempts to invade Greece and Egypt. These are but brief sketches of European news flashes.

And there were domestic considerations that affected our markets—particularly for common stocks. Gold continued to pour in—England liquidated many of her United States holdings—Secretary Hull warned Japan. From June through the first week of November we were in the midst of the hottest political fight in years—and the stock market's favorite lost. Corporate earnings improved—a great defense program was launched—national income rose. But taxes also increased and the outlook was for even larger increases—and this worried investors. So the stock market eased downward.

In 1940 there were somewhat better than two hundred million shares of stock traded on the New York Stock Exchange. The smallest number since 1921. In 1929 over a billion were bought and sold. Seats on the Ex-

**Prepared for
The Northwestern Banker**

By James H. Clarke

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

change were on the bargain counter—one sold for \$32,000, the lowest in forty-one years. In 1929 one sold for \$625,000. May 21 saw the heaviest day of trading for the year, 3,940,000 shares—also a break of about eight points on bad news from abroad. The smallest day of trading was August 19—129,650 shares—the lightest since August 7, 1916. The Dow-Jones average for industrial stocks, which was 151.43 on January 2, closed the year at 130.13, a loss of over twenty points. The high point of 153 was reached early in January—the low point of about 111 on June 10 just before the full collapse of France. That the stock brokers for the most part had an unprofitable year is apparent.

While stock prices were declining, bond levels were rising to heights considered impossible a year or two ago. The long Governments—for example, the 2½'s of 1965, were quoted at 106.15 as the year began—dropped to 103.16 when France fell—but rallied to close the year at 111.2 to yield 2.17. The high of 111.23 on these bonds was set early in December. But state and various municipal bonds exceeded all other classes by a wide margin. For instance, the city of Richmond, Virginia, recently sold some 1 per cent Public Improvement Bonds with the first maturity in 1942 priced to yield but .10 per cent and the final maturity in 1961 to yield only 1.30 per cent. New York state also did well in getting cheap money when it sold \$25,000,000 of 1½'s due serially from December 1941 to 1980. The first maturity was priced to yield .15 per cent—the last one to yield 1.55. In short, forty-year money at a little better than one and one-half per cent. Tax exemptions, naturally, aided in making these prices high.

Corporations also borrowed money at low rates during the year. Boston Edison Company sold 2¾'s due in 1970 at 105 to yield a bit better than 2.50% and fully taxable, of course. Detroit

Edison sold thirty year 3's at 107¼ while Dow Chemical sold serial debentures due 1941 to 1950 on a .35% to 2.05% basis. These are but a few examples—there were numerous others—as a plethora of funds forced rates lower and lower.

After this brief and inadequate review of the year—let us take a look at the month of December. For after all that is the real purpose of this article. Changes in the stock market were unimportant during the month—the Dow Jones average for industrial stocks being 131 on November 29 and 131.13 on December 31. Volume of trading was small with but three days in which shares bought and sold exceeded one million. In all there were twenty-five days of trading—advances were registered fourteen times and declines eleven—but the net change meaningless.

Bonds were higher in December. The Government 2¾'s of 1965 were 110.7 as November closed and 111.2 on December 31. Today (January 2) they have dropped to around 110.10 following the report of officials of the Fed recommending increases in bank reserve requirements. With bonds reaching new highs in December and with yields approaching the vanishing point, more thought is being given to the situation. It is natural for the financial community to wonder if this situation compares in some ways with the stock market in August, 1929. There were numerous corporate offerings in December—mostly refundings. Appalachian Electric Power sold \$70,000,000 3¼'s of 1970 at 107 and despite the maturity and the high price they went well. Boston Edison offered \$53,000,000 2¾'s of 1970 at 105—the reception being only fair. \$50,000,000 Detroit Edison 3's of 1970 were priced at 107¼ and the bid now is around that price. In addition there were offerings of \$8,000,000 of Electric Auto-Lite deb. 2¾'s of 1950, \$70,000,000 National Dairy Products debentures, \$6,500,000 Pittsburgh Steel 4½'s of 1950 and \$15,000,000 Crucible Steel Company 3¼ debentures.

There probably will be a lot of financing in January. Companies which already have registered offerings include Phillips Petroleum, Montana-Dakota Utilities, Panhandle Eastern Pipe Line and Southern Counties Gas Company. Illinois Bell Telephone also

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is expected to sell bonds this month as is Shell Union Oil, Public Service of Oklahoma and possibly Republic Steel Company.

Business operated at a high rate in December—at capacity in numerous instances. Indications are that this will continue for some time under the pressure of war orders and increased domestic purchasing power. The treasury faces financing problems as defense costs mount while Congress will wrestle with many problems, not the least of which is the tax question. Thus we begin 1941 with but few of the uncertainties of the past year solved and with many new ones before us.

Convention Calendar

National and Sectional

February 4-6: A. B. A. Mid-Winter Trust Conference, Waldorf-Astoria Hotel, New York City.

March 5-7: A. B. A. Regional Conference, Waldorf-Astoria Hotel, New York City.

March 20-21: A. B. A. Regional Conference, Brown Hotel, Louisville, Kentucky.

April 18-19: Eastern Regional Conference National Association of Bank Auditors and Comptrollers, Boston.

April 27-30: A. B. A. Executive Council Spring Meeting, The Homestead, Hot Springs, Virginia.

May 4-7: Association of Reserve City Bankers, Hotel Hershey, Hershey, Pennsylvania.

May 16-17: Mid-Continent Regional Conference National Association of Bank Auditors and Comptrollers, Cleveland.

May 22-24: National Safe Deposit Association, Hotel Statler, Buffalo, New York.

June 2-6: American Institute of Banking, St. Francis Hotel, San Francisco, California.

September 28-October 2: American Bankers Association, Hotel Stevens, Chicago.

October 8, 9, 10, 11: Annual Convention National Association of Bank Auditors and Comptrollers, Chicago.

State

January 21-22: Wisconsin Mid-Winter Conference, Hotel Pfister, Milwaukee.

January 21-23: Missouri Bankers Conference (second), University of Missouri, Columbia.

January 30: Illinois Mid-Winter Trust Conference, Chicago.

February 21: Ohio Mid-Winter Meet, Columbus.

May 8-10: Oklahoma, Skirvin Hotel, Oklahoma City.

May 12-14: Missouri, Elms Hotel, Excelsior Springs.

May 14-15: Indiana, Claypool Hotel, Indianapolis.

May 15-16: Kansas, Kansas City.

May 21-23: Texas, Houston.

May 26-28: Illinois Golden Jubilee, Palmer House, Chicago.

June 4-5: Wisconsin, Hotel Schroeder, Milwaukee.

June 16-17: Idaho, Sun Valley.

June 17-18: North Dakota, Hotel Patterson, Bismarck.

June 20-21: Montana, New Florence Hotel, Missoula.

June 26-27: South Dakota, Hotel Franklin, Deadwood.

June 26-28: Michigan, Grand Hotel, Mackinac Island.



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

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

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



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

EXECUTIVE OFFICE
NEW YORK

BRANCHES
IN PRINCIPAL CITIES

WHAT FINANCIAL ADVERTISERS WANT TO KNOW

(Continued from page 17)

6. There are no wholesalers or jobbers (middlemen) in the banking field.

7. There is no such thing as commercial advertisers know as repeat orders or quick turnover.

8. Men and women do not make bank connections every day or week or year. Your customers may buy tobacco, groceries every day; a suit of

clothes every four months, and a new car every year or two—you hope.

9. A department store puts on special sales (imagine, come in and look over our new consignment of brand new dollar bills. Fresh from the press. Our buyers were fortunate to be able to buy out an entire printing plant's mass production at a special price). Department stores delight in crowds. See the goods, handle the goods, drive it yourself, double your money back if you are not more than delighted. Banks do not want crowds. That's why one large bank has stressed, through direct mail to its customers, the advantages of "Banking by Mail."

10. In a bank a customer (to use many of the services) must qualify as to character and responsibility.

In the commercial field, if he has the cash to pay, that's all that's necessary. Because of this character demand, the advertising is pitched higher so that some selectivity is had before the prospect comes to the bank.

11. In a bank a customer must conform to regulations laid down by law.

12. A commercial advertiser has the whole gamut of human emotions to play upon in selling his goods. Bankers have only a few; such as love of offspring, ambition, protection of others, economy in leaving property to others, independence. All of these have an element encouraging procrastination.

13. To measure the effectiveness of financial advertising is almost impossible. It is continued on confidence alone.

Now there are two questions which I am sure might want to be asked. These two questions are always asked. They come to my office year in and year out. From the advertising agencies and banks—from the largest to the smallest.

1. How much should a bank spend on its advertising? The answer is—that all depends.

2. What advertising media is the best for banks? The answer is—that all depends on what the bank wants to do. Here is a report of what media the banks used this last year:

Out of the bank's total budget:

Newspaper	51%
Radio	7%
Direct Mail	23%
Outdoor Advertising	3%
Street Car Advertising	2%
Trade Papers	6%
Window Displays	2%
Specialty Advertising	5%
National Magazines	1%

Financial advertising holds a challenge. To a red-blooded fighter with imagination, who will understand the institution and know its policies, there is a real field for battle.

Bank advertising has set a standard

for its conservatism and truthfulness; for its "confidence" in advertising building. Some day the commercial advertiser might find himself studying financial advertising.

Advertising is powerful.
It has built America.

Advertising, like flowing water, cleanses itself. If you want to kill a poor product—advertise it.

That's It

"Did you hear about the man who drank gasoline for whiskey?"

"No."

"Now, instead of hicking, he honks."

"Oh, auto-intoxication!"

Federal Discount Corporation

Dubuque, Iowa

Automobile Finance

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

■ ■ ■

SMALL LOANS

■ ■ ■

BRANCHES IN

Iowa Minnesota Wisconsin

Capital, Surplus and Undivided Profits

Exceed One Million Dollars

■ ■ ■

Short Term

Collateral Trust Notes

■ ■ ■

Information on Request



COMMERCIAL INVESTMENT TRUST INCORPORATED



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

C. I. T. offers its standard notes for short term accommodation in varying amounts from \$1,000 to \$100,000, in maturities from 60 to 270 days and at current discount rates. These notes are payable at any of our 296 depository banks located in principal cities throughout the country.

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

ADDRESS

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



WALTER E. VIETH
President
Davenport

IOWA Investment Bankers Association

Organized 1935



ROY W. LERICHE
Secretary
Des Moines

Announce Annual Meeting

AS announced last month, the 1941 annual meeting of the Iowa Investment Bankers Association will be held in Cedar Rapids, and the dates have been definitely set as Thursday and Friday, January 23 and 24.

Registration will start on Thursday, the 23rd, at 5:00 p. m., on the mezzanine floor of the Hotel Roosevelt, convention headquarters. A cocktail party starts at 5:30 and the dinner that evening will take place at 7:30.

On Friday morning, the 24th, the annual business meeting and election of officers will be held at 10:30 in the Lincoln Room, to be followed by luncheon at 12:30. Speakers of national prominence will address the meeting immediately following the luncheon, and will continue through the afternoon. The sessions will conclude with another social hour, and dinner, that same evening.

Frank Filip of Cedar Rapids is general chairman for the occasion, assisted by other investment bankers located there. Edward H. Kane of Cedar Rapids is taking care of reservations, and it is urged that advance reservations be made with him. His address is 1010 American Trust Build-

ing. The committee announced that reservations are necessary for all the functions of the meeting.

You may be sure that members of the Association in Cedar Rapids are going the limit to show all those who attend a royal good time. Your attendance will be evidence of your appreciation of their efforts.

Two Des Moines members of the Iowa Association have been honored by appointments in an administrative capacity with the National Association of Security Dealers, Inc. James A. Cummins has been named a member of the Business Conduct Committee, for Iowa, and M. D. Dearth has been elected a member of the eighth district committee of NASD. This district comprises the States of Iowa, Nebraska, Illinois, Indiana, Michigan, and Wisconsin.

Northern Trust, Chicago

The Northern Trust Company of Chicago on January 2, 1941, paid its 172d quarterly dividend, declared December 17, 1940. In its annual statement dated December 31, 1940, deposits of \$397,000,000 are shown, a growth of \$28,000,000 during the year. Loans

V. W. BREWER CO. MUNICIPAL BONDS

The Level Debt Service Refunding Plan of the Independent
School District of the City of Des Moines
is sixty percent completed.

FIRST NAT - SOO LINE BLDG.
MINNEAPOLIS

were up \$6,300,000 to \$44,500,000. Cash resources were \$162,000,000, an increase of \$2,000,000 over the last year's figures. Savings deposits increased \$2,500,000 to an all time high of \$82,600,000. United States government securities stood at \$110,000,000.

Earnings of The Northern Trust Company in 1940 were \$912,306.42, or \$30.41 per share compared with \$906,914.27, or \$30.23 per share in 1939.

Quarterly Dividend

The board of directors of Manufacturers Trust Company, New York, declared the regular quarterly dividend of 50 cents per share on the common stock, payable on January 2, 1941, to stockholders of record on December 12, 1940.

The board also declared the regular quarterly dividend of 50 cents per share on the preferred stock, payable January 15, 1941, to stockholders of record on December 30, 1940.

Revised Manual

A revised manual of laws relating to loans and investments by national banks has been prepared by the National Bank Division of the American Bankers Association and has been forwarded to the national bank membership, it is announced by Andrew Price, the Division's president, who is president of the National Bank of Commerce, Seattle, Washington.

"The revised edition of the Division's manual has been made in accordance with the association's policy of keeping its membership informed on the constantly changing developments in banking," Mr. Price asserted. "New laws governing the lending and investment policies of national banks have been enacted and former statutes have been amended or amplified. It is, of course, vital that banks keep abreast of these changes."

The revised manual includes recently enacted defense measures, such as the Assignment of Claims Act of 1940, permitting the assignment of claims under government contracts as security for loans, and the Soldiers and Sailors Civil Relief Act of 1940, imposing a moratorium on the debts of men serving in the nation's armed forces.

Insurance Digest

Publication of a new digest of bank insurance designed to help banks review and improve their insurance coverage is announced by James E. Baum, secretary of the Insurance and Protective Committee of the American Bankers Association. It is expected to be ready for distribution this month.

The digest will contain:

1. A condensed schedule of insur-

ance contracts designed to cover risks peculiar to banking, and other forms to give banks a broad picture of the numerous insurance forms now available and guide them in appraising the relative importance of the different coverages.

2. Analyses of blanket bonds, fidelity bonds, burglary, robbery, forgery and other coverages chiefly applicable to banks.

3. Brief descriptions of other contracts, outlining coverages that apply not only to banking, but also to other lines of business.

4. Comments on insurance essential in handling personal trusts and estates

and corporate trusteeships, which are important functions in many banks.

5. Outline of customers insurance pertaining to commercial loans, commodity and consumer loans, security transactions, depositors forgery risks, etc.

The new digest will contain more than 130 pages and will provide an up-to-the-minute analysis of insurance protection. In making the announcement, the Insurance and Protective Committee anticipates that the digest "will stimulate bankers' interest in their insurance, and lead to a review and better knowledge of their institutions' protective programs," and "that

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

Northwestern Banker January 1941

it will contribute toward reducing potential risks to a minimum and toward improving insurance protection."

Copies will be available from the Insurance and Protective Department of the American Bankers Association at 22 East 40th Street, New York City, at \$1.50 each in stitch binding, or \$2.00 in loose-leaf binding.

Dividend

The board of directors of The First National Bank of Chicago at a meeting last month declared a quarterly dividend of \$2.50 per share on the capital stock of the bank, increasing the annual rate from \$8 to \$10 per share. The directors also transferred \$5,000,000

from undivided profits to surplus making it \$40,000,000. The capital stock of the bank remains at \$30,000,000. The dividend was payable January 1, 1941, to stockholders of record December 23, 1940.

Chase National

The statement of the Chase National Bank for December 31, 1940, was made public January 3, 1941. The deposits of the bank on that date were \$3,543,338,000, the largest deposit figure yet reported by the bank, which compares with \$3,251,342,000 on September 30, 1940, and \$2,803,730,000 on December 30, 1939.

Total resources amounted to \$3,824,-

403,000 (also the largest in the bank's history) compared with \$3,522,990,000 on September 30th, and \$3,085,819,000 a year ago. Cash in the bank's vaults and on deposit with the Federal Reserve Bank and other banks, \$1,672,535,000 compared with \$1,440,940,000 and \$1,293,143,000 on the respective dates; investments in United States government securities, \$1,098,108,000 compared with \$1,045,425,000 and \$820,170,000; loans and discounts, \$664,189,000 compared with \$625,579,000 and \$636,176,000.

On December 31, 1940, the capital of the bank was \$100,270,000 and the surplus \$100,270,000, both amounts unchanged. After declaration on December 26th of a semi-annual dividend to be paid February 1st amounting to \$5,180,000, the undivided profits account on December 31st amounted to \$36,212,000. This amount compares with \$36,535,000 on September 30, 1940, and \$33,022,000 on December 30, 1939.

The net earnings of the Chase National Bank for the year 1940 amounted to \$13,550,000, or \$1.83 per share, compared with \$13,315,000, or \$1.80 per share, in 1939.

Dividend

At a special meeting of the board of directors of the Wisconsin Bankshares Corporation held last month, a dividend of 25c a share was declared, payable December 27th to stockholders of record December 12th.

Two Directors

William C. Potter, chairman of the board of the Guaranty Trust Company of New York, announces that Thomas J. Watson and Matthew T. Murray, Jr., have been elected directors of the company.

Mr. Watson has been president of the International Business Machines Corporation since 1914, and although that association constitutes his chief business interest, he has for many years been widely connected with organizations in the fields of international relations, foreign trade, government, education, and philanthropy. He served as a director of the Federal Reserve Bank of New York from January 1, 1938, until the close of 1940.

Mr. Murray is secretary and resident attorney of the Guaranty Trust Company. He has been associated with the bank for 36 years, and previously served as a member of the board of directors during 1939.

Bare Truth

Girls when they went for a swim,
Once dressed like Mother Hubbard;
Now they have a different whim
And dress more like her cupboard.

CHEMICAL & TRUST COMPANY

Founded 1824

165 Broadway, New York

CONDENSED STATEMENT OF CONDITION

At the close of business, December 31, 1940

ASSETS

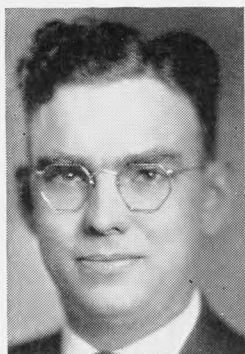
Cash and Due from Banks	\$412,508,661.15
U. S. Government Obligations, Direct and Fully Guaranteed	219,030,693.77
Bankers' Acceptances and Call Loans	37,663,397.69
State and Municipal Bonds	59,008,234.67
Other Bonds and Investments	91,491,411.92
Loans and Discounts	124,870,569.55
Banking Houses	1.00
Other Real Estate	5,457,613.08
Mortgages	1,701,249.25
Credits Granted on Acceptances	3,932,474.04
Other Assets	2,724,435.31
	<u>\$958,388,741.43</u>

LIABILITIES

Capital Stock	\$20,000,000.00
Surplus	50,000,000.00
Undivided Profits	7,904,714.46
Dividend Payable January 2, 1941	900,000.00
Reserves, Taxes, Interest, etc.	3,368,775.53
Acceptances Outstanding	\$5,746,396.77
(less own acceptances held in portfolio)	1,505,684.13
Other Liabilities	319,437.90
Deposits (including Official and Certified Checks Outstanding \$12,939,908.13)	871,655,100.90
	<u>\$958,388,741.43</u>

U. S. Government Obligations and other securities carried at \$10,209,786.35 in the foregoing statement are deposited to secure public funds and for other purposes required by law.

Charter Member New York Clearing House Association
Member Federal Reserve System
Member Federal Deposit Insurance Corporation



HOWARD BUFFETT
President
Omaha

NEBRASKA INVESTMENT BANKERS ASSOCIATION

CECIL W. SLOCUM
Secretary

OMAHA investors entered the security market in a rush to buy outstanding United States tax-exempt government bonds and notes following Secretary of Treasury Morgenthau's recent announcement that a new government taxable issue was soon to be offered.

Morgenthau announced a new \$500,000,000 issue to run five years and bearing three-fourths of 1 per cent coupon, subject to federal taxes.

Estate of **Frank J. Burkley**, Omaha business leader who died September 9, was valued at \$744,253.82 in an inventory filed in county court at Omaha by his two daughters, Mrs. Agnes B. Harding and Mrs. Mary B. Brinker.

Of the total, \$339,700 was in stocks, \$299,434 in bonds. Major portion of the estate, after bequests totaling \$37,700, goes to the two daughters. Mr. Burkley was president of the Burkley Envelope and Printing Company.

Most of the estate was in "gilt-edged" stocks and bonds. Only a few bonds were in depreciated issues. There was one Czechoslovakian bond, bought at \$1,000, listed at \$97.50.

Included in the stocks and bonds inventory were:

Omaha water bonds, \$42,000; U. S. treasury bonds, \$37,000; 600 shares Omaha Union Stock Yards Company stock, \$34,800; 200 shares Union Pacific common, \$17,900; 550 shares Kennecott Copper common, \$16,362; 424 shares American Telephone and Telegraph, \$70,755; 832 shares Burkley Envelope and Printing common, \$64,480; 395 shares First National Bank of Omaha common, \$15,405; 1,035 shares, Cudahy Packing, \$12,678.

Building and loan associations in Nebraska are in better condition now than at any time since the depression, 40 building and loan executives agreed in Omaha recently at the annual roundtable conference of the Nebraska League and Savings and Loan Associations.

J. B. Douglas, president, said the associations have the largest cash reserves to make loans and the largest reserves to cover losses since depression days. Interest rates are expected to continue at the present level for some time, but probably will not go lower, he stated.

The **United States National Bank** of Omaha, executor of the Sarah Joslyn estate, recently asked probate court in Omaha for an order permitting payment in full of various bequests other than the residual bequest to the Society of Liberal Arts, which manages the Joslyn Art Memorial in Omaha.

The application listed cash on hand at \$876,975, with liquid assets of readily salable municipal and government bonds at \$1,807,045. Bequests totaled about \$650,000.

When Mrs. Joslyn's husband, George Joslyn, died in 1916, his estate was ap-

praised at \$6,706,850. Before she died, Mrs. Joslyn gave away about \$4,600,000, mostly for the art memorial. Her estate was appraised at \$3,054,162.

Mrs. Joslyn's bonds (\$2,371,859) were mostly city of Omaha, Douglas county, Omaha school district, and Omaha utility district issues, but she had large holdings of federal bonds.

Guy Gadbois, former Omaha investment banker who moved to California several years ago, has been named vice president of the O'Melveny-Wagenseseller & Durst investment firm of Los Angeles, and manager of the concern's Beverly Hills office.

Mrs. Gadbois, the former Marcelle Folda, onetime queen of Omaha's Ak-Sar-Ben, is the daughter of Mr. and Mrs. E. F. Folda, now of Beverly Hills. Mr. Folda is a former Omaha banker.

Jesse L. Livermore, onetime "boy wonder" of Wall Street, who was found shot to death recently in a New York hotel, had visited Omaha frequently in recent years. His wife was the former Harriet Metz of Omaha.

Harold T. Landeryou, Omaha investment banker who is potentate of Tangier Temple of the Shrine, spoke recently when Shrine members in Omaha were guests at the annual Christmas "quota display" luncheon given by the Tangier women's auxiliary. On display were more than 250 garments, including 15 quilts, which were to be shipped to the Shrine Twin Cities hospital in Minneapolis in time for Christmas.

BONDS

Public Utility

Industrial

Railroad

Municipal

A.C. ALLYN AND COMPANY

Incorporated

100 West Monroe Street, Chicago

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

THE BOARD OF DIRECTORS
OF
The UNITED STATES NATIONAL BANK
OF OMAHA

Announces

an increase of the Surplus Account from earnings to make
combined capital and surplus

\$2,000,000.00

DIRECTORS

W. B. T. BELT
President, National Security Insurance Company

LINN P. CAMPBELL
President, Byron Reed Company, Inc.

EDWIN A. DUFF
Duff Grain Company

EDWARD FLYNN
*Executive Vice President, Chicago, Burlington
& Quincy Railroad Co.*

JOHN W. HUGHES
President, Guarantee Mutual Life Company

GLENN E. JENNINGS
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ARTHUR A. LOWMAN
President, Northwestern Bell Telephone Company

EDGAR M. MORSMAN, JR.
Attorney

ROBERT P. MORSMAN

ROY PAGE
*Vice President and General Manager,
Nebraska Power Company*

HENRY W. PIERPONT
President, Standard Oil Company of Nebraska

ABRAHAM L. REED
Chairman of the Board, Byron Reed Company, Inc.

HARRY F. REED
President, L. G. Doup Company

ELLSWORTH MOSER
Executive Vice President

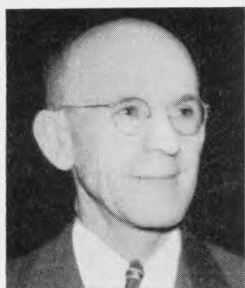
HERBERT M. BUSHNELL
President

Eighty-four Years of Sound Banking Service

The
U N I T E D S T A T E S
National B A N K of Omaha

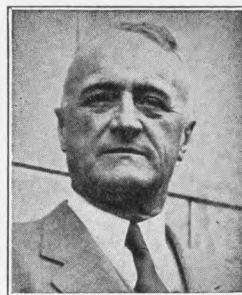
CAPITAL, SURPLUS AND RESERVE — \$2,300,000.00

Member of Federal Deposit Insurance Corporation



CARL D. GANZ
President
Alvo

NEBRASKA NEWS



WM. B. HUGHES
Secretary
Omaha

Surplus Increased

The directors of The United States National Bank of Omaha announce an increase in surplus account to \$900,000 which, with capital of \$1,100,000 brings capital and surplus to \$2,000,000. Undivided profits and reserve accounts of \$325,000 give capital accounts to over \$2,325,000.

This is in accord with a continuing policy of maintaining ample inverted capital to properly service bank patrons.

The United States National Bank is now completing its 84th year of rendering complete banking service for Omaha and surrounding territory.

Defense Committee

President Ganz of the Nebraska Bankers Association appointed a committee of bankers recently to organize a state survey of defense industry possibilities, and to finance new industries where they seem justified. Appointments followed a meeting of the defense loan committee of the American Bankers Association. The Nebraska group:

William N. Mitten, chairman, president, Stephens National Bank, Fremont.

Edward A. Becker, vice president, Continental National Bank, Lincoln.

W. B. Millard, vice president, Omaha National Bank.

J. V. Webster, president, First National, Chadron.

F. W. Shonka, assistant cashier, Central National, Columbus.

P. A. Ude, cashier, Nebraska Security Bank, Deshler.

H. J. Wragge, cashier, First National, Tekamah.

C. E. Arterburn, vice president, St. Paul National, St. Paul.

F. H. Obermann, cashier, State Bank of Burchard.

C. A. Phillips, cashier, Cambridge State Bank.

Floyd A. Hansen, cashier, City National, Hastings.

G. G. Hampton, vice president, Gothenburg State Bank.

O. E. Krohn, cashier, National Bank of Neligh.

C. J. Mortensen, president, Nebraska State Bank, Ord.

H. D. Wells, vice president, First State Bank, Scottsbluff.

M. W. Dunlap, cashier, Farmers State, Douglas.

G. E. Barks, cashier, First National, Belden.

W. L. Seng, cashier, Merchants & Farmers, McCool Junction.

New Superintendent

Governor-elect Dwight Griswold has announced the appointment of Wade Martin, Stratton banker, as state banking superintendent. The appointment will become effective January 9th. Mr. Martin will retain his interest in the Commercial Bank at Stratton, but Louis Stolte, vice president and former cashier, will take over the active management. John J. Collins, who resigned as county treasurer of Hitchcock county, will take the position of cashier in the Stratton bank.

Mr. Martin has announced he will retain Deputies J. F. McLain and George Wilson, veteran employees of the banking department.

Griswold approved both appointments, Martin said.

Wilson has been associated with the banking department for 15 years, first as an examiner and for the past eight years as deputy in charge of building and loan associations, cooperative credit associations and installment and investment associations.

McLain came to the banking department from Imperial in 1926. He served eight years as an examiner and has been deputy in charge of banks for the past six years.

County Meeting

The annual meeting and banquet of the Saunders county bankers was held on December 17th. The banquet was served at the Wigwam Cafe and business meeting was held in the lobby of the First National Bank.

Officers are:

President, J. H. Hansen, Davey, Nebraska.

Vice president, Gus Houfek, Malma, Nebraska.

Secretary-treasurer, Evald C. Brodd, Wahoo.

Executive committee, C. G. Hohl, chairman; E. H. Henderson and Carl Mostrom.

Alfred E. Brodahl, newly elected senator to the state legislature, was a guest.

Consolidation

The Grant County State Bank of Ashby has been consolidated with the Bank of Hyannis, the change being made effective December 12th. All deposits of the Ashby Bank, which totaled about \$200,000, loans and all other business were transferred to the Hyannis bank and operation of the Grant County State Bank will be discontinued.

It was explained that the change was made to eliminate the operating expense of one bank. Stock of the Ashby bank was owned by the Abbott Company, which also has the controlling interest in the Bank of Hyannis.

Four-County Meeting

Tekamah bankers were hosts as bankers from Douglas, Sarpy, Washington and Burt counties gathered for a dinner party and the quarterly meeting of the four-county organization.

Principal speaker was Judge L. W. Powers of Omaha, whose topic was "The Farm Credit Administration."

Karl Brown of Papillion is president of the four-county bankers group; R. K. Hancock of Tekamah is vice president, and R. H. Hall, Florence, secretary-treasurer.

Annual Meeting

The regular annual stockholders meeting of the Farmers National Bank, Pilger, will be held in the banking rooms on Tuesday, January 14th, when the directors will be elected for the ensuing year and such other business transacted as may legally come before the meeting.

Lobby Blooms

Stephens National Bank, Fremont, lobby was alive recently with the rich flame color of five dozen fresh poinsettias of the California variety.

The Christmas blooms, a gift from Mr. and Mrs. Joe L. Steinbach of Pasadena, formerly of Fremont, came packed in California ice as a gift to Mr. and Mrs. N. Mitten.

Four or five tall floor baskets of the blossoms and luxuriant foliage placed

Northwestern Banker January 1941

throughout the bank lobby provided holiday atmosphere aplenty and were the subject of comment by every visitor.

Elected President

Glen Hampton, of the Gothenburg State Bank, was named president of the Mid-west Nebraska Regional Clearing House Association at its annual meeting in North Platte. Thirty-five members attended the meeting.

Other officers named were William Collett, of Brady, vice president, and G. W. Taylor, of the McDonald bank, secretary-treasurer. The president will

name the members of the executive board, one from each of the five counties represented in the association—Dawson, Logan, Lincoln, Keith and Perkins counties.

Name Clements President

President of the Cass County Bankers Association for 1941 will be Guy L. Clements of Elmwood. Secretary-treasurer will be Oscar C. Hinds of Weeping Water. Walter J. Wunderlich, Nehawka, and Elmer Hallstrom, Avoca, are the retiring officers. John Stocker of Nebraska City was toastmaster at the annual banquet in Plattsmouth.

Bank at Chadron

The Abbott Company will add another to its list of banks when it opens a new institution in Chadron.

A state charter has been granted for the bank, which will have a capital stock of \$100,000.

It will be located in the building now occupied by the Style Shop. The store is now having a removal sale and it is hoped to have the building remodeled in time to start business around the first of the year.

The institution at Chadron will make a total of six banks controlled by the company. The others are at Alliance, Scottsbluff, Hyannis, Mullen and Wood Lake.

The company recently closed one institution when it consolidated the bank at Ashby with the bank at Hyannis.

Arcadia Banks Consolidate

A consolidation of the two banks of Arcadia was effected when the Arcadia State Bank purchased the First National Bank of this city. The former bank was organized in 1888, the latter in 1908.

Buy Fairbury Bank

The entire stock of the Northwest Bancorporation in the First National Bank of Fairbury was purchased recently by a group of Fairbury business men, headed by Luther Bonham and C. J. Bachroritch. The bank was affiliated with the Northwest Bancorporation for the past 11 years.

The purchase was the largest single financial transaction in southern Nebraska in many years. The bank has total assets now in excess of \$2,710,000; outstanding loans of \$1,379,000; owns government and municipal bonds totaling \$469,000 and has more than \$728,000 cash on hand. The capital stock is \$150,000 and the surplus, undivided profits and reserves total \$122,000.

At the annual meeting of the stockholders of the bank to be held in January, C. J. Bachoritch and G. R. LeRoy will be added to board of directors, and Mr. Bachoritch will become vice chairman and executive vice president. The present board of directors includes Luther Bonham, Ivan C. Riley, F. A. Houston, Jess Lee and Charles R. Moon.

Remodeling

Remodeling is being done in the First National Bank, Wayne, to provide two offices instead of one at the southeast corner of the room. Counters are being moved west to furnish the space.

LIVE STOCK NATIONAL BANK--OMAHA

Statement of Condition December 31, 1940

RESOURCES

Loans and Discounts.....	\$ 8,541,735.74
Bonds and Other Securities.....	5,933.97
Stock in Federal Reserve Bank.....	30,000.00
Banking House and Fixtures.....	1.00
Other Real Estate.....	None
U. S. Gov't Securities.....	\$3,472,344.89
(See Itemized List Below)	
Cash, Sight Exchange and Due From Fed. Res. Bk.....	4,429,140.56 7,901,485.45
	\$16,479,156.16

LIABILITIES

Capital Stock (Common).....	\$ 500,000.00
Surplus (Earned).....	500,000.00
Undivided Profits.....	187,335.66
Reserve for Taxes, Interest, Etc.....	163,294.59
Unearned Discount.....	5,148.63
Dividend Payable January 2, 1941.....	7,500.00
Deposits:	
Banks.....	\$8,326,639.92
Other Deposits.....	6,789,237.36 15,115,877.28
	\$16,479,156.16

U. S. GOVERNMENT SECURITIES

Description	Rate	Maturity	Par Value	Book Value	Market Value
Bonds 3%		6-15-47-43	\$ 250,000.00	\$ 269,876.56	\$ 270,000.00
Bonds 4		12-15-54-44	1,500,000.00	1,653,021.90	1,707,656.25
Bonds 3%		3-15-56-46	1,400,000.00	1,549,446.43	1,621,375.00
			\$3,150,000.00	\$3,472,344.89	\$3,599,031.25

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

OTHER BONDS AND SECURITIES

Sarpy Co. School Dist. Warrants.....	\$5,933.97	\$5,933.97	\$5,933.97
--------------------------------------	------------	------------	------------

	Capital and Surplus	Loans and Discounts	Deposits
Dec. 31, 1933.....	\$ 550,000.00	\$1,566,262.23	\$ 4,910,106.01
Dec. 31, 1935.....	650,000.00	2,089,532.87	10,527,574.79
Dec. 31, 1937.....	760,000.00	5,582,387.78	12,926,413.94
Dec. 31, 1940.....	1,000,000.00	8,541,735.74	15,115,877.28

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

ALVIN E. JOHNSON, President

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



Omaha Clearings

MRS. J. VINCENT STARRETT, beauteous Swiss-Russian wife of the American manager of the National City Bank of New York's branch at Peiping, China, with her children, Andre, 4, and Diana, 12, stopped in Omaha recently for a brief visit with Mr. and Mrs. **Sam B. Starrett, Jr.**

They were on their way east, having sailed from China with other evacuees November 14th. Mr. Starrett remained in Peiping for the time being. Despite the Japanese invasion, life in China went on about as usual, she said.

Surplus account of the **United States National Bank** of Omaha was increased recently to \$900,000 by action of the board of directors. With capital of \$1,100,000, this brings the bank's capital and surplus to \$2,000,000. Undivided profits and reserve of \$325,000 give the bank a total capital of \$2,325,000. Increase in surplus is effected by transferring part of the bank's earnings to that account. A statement issued by the bank's directors said: "Throughout the 84 years of the bank's uninterrupted service to the Omaha area, the United States National Bank has maintained a policy of transferring a portion of its earnings to surplus to supplement the stockholders' interest in order that there might be a sound and conservative ratio of capital, surplus and reserve to increasing customers' deposits."

Arthur L. Coad, president of the Packers National Bank, has been named chairman of an emergency committee of five to act on behalf of the South Omaha Merchants' Association in connection with the proposed bomber assembly plant to be established at a cost of \$10,000,000 at Fort Crook, south of Omaha.

W. B. Millard, Jr., vice president of the Omaha National Bank, is chairman of the Omaha Committee for British War Relief. He returned recently from New York, where he conferred with national headquarters officers. British relief groups, including Allied War Relief and British Relief Societies, have been merged under the name of British War Relief Society, Inc., and the goal has been placed at \$20,000,000.

J. F. McDermott, vice president of the First National Bank of Omaha, is treasurer of the Omaha committee.

More than \$400,000 in Christmas club savings was paid out recently to nearly 11,000 members in Omaha by eight banks.

The accounts ranged from \$5 to

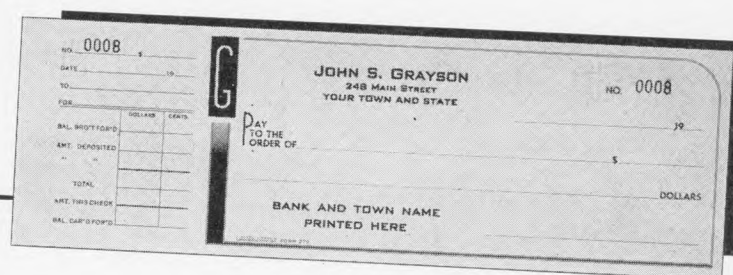
more than \$1,000. Largest amount paid out by any one bank, \$225,667, was distributed by the United States National, to 5,384 members. Other banks in the plan are the Omaha National, First National, Live Stock National, North Side Bank, Packers National, South Omaha Savings, and Stock Yards National. The Live Stock National paid out \$68,674.60 on December 2nd, according to President Alvin E. Johnson.

Three national officials of the women's committee of the American Institute of Banking were guests at a tea sponsored recently by the Omaha chapter. They included **Miss Rose Ziph**, Kansas City, Missouri, present chairman of the committee; **Mrs. Mary K. Cunningham**, Minneapolis, last year's chairman, and **Mrs. R. N. Perley**, Omaha chairman before Mrs. Cunningham.

Chairmanship of the women's committee is regarded as the highest office open to women in banking. **Miss Theresa Ghiringhello**, chairman of the Omaha chapter, was in charge of the tea.

Mrs. Arthur L. Coad is president of the alumnae of Duchesne college of Omaha, which sponsored a lecture by Rev. Daniel Lord of St. Louis on December 6th.

Denman Kountze, former Omaha banker, has sold his interest in the general insurance agency of Morrison & Kountze to John K. Morrison, Mark W. Besack, E. H. Dahlgard and E. F. Anderson, and the name of the firm



Quick Facts about MONOGRAMMED CHECKS!

1. Saves check expense! Monogrammed Checks are sold to customer . . . 200 for only \$1.
2. Appeals to customer immediately as a great deal of prestige goes with the use of personal checks.
3. Not an ordinary appearing check. Everyone likes its modern design. Individual's monogram is popular and provides very personal element.
4. Beautifully printed in TWO colors instead of the customary one color.
5. Available in choice of THREE colors of Safety Paper—Azure, Corn or Stone.
6. Numbered consecutively—promotes customer's reconciliation of balances, an important educational feature going far towards eliminating overdrafts.

Write today for **FREE COUNTER DISPLAY** and **INFORMATION!**

UNITED STATES CHECK BOOK Co.
OMAHA, NEBRASKA

Northwestern Banker January 1941

has been changed to Morrison & Company. Kountze was vice president and secretary since the firm was founded in September, 1939. Kountze announced he would organize a new agency.

Mr. and Mrs. John R. Lauritzen spent the Thanksgiving holiday in Omaha with Mrs. Lauritzen's parents, **Mr. and Mrs. T. L. Davis**. Mr. Davis is president of the First National Bank of Omaha. The Lauritzens live in Minneapolis.

David F. Davis, trust officer of the Omaha National Bank, is the new president of the Omaha club, long-

established downtown social club for business and professional men. The club's building was remodeled recently. Retiring president is Morse Palmer of the Standard Oil Company of Nebraska. Re-elected treasurer is **John M. Douglas**, Omaha investment banker. T. W. Morsman and C. A. Abramson were elected to the board of directors.

Mrs. Catherine M. Grest received \$42,500 for the death of her husband, **Jacob J. Grest**, vice president of the Federal Farm Mortgage Corporation, who was killed in an elevator accident in the Farm Credit building at Omaha, August 14th. Owners of the

building were covered by a liability policy with the London Guaranty and Accident Company. The settlement, without a lawsuit, was effected by Foster-Barker Company of Omaha. County Judge Bryce Crawford approved the settlement.

The banks division, **Austin Vickery**, chairman, was first to make a complete report in Omaha's Red Cross campaign, with \$628.80, against \$470.10 last year.

Omaha National Bank, as trustee for the estate of the late Mr. and Mrs. C. N. Dietz of Omaha, sought recently to sell at public auction a number of pieces of Dietz property, including the Dietz residence, one-time show-place in Omaha's fashionable West Farnam district. The residence's assessed valuation was listed on the tax books at only \$13,215, but no bid was ventured on the property at the auction.

Omaha bank debits in November increased 3.8 per cent over the same month in 1939. Bank clearings decreased 1.4 per cent. Livestock receipts were up 7.7 per cent, reflecting the bigger payrolls at the Omaha packing houses.

Debits for November were \$140,675,283; clearings, \$138,555,203. For the week ended November 9, both debits and clearings were greater than the same week the previous year.

Resigns

John Van Auken, vice president of the Lexington State Bank, has severed his connection with the bank, effective this month. He recently sold his home to Dr. A. R. Transue, and Mrs. Van Auken and daughter, Jean, are at present in Lincoln. Mr. Van Auken's plans for the future are rather indefinite. However, he has several things in mind and will make his decision at an early date.

High Flyer

Little Jackie: "Are you an angel, daddy?"

Daddy: "Of course not, son. Why do you ask?"

Little Jackie: "Well, I just heard mummie tell the lady next door she was going to clip your wings."

SELL YOUR BANK

The "Walters" Way
Without Publicity

Qualified, carefully investigated bank
employees furnished free
THE CHARLES E. WALTERS CO.
Omaha, Nebraska

Charter No. 209

First National Bank of Omaha

●
The

Oldest National Bank

From Omaha West

Nationalized 1863

OFFICERS

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

Member
Federal Reserve System

Member
Federal Deposit Insurance Corporation



Lincoln Locals

THE legislative committee of the Nebraska Bankers Association met recently in Lincoln to lay plans for "having someone on the ground" during the coming session of the legislature.

Secretary **William B. Hughes** of Omaha said the group will probably have little, if anything, to propose but will be alert for any proposed legislation favorable or otherwise to the interests of Nebraska bankers.

Chairman **Dan J. Riley** of Dawson was in charge of the meeting. **Carl D. Ganz** of Alvo, president of the association, and **Arthur L. Coad**, chairman of the association's committee on consumer credit, attended. Others present were **Julian L. Stevenson**, Nebraska City; **Emil E. Placek**, Wahoo; **Robert H. Hall**, Omaha; **H. A. Schneider**, Plattsmouth; **Robert H. Clarke**, Papillion; **J. F. McDermott**, Omaha, and **T. B. Strain**, Lincoln.

In a double ring ceremony performed by Dr. Edmund Miller in the First Presbyterian Church of Lincoln, Miss Elizabeth Waugh, daughter of **Samuel Clark Waugh**, Lincoln, became the bride of **John Templeton Brownlee, Jr.**, son of Mr. and Mrs. John T. Brownlee, Lincoln.

After a trip to Florida the couple returned to Rapid City to make its home. Mr. Brownlee is employed at the Rapid City National Bank.

Because of bad roads, the convention of the 94 cooperative banks of the state in Lincoln, originally scheduled for last month, was postponed until January 10th. **Louis J. Willie**, secretary of the Nebraska association, and other officers met to change the date. The meetings will be held in the capital, both afternoon and evening.

Annual Christmas bonuses totaling \$5,311.64 were distributed when the 40 employes of the National Bank of Commerce held their annual party.

Each employee received a starry envelope in which was enclosed a check amounting to 10 per cent of his year's salary. Christmas carols were sung, and **President M. Weil** gave his "bank children" a bit of counsel drawn from his decades of banking experience.

It has been the bank's custom for many years to give its employes a Christmas bonus, but Mr. Weil said this is the first year a specific percentage of salary has been decided upon. In addition to the employes, there were five guests at the dinner.

Evald M. Forsyth, Lincoln, president of the First Federal Savings and Loan Association, has been elected regional director-at-large for the Federal Home Loan Bank at Topeka, Kansas, it was announced. The bank serves the 10th region, which includes Nebraska, Kansas, Oklahoma and Colorado.

Misko Buys Control

After being connected with the First National Bank for twenty years, during most of which time he served either as president of the bank, chairman of the board of directors or as a director, **Frank Koupal** sold all his holdings in the bank to **Ralph E. Misko**, present bank cashier. Amount of money involved was not disclosed. The stock was bought by Mr. Misko personally but the estate of his late father, **James Misko**, owns a substantial block of First National Bank stock, so this purchase gives control of the bank to the Misko family. No change in bank personnel will take place at present, it is stated.

OUR BANK SOLVED WAGE-HOUR PROBLEM

(Continued from page 11)

that an official title alone does not give exemption.

The Executive classification requires a salary of at least \$30 per week or \$130 per month.

The Administrative classification requires a monthly salary of at least \$200 per month.

What will the Wage and Hour inspector do when he comes into your bank?

1. Ask for a list of all employes during the period of October 24, 1938 to date together with the amount of overtime due each employe.

2. Ask for a list of employes on whom exemption is claimed.

3. On each employe under 19 years of age, a Certificate of Employment



A Happy New Year

With increased facilities to assist its Nebraska correspondent banks, the CONTINENTAL NATIONAL BANK enters 1941 with confidence it can serve even better its banks and bankers during the New Year just ahead.

The
CONTINENTAL NATIONAL
BANK
of
LINCOLN

Member Federal Deposit Insurance Corporation

will be requested from the school last attended, verifying the age of the employee as shown by the school records. This is to check on violations of the Child Labor Law which prohibits the employment of persons under sixteen years of age.

4. Examine the method used in determining the hourly rate.

5. Secure statements from employees together with receipts for overtime payments actually made.

6. From an examination of the records, it will be determined whether the employer has observed a regular

or irregular workweek since the Act became effective.

If the employer is found to have been working an irregular or fluctuating number of hours, then he will be considered as operating under the Irregular or Variable Workweek. Contrary to arguments advanced by many, the actual number of hours worked may not be the determining factor. If the employer has paid overtime at actual time and one-half in excess of 44 hours for the period of October 24, 1938 to October 24, 1939 and on hours worked in excess of 42 for the period

of October 24, 1939 to October 24, 1940, then he has definitely established a regular workweek, even though the hours may have fluctuated, and is eligible to adopt one of the constant wage plans.

Irregular Workweek:

Where there is no regular number of hours per week fixed by agreement or custom, the regular hourly rate will be determined by dividing the weekly wage by the number of hours worked and will vary from week to week in indirect proportion to the number of hours worked. However the employer may not take credit for undertime.

Constant Wage Plans:

The Administrator has approved two Constant Wage Plans, the Time Off and the Prepayment Plan.

The Time Off Plan is restricted in its operation to pay periods and simply means that one hour of overtime may be offset by one and one-half hours of time off at some time within the same pay period.

The Prepayment Plan is outlined as follows in Interpretative Bulletin No. 4: "Though overtime compensation due an employee must normally be paid at the time of the employee's regular pay period, there is no objection if the employer pays overtime compensation to become due to an employee in advance. This is the basic principle of the Prepayment Plan."

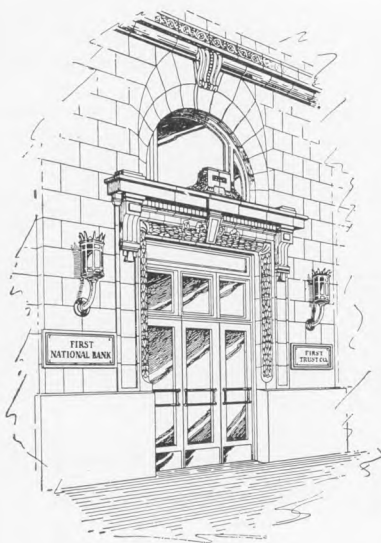
The employer and employee agree that in any week in which the employee works less than 40 hours, the employer will advance to the employee the difference between the amount equal to his regular rate of pay for 40 hours and the amount he would have received if he had been paid only for the number of hours he worked.

It will be noted in the foregoing explanation that the Prepayment Plan is based on an advance in dollars and cents to the employee in weeks in which fewer than the maximum number of hours are worked. However, in setting up our records, we have accounted for such advances in time (recorded in minutes) rather than in dollars and cents, not only to simplify the book-keeping but to expedite the work of inspectors in checking our records.

When an inspection is made, the original time cards may be checked with the figures shown on the employee's record sheet; from this point all computations are shown on one sheet. As advances are recorded in minutes, dollars and cents are only taken into consideration when overtime is worked in excess of accumu-

The First National Bank of Lincoln Lincoln, Nebraska

(Organized 1871)



NEW RESPONSIBILITIES

A new year means new responsibilities.

A new year means new opportunities.

A new year means a new desire on the part of the officers and directors of the First National Bank of Lincoln to be of increased service to their correspondent banks in whose welfare they are vitally interested.

Let us know if there is any special assistance we can render you as we enter 1941.

OVER SIXTY-NINE YEARS OF BANKING EXPERIENCE

GEORGE W. HOLMES.....President	
P. R. EASTERDAY.....Executive Vice-President	DONALD P. EASTERDAY.....Asst. Vice-Pres.
L. C. CHAPIN.....Vice-President	ERNEST U. GUENZEL.....Asst. Vice-Pres.
STANLEY MALY.....Vice-President	CLIFFORD G. WESTON.....Assistant Cashier
B. O. CAMPBELL.....Junior Vice-President	A. C. GLANDT.....Assistant Cashier
HOWARD FREEMAN.....Cashier	R. J. BECKER.....Assistant Cashier

Member Federal Deposit Insurance Corporation

• NEBRASKA NEWS •

lated undertime. Then the deficiency is reduced to hours, multiplied by the employee's overtime rate which gives the actual amount due.

Attention is called to the fact that only credits to the employer will be carried over beyond the pay period; credits to the employee, i. e., overtime compensation due the employee, will not be carried over beyond the pay period to be consumed by subsequent employer advances, but will be paid in cash at the pay period. In this way the employer will never become indebted to the employee.

It cannot be emphasized too strongly that the validity of the plan depends upon the assumption that when the employee receives full pay for weeks in which he works less than the statutory maximum, he is being paid in excess of what he earns or is entitled to and is therefore given a loan or advance which he may work out in subsequent overtime. The question may arise as to whether the loan or advance is really a loan or advance. The Division has stated that the determination of this question may depend on what the parties understand will happen when an employee severs his relationship with the employers. If the employer still has some accumulated credits at that time, will some attempt be made to get back the amount of the loan or advance from the employee since there is no further possibility that it will be worked out by subsequent overtime. The fact that no attempt will be made by the employer to collect the amount due him either by deducting such amount from the employee's last check or by some other way, is some indication that the loan or advance is simply a fictitious book-keeping device. Also at the end of a year or some shorter period credits accumulated by the employer are simply wiped off the slate and a new start is made, is some indication that there is no loan or advance in fact. If there is no prepayment in fact, the Act will have been violated.

Credits to the employer, i. e., amounts paid by him in excess of amounts earned by the employee or to which the employee is entitled, may be carried over beyond the pay period until they are consumed by the overtime work of the employee.

We adopted the Prepayment Plan on July 1st of last year believing that

such a plan properly applied would result in the accumulation of credits in the second and third weeks of the month sufficient to offset overtime worked in the first and fourth weeks of the month. To date this has worked out as anticipated, in that our actual cash payments have been materially reduced. Employees knowing that they have credits to work against, naturally are working under less tension at busy periods.

We did not adopt the Time Off Plan because it is restricted in its operation to pay periods. We did not adopt an

Irregular Workweek as we believed that over a period of time this plan will result in too many overtime payments. It is based upon the supposition that as many hours will be worked as may be necessary to complete the workweek, and on first thought the variable hourly rate may seem quite advantageous to the employer. The irregular workweek might easily become an indefinite workweek. The number of hours worked should be controlled, and when the volume of work lightens, there is no good reason why an em-

Commerce Trust Company

18-1

Established 1865

KANSAS CITY, MISSOURI

Member Federal Reserve System

Statement of Condition at Close of Business December 31, 1940

RESOURCES

Cash and Due from Banks.....	\$80,662,111.95	
U. S. Obligations, Direct and Fully Guaranteed.....	39,378,145.06	\$120,040,257.01
State, Municipal and Federal Land Bank Bonds.....	19,013,012.30	
Stock of Federal Reserve Bank.....	270,000.00	
Other Bonds and Securities.....	12,692,094.80	31,975,107.10
Loans and Discounts.....		44,014,965.90
Bank Premises and Other Real Estate Owned.....		2,567,167.90
Customers' Liability Account Letters of Credit.....		22,852.79
Accrued Interest Receivable.....		354,480.82
Overdrafts		38,315.31
Other Resources		2,188.18
Total Resources		\$199,015,335.01

LIABILITIES

Deposits	\$186,304,792.64	
Capital	\$ 6,000,000.00	
Surplus	3,000,000.00	
Undivided Profits	3,617,216.09	12,617,216.09
Liability Account Letters of Credit.....		22,852.79
Accrued Interest, Taxes and Expense.....		69,151.65
Other Liabilities		1,321.84
Total Liabilities		\$199,015,335.01

Member Federal Deposit Insurance Corporation

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

ployee should be required to stay in the bank until a certain hour if he might have completed his work earlier. If he is required to keep certain fixed hours regardless of the volume of work, then busy days will result in overtime.

We believe that a monthly salaried employee who receives cash payments in weeks in which more than the maximum number of hours are worked and is not required to account for undertime in weeks in which fewer than the maximum are worked, can hardly be considered as a true hourly rate

employee. It would seem that the Administrator had this fact in mind when the Prepayment Plan was approved. Until that time there was no way in which this discrepancy could be adjusted.

When operating on the basis of an irregular workweek, all overtime is payable in cash. Under the Prepayment Plan it is reasonable to assume that a substantial amount of actual overtime may be offset.

The Wage and Hour Law has had the effect of causing many banks to speed up the tempo of routine work

as well as examine operating procedure. The fact that a certain system has been in use for years or that employees have fallen into the habit of allowing a fixed time for a particular operation, is no reason why the system might not be changed for a less cumbersome one or that time might not be reduced in many operations. As all employees covered by the Act have now become hourly rate employees, then wasted time and duplication of work should be eliminated where possible. A re-arrangement of work may be the first step in that direction.

Administrator's Stand on Overtime —October 16, 1940.

"When on October 24, 1940, the basic workweek under the Fair Labor Standards Act is reduced from 42 to 40 hours, two alternative methods of adjustment are open to plants now operating on a basis of a 42 hour workweek or longer:

1. The existing workweek may be maintained and employees paid each week in addition to their present wage, amounts equal to one-half their regular rate of pay for two hours.

2. Existing wage payments may be maintained and the workweek of each employee will be reduced by an amount sufficient to meet the new hour standard."

For employers who have chosen the second alternative, Wage and Hour Administrator Fleming pointed out that the 40 hour week will require a reduction in weekly working time not of two hours but only of forty minutes.

On October 24th, 1940 we set a workweek of 41 hours 20 minutes and as we operate on the Prepayment Plan, undertime under 40 hours is added to accumulation at minute for minute, while undertime between 40 and 41 hours 20 minutes being paid for at the overtime rate, will increase the accumulation one and one-half minutes for each minute not worked.

He have solved our Wage and Hour problem and the solution is not difficult, moreover, it is agreeable with employee and employer alike.

Safety Shave

"Mamma," said little Johnny, "don't men ever go to heaven?"

"Why, of course, my dear. What makes you ask?"

"Because I never see any pictures of angels with whiskers."

"Well," said the mother, thoughtfully, "some men do go to heaven, but they get there by a close shave."



The New Year

As we cross the threshold of 1941, the LIVE STOCK NATIONAL BANK of SIOUX CITY enters its 46th year.

We are proud of the part we have had in developing the territory we serve.

"America" says one financial authority "is now swinging into a period which promises to become one of the most active in its history." In this active period ahead the LIVE STOCK NATIONAL BANK is more anxious than ever to be of service to you in the handling of your Sioux City items and serving you in any other way that it can.

Happy New Year.

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

"The Bank at the Yards"

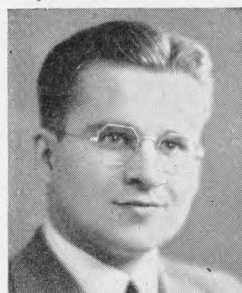
**LIVESTOCK
NATIONAL
BANK**

SIOUX CITY, IOWA



F. F. PHILLIPPI
President
Milbank

SOUTH DAKOTA NEWS



GEORGE M. STARRING
Secretary-Treasurer
Huron

New Director

Earl Keller was appointed director of the Rapid City National Bank to fill the vacancy caused by the recent death of Edward H. Swander, the board of directors announced.

Keller has been an officer of the bank since its organization in 1934. He received his first banking experience in Cedar Rapids, Iowa, coming to Rapid City in 1929.

Pioneer Dies

Funeral services and burial took place in Yankton for J. E. Ziebach, Wessington Springs banker, who died in a Huron hospital.

The son of F. M. Ziebach, South Dakota pioneer who founded the Weekly Dakotian in 1861, he himself had a long and interesting record in connection with the state's development. He had served as a member of the state legislature, the last time as a senator in 1937, and was at one time a rural credit commissioner. He had an intimate acquaintance with the development of the state and at one time published a newspaper.

Annual Party

Employees and officers of the Northwest Security National Bank, Sioux Falls, frolicked at their annual Christmas party at the Cataract Hotel ballroom. Forty-two attended.

Following a 7:15 p. m. dinner an entertainment program was presented, featuring Bert Clauson at the piano and John Griffin doing a series of magic acts.

Gifts were exchanged and employees received their annual gift from the officers. Dancing closed the program.

Attends Meeting

C. C. Anderson, manager of the Rapid City office of the First National Bank of the Black Hills, and a former resident of Lead, recently attended a meeting of directors of the Lead branch office.

P. J. Dunn Dies

P. J. Dunn of Miller passed away at Rochester, Minnesota, last month, at the age of 68 years.

Mr. Dunn was the youngest of a large family, who came as pioneers to Hand county in 1884, homesteading in Campbell township, where they lived for fifteen years. Mr. Dunn moved to Miller where he learned the printing trade with J. A. Bushfield, editor of the Hand County Press. Under Mr. Bushfield as postmaster, he served as deputy and thereafter went into the insurance business. He organized and was cashier, and later president, of the Ree Valley Bank at Orient until it merged with the Orient State Bank.

Made 117,000 Loans

Fifty per cent of South Dakota's commercial banks made more than 117,000 loans totaling \$38,000,000 to business firms and individuals throughout the state during the first six months of 1940, according to the semi-annual survey of bank lending activity made by the American Bankers Association.

The A. B. A. loan survey was participated in by eighty-four South Dakota banks, or 50.9 per cent of the banks in the state, according to T. M. Brisbane, Woonsocket, chairman Public Relations Committee of the South Dakota Bankers Association.

These eighty-four banks reported that between January 1 and June 30, 1940:

83,823 new loans totaling	\$22,084,099
32,979 renewals of loans	
totaling	14,824,534
567 new mortgage loans	
totaling	1,209,387
117,369	\$38,118,020

The survey showed that business firms in the state used only 47.3 per cent of the "confirmed open lines of credit" maintained for their use on the books of banks. A total of 11 banks in the larger centers of the state reported that they carried on their books \$886,500 in "open lines of credit" offered to

and kept available for regular borrowers for use as needed by them. Of this amount \$419,539 or 47.3 per cent was used.

The average number of new loans made per bank during the six months' period under review was 998 and the average size of loan was \$263. The average number of loans renewed per bank was 393 and the average renewal was for \$450.

The average number of new mortgage loans made per bank was seven and the average new mortgage made was for \$2,133.

100 Per Cent

Superintendent Erling Haugo recently announced the department of banking and finance will distribute a 100 per cent dividend on the deposit claims against the Hudson State Bank, Hudson, South Dakota.

"An unusual feature of the liquidation of this bank is the fact that liquidation earnings since the suspension of the bank have exceeded expenses of liquidations, including taxes on real estate, and all other items of expense connected with the liquidation of the bank," Haugo said.

The Hudson bank was suspended in July, 1938, and deposits at that time were \$208,698.41.

Reward Employees

Employees of the First National Bank and Trust Company, Sioux Falls, received the equivalent of one-half month's salary as a Christmas gift, the bank's directors announced.

In voting to reward the employees, the directors said the gifts were "in appreciation of their loyalty and service during the last year.

"This is the 56th Christmas anniversary of Sioux Falls' oldest bank, and it is interesting to note that the total of the gifts this year is approximately as large as the entire yearly salary of all employees in 1885, the year the bank was organized," said the announcement.

Stock Retired

R. E. Driscoll, president of the First National Bank of the Black Hills, announced retirement of the institution's \$300,000 in preferred stock.

The stock was taken out in 1933 by the group of Hills banks which in October, 1938, consolidated to form the First National Bank of the Black Hills. Retirement of the preferred stock was made possible through accumulation of recoveries and earnings during the past few years.

Deposits of the bank, totaling \$9,500,000 at the time of the consolidation, have now mounted to \$10,700,000, Driscoll said.

Northwestern Banker January 1941

The institution's capital totals approximately a million dollars, including \$500,000 of common stock, \$325,000 surplus, and \$125,000 in undivided profits and reserves.

Directors Meeting

The regular meeting of the directors of the Bank of Kimball was held at Kimball recently with the following directors in attendance: 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.

LEGAL DEPARTMENT

(Continued from page 16)

bank to give the bonding company notice within the time limit from the date of the observance of the suspicious acts?

No. A provision of a fidelity bond

requiring an obligee to give notice of loss within a certain time after the discovery of a loss does not require it to inform the surety of a mere suspicion of dishonest conduct on the part of an insured employee.

Brown, an Indiana banker, entered into a written agreement with a milling company wherein he agreed to sell and the milling company agreed to buy 500 "bags" of seed. The contract did not specify how many bushels each bag should contain and there was no trade custom or usage regarding this feature of the contract. The milling company refused to go through with the deal, contending that the contract was not definite. The banker sued. Could he recover?

No. A memorandum must give all of the essential terms of the contract of the parties in order to be binding. In this connection it has been held that one of the essential terms of such a contract is the quantity of the goods sold. Accordingly, where the terms used in a memorandum to specify the quantity are uncertain and indefinite, it has been held that the contract is invalid. In a recent decision the Indiana Supreme Court held in a case involving substantially the same facts as those outlined in the question that the term "bags" was so indefinite that the contract was not valid.

Ward mortgaged certain live stock to a Missouri bank. Included in the mortgage was a provision to the effect that Ward also mortgaged "any live stock that he might thereafter acquire with money furnished under the mortgage." The live stock had certain progeny which came within the quoted provision of the mortgage. The bank, however, did not take possession of them or specifically include them in a supplemental mortgage, and Ward sold them to Fine who had no knowledge of the mortgage transaction. Did Fine obtain a title free and clear of any lien by the bank?

Yes. Where a mortgagee does not take possession of after acquired property upon its acquisition by the mortgagor or take a supplementary mortgage thereon before the rights of an innocent third party have attached, provisions similar to those outlined in the question will be held void as to such innocent third parties.



The First National Bank of Chicago

Seventy-Seventh Annual Statement, December 31, 1940

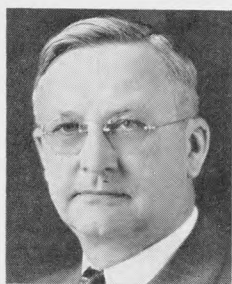
ASSETS

Cash and Due from Banks,	\$439,782,483.95
United States Obligations—Direct and fully Guaranteed, Unpledged,	\$315,311,364.69
Pledged—To Secure Public Deposits and	
Deposits Subject to Federal Court Order,	42,404,314.71
To Secure Trust Deposits,	43,984,895.06
Under Trust Act of Illinois,	523,582.98
Other Bonds and Securities,	402,224,157.44
Loans and Discounts,	80,691,613.44
Real Estate (Bank Building),	301,592,127.24
Other Real Estate,	5,399,176.99
Federal Reserve Bank Stock,	967,054.36
Customers' Liability Account of Acceptances,	2,100,000.00
Interest Earned, not Collected,	2,406,212.43
Other Assets,	2,989,808.34
	139,292.89
	<u>\$1,238,291,927.08</u>

LIABILITIES

Capital Stock—Common,	\$ 30,000,000.00
Surplus Fund,	40,000,000.00
Other Undivided Profits,	2,485,640.36
Discount Collected but not Earned,	623,887.92
Dividends Declared, but Unpaid,	750,000.00
Reserve for Taxes, etc.,	2,270,855.67
Liability Account of Acceptances,	2,734,929.46
Time Deposits,	\$186,952,052.38
Demand Deposits,	898,388,794.36
Deposits of Public Funds,	74,084,112.05
Liabilities other than those above stated,	1,159,424,958.79
	1,654.88
	<u>\$1,238,291,927.08</u>

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



K. O. SATTRE
President
Blue Earth

MINNESOTA NEWS



WILLIAM DUNCAN, Jr.
Secretary
Minneapolis

New President

Albert Kaiser, who has been at the head of the seed and feed loan office in Little Falls for the past two years, has left to become president of the First National Bank of Bagley. He will succeed his father, Albert Kaiser, Sr., who died recently. Before taking a position with the seed and feed loan administration, Mr. Kaiser was employed in the bank for five years.

To Blooming Prairie

Arnold L. Fostenson of Owatonna has been named executive vice president of the First National Bank of Blooming Prairie, and will assume duties January 15th.

Now a representative of the Federal Land Bank, Mr. Fosteson has about twenty years of banking experience. He was formerly with the Bank of North Dakota at Bismarck.

In 1933 he began working for the Federal Land Bank of St. Paul and was for some time employed in the new loan division. He was a member of the loan committee. In 1936, when the bank decentralized, he was selected to supervise setting up group offices.

Recently he has been in charge of the Federal Land Bank interests in the twenty southeast counties of Minnesota.

Joins Buffalo Bank

The Buffalo National Bank has filled the vacancy in its staff caused by the resignation of Henry Wolff with the appointment of Vance Weaver of Morton, Minnesota, as assistant cashier.

Mr. Weaver started his banking career in Claremont, South Dakota, his birthplace, transferring from there to the Farmers State Bank of Morton some years ago.

Dies in Rushmore

Wellwood R. McLeod, 64 years old, died at his home in Rushmore. The former mayor and school board member was vice president of the First

State Bank and principal member in the Thom-McLeod Lumber business and hardware store.

Smith Resigns

Completing nearly 37 years of service with the American National Bank, St. Paul, P. A. F. Smith, cashier, announced his resignation, effective December 31st, and retirement from the banking business.

Mr. Smith entered employment at the bank as a messenger boy in 1904, a short time after it had started operating under a national charter with its present name. He advanced through many departments until his election as cashier twelve years ago.

His resignation, Mr. Smith said, will leave him free to devote himself to several private business interests here. He and Mrs. Smith will leave for a month's visit in Miami, Florida, about mid-January.

Improvements

Modernization has been taking place in the banks at Elkton and Adams with the improvements being the newest in banking. The old cage type of window has disappeared and modern counter-like windows have been installed. Lighting and decorating improvements have also been made. In charge of the Elkton bank is Hans Schneider and N. V. Torgerson manages the Adams bank.

Cashier Dies

Services were held in Sleepy Eye for John W. Hass, 51, formerly of Clara City, Minnesota, who died in the home of his brother, Albert F. Hass. Born in New Ulm, he had been cashier of the Clara City State Bank, Clara City, Minnesota, before taken ill.

Moved to Ulen

The application for a transfer of charter from Lockhart to Ulen of the bank headed by A. J. Anderson has been approved by the state banking department. The new bank will be

named Northwestern State Bank of Ulen. It is expected that the closing of the bank at Lockhart will be completed as soon as possible, and arrangements made for its removal to Ulen.

The former First National Bank building at Ulen will be used for the new bank and the building is undergoing the necessary improvement for occupancy.

Quarters Improved

Comfort and convenience for its customers were foremost in the minds of Northwestern Federal Savings & Loan Association officials when they designed the recently improved offices at 823 Marquette avenue, Minneapolis, in the Foshay Tower ground floor location.

As now situated the institution has one of the largest as well as one of the most handsomely-appointed offices in the Twin Cities.

Mrs. D. E. Crary Mudd, assistant to the manager, in charge of public relations and new business departments, occupies the front desk in the office, while those of the other executives are arranged along the far wall as the room is entered.

John W. Welch Dies

John W. Welch, 77 years old, resident of La Crescent, Minnesota, all his life, died in La Crosse, Wisconsin. He was in the contracting business in Minnesota and Wisconsin and was president of the La Crescent State Bank, prominent in Masonic affairs, and was recently presented with a 50-year membership pin by the La Crescent Masonic lodge.

Heads Group

E. P. Hummel, cashier of the First and Farmers National Bank of Blue Earth, was elected president of the Blue Earth Valley Clearinghouse Association, an organization of Blue Earth and Faribault county bank staff members, at the annual meeting. Hummel succeeds E. W. Tolzmann of Minnesota Lake, president during the past year.

Other officers elected are W. F. Borchardt, cashier of the First National Bank of Mapleton, vice president, and M. J. Jones, cashier of the Cambria State Bank, secretary.

Approximately 60 men were present for the dinner and meeting. Speakers were F. A. Amundson, State Commissioner of Banks, L. A. Hill, Acting Regional Director of the Wage and Hour Division, and William Duncan, Jr., secretary of the Minnesota Bankers' Association.



STATEMENT OF CONDITION

At the Close of Business
DECEMBER 31, 1940

RESOURCES

Loans and Discounts-----	\$2,738,604.55
Vaults and Fixtures-----	15,322.71
Other Assets -----	37,452.31
U. S. Gov't. Bonds -----	\$1,099,677.83
Other Bonds and Se- curities ---	507,879.28
Cash and Due from Banks	3,327,535.36
	4,935,092.47
TOTAL -----	\$7,726,472.04

LIABILITIES

Capital Stock—Common—\$	250,000.00
Surplus -----	250,000.00
Reserves and Undivided Profits -----	50,473.21
Other Liabilities -----	19,947.62
Deposits -----	7,156,051.21
TOTAL -----	\$7,726,472.04

OFFICERS

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

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

Member Federal Deposit Insurance Corporation

Dies in Belgrade

John W. Koetter, born January 1, 1870, on a farm near Richmond, and for many years associated with banks at Belgrade, died recently.

Mr. Koetter attended St. Johns University and later worked in the county treasurer's office. He went to Belgrade as cashier of the Bank of Belgrade and a few years later returned to St. Cloud where he went to work for the McCormick Harvester Company. In 1908, he went back to Belgrade as cashier of the North American State Bank and in 1916 started the State Bank of Belgrade which later consolidated with the North American Bank. At the time of his death he was employed by the North American State Bank.

Remodel at Bank

The Farmers and Merchants State Bank, Rushton, began an interior remodeling project which includes new window sashes, removal of the inside entrance to provide an enlarged lobby, and installation of Venetian window blinds.

County Meeting

Members of the Le Sueur County Bankers Association gathered at Le Center for a dinner, general business discussion, and social visitation.

Officers elected for the ensuing year were Mr. Rademacher, Waterville, president; C. E. Meislahn, Cleveland, vice president; Wm. Kozel, Montgomery, secretary treasurer. C. C. Traxler, of Le Center, was the retiring president.

Vice President Dies

Robert Dick of Le Roy, vice president of the First State Bank, died recently in the New Hampton, Iowa, hospital following an operation. He was 71 years old.

He was born near Monticello, Wis., May 19, 1869, and in 1892 he moved to a farm southeast of Le Roy, where he resided until 1910, when he purchased a farm a mile north of the village, where he resided until about 20 years ago when he moved to Le Roy.

Thayer Dies

John Van Buren Thayer, who at the time of his retirement from the Central Hanover Bank and Trust Company in July, 1938, had completed 66 years of continuous service with that company and its predecessors, died last month at the age of 88.

Mr. Thayer joined the Union Trust Company staff on his 20th birthday,

January 15, 1872, and when that institution merged with the Central Trust Company in 1918 was senior vice president. He continued to take an active part in the management of the Central Union and, later, the Central Hanover.

NORTH DAKOTA HITS NEW HIGH

(Continued from page 20)

Dairy Products and Increased inventories	26,602,975
Beef products and Increased inventories	33,483,150
Sheep and wool	7,049,730
Hogs	9,792,000
Poultry and products	10,803,080
Total livestock	\$ 87,730,135
TOTAL FARM INCOME	\$235,759,349

The number of livestock on farms January 1, 1941, shows a healthy increase from a year ago—cattle from 1,337,000 to 1,443,900, sheep from 915,000 to 960,000.

Hogs, now largely breeding stock, show a slight decrease, from 472,000 to 430,000, as compared with 1939, a year that saw a 47 per cent increase in the hog population. The drop was due to early marketing because of bettered marketing conditions.

A one per cent increase in the size of litters saved was shown for the 1940 spring and fall crops of pigs. Total hog production for the year, 900,000 head. Present indications are that the number of sows kept on farms in 1941 will equal the total for 1940 or will be increased if higher prices prevail between now and March 1.

"During the past three years North Dakota has made remarkable strides in rehabilitating the livestock industry, and today the livestock population nearly equals that for the period prior to the drought years of 1934-1936," the GNDA report says.

However, North Dakota's livestock industry is immeasurably improved today over the pre-drought period because of improved quality in herds and flocks. Only the finest breeding stock was retained during the short feed crop years.

The 10-year low for the number of cattle was reached January 1, 1938, when the count was at 1,190,000. By January 1, 1940, this had grown to 1,337,000, and a handsome increase is expected for the intervening year, with markets reporting good calves being retained on farms and a marked increase in grazing in the western part of the state.

STATEMENT OF CONDITION OF
First National Bank and Trust Company
of Minneapolis

as at December 31, 1940

◆
 RESOURCES

Cash on Hand and Due from Banks	\$73,383,077.65
U. S. Government Bonds (Direct or Fully Guaranteed)	51,783,000.00
Guaranty Fund (U. S. Bonds with Commissioner of Banks)	600,000.00
Loans and Discounts	42,598,889.06
Other Bonds and Securities	7,436,357.08
Overdrafts	10,208.30
Bank Buildings	648,633.68
Customers' Acceptance Liability	648,873.25
Bankers' Acceptances Purchased	384,000.00
Interest Earned but not Collected	364,780.43
	\$177,857,819.45

LIABILITIES

Capital Stock	\$ 6,000,000.00
Surplus	6,000,000.00
Undivided Profits	2,725,473.27
Reserve for Interest, Expenses, Taxes, etc.	1,039,903.31
Interest Collected but not Earned	169,480.14
Letters of Credit and Acceptances	648,873.25
Deposits	161,274,089.48
	\$177,857,819.45

U. S. Government Obligations and other securities carried at \$21,790,229.67 in the foregoing statement are deposited to secure Public Funds and for other purposes required by Law.

Member Federal Deposit Insurance Corporation

Affiliated with FIRST BANK STOCK CORPORATION

TWIN CITY NEWS



BANKERS from all principal cities in the Ninth Federal Reserve District assembled in Minneapolis last month to discuss financing of the federal defense program and the plans of the American Bankers Association to co-operate in this work.

The meeting was called by **Shirley S. Ford**, president of the Northwestern National Bank & Trust Co. and Ninth District member of a special A. B. A. defense financial committee. Approximately 60 bankers attended.

"The A. B. A.," Mr. Ford said, "is taking a leading part in mobilizing the financial resources of the country

By James M. Sutherland

Special Correspondent

in support of the defense program. The banks of the United States will be able to finance this great defense program to a major degree if they know what is required, how the banks can be secured, how to take advantage of the new Assignment of Claims law and with whom they are to deal."

He reviewed conferences in Washington, attended by the A. B. A. committee, the Federal Reserve Board

and members of the defense commission. Both the board and the commission, he told the Ninth District bankers, are interested in seeing that private banks do a large part of the defense industry financing and that a minimum of such funds be made available by government agencies.

The bulletin recently issued by the A. B. A. on defense financing was explained, after which John N. Peyton, president of the Minneapolis Federal Reserve Bank explained the organization of the bank's new industrial coordination department.

This department was explained in more detail by **H. C. Timberlake**, reserve bank statistician who has been named its manager. Purpose, he said, is to put the armed services in touch with those desirous of bidding on defense contracts, furnish such prospective bidders information that will enable them to make bids, and see that proper financing for successful bidders is secured, if needed.

H. G. McConnell of the Federal Reserve Bank and **F. C. O'Brien** of Northwestern National Bank demonstrated how a sample loan might be discussed in a country bank.

All bankers present expressed themselves as eager to do their patriotic duty and to put private funds to work in this program.

E. E. Crabb, president of Investors Syndicate, was one of the principal speakers at a land planning conference held in Minneapolis under sponsorship of the Federal Housing Administration. He spoke on "Relation of FHA to Investment Organizations."

J. A. Murphy, assistant cashier, First National Bank & Trust Co., and **H. L. Bergquist**, assistant cashier, Northwestern National Bank & Trust Co., were among a delegation of Minne-

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

in **Minneapolis**

Stop at the ANDREWS HOTEL

A. W. STADE
Manager

apolis leaders making a good-will tour to the sugar beet factory at Chaska, Minn. Tour was sponsored by the Minneapolis Civic & Commerce Association.

Oliver S. Powell, first vice president, Minneapolis Federal Reserve Bank, has been named to the advisory council for the new regional business research station set up at the University of Minnesota by the university and the U. S. Department of Commerce.

Adolph J. Doffing, assistant vice president of Northwest Bancorporation, Minneapolis, has taken over his new duties as vice president and cashier of First National Bank, Wabasha, Minn. Fellow workers gave him a farewell party and presented him with a shotgun.

The National Association of Bank Supervisors will hold its 1941 convention in St. Paul, according to **F. A. Amundson**, Minnesota commissioner of banks. Date has not been set, but it may be in September.

Roy Overmann of First Trust Co., St. Paul, was chairman of the entertainment committee for a smoker staged by the St. Paul chapter, American Institute of Banking.

Added to the Minneapolis headquarters staff of Northwest Bancorporation are Aloysius R. Weinhandl, formerly vice president and cashier of the First National Bank, Mandan, N. D., and **William H. Netland**, cashier of Austin State Bank, Austin, Minn.

Directors of the Minneapolis Federal Reserve Bank have elected **Lyman E. Wakefield**, president of First National Bank & Trust Co., to the federal advisory council of the Federal Reserve system, effective January 1. As the member of the council from the Ninth Federal Reserve District, Mr. Wakefield succeeds **John Crosby**, Minneapolis.

Clarence E. Hill, vice president, Northwestern National Bank & Trust Co., has been elected treasurer of the Minneapolis Civic Council.

Another Northwestern National Bank vice president, **John Burgess**, has been named chairman of the publicity committee of the 1941 Minneapolis Aquatennial, to be held July 12-20.

A. S. Newcomb, vice president of Bloomington-Lake National Bank,

Statement of Condition

THE FIRST NATIONAL BANK OF SAINT PAUL

as of
December 31, 1940

RESOURCES

Cash on Hand and Due from Banks	\$81,803,571.77
U. S. Government Securities	21,157,809.66
Bonds and Securities	4,420,652.63
Loans and Discounts	57,214,326.16
Interest Earned but not Collected	203,552.69
Customers' Liability on Account of Acceptances, Letters of Credit and Foreign Bills	67,098.50
Stock in Federal Reserve Bank	360,000.00
Bank and Office Building	3,000,000.00
	<hr/>
	\$168,227,011.41

LIABILITIES

Capital Stock	\$6,000,000.00
Surplus	6,000,000.00
Undivided Profits	1,542,132.72
Unallocated Reserves for Losses	813,575.81
Reserve for Accrued Taxes, Interest and Expenses	621,275.07
Reserve of Manufacturers and Others on Notes purchased from them	573,725.02
Discount Collected but not Earned	77,921.55
Acceptances, Letters of Credit and Foreign Bills	67,098.50
Deposits	152,531,282.74
	<hr/>
	\$168,227,011.41

President

RICHARD C. LILLY

Chairman, Board of Directors

FREDERIC R. BIGELOW

Member Federal Deposit Insurance Corporation

AFFILIATED WITH FIRST BANK STOCK CORPORATION

• MINNESOTA NEWS •

Minneapolis; **R. O. Thayer**, vice president, Fifth Northwestern National Bank, and **Malcolm B. McDonald**, general counsel of First National Bank & Trust Co., represented the Minnesota Safe Deposit Association in a discussion of safe deposit practices before a meeting of the Arrowhead Clearinghouse Association in Duluth.

Attending a meeting in Chicago called by the Association of Reserve City Bankers to discuss financing the national defense program were **Shirley S. Ford**, president, and **William N. Johnson**, vice president, Northwestern National Bank & Trust Co.; **Lyman E. Wakefield**, president, and **V. F. Rotering**, vice president, First National Bank & Trust Co.; **Arnulf Ueland**, vice president, Midland National Bank & Trust Co., and **Julian B. Baird** and **Philip L. Ray**, vice presidents, First National Bank of St. Paul.

Francis A. Chamberlain, 85, chairman of the executive committee of First National Bank & Trust Company, and a leading figure in northwest banking circles for years, died December 17th at his home in Minneapolis.

Born in Bangor, Maine, he started his banking career at 22 when he became a collector for the old Merchants National Bank of Minneapolis. In 1880 he joined the old Security Bank as clerk, and was made assistant cashier in 1882, director in 1886, cashier in 1887, and president in 1892.

The bank became Security National Bank in 1907 and in 1915 was consolidated with the First National to form First and Security National Bank. Mr. Chamberlain served as its president until 1917, when he became chairman of the executive committee.

Construction was slated to start January 2nd on the new home of **Farmers and Mechanics Savings Bank** at Sixth street and Marquette avenue, the board of trustees having authorized the project.

The general contract was let to Madson Construction Company for slightly less than \$550,000. Other contracts remain to be let.

The new location is in the center of Minneapolis financial district and close to the main shopping district. Three commercial banks are located within a half a block of the site, which

adjoins the Minneapolis Federal Reserve Bank building.

The building will consist of a principal banking room having a main entrance on Sixth street, and extending through to a five-story unit adjoining the reserve bank. The five-story unit will house several departments of the bank, including the mortgage and school savings departments. It will have a separate entrance on Marquette.

Exterior of the building will be of stone, with granite base and trim around the entrance. The general design will be in modernized classic style.

Directors of the Northwest Bancorporation have elected **J. B. Faegre**, Minneapolis attorney, to the board to fill the vacancy caused by the death of William A. Durst. Directors also elected **W. F. Graves**, connected with Banco for ten years, to the post of assistant secretary.

Lawrence B. Woodard of Woodard-Elwood & Company, Minneapolis, has been nominated as the regular candidate for the board of governors of the National Association of Securities Dealers from district No. 4,



EMPIRE NATIONAL BANK and TRUST COMPANY

ST. PAUL, MINNESOTA

Statement of Condition as of December 31, 1940

RESOURCES

Cash in Vaults, due from Federal Reserve Bank and other Banks.....	\$ 4,065,134.78
United States Government Securities—Direct and Fully Guaranteed—Due within 3 years.....	341,400.00
United States Government Securities—Direct and Fully Guaranteed—Due after 3 but within 5 years...	212,250.00
United States Government Securities—Direct and Fully Guaranteed—Due after 5 but within 10 years..	301,825.00
United States Government Securities—Direct and Fully Guaranteed—Due after 10 but within 15 years..	258,700.00
Municipal Bonds—Due within 3 years.....	395,522.74
Municipal Bonds—Due after 3 but within 5 years.....	116,120.80
Municipal Bonds—Due after 5 but within 10 years.....	79,870.44
Municipal Bonds—Due after 10 years.....	5,000.00
Other Bonds and Securities.....	192,739.50
Loans and Discounts.....	4,270,070.98
Stock in Federal Reserve Bank.....	22,500.00
Interest Earned but Not Collected.....	25,292.90
Furniture and Fixtures and Safe Deposit Vaults.....	28,052.25

TOTAL RESOURCES.....\$10,314,479.39

LIABILITIES

Capital Stock.....	\$ 500,000.00
Surplus.....	250,000.00
Undivided Profits and Reserves.....	90,409.14
Reserved for Taxes, Interest, and Accrued Expense.....	22,975.22
Discount Collected but Not Earned.....	57,340.37
Deposits:	
Demand.....	\$7,525,817.55
Time.....	1,867,937.11
Total Deposits.....	9,393,754.66

TOTAL LIABILITIES.....\$10,314,479.39

ALEX. HIGHLAND, President

Member Federal Deposit Insurance Corporation

• MINNESOTA NEWS •

comprising Minnesota, Montana and North and South Dakota.

Stanley Gates of Stanley Gates & Company, St. Paul; **Almon A. Greenman** of Greenman & Cook, St. Paul, and **Elmer L. Williams** of Allison-Williams Company, Minneapolis, are nominees for the three posts on the district committee. New committee and board members are slated to take office January 16th.

"Changing Conditions in the Consumer Credit Field" were discussed by John Burgess, vice president of Northwestern National Bank & Trust Company, at a consumers' credit conference of the Ohio Bankers Association in Columbus, Ohio, in December.

Some 200 graduates of the training course of the St. Paul chapter, American Institute of Banking, were honor guests at a dinner given by the St. Paul Clearinghouse Association.

F. H. Delaney, vice president of First National Bank, St. Paul, presided. Congratulatory messages were given the graduates by **Julian B. Baird**, vice president, First National Bank; **H. B. Humason**, president, American National Bank, and **H. W. Blake**, vice president, Empire National Bank & Trust Company. Principal speaker was **J. O. Christianson**, superintendent of the University of Minnesota farm school.

J. N. Peyton, president of Minneapolis Federal Reserve Bank, has received the acceptance from **P. B. McClintock**, cashier of the Farmers National Bank of Chinook, Montana, of

the latter's election as a director of the reserve bank's Helena branch. Mr. McClintock will serve for a two-year term starting January 1st.

Woman (in subway): "I wish that good-looking young man would get up and give me his seat."

Six men got up.

Statement of Condition

MIDLAND NATIONAL BANK AND TRUST COMPANY

of Minneapolis



(December 31, 1940)

RESOURCES

Cash and Due from Banks.....	\$ 7,003,627.59
U. S. Government Securities.....	4,149,152.33
State, County and Municipal Bonds---	837,000.00
Other Bonds and Securities.....	281,358.07
Loans and Discounts.....	9,790,956.91
Overdrafts	1,145.12
Income Accrued	40,620.71
Real Estate	57,938.19
Furniture and Fixtures.....	50,733.27
Customers' Liability on Letters of Credit	2,519.47
	<hr/>
	\$22,215,051.66

LIABILITIES

Demand Deposits	\$17,543,475.80
Time Deposits	2,843,346.87
	<hr/>
Total Deposits	\$20,386,822.67

Reserve for Interest, Taxes and Other Expenses	62,489.93
Reserve for Unearned Income.....	106,160.53
Bank's Liability on Letters of Credit..	2,519.47
Capital Account:	
Common Stock	\$1,000,000.00
Surplus	500,000.00
Undivided Profits	157,059.06
	<hr/>
	\$22,215,051.66

Government and Other Bonds carried at \$4,107,000.00 are pledged to secure public and trust funds and for other purposes as required by law.

DIRECTORS

N. C. BEIM <i>Chairman of the Board</i> W. H. Barber Company
AARON CARLSON Minneapolis
H. S. GREGG <i>Chairman of Board</i> Gregg Manufacturing Company
G. L. HEEGAARD <i>President</i> Mandan Mercantile Company
W. C. HELM <i>Vice President</i> Russell-Miller Milling Company
CHARLES B. JORDAN <i>President and Manager</i> Jordan-Stevens Company
EDGAR L. MATTSON <i>President</i>
BEN C. McCABE <i>President</i> McCabe Brothers Company <i>President</i> International Elevator Company
H. CLAY McCARTNEY <i>Treasurer</i> Toro Manufacturing Company
WALTON R. MURRAY <i>Vice President</i>
J. R. RANDALL <i>President</i> Reserve Supply Company
MAURICE SCHUMACHER Building Contractor
GEORGE J. SHERER Minneapolis
ARNULF UELAND <i>Vice President</i>
PAUL E. VON KUSTER <i>President</i> , David C. Bell Investment Company
JAMES C. WYMAN <i>Vice Pres.</i> , St. Anthony & Dakota Elevator Company

OFFICERS

EDGAR L. MATTSON	President
ARNULF UELAND	Vice President
WALTON R. MURRAY	Vice President
CALVIN W. AURAND	Vice President
W. E. BROCKMAN	Vice President
LAWRENCE O. OLSON	Cashier
ROBERT S. STEBBINS	Assistant Cashier
VICTOR W. MASER	Asst. Cash. and Asst. Tr. Officer
E. WALTER ENGSTROM	Assistant Cashier
WILLIAM R. CHAPMAN	Assistant Cashier
EVERETT L. THOMPSON	Assistant Trust Officer
CLIFFORD C. SOMMER	Assistant Cashier
FRANK W. PETERSON	Auditor

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

JAMIESON & COMPANY

Stocks & Cotton
Bonds & Butter
Grain & Eggs
Commodity Brokers

Members
New York Stock Exchange
and Other Principal Exchanges

ST. PAUL — MINNEAPOLIS

Government — Municipal
Corporation Bonds

•
CHARLES C. RIEGER
Manager
Bond Department
Minneapolis — Atlantic 8235

ONE hundred and fifty-eight of the officers and employees of this bank have been with us for more than twenty-five years.

Thirteen of this group are members of our "Fifty Year Club." This is a record in which we take pride. And it is a record that concerns all of our correspondent banks.

Experienced service is dependable service.

... THE ...

PHILADELPHIA NATIONAL BANK

ORGANIZED 1803

PHILADELPHIA, PA.

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

Member of Federal Deposit Insurance Corporation

REGISTRATION SHOULD BE REQUIRED

(Continued from page 14)

more closely the individual credit of the issuer than previously, when tax exemption over-shadowed, to some extent, other factors."

The firm expresses itself on the now much discussed question of private placements as follows: "Private placement of new issues with insurance companies and banks will no doubt continue to absorb a substantial part of new offerings until investment bankers—and through them, the investing public—are put in a position to compete more evenly for such issues. This latter can best be done by requiring federal registration of all issues, both those privately sold as well as those publicly placed. Since the expressed purpose of registration is to protect the investment of the individual's surplus, it would appear that institutional funds, being merely an aggregate of individual funds, are entitled to the same safeguards as those directly invested by the owners.

Looking to the near future, Halsey, Stuart & Co., Inc. have this to say, "Price trends depend in considerable degree on interest rates; interest rates in turn now depend largely on government controls. In view of the heavy government borrowing ahead, the probable continuation of limited demand for private funds and the enormity of existing excess bank reserves, it appears a reasonable expectation that easy money rates will continue and the general price level will be well maintained. At the same time, prices of top-grade issues are now so high that little, if any, further advance appears probable in that classification. Secondary classifications may, however, show improvement as some of the heretofore retarded lines or individual companies show an improved status, particularly under the impetus of buying from quarters which might ordinarily be more attracted to the equity market."

"We look for continuation in the reduced volume of new offerings which has characterized the bond market for several years. Those which do appear will no doubt continue to be predominantly high grade in character and will consist, in substantial part, of refunding issues; as has been true for some time, they will be taken principally by institutional buyers."

Spot Cash

Daughter: "What is alimony, mother?"

Mother: "It's a married man's cash-surrender value, dear."

MARTIN AAS
President
New Rockford

NORTH DAKOTA NEWS



C. C. WATTAM
Secretary
Fargo

Former Banker Dies

John P. Berringer, 77, former wholesale meat dealer and banker at Dickinson, North Dakota, died at his home in Tacoma, Washington. He was one of the organizers of the National Bank of Dickinson.

New Bank

The Northwestern State Bank, Hillsboro, North Dakota, received its charter and opened for business on December 16, 1940. This bank succeeds the First National Bank of Hillsboro, which has gone into voluntary liquidation.

Receiver Dies

Funeral services were held in Bismarck for Patrick A. O'Keefe, district manager for the state receiver of closed banks, who died in a local hospital of heart disease.

The body was taken to Hudson, Wisconsin, near his boyhood home, for funeral services and burial.

A native of River Falls, Wisconsin, O'Keefe came to North Dakota in 1896.

Legislative Matters

The coming session of the North Dakota legislature will convene on January 7th. There are a number of matters which will undoubtedly arise concerning banks and banking. There are also undoubtedly other matters in which bankers may have some suggestions with reference to corrective legislation. The association office will appreciate any suggestions from members with reference to the matter.

National Defense Loans

At a meeting on December 13th in Minneapolis, called by Shirley S. Ford, member of the National Defense Loan Committee of the American Bankers Association, about seventy-five bankers from North Dakota, South Dakota and Minnesota were present. The purpose of the meeting was, of course, the discussion of the national defense loaning program. While it would not ap-

pear that there are many industries in North Dakota who will be seeking defense loans, if there are any in your community who are equipped to make contracts with the government for any of the many articles which they are purchasing in equipping the army and navy, it is up to the bankers to render them all possible assistance in connection with the matter.

The American Bankers Association has sent out, in their special bulletin No. 82, published by the Bank Management Commission, information with reference to forms of contract and forms for assignments for the protection of banks in making loans.

While many concerns in North Dakota are not interested in direct government contracts, it is possible that they may be able to furnish materials to others who have such contracts.

Retirement Plan

For some time past President Aas has been interested in, and has been investigating, the feasibility of a bankers retirement plan to supplement the Social Security System, which the Federal government has set up.

The group banks have a system of their own, and, of course, they are not interested. There are, however, quite a number of independent banks in the state which at the recent group meetings signified their interest in a proposition of this kind. Under the Federal Social Security Act probably the rank and file of present North Dakota bank employees would, upon retirement, obtain from the Federal government no more than \$45 or \$60 a month upon attaining the age of 65 years. The younger section would, of course, receive somewhat more but the maximum amount which a person can receive under the Federal Social Security system is \$85 per month.

It has been definitely established that it is not feasible to establish such a plan among the independent banks in North Dakota. It was found, however, upon investigation, that the New York upstate bankers have already es-

tablished a plan which is working successfully, and under which they are willing to take in banks from other states. The plan calls for a 4 per cent contribution from the employees and such percentage contributed on the part of the bank as the bank is willing to contribute. They have option benefits such as service retirement allowance, disability retirement allowance, death benefit, and provides that any employee leaving the service may obtain a full return of his contributions with interest.

DIRECT MAIL WILL MAKE FRIENDS

(Continued from page 18)

"If you have hitched your promotion to something bigger than you are, if you have won the respect and the confidence of your prospects by showing them through your advertising that you are interested in something more than your immediate profits when you start using direct mail to personalize your advertising, I think you will be amazed at how much more effective your direct mail will be."

Money Management Booklet

A new manual entitled "Personal Money Management" has been prepared by the savings division of the American Bankers Association and was to be ready for distribution by January 1st, it is announced by Roy R. Marquardt, the division's president, who is vice president of the First National Bank of Chicago.

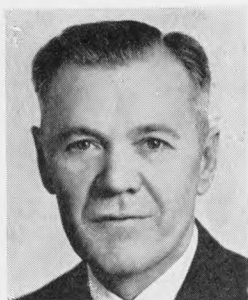
The manual, in booklet form, is designed to serve as a guide for wage earners in obtaining better control of their income and expenses and serves also as a reference book for bankers in advising their customers about personal finance.

While the manual stresses the importance of personal budgets, it is not limited to that field alone. Divided into twelve chapters, it deals with expenditures for food, clothing, rent and home ownership, indebtedness, individual financial progress, savings, and efficient management of income.

The booklet's introduction, by Albert W. Atwood, financial writer, asserts:

"Millions of men and women are trained to work effectively, but hardly any one is trained to spend to the best advantage. Countless individuals run their personal finances in a way that would ruin any business because they have no standards of expense of savings. It is for them primarily the manual has been prepared, yet it can benefit all who read it."

Northwestern Banker January 1941



R. D. MOUNTAIN
President
Conrad

MONTANA NEWS

ETHEL W. WALKER
Secretary-Treasurer
Helena

Reserve Director

P. B. McClintock, cashier of the Farmers National Bank of Chinook, Montana, was elected a director of the Helena branch of the Federal Reserve Bank of Minneapolis. He will serve for two years beginning January 1st.

Hardin Banker Dies

Arthur H. Roush, 71, Hardin banker and public official, died at a local hospital recently. Death was believed due to a heart ailment.

Roush was a Big Horn county official from organization of the county in 1913 until 1925. Afterward he served the city of Hardin as city auditor, city clerk and police judge.

He was vice president of the First National Bank of Hardin.

Dies In Glasgow

R. M. Young, 62, Glasgow resident for 32 years and for most of that period cashier of the First National Bank, died suddenly as the result of a heart ailment.

Mr. Young was born in Almonte, August 26, 1878. As a young man, he emigrated from Gretna, in Canada, August 22, 1899. He was employed for several years in Neche, North Dakota, then came to Glasgow in September, 1902. He was first bookkeeper for the Lewis-Wedum Company.

On February 29, 1904, Mr. Young began work as cashier of the old Bank of Valley County, which later became the First National Bank. He continued as cashier until January, 1937, when he resigned. He had been a United States citizen since 1908.

Besides his work as cashier, Mr. Young had engaged in farm operations and owned land both in the Glasgow and Hinsdale vicinities.

Bad Connotation

"I wish the boys wouldn't call me Big Bill."

"Why?"

"These college names stick. And I'm studying to be a doctor."

CONSUMER CREDIT OPERATIONS PROFITABLE

(Continued from page 15)

10. Good management at all times is important to consumer credit department. During critical times such as we are experiencing it is absolutely essential there should be no relaxation of credit standards.

In making installment loans character and ability are probably the most important qualifications, more so than the security in back of the loan. Generally speaking, you will not lose money on an honest man with a job, who borrows within his means. Character and ability are probably more important in the direct or personal loans made by the bank than the consumer credit which originates from the sale of an automobile or equipment. In both cases the ability to pay is necessary in order to make it possible for the borrower to fulfill his contract. Besides character and ability there are a few fundamental rules which apply to installment loans.

1. The total debts of the applicant including the loan applied for, but not including mortgage loans generally, should not exceed 20 per cent of the applicant's salary.

2. Generally the monthly payments should not be more than 15 to 20 per cent of the monthly salary.

3. If the borrower is married, the wife should also sign.

4. In our bank, we think it is advisable to try to take some kind of security even if the applicant has nothing to offer but an old car or household goods. The wife should always sign in such cases on account of our exemption laws. Loans made on security such as household goods may appear ridiculous; however, there is a good moral effect.

5. The borrower should have some life insurance as a protection to his family and creditors. Many banks insist upon life insurance on unsecured, single-named paper or where the wife is the co-signer. Life insurance to

protect installment loans can be secured from several life companies.

6. We have already mentioned co-signers. They are not desirable. If you make a loan with co-signers they should fully understand their obligation that they must pay in case the principal maker does not. In connection with these loans, you might find that there are reciprocal co-signers. Fellow workers will often sign for each other.

7. "Time" is the "essence" of an installment contract. Unless this is thoroughly explained to the borrower, he will not appreciate and understand why he should make his monthly payments promptly on the date agreed. If payments are not made promptly it is very important to your collection system that you impose penalties on delayed payments for the purpose of impressing upon the borrower the importance of promptness and for the purpose of taking care of the additional expense in making collections. Many banks do not appreciate the effect of charging penalties on delinquent payments. A large part of the trouble and aggravation in the installment loan business is with delinquent borrowers.

The following are some of the types of loans which it is generally advisable to avoid:

1. Loans to furnish all or most of the capital to go into business such as grocery stores, service stations, etc.

2. Loans to co-makers who are of the borrower's immediate family.

3. Loans to people who do not have regular employment. It is preferable that the applicant has been regularly employed by his firm for at least the past five years.

4. Loans to people who owe a large number of accounts, the consolidation of which would require a loan beyond their ability to pay. A loan to pay other debts is probably the hardest kind of personal loan to make.

5. Great care should be exercised in loaning to employees of political units or even federal employees who are elected or appointed.

6. Truck paper, especially used trucks.

7. Balloon payments—where the down payment is less than regular amounts.

We should be very careful to explain our rates fully to our applicants for loans. Installment loans cannot be made at current commercial rates because there is considerable service necessary and numerous small items involving considerable clerical work. The finance and personal loan companies are generally subject to unjust

(Turn to page 74, Please)



H. R. YOUNG
President
Arlington

IOWA NEWS



FRANK WARNER
Secretary
Des Moines

Iowa Loans

Thirty-two per cent of Iowa's commercial banks made more than 296,000 loans totaling \$186,000,000 to business firms and individuals throughout the state during the first six months of 1940, according to the semi-annual survey of bank lending activity made by the American Bankers Association.

The survey showed that business firms in the state used only 58 per cent of the "confirmed open lines of credit" maintained for their use on the books of banks. A total of 24 banks in the larger centers of the state reported that they carried on their books \$22,109,600 in "open lines of credit" offered to and kept available for regular borrowers for use as needed by them. Of this amount \$12,839,177 or 58.1 per cent was used.

The average number of new loans made per bank during the six months period under review was 972 and the average size loan was \$566.

The average number of loans renewed per bank was 413 and the average renewal was for \$708.

The average number of new mortgage loans made per bank was 13 and the average new mortgage made was for \$3,022.

Robbins Re-elected

Col. Charles B. Robbins has been re-appointed chairman of the Des Moines Federal Home Loan Bank. The term is one year. He was also given a new term as public interest director.

The Des Moines bank now has resources of more than \$22,000,000 Colonel Robbins said. Its district includes the Dakotas, Minnesota, Iowa and Missouri. Its service to building and loan organizations is similar to that given banks by the Federal Reserve Bank.

Colonel Robbins was first president of the Federal Home Loan Bank when it was organized in 1931 and for the last eight years has been chairman of its board of directors.

E. J. Russell of St. Louis has been reappointed vice chairman of the Des Moines Bank.

Annuity Plan

Establishment of a retirement annuity plan for Iowa-Des Moines National Bank and Trust Co. employees, effective January 1, was announced recently.

Herbert L. Horton, president of the bank, announced the plan at the bank's annual Christmas party at Younkers tearoom. Under the plan, bank employees will be able to retire at 65 with



HERBERT L. HORTON

a guaranteed monthly income for life.

To establish retirement annuities for all who join the plan, the bank each year will invest an amount equal to that invested by the employees, thereby sharing one-half the cost, Horton said.

Horton also announced to the 270 employees, officers, and directors at the dinner that the bank recently has completed retirement of the balance of \$1,250,000 of preferred stock held by the Reconstruction Finance Corporation. Concurrently with the reduction in preferred stock, the bank increased its common stock to \$2,500,000 and surplus to \$1,000,000.

In 1933, the R.F.C. purchased \$3,500,000 of preferred stock of the bank.

Of this sum, \$1,750,000 was retired in 1936; \$300,000 in 1938; \$200,000 in 1939, and the outstanding balance of \$1,250,000 has been retired.

With retirement of all preferred stock, the bank, now in its sixty-fifth year has a capital structure of \$2,500,000 in common stock; surplus of \$1,000,000; undivided profits and reserves of \$741,359.

Membership in the bank's Twenty-Five Year Club was increased by three at the banquet when Horton presented watches to Gertrude Cantwell, Mary Cullen and Fay C. Davis, each of whom during the last year completed 25 years of service with the bank. The bank now has 12 officers and employees with more than 25 years service.

Dividend

The Newton National Bank recently announced a semi-annual dividend of 2½ per cent, equivalent to \$2.50 a share, is being paid stockholders of the bank for the six-month period ending December 31, 1940.

Officials described 1940 as a satisfactory year in announcing the dividend. Earnings of the bank are also being used to amortize the bank building, furniture and fixture accounts, and the surplus account of the institution has been increased.

The capital stock fund of the bank now totals \$100,000; the surplus fund totals \$44,000, and the undivided profits total \$22,327.16.

County Meeting

Orval Spahn of Mapleton, cashier in the First State Bank, Ute, was named president of the Monona County Bankers Association at the annual meeting held at Soldier. He succeeds Earl Pratt of Moorhead.

John R. Welch, also of the First State Bank, was named secretary and treasurer to succeed Harry Mortensen.

R. J. Galloway of Soldier was elected vice president.

A. I. B. Course

L. E. Billmeyer and D. F. Warnke attended a meeting of the Northeast Iowa Study Group of the American Institute of Banking, which is a section of the American Bankers Association, at West Union.

Subject of the evening's meeting was the planning and arrangement of a study course for bankers. Professor Lukes of Upper Iowa University has been engaged as instructor. Opening classes will be held at West Union and will meet once each week for 21 weeks since the course will be the equivalent of 42 hours of class room work, with the exception of accounting, which requires 56 hours.

Northwestern Banker January 1941

CULTIVATING OUR GREATEST FARM CROP

DEVELOPING the farm men and women of Tomorrow is a vital responsibility for Today. And in this field, the work being done by 4-H Clubs is especially valuable.

The record of 4-H Clubs is a record of persistent progress, through good times and bad. In Iowa, the 4-H organization has moved steadily forward, showing a gain in clubs and in club-membership.

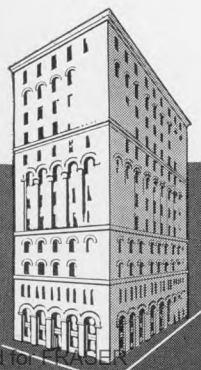
Recent enrollment figures show 1811 4-H Clubs in the state, with a total of 26,927 members.

Since Iowa prosperity is rooted in the soil, Iowa bankers have a keen personal interest in progress of the 4-H movement. With counsel, with encouragement and often with financial assistance, they have given strong support to many 4-H projects.

For, important as other Iowa crops may be, the most valuable products of Iowa farms are the young men and young women who in a few short years will step forward to participate in, and eventually take over the direction of farms and farm homes.

Persistent progress, through good times and bad, has marked the growth of the Bankers Trust Company. Year after year, it has moved steadily forward, constantly growing in resources, and in ability to deliver intelligent, constructive banking service to its customers.

Among these customers are an ever-increasing number of other Iowa banks, whom we are happy to serve as Des Moines correspondent.



BANKERS TRUST



Photo courtesy of Successful Farming

COMPANY

6th and Locust
Des Moines

When highest health-award winners are crowned at the National 4-H Club Congress in Chicago each December, Iowa is usually well represented in the picture. Here's the group of 1940 blue-ribbon finalists. At left is Vernetta De Witt of Milford, Iowa. To her left is Robert Bolen of Laurens, Iowa.

Sioux City Clearings

Improvement of business conditions in Sioux City over last year was indicated by the annual bank clearings report issued December 31 by the Sioux City Clearing House Association.

For the year bank clearings totaled \$196,679,410.18, which was \$11,376,058.36 in excess of the 1939 total, which was \$185,903,351.82.

Clearings in December totaled \$16,561,894.18 as compared with \$16,831,271.54 in December of 1939.

Banks of Davenport

Resources of Davenport's two banking institutions total over \$37,000,000, while their combined deposits amount to more than \$34,000,000 as the year 1940 ends. The Davenport Bank and Trust Co. reported deposits approximated \$30,000,000, and resources of more than \$34,000,000, at the end of a successful year. Surpluses of the institution were doubled during the past year when \$800,000 was transferred from accumulated reserves.

Loans of \$13,000,000 were made to 8,000 individuals in 1940, including loans of the personal and automobile department which was established a little over a year ago and is proving increasingly popular. Loans made in the eight and a half years since the bank was established total about \$83,000,000, including a large number of mortgage loans. Some 30,000 customers have been served with loans through the period.

Clearings of the Davenport bank for 1940 totaled \$295,707,491, a substantial increase over the \$274,425,575 clearings in 1939.

The First Trust and Savings Bank increased deposits more than half a million dollars in 1940, and now shows total deposits of \$2,993,517, with total resources of \$3,327,831. Loans during the year aggregate \$1,734,319, compared with \$1,196,302.28 in 1939. Clearings were \$15,863,423, an increase of approximately one million dollars over 1939.



Statement of FIRST NATIONAL BANK IN SIOUX CITY

December 31, 1940

RESOURCES

Cash and Due from Banks.....	\$3,153,086.50
Loans and Discounts.....	2,529,401.11
United States Government Bonds.....	659,114.55
State, County, and Municipal Bonds.....	644,021.39
Other Bonds and Securities.....	349,156.16
Stock in Federal Reserve Bank.....	17,250.00
Bank Building, Furniture and Fixtures.....	185,000.00
Other Assets	2,872.20
	\$7,539,901.91

LIABILITIES

Capital	\$400,000.00
Surplus	180,000.00
Undivided Profits	20,652.71
Reserve for Contingencies.....	54,000.00

TOTAL CAPITAL ACCOUNT.....	\$ 654,652.71
Reserve for Taxes and Interest.....	11,359.41
Other Liabilities	117.00
DEPOSITS	6,873,772.79

\$7,539,901.91

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

FIRST NATIONAL BANK IN SIOUX CITY

Heads Story Bankers

William Petersen, assistant cashier of the Story County State Bank at Story City, will direct activities of the Story County Bankers Association in the year 1941.

He has been elected president succeeding T. E. LaVelle, cashier of the College Savings Bank at Ames.

J. Roger Alley, the assistant cashier of the Ames Trust and Savings Bank, is vice president and E. A. Fawcett, vice president of the State Bank and Trust Company, Nevada, secretary-treasurer.

Dividend

More than 130 stockholders of the United Home Bank and Trust Company living in Mason City and its vicinity are receiving 6 per cent dividend checks as the result of the bank's successful operations in 1940, E. W. Clark, chairman of the board of directors, revealed.

In addition to the dividend payment, Mr. Clark said, a substantial amount is being left in the reserves.

New Addition

Extensive improvements are in progress on the Wilton Savings Bank building. An eight foot addition has been built on the rear, a new front will be erected and a reinforced concrete storage vault has been constructed in the basement.

New safety deposit and cash vaults will replace the old vault on the main floor.



Member Federal Deposit Insurance Corporation

Statement of Condition

DECEMBER 31, 1940

ASSETS

Cash	\$ 9,765,693.99
United States Government Securities.....	13,311,566.28
Municipal and Other Tax-Exempt Bonds.....	2,131,314.80
Loans	9,110,588.86
Federal Reserve Bank Stock.....	54,000.00
Furniture and Fixtures.....	25,012.86
Overdrafts	1,975.22
	<hr/>
	\$34,400,152.01

LIABILITIES

Capital	\$ 600,000.00
Surplus	1,200,000.00
Reserves and Profits.....	1,110,690.46
Deposits	31,489,461.55
	<hr/>
	\$34,400,152.01

DIRECTORS

E. P. ADLER

President Lee Syndicate Newspapers

V. O. FIGGE

Executive Vice President

J. L. HECHT

French and Hecht, Inc.

J. M. HUTCHINSON

Trust Officer

CHARLES J. JOHNSON

Vice Pres. Independent Baking Co.

JOS. S. KIMMEL

Pres. Republic Electric Co.

FREDERICK H. LAMB

Physician

H. E. LITTIG

Vice Pres. Peoples Light Co.

HERMAN STAAK

Cashier

KUNO H. STRUCK

Vice President

KARL P. TESKE

Teske Milling Co.

CABLE G. VON MAUR

Petersen-Harned-Von Maur, Inc.

T. J. WALSH

Walsh Construction Co.

C. D. WATERMAN

Lane and Waterman

DAVENPORT BANK AND TRUST COMPANY

Member Federal



Reserve System

DAVENPORT, IOWA

The new fixtures will be of the low type style and a fluorescent lighting system will be installed. The work is expected to be completed in about six weeks.

Named Director

Willis F. Rich of Fort Dodge has been appointed to the board of directors of the Pocahontas State Bank at Pocahontas to fill the vacancy created by the death of the late E. H. Rich of Fort Dodge.

Committee Chairman

W. A. Kneeland, cashier of the Postville State Bank, was notified that he had been appointed to the chairmanship of the important "Banking Analysis Committee" of the Iowa Bankers Association. H. R. Young, president, made the appointment.

Heads Des Moines C. of C.

Scott C. Pidgeon, vice president of the Bankers Trust Co., was elected president of the Chamber of Commerce recently.

Mr. Pidgeon, who was unopposed, succeeds Harry O. Hay, who will be-



SCOTT C. PIDGEON

come an ex-officio member of the board.

Mr. Pidgeon, 51, was graduated from the State University of Iowa in 1915 and the same year joined the First Federal State Bank in Des Moines. In 1917 he went to the Bankers Trust Co.

Steady Growth

Iowa banks showed steady growth during 1940, state banking department figures indicated.

From January 1, 1940, to the end of June, the period covered by the last state bank call, resources of 545 state banks rose from \$466,000,000 to \$486,000,000.

There was a similar increase during the last six months of 1939, when total assets of Iowa's state banks grew from \$446,000,000 to \$466,000,000.

Two new state banks were organized last year, bringing the number started since January 1, 1935, to nine.

In addition to the 545 state banks, there are a few more than 100 national banks in Iowa, whose resources would swell the total of Iowa's bank resources still more.

In boom days, Iowa had 1,300 state banks, between 500 and 600 national banks, and 200 private banks.

1941 Convention

President H. R. Young announces that the next State Convention of the Iowa Bankers Association will be Monday, Tuesday and Wednesday, September 8, 9, and 10, 1941. In a

AMERICAN NATIONAL BANK AND TRUST COMPANY *of Chicago*

LA SALLE STREET AT WASHINGTON

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Annual Statement as of December 31, 1940



RESOURCES		LIABILITIES	
CASH AND DUE FROM BANKS	\$33,287,139.36	CAPITAL STOCK—PREFERRED	\$ 600,000.00
U. S. GOV'T OBLIGATIONS—DIRECT AND FULLY GUARANTEED	14,601,018.05	CAPITAL STOCK—COMMON	1,000,000.00
MUNICIPAL AND OTHER MARKETABLE SECURITIES	14,855,238.95	SURPLUS	2,000,000.00
LOANS AND DISCOUNTS	21,399,701.07	UNDIVIDED PROFITS	551,035.83
FEDERAL RESERVE BANK STOCK	108,000.00	PREFERRED STOCK RETIREMENT FUND	150,000.00
CUSTOMERS' LIABILITY ON ACCEPTANCES	15,449.71	RESERVE FOR TAXES, INTEREST, CONTINGENCIES, ETC.	775,966.75
ACCRUED INTEREST RECEIVABLE	156,700.96	UNEARNED DISCOUNT	251,532.49
REAL ESTATE OWNED	1.00	LIABILITY ON ACCEPTANCES	15,449.71
OTHER ASSETS	10,607.74	DEPOSITS:	
	\$84,433,856.84	DEMAND	\$68,631,136.13
		SPECIAL DEPOSIT	1,731,694.34
		(Subject to court order)	
		UNITED STATES GOV'T	2,600,000.00
		OTHER PUBLIC FUNDS	34,613.38
		SAVINGS	6,092,428.21
			79,089,872.06
			\$84,433,856.84

recent referendum to the banks of Iowa asking whether or not they would like to have the convention again held in September, the bankers overwhelmingly voted in favor of at least holding one more convention in September, rather than in the month of June. For more than 50 years the conventions have been held in the month of June until this past year. The meeting place has not been selected, but probably will be at the time of the coming mid-winter Council Meeting to be held in Des Moines on January 8, 1940.

Election

At the annual meeting of the Security Savings Bank, Williamsburg, the officers and directors were elected to succeed themselves.

The only promotion was that of H. B. Martin, who has been bookkeeper, and he was promoted to the position of second assistant cashier.

This arrangement leaves R. E. Jones as president and D. J. Lewis as cashier.

Heads Clearing House

Rolfe O. Wagner, president of the Capital City State Bank, has been elected president of the Des Moines Clearing House Association for 1941.



ROLFE O. WAGNER

He succeeds Frederick M. Morrison.

Herbert L. Horton was named first vice president, and Roy Capps, second vice president. Fred C. Atkins was re-elected secretary.

The annual meeting was held in the directors' room of the Bankers Trust Company.

Inter-County Meetings

President H. R. Young announces that a series of inter-county meetings will be conducted throughout Iowa during the coming winter months similar to the ones held two years ago. These inter-county meetings will take the place of any mid-winter state meeting such as was held a year ago. It is the opinion of the members of the council of administration of the Iowa Bankers Association that more worth while good is gotten out of local meetings that can be held in the evening and which can be attended

by the entire bank staff and directors and wives than from a one-day meeting held at some central place in the state which only a minority can attend. For example, nearly 1,400 bank executives, directors, stockholders and staff members were registered at the 18 inter-county meetings held two years ago, while at the State-wide Banking Conference held last January in Des Moines, less than 400 were registered.

President Young announces that the state has been divided into twenty districts. Wherever it is possible four

The Waterloo Savings Bank

WATERLOO, IOWA

Statement of Condition as Made to Superintendent of Banking
at the Close of Business December 31, 1940

RESOURCES

First Mortgage Loans.....	\$ 705,168.89	
Loans Secured by Collateral.....	1,412,722.95	
Commercial Loans Supported by Financial Statements	900,463.28	\$3,018,355.12
Overdrafts		1,367.03
Real Estate (former bank building included).....		84,254.00
Furniture and Fixtures.....		19,892.81
State, County, and Municipal Bonds.....	317,011.05	
Market Bonds	206,266.45	
Call Loans and Commercial Paper.....	627,500.00	
U. S. Government Securities.....	255,525.00	
Cash on Hand and Due from Banks.....	2,620,025.85	4,026,328.35
		<u>\$7,150,197.31</u>

LIABILITIES

Capital Stock	\$ 175,000.00	
Surplus	200,000.00	
Undivided Profits	11,580.40	386,580.40
Dividend Checks Outstanding.....		441.00
DEPOSITS		6,763,175.91
		<u>\$7,150,197.31</u>

Deposits Insured by The Federal Deposit Insurance Corporation
Washington, D. C.
\$5,000.00—Maximum Insurance for Each Depositor—\$5,000.00

OFFICERS

H. G. NORTHEY, President
R. W. WATTE, Vice President
CARLETON SIAS, Vice President
J. J. MILLER, Cashier
FRANCIS R. LABARRE, Ass't Cashier
V. SPALDING MILLER, Ass't Cashier
OLIVER J. SCHUTTE, Ass't Cashier

DIRECTORS

CLARENCE E. CAMPBELL
CARLETON SIAS
R. W. WATTE
HARRY G. NORTHEY
J. J. MILLER
LOWELL J. WALKER
C. F. ALTSTADT
HARRY A. LIMBERT
WILL E. OGLE
C. R. DAVIS
K. L. BRAGDON
GEORGE E. PIKE

counties will constitute the district. There are certain sections of the state, however, where the number has been reduced to three counties or increased to five, but a district of four counties makes a very convenient district and will enable the bankers to get better acquainted with their neighbors "just over the line" through these inter-county meetings. This plan for smaller districts or inter-county meetings is being merely submitted to the banks with the hope that they will

accept them and hold at least one inter-county meeting each year, possibly in the fall or winter. It is not intended or expected that bankers who have active county associations will give them up for an inter-county association. It is hoped that they will continue right along with their own county association but that once a year they will see fit to have an inter-county meeting consisting of the neighbors in adjoining counties.

Heads Credit Group

George D. Jorgensen, assistant cashier of the Iowa-Des Moines National Bank and Trust Co., has been elected president of the Des Moines Retail Credit Association.

He has served as vice president of the organization during the last year, and formerly was treasurer.



GEORGE D. JORGENSEN

Miss Gladys Thompson was named vice president, and Ross Carrell was re-elected treasurer. Mr. Jorgensen, Fred Hockett and Ervin Jordan were elected directors.

Redecorated

The State Bank, Gladbrook, has recently been remodeled and redecorated with changes in the window spaces, making them wider and fixing room under the counters for filing space, the inner wall painted cream and equipped with indirect lighting. All furniture has been refinished. More space has been made available for the employees by the arrangement but the lobby remains unchanged.

Best in U. S. A.

Clinton county, Iowa, shipped more top steers to the Chicago market during 1940 than any other county in the United States, according to figures just compiled by livestock experts in the U. S. stockyards.

John Porter of DeWitt, Clinton county, received the distinction during 1940 of selling the highest priced cattle in over three years, when his two loads sold the middle of last month at \$15.40.

In competition with beeves from

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO

Statement of Condition, December 31, 1940

RESOURCES

Cash and Due from Banks.....	\$ 670,627,860.63
United States Government Obligations, Direct and Fully Guaranteed.....	675,321,191.95
Other Bonds and Securities.....	64,861,404.98
Loans and Discounts.....	188,836,340.37
Stock in Federal Reserve Bank.....	2,700,000.00
Customers' Liability on Acceptances.....	350,201.56
Income Accrued but Not Collected.....	2,427,023.80
Banking House.....	12,300,000.00
Real Estate Owned other than Banking House	2,580,097.66
	<u>\$1,620,004,120.95</u>

LIABILITIES

Deposits.....	\$1,491,577,547.86
Acceptances.....	401,078.03
Reserve for Taxes, Interest and Expenses....	5,031,355.80
Reserve for Contingencies.....	17,515,837.08
Income Collected but Not Earned.....	256,438.72
Common Stock.....	50,000,000.00
Surplus.....	40,000,000.00
Undivided Profits.....	15,221,863.46
	<u>\$1,620,004,120.95</u>

United States Government obligations and other securities carried at \$172,718,556.03 are pledged to secure public and trust deposits and for other purposes as required or permitted by law

Member Federal Deposit Insurance Corporation

other famous cattle feeding farms in the United States, 42 Clinton county carloads during 1940 set the price standards for the rest of the nation to follow.

Iowa also ranked high among the states for highest selling cattle. Of the 267 loads which commanded top prices during 1940, 125 lots were from various parts of Iowa.

Records also show that western Illinois and eastern Iowa cattlemen have a laudable "habit" of each setting the stock mart top more than once during the year. Schmidt Bros. of Delmar had the high selling load on seven different occasions during 1940; Swanton Bros., Charlotte, five times; John Porter, DeWitt, five; Harvey Schmidt, Charlotte, three; Henry and Leo Harmsen, Teeds Grove, two; Tom Diffenderfere, Lanark, Ill., two; William Matthiesen, Bryant, two, and Lyman Kemmis, Prophetstown, Ill., two.

Carroll county, Illinois, contributed 14 top loads to the grand total, while Jackson county, Iowa, had seven of the crest lots and Whiteside in Illinois, five.

Logan Elected President

At a regular meeting of the board of directors of the State Central Savings Bank, Keokuk, held on December 26, 1940, W. A. Logan was elected president of the bank to fill the vacancy in that office caused by the death of H. W. Huiskamp.

The board in selecting Mr. Logan to head the bank as president continues in that office a man of wide experience in banking as well as a man interested in the industrial and civic activities of the city of Keokuk.

Mr. Logan started his banking career immediately upon his graduation from Stanford University and has been serving the bank as executive vice president for eight years.

In 1929 he organized the Farmington State Bank, Farmington, Iowa, and has served as president of that bank since its organization.

By his election to the presidency of this bank he now becomes the active head of the bank founded by his grandfather, Judge Wm. Logan, in 1893, which was formed by the merger of the State Bank and the Central Savings Bank of Keokuk, their organization going back to 1858.

The Service Department of COAST BANKER, 255 California Street, San Francisco, California, is prepared to act as intermediary in the purchase and sale of western banks. All correspondence will be treated confidentially. Address desires and needs to Service Department, COAST BANKER, 255 California Street, San Francisco, California.

New Des Moines Bank

The newly organized Iowa State Bank, Des Moines, has signed a lease for the old Home Savings Bank location, northeast corner of East Sixth and Locust streets, G. A. Frampton, president, said last month.

The room has been occupied since August, 1939, by the Polk county food stamp store, and the board of supervisors now is looking for new quarters for the store.

Mr. Frampton said that as soon as the new bank gets possession of the property, remodeling and reconditioning will begin, and that the bank will occupy the room when the modernization process is completed.

Mr. Frampton said articles of incorporation were filed with the Iowa secretary of state, setting out a capital of \$100,000 for the Iowa State Bank, and a surplus of \$10,000. Frampton, George O'Dea, Hugh N. Gallagher, William Broquist and A. E. (Bert) Sargent were named as directors.

Defense Committee

H. R. Young, Arlington, president of the Iowa Bankers Association, and 15 other Iowa bankers have been

named to an Iowa committee to cooperate with the national defense loan committee of the American Bankers Association.

Other members are:

H. E. Simon, Burlington; S. E. Coquillette, Cedar Rapids; M. W. Ellis, Charles City; E. M. Warner, Clinton; B. A. Gronstahl, Council Bluffs; V. O. Figge, Davenport; D. W. Ernst, Dubuque; H. O. Lovett, Fairfield; E. A. Ebersole, Keokuk; M. C. Berkley, Marshalltown; Fred C. Heneman, Mason City; Max von Schrader, Ottumwa; R. R. Brubacher, Sioux City; C. S. McKinsty, Waterloo; Herbert L. Horton, Des Moines.

Mr. Horton also is a member of the national defense loan committee of the Reserve City Bankers Association.

The Iowa committee was invited to meet in Chicago recently with committees from other states in the seventh federal reserve district to discuss plans.

Aurelia Banker Dies

Funeral services were held recently at Aurelia for George Lamm, 36, prominent banker there, who was found dead in his bed.

Mr. Lamm had only been ill for a

Opened for Business October 15, 1934

Statement of the

IOWA STATE BANK & TRUST COMPANY

Iowa City, Iowa

DECEMBER 31, 1940

RESOURCES

Cash and Due from Banks.....	\$1,127,838.53
U. S. Bonds.....	171,175.00
Other Bonds and Securities.....	122,176.19

CASH OR ITS EQUIVALENT.....	\$1,421,189.72
Loans and Discounts.....	1,655,654.95
Overdrafts	115.21
Banking House.....	53,300.00
Furniture and Fixtures.....	13,200.00
	<hr/>
	\$3,143,459.88

LIABILITIES

Capital Stock.....	\$ 100,000.00
Surplus and Undivided Profits.....	119,695.31
Reserve for Interest.....	753.70
Deposits	2,923,010.87
	<hr/>
	\$3,143,459.88

■ ■ ■

OFFICERS

BEN S. SUMMERWILL, President
DR. E. M. MACEWEN, Vice President
M. B. GUTHRIE, Cashier
W. F. SCHMIDT, Ass't Cashier
M. E. TAYLOR, Auditor
W. W. SUMMERWILL, Credit Mgr.

DIRECTORS

DR. E. M. MACEWEN GEORGE J. KELLER
R. J. BASCHNAGEL M. B. GUTHRIE
GEORGE A. THOMPSON GUY A. STEVENS
BEN S. SUMMERWILL

Member of Federal Deposit Insurance Corporation

Northwestern Banker January 1941

short time, and his death came as a shock to the entire community. He was assistant cashier of the First Trust and Savings Bank.

Dividend

The depositors' trustees of the First National Bank in Creston have announced they are prepared to pay their ninth dividend, amounting to approximately \$20,000.

Since the trustees were appointed in March of 1933 full payment has

been made to 1,100 smaller depositors and all other depositors have received 92½ per cent of their original deposits.

To Waukon

Leo Samek assumed duties as teller in the Waukon State Bank, succeeding Miss Meta Fasse, who resigned after 15 years' service with the bank. Miss Fasse held the position of assistant cashier. Mr. Samek has had nine years' experience in banking,

having been associated with West Union and Oelwein banks nine years, from 1922 to 1931.

Dividends

A 20 per cent stock dividend on Central National Bank and Trust Co., Des Moines, common stock has been announced by W. J. Goodwin, president and chairman of the board of directors.

Holders of common stock will receive one new share for every five shares held. Par value of the stock is \$100 a share.

At the same time it was announced that a \$2 cash dividend would be paid to stockholders as of December 30.



Fifty-nine Years of Personal Service to Correspondent Banks

Members, Federal Deposit Insurance Corporation

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

Northwestern Banker January 1941



W. J. GOODWIN

The dividend will be paid on the expanded amount of common stock, and represents a semi-annual payment to stockholders.

The total amount of common stock, by this move, will be increased from \$550,000 to \$660,000. At the same time, it was announced, preferred stock held by the Reconstruction Finance Corporation is being paid off in a like amount, to reduce the total from \$450,000 to \$340,000.

Thus the bank's capital remains at a million dollars.

To Brenton Bank

William Zunkel, cashier of the Decatur County State Bank, announced

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

recently, that effective February 15, he will become executive head of a new bank that is being opened by the W. H. Brenton Banking Company.

Brenton's are purchasing a new bank.

Robert Garlock, who has been assistant cashier for the past five years of the Decatur County State Bank, has accepted a position with the Dallas County State Bank at Adel, which is also owned by the W. H. Brenton Banking Company.

Addresses Finance Convention

"Continuation of the present war will have both good and bad effects on the automobile finance business," David B. Cassat, Dubuque, Iowa, told



DAVID B. CASSETT

the Iowa Association of Finance Companies at Hotel Fort Des Moines last month.

Mr. Cassat, president of the Interstate Finance Co., listed as the unfavorable prospects personnel difficulties, curtailment of automobile production and heavily increased taxes.

He cited world war days when finance companies lost many employees to war industries where inflated wage scales prevailed. He forecasts a return of that condition.

Cassat predicted that if the war continues at its present level, the supply of steel will be limited for car production and plants will be shifted to the manufacture of war needs. He pointed out that in 1918 the output of new cars was cut nearly one-half as compared to 1917 production.

War taxes which finance companies

will be required to pay out of profits was another unfavorable prospect Cassat named. He said that under present competitive conditions, the companies could not pass the increased taxes on to the public.

As favorable features, the speaker listed larger consumer income, improvement in car prices and resultant rise in value of collateral back of outstanding notes, and increased car production to follow cessation of the war.

Mr. Cassat stressed the point, that the automobile always will remain

first on the list of things every family wants, and that there will be a great rush of car buying if the war continues long enough to cut production seriously.

Board Meeting

The board of directors of the Wellman Savings Bank held their regular monthly meeting recently. Previous to the meeting they were hosts to their wives at a steak dinner.

Following the dinner the ladies at-

Over Sixty Years of Service

STATEMENT OF CONDITION AS OF DECEMBER 31, 1940

Resources

Loans and Discounts.....	\$1,993,228.83
Bank Building.....	110,000.00
Furn. & Fix. and Safety Deposit Vaults.....	20,280.59
Other Real Estate.....	7,000.00
Stock in Federal Reserve Bank.....	13,500.00
Overdrafts.....	1,537.09
U. S. Bonds.....	\$ 183,269.00
Municipal Bonds	
Due 1941-1946.....	1,429,871.63
Other Marketable Bonds.....	544,302.55
Cash and Exchange.....	2,587,478.34
	<hr/>
	\$6,890,468.03

Liabilities

Capital (Common).....	\$ 300,000.00
Surplus.....	150,000.00
Undivided Profits and Reserves (Net).....	121,375.56
Dividend Payable Jan. 2, 1941.....	12,000.00
Deposits.....	6,307,092.47
	<hr/>
	\$6,890,468.03

UNION BANK & TRUST COMPANY OTTUMWA, IOWA

Member Federal Deposit Insurance Corporation
The Deposits Of Every Depositor In This Bank Are Insured Up To \$5000.00

Northwestern Banker January 1941

tended the theater while the men held their meeting.

Those present were Mr. and Mrs. Elmer Yoder, Mr. and Mrs. Toppan Johnson, Mr. and Mrs. Russell Winegarden, Mr. and Mrs. Ross Severt, Mr. and Mrs. Roy Durian, Mr. and Mrs. Clarence Rowe and Mr. and Mrs. Leo Durian.

National to State

The First National Bank of Peterson has suspended business, and in its

place is the Peterson State Bank. Following several months of correspondence, conferences and several examinations by representatives of the various banking departments and interested agencies, the First National Bank has received permission to voluntarily liquidate the bank as it was under the National Banking Department charter and set it up under a charter granted by the Iowa Banking Department.

At a meeting of the stockholders

final vote was taken to carry out the steps necessary to make this change. At a previous election the request of J. F. Fastenow, to be relieved of his duties as president, was acted on and A. W. Jones, a member of the board of directors, was named to succeed him.

Resigns

Karl G. Kalde, vice president of the State Savings Bank, Council Bluffs, resigned recently, the resignation to become effective January 1.

Mr. Kalde stated his plans for the future were indefinite.

Elected President

G. H. Clark, who has been cashier of the Commercial State Bank, Marshalltown, since its organization on May 15, 1935, was elected president of the institution at a regular meeting of the board of directors. Mr. Clark was first elected a member of the board to succeed Ole Stangeland who died on October 7 last, and then was elevated to the presidency. He also succeeds Mr. Stangeland as president of the bank.

In Ute State

W. A. Breen, of Howard, South Dakota, is the new assistant cashier at the Ute State Bank. Mr. Breen, who has had many years of banking experience in South Dakota, commenced his duties last month.

Mr. Breen takes the place of Orval Spahn who resigned to accept the cashiership of the First State Bank at Mapleton.

Postville Meeting

The wage and hour law as it applies to banks was the main topic of discussion at the meeting of Group 4 of the Iowa State Bankers Association held in Postville. There were 140 people in attendance from Allamakee, Clayton, Fayette and Winneshiek counties.

W. A. Kneeland of Postville, president of the Allamakee County Bankers Association, presided at the meeting and C. H. Megorden, vice president of the county group, gave the address of welcome.

Frederick L. Ludeman, Jr., of the wage and hour division for Iowa gave an address on "The Wage and Hour Law and Banks" and afterward answered questions propounded by those present.



The LIVE STOCK NATIONAL BANK

of Chicago

UNION STOCK YARDS

STATEMENT OF CONDITION

December 31, 1940

RESOURCES

Cash and due from banks	\$21,288,743.17
United States Government securities	2,558,898.56
State and municipal securities	591,611.89
Other marketable bonds	1,186,208.38
Loans and discounts	6,144,006.36
Federal Reserve Bank stock	75,000.00
Bank building	450,000.00
Furniture and equipment	1.00
Interest earned, not collected	29,293.06
Current receivables and other assets	10,639.85
	<u>\$32,334,402.27</u>

LIABILITIES

Capital	\$ 1,000,000.00
Surplus	1,500,000.00
Undivided profits and reserves	128,196.88
Unearned discount	34,866.19
Deposits	29,671,339.20
	<u>\$32,334,402.27</u>

BOARD OF DIRECTORS

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

ROBERT J. DUNHAM
Investments

RICHARD HACKETT
*General Manager, Central
Manufacturing District*

ORVIS T. HENKLE
*Vice-President and General
Manager, Union Stock Yard
& Transit Co.*

ARTHUR G. LEONARD
*President, Union Stock Yard
& Transit Co.*

JAMES A. McDONOUGH
Investments, Providence, R. I.

WILLIAM J. O'CONNOR
*Ass't General Manager, Union
Stock Yard & Transit Co.*

DAVID H. REIMERS
*President, The Live Stock
National Bank of Chicago*

CLYDE H. SCHRYVER
*President, Chicago Merchandise
and Equipment Co.*

RALPH M. SHAW
Winston, Strawn & Shaw

THOMAS E. WILSON
*Chairman, Board of Directors
Wilson & Company*

SERVING AGRICULTURE AND INDUSTRY

Since 1868

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Dies in California

Harry Ashton Merrill, 86 died at Glendale, California, following a short illness. He was formerly president of the City National Bank at Mason City before moving to California about 15 years ago.

Check Transactions

Check transactions through Des Moines banks for 1940 totaled \$1,173,022,000 to set a new all-time high record for the city.

The 1940 figure beat a mark that had stood since check payments in Des Moines reached \$1,161,634,000 back in 1920.

The only other year that produced a check figure within hailing distance of last year's peak was 1937, when the total reached \$1,145,547,000.

The 1940 mark showed a gain of nearly 45 million dollars over the 1939 total—an increase which averaged nearly a million dollars a week.

It is notable also that 1940 was the sixth successive year that check payments have exceeded the billion-dollar mark.

Prior to 1935, only four times did Des Moines break into the billion dollar class in checking activities—1920, 1924, 1928 and 1929.

Although check transactions surpassed the 100-million-dollar mark during each of four months last year, the remaining eight months were consistently high, and the lowest monthly total was \$84,953,000 registered in February.

Dividend

Stockholders of the Newton National Bank will receive a 2½ per cent dividend for the six-month period ending December 31, 1940. The bank has a capital of \$100,000. Surplus funds total \$44,000 and undivided profits, \$22,327. Stockholders will hold their annual meeting January 14th.

Identified

Fred Hill, editor of the *Hamburg Reporter*, reports that a Hamburg citizen was traveling in California and ran short of money. He went to a bank to get a check cashed and, of course, was asked for identification. Finally he found in his pocket a receipt from the *Reporter* showing that he had paid his subscription in advance. The bank cashed the check. Other papers express their willingness to furnish their subscribers with similar means of identification if they will come in and pay up.

VALLEY SAVINGS BANK

DES MOINES

Statement of Condition
Close of Business December 31, 1940



RESOURCES

Loans and Discounts	\$3,834,793.38
Other Bonds and Stocks	158,300.00
Overdrafts	83.08
Furniture and Fixtures	14,638.76
Customer Liability on Acceptances	8,180.90
Government Obligations, Direct and Fully Guaranteed	\$ 317,615.00
Municipal Bonds	253,451.04
Cash and Due from Banks	2,114,929.98
	<u>2,685,996.02</u>
	\$6,701,992.14

LIABILITIES

Capital Stock—Common	\$ 150,000.00
Surplus	200,000.00
Undivided Profits	105,466.88
Reserves	62,634.00
Unearned Discount	50,337.44
Bank Liability on Acceptances	8,180.90
Deposits	6,125,372.92
	<u>\$6,701,992.14</u>

OFFICERS

Frederick M. Morrison, President
Winfield W. Scott, Vice President
J. R. Astley, Cashier
Edward P. Kautzky, Assistant Cashier
Marvin L. Payne, Assistant Cashier
Frank M. Thompson, Assistant Cashier

DIRECTORS

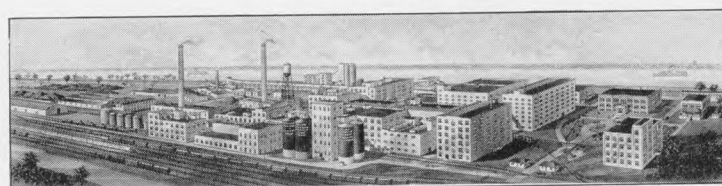
Walter P. Davis
Lucius W. Fitch
Harold J. Howe
Arthur S. Kirk
George Mahnke
Frederick M. Morrison
Winfield W. Scott
J. E. Tone
Allen Whitfield

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

CLINTON COMPANY

at Clinton, Iowa

Manufacturers of products from Corn, viz.: Syrups, Starches, Sugars, Oil and Feed



Interesting facts pertaining to this company's operations

Grinds upward of 6,500,000 bushels of corn annually which requires about 130,000 acres of corn land to produce.
Coal consumed—500 tons daily.
Railroad cars—130 cars switched daily.
Water used daily—15,000,000 gallons (sufficient to supply a city of 100,000 population).
Number of employees—1,000.
Wages paid annually—\$1,500,000.00.
Finished products; 365,000,000 pounds produced annually.

The CITY NATIONAL BANK

CLINTON, IOWA

Member of the Federal Deposit Insurance Corporation, Washington, D. C.

Northwestern Banker January 1941



J. A. SARAZEN

IOWA NEWS

FROM HERE AND THERE

By J. A. Sarazen, Associate Editor

MISS Lyla Wehrle, secretary to O. D. Ellsworth, cashier, Dallas County State Bank, Adel, has accepted a position as secretary to the executive officer of the First National Bank of the Black Hills, Rapid City, South Dakota.

The **First State Bank, Battle Creek**, has increased the capital of the bank from \$10,000 to \$30,000, effective the

first of the year. This was accomplished by declaring a 200 per cent stock dividend. Surplus and undivided profits are nearly \$10,000.

F. W. Kemp, cashier, Farmers Savings Bank, Danbury, was elected to the board of directors to succeed C. R. S. Anderson who passed away last October 19th. **Mrs. C. R. S. Anderson** was elected vice president to succeed

her husband. The bank paid a regular dividend of 6 per cent to stockholders in 1940.

At the **Farmers State Bank, Schleswig**, officers report business very satisfactory. Deposits are up, loans and discounts are holding about the same and profits for 1940 will be about the same as the last few years.

We received the following letter from **P. W. Claussen**, cashier, Farmers State Bank, Ricketts, a few days ago: "I regret to advise that our vice president, **Fritz Gierstorf**, passed away December 19th at the age of 63. He was a director of this bank since 1908 and vice president since 1926."

Mr. Gierstorf was an extensive farmer and cattle feeder. Death was caused by typhoid fever which also claimed the lives of his only son and daughter.

We noticed the following in a bank under the glass of a check counter: IT IS NOT BAD TO BE OLD, IF YOU CAN STILL GIVE BIRTH TO A YOUNG IDEA—NOW AND THEN—WITHOUT AID OF AN ANESTHETIC OR A SNIFFER OF SNUFF. HOW MANY IDEAS IN YOUR OFFICE CALL YOU PAPA?

Ray Bailey, president, Jasper County Savings Bank, Newton, tells us that his bank enjoyed a very good year in 1940. Demand has been very steady and deposits have held up very well. Banking hours here are from 9:30 a. m. to 3:00 p. m. every business day.

Walter Robinson, cashier, Newton National Bank, reports a good year for his bank. A regular 5 per cent dividend was paid to stockholders, the reserves increased and a 5 per cent bonus paid to employees.

Effective January 1st a reduction was made in interest rates from 2 per cent to 1½ per cent.

Visiting the **Templeton Savings Bank**, we found that it had moved across the street to much improved quarters. A building formerly occupied by a bank was secured through a trade of buildings and a cash consideration.

Joyce Rushenberg joined the bank as teller and bookkeeper, succeeding Leona Schreck, daughter of the cashier, after her marriage.

Statement of the **Farmers Savings Bank, Princeton**, emphasizes its 32nd anniversary. Also, during the depression, 1933, deposits were \$214,000 and now are a half-million.

CONDENSED STATEMENT

FIRST NATIONAL BANK IN ST. LOUIS

At the Close of Business, December 31, 1940

RESOURCES

Loans and Discounts	\$ 68,751,581.59
U. S. Government Securities	56,438,880.57
Other Securities Guaranteed by U. S. Government	25,020,217.37
Other Bonds and Stocks	9,032,191.62
Stock in Federal Reserve Bank	426,300.00
Banking House, Improvements, Furniture and Fixtures	522,513.62
Other Real Estate Owned	1,721,782.01
Customers' Liability a/c Letters of Credit, Acceptances, etc.	403,859.23
Accrued Interest Receivable	559,771.91
Overdrafts	3,163.58
Other Resources	6,026.16
Cash and Due from Banks	147,186,709.90
	<u>\$310,072,997.56</u>

LIABILITIES

Capital—Common	\$ 10,200,000.00
Surplus and Profits	9,027,560.32
Dividend Declared, Payable February 28, 1941	240,000.00
Reserve for Taxes, Interest, etc.	240,461.05
Unearned Discount	238,208.02
Liability a/c Letters of Credit, Acceptances, etc.	438,660.63
Individual Deposits	\$136,356,165.69
Savings Deposits	32,847,061.42
Bank Deposits	114,406,859.61
City of St. Louis and Other Public Funds	6,078,020.82
Total Deposits	<u>289,688,107.54</u>
	<u>\$310,072,997.56</u>



Broadway • Locust • Olive

Member Federal Deposit Insurance Corporation

The **State Savings Bank, Fontanelle**, pays 2 per cent interest, except all sums in excess of \$1,500 in any individual savings account shall bear interest at the rate of 1½ per cent per annum, compounded semi-annually.

Carroll banks are now closing at noon on Saturday.

The **Guthrie County State Bank**, Guthrie Center, has increased the capital stock from \$30,000 to \$50,000 by declaring a 66% per cent stock dividend. Deposits here are well over \$1,000,000. Two per cent interest is paid on 12 months C. D.s and 1½ per cent on 6 months C. D.s and savings.

Jefferson banks are now open to the public from 9:30 a. m. to 3:00 p. m. every working day of the week. When it was necessary for these banks to make a reduction in their hours last Fall, an excellent bulletin was issued explaining the reason to the public. We take the liberty of suggesting to banks thinking of shortening their hours to secure one of these bulletins.

A card, about the size of a post card, imprinted as follows, is being distributed by the **Farmers & Merchants State Bank, Winterset** — CATTLE LOANS! Special Low Rates. None Lower. No stock to buy and no delay or red tape in closing the loan. You get all the money you borrow and you get it AT ONCE. Establish your credit for the future by borrowing at this Home Bank.

The **Arthur Trust & Savings Bank** remodeled the tellers cages into the new low type. This bank is now open from 9 to 3, taking one hour off at noon.

The **Odebolt State Bank** celebrated its sixth anniversary on December 5th, and let the people of the community know it with a full page advertisement in the local newspaper. It tied in with the Christmas season and thanked the people of the community for their patronage. The steady growth of the bank was emphasized and deposits of over \$600,000 were stressed.

Walter Buenneke, cashier, Iowa Savings Bank, Coon Rapids, advises his farmer customers to seal their corn, take the difference in the amount they receive by sealing and the amount which would be received if sold on the market today, place it out of reach, and wait and see what

the market does. Thus, he has a little nest egg put away to build that new corn crib if it is necessary to do so.

Temporary Quarters

The **Lone Tree Savings Bank**, which has been doing business since the fire in the room behind the Benteco store, moved recently to their new temporary building around their old vaults at their former location.

The bank has been operating under difficulties since the fire, having

to carry the books and money from their vaults to their temporary location each morning and evening, and will now be in a position to operate much more conveniently.

A plank sidewalk, with railings on each side, has been built around the old bank location, so that pedestrians can get from DeVoe street to Commercial street, and vice versa, without the necessity of leaving the sidewalk and walking around the corner in the street proper.

THE NORTHERN TRUST COMPANY

CHICAGO



Statement of Condition

At the close of business, December 31, 1940

RESOURCES

Loans and Discounts.....	\$ 44,500,036.86
U. S. Government Securities.....	110,454,878.15
<i>(Including \$7,000,000.00 pledged to secure deposits of Public monies as required by Law)</i>	
Other Bonds and Securities.....	103,154,197.13
<i>(Including \$500,000.00 deposited with State Authorities under Trust Act)</i>	
Federal Reserve Bank Stock.....	270,000.00
Bank Premises.....	1,400,000.00
Customers' Liability, Account Letters of Credit and Acceptances.....	396,575.83
Other Resources.....	521,480.00
Cash and Due from Banks.....	161,903,069.08
TOTAL.....	\$422,600,237.05

LIABILITIES

Capital Stock.....	\$ 3,000,000.00
Surplus Fund.....	6,000,000.00
Undivided Profits.....	4,894,956.40
Reserve for Taxes, Interest, etc.....	10,772,027.07
Dividend Payable January 2, 1941.....	135,000.00
Letters of Credit and Acceptances Outstanding..	475,432.18
Other Liabilities.....	89,873.61
Deposits:	
Demand.....	\$314,647,090.27
Time.....	82,585,857.52
TOTAL.....	397,232,947.79
TOTAL.....	\$422,600,237.05

Member Federal Deposit Insurance Corporation

Northwestern Banker January 1941

Assistant Vice Presidents

A. H. Hiegel and Fred Gruenwald have been promoted from assistant cashiers to be assistant vice presidents of the Davenport Bank & Trust Co., it was announced following action by the board of directors.

Both men started in the banking field with the old Citizens' National Bank of Davenport, which later merged with the German Savings Bank, the name of which changed some years thereafter to the American Savings Bank & Trust Co. They have been officers of the Davenport Bank & Trust Co., since it was organized in 1932.

To Cedar Rapids

W. C. Zeman, formerly manager of the office at Dedham for the Commercial Savings Bank of Carroll, resigned that position last month and is now with the United State Bank of Cedar Rapids. Mr. Zeman has had about sixteen years of banking experience, and started his banking career in Cedar Rapids.

"See him? He's going through college by caring for a baby."

"Lucky guy. I got kicked out for the same reason."

NEWS AND VIEWS

(Continued from page 12)

to the president) is cashier. The next time you are in the Field Building drop in and see this latest and most modernistic bank.

A. M. Wright, treasurer of the Harvard Trust Company, Cambridge, Massachusetts has sent us a series of "statement stuffers" for 1941 which are going to nearly 12,000 commercial customers each month.

To our minds this series is about as clever and interesting as we have seen and each one covers some particular industry which is located at Cambridge, and tells the story of this particular manufacturing organization very briefly and to the point being headed "From Cambridge" and then discusses the particular product manufactured.

If you haven't seen this series we are sure Mr. Wright will be glad to send them to you.

David Reimers, president of the Live Stock National Bank of Chicago made our holidays very happy by sending a de luxe specially prepared pre-cooked ham which was most delicious and delectable.

Here is a pleasant way to die—for an oyster—at least it seemed so to us as we read this description on a menu recently: "Lulled to sleep and deluded into a false sense of security by the soothing undulation of the waves, these gentle, happy, plump little mollusks little suspected that dark treachery would one day send them skimming across the country to this metropolis—yet today, here they are, resigned to their fate and bravely determined to be happy to the last."

Just to prove that the **University of Nebraska** students are good financiers, each one of them was allowed to purchase 6 tickets for the **Rose Bowl** game. A number of students purchased their quota, then got in their jalopies, drove out to Pasadena, sold the other 5 tickets at prices ranging in the stratosphere and thus paid practically all of their expenses. The original cost of the tickets was \$4.40 each and the sale price was in the clouds.

Stephen H. Fifield, vice president of the Barnett National Bank of Jacksonville, Florida and immediate past president of the Financial Advertisers Association remembered us with a beautiful box of "**Sammy Jay**" fruit from the southland for a Christmas greeting.

The box was filled full of oranges and grapefruit, but we were glad that we received **no lemons**.

C. H. Wetterau, vice president and trust officer of The American National Bank of Nashville, Tennessee sent out a very interesting Christmas Greeting and gave a little historical back ground as to the first American Christmas which he says was celebrated **December 25, 1492 at Bohio on the Island of Hayti** by **Christopher Columbus** and the crews of two of his ships, the **Menia** and the **Santa Maria**. Columbus was the only member of his party who received gifts that day. **December 25, 1620** the Pilgrims celebrated their first Christmas at Plymouth, Massachusetts aboard the **Mayflower**, with a Christmas dinner of bacon, fish, gooseberry tarts and plum pudding.

Fred A. Irish sent us his annual jar of North Dakota White Clover Honey which is always most useful. But with it this year he sent a recipe for "**Bees Knees**" which is as follows: "Mix equal parts of honey and lemon juice (at least 6 hours before using.) To the above mixture, add equal amount of gin; ice, and shake well."

Wessling Services

You can edit the New 1941 Wessling Publicity Program to suit your own local situation exactly.

D. R. WESSLING, PRESIDENT

Bank advertising can be made to pay dividends. Write for particulars about the New 1941 Program.

Des Moines, Iowa

Out-of-Town Banks

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

CITY NATIONAL BANK

AND TRUST COMPANY of Chicago

208 SOUTH LASALLE STREET

(Member Federal Deposit Insurance Corporation)

• IOWA NEWS •

If later on your "knees shake," don't blame it on the bees.

Russell Lundy, president of the Mutual Surety Company of Iowa, was presented with the Charles Johnson "most valuable man award" given by the Advertising Club of Des Moines each year to the individual who has done the most outstanding work for the organization.

During the past year Mr. Lundy organized the **Better Business Bureau**, and has been exceptionally successful in that endeavor.

J. Mills Easton, advertising manager of the Northern Trust Company of Chicago, sent out a very beautiful "Lincoln Memorial Trail" map as a Christmas souvenir of the officers and directors of his bank, of which **Solomon A. Smith** is president. This is one of the most interesting historical maps which we have seen.

Frank Warner, secretary of the Iowa Bankers Association, has just sent out the bound volume of the Proceedings of the 54th Annual Convention.

As usual, it shows Secretary Warner's careful arrangement, and is complete with interesting banking information which can be referred to from time to time during the year.

Marvin R. Selden, vice president of the Merchants National Bank of Cedar Rapids, in a recent communication to us says that we made a mistake in listing some of the gentlemen shown in a picture of "the Merchants National Bank in 1903", which appeared on page 62 of our January, 1940 issue.

In referring to this Mr. Selden said:

"Dear Cliff:

"Let's have a real test as to how long bankers keep the NORTHWESTERN BANKER on file for immediate use.

"Please refer to your issue of January, 1940, in which you published the picture of the force of the Merchants

National Bank in 1903. A lot of fine banking intelligence is represented in this picture, which us younger fellows are now glad to recognize, with the passing of time.

"Just recently, it has come to my attention that there has been a great injustice done. In this important picture was a likeness of **H. G. Morrison**, cashier of the First National Bank, Peterson, Iowa, just recently changed to the Peterson State Bank. Herb is a modest fellow and I am in favor of letting it be known that he is the fourth from the left, between **George F. Miller**, now in our bank, and 'Cap' Putnam, formerly, cashier, with his bow tie in perfect order, ready for the banking duties of the day. I am sure the NORTHWESTERN BANKER wants to give recognition to this case of mistaken identity."

Who said that banking is a strenuous life.

One bank at which we called recently has a **board of directors one-half of whom are 80 years of age or older**. One of the directors is 94 years of age.

Stanley Maley, vice president of the First National Bank of Lincoln, has

a boy **Stanley Maley, Jr.**, who graduated from Culver last year and is a freshman at the University of Nebraska. It is needless to say that the junior member of the family attended the Rose Bowl game on January 1st at Pasadena.

M. Plin Beebe, well known banker of Ipswich, South Dakota calls our attention to the chorus of a song which they sing at various South Dakota bankers' meetings and which is as follows:

Oh, Iowa sings about her corn,
That grows so big and tall;
They buy their seed from old S. D.
Or they wouldn't have corn at all.

Oh, the Sunshine State of old S. D.
She sure is right up front,
We raise seed corn for Iowa,
And, Boys, that's sure some stunt.

Minnesota's got ten thousand lakes,
And, boys, that's surely fine;
But you can't raise corn in the middle
of a lake,
And corn is where we shine.

Ill-i-noy has got a lot of coal
For to keep us warm,

SECURITY NATIONAL BANK

SIoux CITY, IOWA

Statement of Condition December 31, 1940

ASSETS

Cash on Hand and on Deposit with Banks	\$3,803,969.36
United States Government Securities	572,557.76
Bonds and Securities	35,433.80
Loans and Discounts	3,387,543.15
Security Bank Building, Vault and Fixtures	162,500.00
Federal Reserve Bank Stock	14,550.00
Other Assets	1,147.19
	<hr/>
	\$7,977,701.26

LIABILITIES

Capital	\$ 250,000.00
Surplus	235,000.00
Undivided Profits and Reserves	18,327.08
Deposits	7,474,374.18
	<hr/>
	\$7,977,701.26

Member Federal Deposit Insurance Corporation

Lowest Cost

Our policy provides a maximum assessment of 2½% in Zones One and Two—and 3½% in Zone Three (Western Iowa).

Hawkeye Mutual Hail Insurance Association
Carver Bldg. Fort Dodge, Iowa

But they fill their plate from the Sunshine State
When it begins to storm.

J. M. Sorensen, executive vice president of The Stephens National Bank at Fremont, Nebraska really likes the colored frontis pages which appear in the *NORTHWESTERN BANKER* every month.

In a recent letter to us he said: "Thanks a million for sending me the extra copy of the picture which appeared in your last issue of the *NORTHWESTERN BANKER*."

"I think **Henry Haynes** is to be congratulated on his good judgment of

art. I turn to the picture each month and look at it first. They are all good; some of them are exceptionally good and this one, to my notion, is a 'jimdandy.' Every time I look at it I get a kick out of it. I am going to frame one of them and hang it in my den.

"Tomorrow morning the gang will have coffee between 9:30 and 10:00 o'clock, and I expect to ascend from the 'dog-house to the pent-house' and rest assured that you are going to get credit.

"Keep up the good work."

During the past year the *NORTHWESTERN BANKER* has been running a series of advertisements for the Iowa Investment Bankers Association which have attracted wide attention throughout the country. In a recent issue of the *Financial Reporter* published in New York one of these advertisements was reproduced and had to do with "Electricity" showing the amount of power used in Iowa.

In connection with this advertisement the *Financial Reporter* said: "We reproduce the above advertisement from the *NORTHWESTERN BANKER* of Des Moines because we find it interesting both in conception and execution. We are certain the brokers and dealers will be similarly interested."

We heard of a **wealthy Nebraska cattle man** who went to New York not long ago and got so tired of "buying his hat back" from the beautiful hat check girls that he purchased a cap and whenever he entered a night club or any other spot where he had to have his hat checked, he fooled them and just took his cap off and put it in his pocket and saved all those tips. We did not see his financial statement after he was through, but no doubt it helped to pay for a good deal of his expenses.

CONSUMER CREDIT OPERATIONS PROFITABLE

(Continued from page 56)

criticism and often unwise legislation and any misrepresentation or deception as to bank rates will make a reputable bank responsible for lending practices of those who deceive the most. The small loan field is especially attractive to deceit and abuse due, no doubt, to the economic weakness of the average borrower. The rates charged on installment loans in this country vary from three to six per cent discount, making approximately

a return to the bank of six to twelve per cent on the unpaid balance. There is danger that the rate may be too low in some cases on account of competition and a lack of knowledge or a disregard of cost of operation.

There is nothing difficult or mysterious about consumer credit or installment loaning. It is not difficult from a credit standpoint. It requires a lot of hard work and attention to details. It is retail credit and it must be merchandised and it will take a great deal of effort to secure a volume which will make the business profitable. The easiest way to secure this paper is from dealers who sell automobiles, household equipment or other merchandise. It is difficult to secure automobile paper in any volume from dealers for the reason they have very well established connec-

MERCHANTS MUTUAL BONDING COMPANY

Incorporated 1933

Home Office
VALLEY BANK BUILDING
Des Moines, Iowa

This is Iowa's oldest surety company.

A progressive company with experienced, conservative management. We are proud of our hundred and fifty bank agents in Iowa.

To be the exclusive representative of this company is an asset to your bank.

Write to
E. H. WARNER
Secretary and Manager

DES MOINES BUILDING-LOAN & SAVINGS ASSOCIATION

Oldest and Largest in Des Moines

411 6th Ave. Dial 4-7119

ELMER E. MILLER **HUBERT E. JAMES**
Pres. and Sec. Asst. Sec.

Member Federal Home Loan Bank System

SAFETY IN INVESTMENT

Accounts Insured Up To
\$5,000.00



350 Cedar St. St. Paul, Minn.

A Good Return with Insured Safety

Surplus funds of corporations, estates and individuals invested here earn 3 per cent (our current rate) and are **INSURED**, up to \$5,000, by a government instrumentality.

Twin City Federal

Savings and Loan Association
801 Marquette - Minneapolis
Est. 1923 Resources \$13,000,000

EMPLOYERS MUTUAL CASUALTY COMPANY DES MOINES

An Agency Company — Assets Over \$4,000,000

- Automobile Insurance
- Workmen's Compensation
- General Liability
- Elevator Insurance
- Plate Glass Insurance

• IOWA NEWS •

tions with finance companies which they hesitate to discontinue. The most inexpensive way to secure direct loans is probably through newspaper advertising. I think probably the most effective way is by circular letter and personal solicitations.

Our installment loan department in our bank started October, 1935. In this department we handle all the installment loans except FHA Title II loans. It took about two years before we were fully convinced that this business was desirable and that there was sufficient volume. At the end of five years we have a volume of approximately \$400,000 outstanding to over sixteen hundred borrowers. This total includes approximately 150,000 FHA Title I loans. About fifty per

cent of our volume is dealer paper.

We have made FHA Title I loans since the law first went into effect. Our experience with these loans has been very satisfactory and our losses nominal. In most cases we take security on the property improved. We do not relax our credit standards on these loans merely because of the FHA guaranty, which as you know is 10 per cent of the volume. Our experience on other installment loans has been equally good. In five years we have had four repossessions of automobiles with a loss of approximately \$67.00. We find that we have more delinquencies in contracts on radios and household equipment. Our installment loan department has a sample of nearly every kind of loan available in the State of North Dakota.

We make loans on automobiles up to twenty-four months. Other installment loans are usually not longer than twelve months. Refrigerator and FHA Title I loans are made up to thirty-six months. We try to make car loans with as little delay as possible, because a purchaser usually is in a hurry to secure the car after he decides to buy and quick service is appreciated. We require insurance, comprehensive and collision with \$50 deductible. We have the title certificate issued showing our mortgage and we retain the title certificates in our files. We retain a dealer's reserve on paper purchased. When we buy paper from a dealer we write the purchaser a letter giving him notice that we have the contract, the amount of the contract, amount of the payments, due date, the make, year, model, motor and serial number and request that he advise us of any discrepancy. We also enclose a coupon book for his convenience in making payments and advise him that payments must be made promptly on due dates.

We rarely have any trouble with new car paper; we have learned that if the first four payments are made promptly there will be little trouble with the contract. We think that special effort or even expense in encouraging the prompt payment of the first four payments is advisable. In making loans direct we can select better risks than the mine-run paper from dealers. We have discontinued handling payments as deposits to savings; payments are now applied to reduce the balance of the obligation, but not endorsed on the note. The liability card is the record and the customer has the receipt or record in his coupon book. With coupon books notices

of maturity of payments are not necessary.

Our problem is to keep up our volume. Our loans are liquidating at approximately \$25,000 per month. We advertise in our newspapers, use blotters and stuffers and circular letters. Personal solicitation especially of FHA Title I loans, has brought in a worthwhile volume of business. The fact that a loan is made under the Federal Housing regulations seems to have a good moral effect on the borrower. We have made over a half million dollars in FHA Title I loans and losses which have been paid by

LEGAL INVESTMENT For INSURANCE COMPANIES

Accounts Insured up to \$5,000

Convenient . . . Safe

3%

(Current Rate)

St. Paul Federal Savings & Loan Association

Axel A. Olson, Sec'y-Mgr.
4 East Fourth St., ST. PAUL, MINN.



—our Federally Insured up to
\$5,000 savings accounts are
the solution to your invest-
ment and trust problems.
Current dividend 3½ percent.

Statement on request.

904 Grand Avenue
Des Moines, Iowa



THE keen executive equips his clerical force with G-F Goodform chairs of aluminum. He knows it's good business to keep his office help comfortable and relaxed.

KOCH BROTHERS
PRINTERS - BOOKBINDERS - OFFICE OUTFITTERS
STATIONERS - BUSINESS MACHINES
GRAND AVENUE AT FOURTH



Iowa's Largest Business Training School

Many banks, bond-houses, insurance companies and other financial institutions employ A. I. B. graduates. Write or telephone when you need efficient office employees.

E. O. FENTON, President
American Institute of Business
DES MOINES
10th and Grand Tel. 4-4203

Northwestern Banker January 1941

the Federal Housing Administration to date amount to approximately \$1,500.

Many of the writers on the subject of installment or consumer loans seem to think that a volume of about \$250,000 is necessary in order to make an installment loan department profitable. Recently I read about a small bank in a town of about one hundred people in West Virginia which had a volume of \$150,000 in installment paper.

During the past four years, we have been convinced that "Time Payment Loans" are reasonably safe and more desirable than the average commercial or chattel loan. In order to secure a volume of this business, you will have to become a merchandiser of credit and go out after the business. You cannot wait for the borrowers to come to you. You should advertise in various ways to make sure that the people in your community will think of your bank when they are buying anything on time. It means hard work, interviewing hundreds of applicants, sympathizing with them, and teaching them that even a poor man, if he is honest and has an income, can have bank credit.

Chemical, New York

In its statement for December 31st, the Chemical Bank & Trust Company reported deposits of \$871,655,101, an increase of \$134,550,809 over December 30, 1939, and total assets of \$958,388,741 compared with \$824,327,174 a year ago. Cash on hand and due from banks amounted to \$412,508,661 as compared with \$391,152,269; United States government obligations to \$219,030,694 against \$170,359,459; bankers' acceptances and call loans to \$37,663,398 against \$39,844,637; and loans and discounts to \$124,870,570 against \$121,540,434.

Capital remained unchanged at \$20,000,000, and surplus at \$50,000,000. Undivided profits were \$7,904,714, an increase for the year of \$1,160,660 after the usual annual dividends of \$3,600,000 (\$1.80 per share). The indicated net earnings on the bank's 2,000,000 shares (par \$10) amounted to \$2.38 per share for 1940, as compared with \$2.36 per share for the preceding year.

Increased Earnings

Net earnings of \$332,005.32 for the year 1940 have been reported by the American National Bank and Trust Company of Chicago. This figure rep-

resents net operating profit after payment of dividends on preferred stock, and after provisions for reserves, taxes and contingencies.

The 1940 net earnings represent \$33.20 per share on the common stock of the bank, compared with \$29.56 per share in 1939 and \$23.41 per share in 1938. Dividends of \$6 per share of common stock, totaling \$60,000, were paid during 1940.

In December the bank's surplus account was doubled by the transfer of \$1,000,000 from undivided profits and reserves, making the surplus \$2,000,000. Capital stock totals \$1,600,000, \$600,000 of this amount being in preferred stock; \$50,000 was also transferred during the year from undivided profits to preferred stock retirement fund.

Total deposits of the American National Bank show a substantial gain for 1940, increasing from \$69,611,149 at the beginning of the year to \$79,089,872 at the year-end. Demand deposits increased from \$57,690,992 to \$68,631,136, while savings deposits increased from \$5,400,405 to \$6,092,428. Resources of the bank now total \$84,433,856.

A substantial gain in loans and discounts was also revealed by the year-end statements, the total as of December 31st being \$21,399,701, compared with \$16,957,052 a year ago.

"Nineteen hundred forty has been a year of substantial progress for the American National Bank and Trust Company," Lawrence F. Stern, president, said in his report. In addition to the growth, as indicated by the statement and earnings figures, he points out several significant developments. "The lease covering the quarters occupied by us was revised on a basis much more satisfactory to the bank. The revised lease also gives the bank the immediate use of one additional floor in the building, and contains an option on three other floors which may be taken up as required by further growth."

Mr. Stern also comments on the Pension Plan which will be submitted to the bank's stockholders for approval at their annual meeting on January 14th. "The plan has been designed," Mr. Stern points out, "to set up a pension system which will, as early as possible and as fully as the earnings of the bank will permit in accordance with sound banking and business practices, provide adequate and proper pensions for officers and employees when they reach retirement age."

Daniel Peterkin, Jr., was added to the bank's board during the year, other directors being Arthur L. Blakeslee,

Entrance to all Points of Interest

New York's Popular

HOTEL LINCOLN

44TH TO 45TH STS. AT 8TH AVE.

OUR CHOICEST ROOMS From **\$3**

1400 ROOMS each with Bath, Servidor, and Radio.
★ Four fine restaurants awarded Grand Prix 1940 Culinary Art Exhibition.

MARIA KRAMER
PRESIDENT

John L. Horgan
Gen. Mgr.

HOTEL EDISON
SAME OWNERSHIP



IN THE CENTER OF MID-TOWN NEW YORK

IOWA NEWS

James R. Bremmer, L. Lewis Cohen, Weymouth Kirkland, Charles A. Liddle, Carl S. Lloyd, Lawrence F. Stern, Melvin L. Straus, Robert E. Straus, Edwin N. Van Horne, and H. Belin Voorhees.

Mr. Stern concludes his report with only this brief statement concerning the future, "The continued growth of our bank during 1940 indicates that it is occupying an increasingly important place in the business life of our community. Although I hesitate to make any general predictions in view of unsettled conditions, I believe that the coming year should be a satisfactory one for our bank."

Annual Meeting

At a meeting of the directors and stockholders of the Peoples State Bank, Batavia, all officers were re-elected. The meeting was held January 2nd at the bank.

New Money

The \$297,636,000 new money which savings, building and loan associations received during the third quarter of the year was 12 per cent greater than their third quarter, 1939, inflow from investors and savers, the United States Savings and Loan League reported. George W. West, president of the League, said that it also represented a seasonal upturn of some \$65,000,000 over the intake during the second quarter. July, which is a conspicuous month for investment changes, gives the third quarter of every year an edge over the three months preceding.

The September investments in these thrift and home financing institutions was \$75,249,000, which was 24 per cent greater than in 1939.

"Why do you keep going out with Janice?"

"Because I like to."

"Like to what?"

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SPRINGS**
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. . . Write for information
or reservations.

THE ELMS HOTEL

IN THE DIRECTORS' ROOM

Just a Hint

Smith: "What are you cutting that piece out of the paper for?"

Jones: "It tells about a case where a man got a divorce because his wife went through his pockets."

Smith: "What are you going to do with it?"

Jones: "I'm going to put it in my pocket."

Touch System

He: "I'm groping for words."

She: "Well, you didn't expect to find them around my waist, did you?"

Malpractice

An invitation to dinner had been sent to the newly-settled physician. In reply the hostess received an absolutely illegible letter.

"I must know if he accepts or refuses," she declared.

"If I were you," suggested her husband, "I should take it to the druggist. Druggists can always read doctors' letters, however badly they are written."

His wife followed his advice. The druggist looked at the slip of note-paper, went into his dispensary and returned a few minutes later with a bottle, which he handed over the counter.

"There you are, madam," he said. "That will be seventy-five cents."

It Makes You Wonder

Six year old Mary woke up about two in the morning. "Tell me a story, mamma," she pleaded.

"Hush, darling," said mother. "Daddy will be in soon and tell us both one."

Cautious

Boss: "How long do you want to be away on your honeymoon?"

Clerk (timidly): "Well, sir—er—how long would you say?"

Boss: "How do I know. I haven't seen the bride."

Tact

Judge O'Flaherty: "Haven't you been before me before?"

Prisoner: "No, yer honor. Oi never saw but one face that looked loike yours and that was a photygraf of an Irish king."

Judge O'Flaherty: "Discharged! Call the next case!"



'Tain't Fair

She (on the phone): "I'm afraid your dinner will be burned a little to-night, darling."

He: "What's the matter? Did they have a fire at the delicatessen?"

Just a Small One

Teacher (pointing to a deer at the zoo): "Johnny, what is that?"

Johnny: "I don't know."

Teacher: "What does your mother call your father?"

Johnny: "Don't tell me that's a louse!"

And How!

Willie: "What is the difference between capital and labor, Dad?"

Dad: "Well, son, the money you lend represents capital—and getting it back represents labor."

Or Ever Saw One

State's Attorney: "Are you sure this is the man who stole your car last Thursday?"

Much befuddled plaintiff: "Well, I was. Now after the cross-examination, I'm not sure I ever even owned a car!"

Once Enough

A father called up the newspaper to report the birth of twins. The news editor, not hearing clearly, said, "Will you repeat that?"

"Not if I can help it!" was the emphatic reply.

Easier Riding

A young woman walked into a railroad ticket office in Chicago and asked for a ticket to New York. "Do you wish to go by Buffalo?" asked the ticket agent. "Certainly not!" she replied, "I want to go by train."

No Wonder

Joe: "You look down-hearted, old man. What are you worried about?"

Bill: "My future."

Joe: "What makes your future seem so hopeless?"

Bill: "My past."

Why?

Mother: "What are the young man's intentions?"

Daughter: "Well, he's been keeping me pretty much in the dark."

No Hurry

Dot: "What would you do if you suddenly saw another man running away with me?"

Frank: "Why, I'd simply ask him why he was running."

Drastic Treatment

(Scratching): "How do you get rid of these awful cooties?"

"That's easy. Take a bath in sand and rub down in alcohol. The cooties get drunk and kill each other throwing rocks."

Alas, Poor Yorick!

When Mrs. Berg's expensive new fur coat was delivered to her home, she fondled it ecstatically for a time, and then looked sad for a moment.

"What's the matter, aren't you satisfied with it?" inquired her husband?

"Yes," she answered, "but I feel so sorry for the poor thing that was skinned."

"Thanks," said Mr. Berg.

Note This

There was an old girl of Genoa, I blush when I think what Iowa.

She's gone now to rest,

Which I think's for the best, Otherwise I would borrow Samoa.

Ask the Cat

Mother: "Stop asking so many questions. Don't you know that curiosity killed the cat?"

Small daughter: "Is that so? What did the cat want to know?"

A girl was driving in her new car when something went wrong with the engine. The traffic light changed from green to red and back to green and still she could not get the car to budge. The traffic cop came up.

"What's the matter, Miss?" he inquired. "Ain't we got colors you like?" like?"

"You say he's 94, never looked at a girl in his life, and doesn't smoke, drink or gamble?"

"Aye—Beats me why he wanted to live so long."



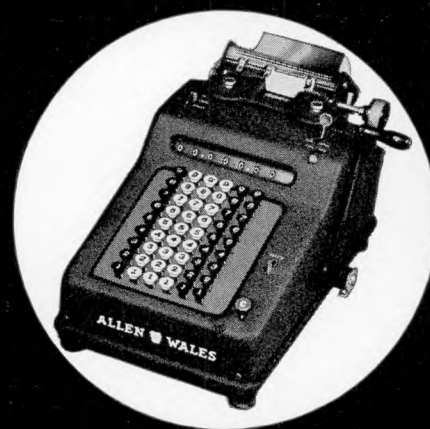
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Condensed Statements of Condition



December 31, 1940

December 31, 1939

RESOURCES

Cash and Due from Banks	\$21,415,291.23
*U. S. Government Securities	7,831,336.44
State, County and Municipal Securities	4,375,667.72
Federal Reserve Bank Stock	105,000.00
Other Bonds and Securities	226,225.86
Loans and Discounts	15,233,085.22
Interest Earned but Not Collected	123,025.54
Bank Premises	1,548,495.51
Furniture, Fixtures and Vaults	91,479.69
Overdrafts	2,102.38
Customers' Liability on Letters of Credit	10,150.00
	<u>\$50,961,859.59</u>

*\$2,885,192.28 U. S. Government Securities pledged to secure Public and Trust Department Funds.

LIABILITIES

Capital Stock, Common	\$ 2,500,000.00
Capital Stock, Preferred	None
Surplus and Undivided Profits	1,633,136.62
Special Reserves	191,292.91
Interest Collected but Not Earned	102,994.94
Letters of Credit	10,150.00
DEPOSITS	46,524,285.12
	<u>\$50,961,859.59</u>

RESOURCES

Cash and Due from Banks	\$17,801,694.11
*U. S. Government Securities	8,565,673.28
State, County and Municipal Securities	4,008,966.12
Federal Reserve Bank Stock	106,500.00
Other Bonds and Securities	322,518.98
Loans and Discounts	13,381,281.22
Interest Earned but Not Collected	120,295.25
Bank Premises	1,600,430.00
Furniture, Fixtures and Vaults	95,587.34
Overdrafts	3,188.68
Customers' Liability on Letters of Credit and Acceptances	18,889.95
	<u>\$46,025,024.9</u>

*\$4,164,237.67 U. S. Government Securities pledged to secure Public and Trust Department Funds.

LIABILITIES

Capital Stock, Common	\$ 1,750,000.00
Capital Stock, Preferred	1,250,000.00
Surplus and Undivided Profits	977,205.61
Special Reserves	277,851.25
Interest Collected but Not Earned	83,395.64
Letters of Credit and Acceptances	18,889.95
DEPOSITS	41,667,682.48
	<u>\$46,025,024.93</u>

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