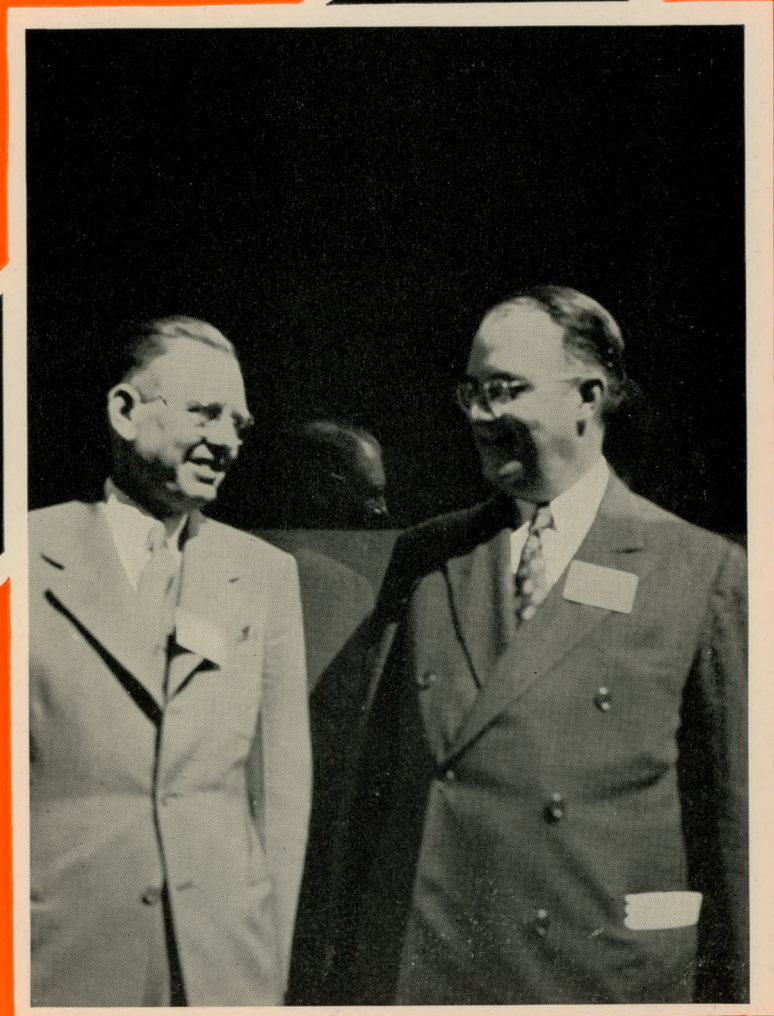


NORTHWESTERN

Banker

NOVEMBER

1941



A. T. DONHOWE, President
Des Moines

C. F. HARRIS, Vice President
Gladbrook

New Officers of the Iowa Bankers Association

Should Bank Profits Be Limited to 6%

Pages 11

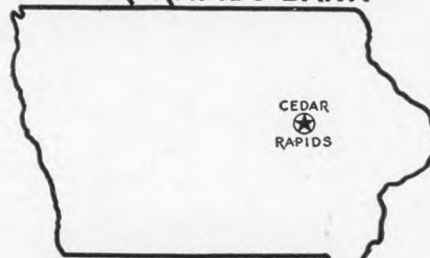


We have personalized the Merchants National Bank service in a manner which adds an important extra value for banks and bankers in the Middle West.

The Merchants National Bank correspondent service has but one goal—the thorough satisfaction of its clients.

We invite your account.

A CEDAR RAPIDS BANK



SERVICING ALL IOWA



MERCHANTS NATIONAL BANK

OFFICERS

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

Cedar Rapids Iowa

Member Federal Deposit Insurance Corporation



Northwestern Banker, published monthly by the De Puy Publishing Company, Inc., at 527 7th Street, Des Moines, Iowa. Subscription, 35c per copy, \$3.00 per year. Entered as second-class matter at the Des Moines post office. Copyright, 1941.



A constant contact with Iowa
Business and Agriculture
enables this institution to
provide an extremely broad
and helpful correspondent
service.

Iowa's Friendly Bank

CENTRAL NATIONAL BANK
and TRUST COMPANY ★ Des Moines, Iowa

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

Statement of Condition, September 30, 1941

RESOURCES

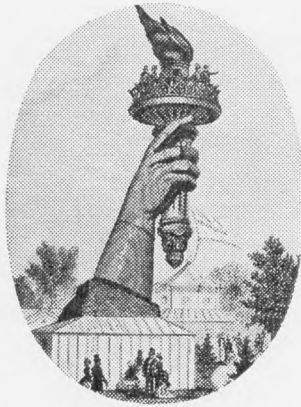
CASH AND DUE FROM BANKS	\$1,328,312,062.98
U. S. GOVERNMENT OBLIGATIONS, DIRECT AND FULLY GUARANTEED	1,339,079,397.32
STATE AND MUNICIPAL SECURITIES	147,777,770.45
STOCK OF FEDERAL RESERVE BANK	6,016,200.00
OTHER SECURITIES	190,199,465.15
LOANS, DISCOUNTS AND BANKERS' ACCEPTANCES	773,035,984.63
BANKING HOUSES	38,157,976.03
OTHER REAL ESTATE	6,949,255.23
MORTGAGES	8,829,843.13
CUSTOMERS' ACCEPTANCE LIABILITY	6,161,164.97
OTHER ASSETS	12,279,459.93
	<u>\$3,856,798,579.82</u>

LIABILITIES

CAPITAL FUNDS:	
CAPITAL STOCK	\$100,270,000.00
SURPLUS	100,270,000.00
UNDIVIDED PROFITS	<u>40,441,406.44</u>
	\$ 240,981,406.44
RESERVE FOR CONTINGENCIES	10,922,571.34
RESERVE FOR TAXES, INTEREST, ETC.	1,965,902.57
DEPOSITS	3,587,562,419.48
ACCEPTANCES OUTSTANDING	7,371,250.10
LIABILITY AS ENDORSER ON ACCEPTANCES AND FOREIGN BILLS	272,633.18
OTHER LIABILITIES	<u>7,722,396.71</u>
	<u>\$3,856,798,579.82</u>

United States Government and other securities carried at \$146,159,730.00 are pledged to secure public and trust deposits and for other purposes as required or permitted by law.

Member Federal Deposit Insurance Corporation



← The right forearm of the Statue of Liberty arrived first in this country in 1876 for display in the Centennial Exposition at Philadelphia.

It was then → removed to Madison Square Park on Fifth Avenue in New York (extreme right in picture). It remained there until 1884 while funds were raised for the base of the Statue.



The arm was returned to France for completion of the entire Statue which subsequently arrived at Bedloe's Island and was erected late in 1884. The raising of this symbol of liberty was considered quite an engineering feat in its day. Keeping its flame burning brightly to warm and encourage all lovers of freedom is the quiet determination of 130 million people.

Insuring Democracy

THROUGH good times and bad since 1853 this institution has been providing sound insurance protection to American property owners. We believe this entitles us to the claim that we know something about good insurance. Of all the forms of insurance that serve the individual none can compare with the finest kind of insurance that will serve us all—United States Defense Bonds. For the safest investment in the world—for insurance that will help safeguard our liberty—Buy United States Defense Bonds.

☆ THE HOME ☆
Insurance Company
NEW YORK

¶ The Home, through its agents and brokers, is America's leading insurance protector of American Homes and the Homes of American Industry

FIRE • AUTOMOBILE • MARINE INSURANCE



SAFETY DEVICES

that have changed the habits of a nation



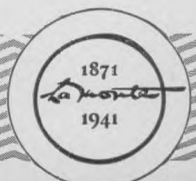
Some of the greatest inventions, though widely used, have been relatively "unsung." Take the Safety Match. Few of us know when it was invented or by whom, yet this ingenious device has performed an inestimable service — saving countless lives and millions of dollars. » » In 1871, nineteen years after the Safety Match was invented, George La Monte gave America its first Safety Paper. » » Here, too, is a product which filled an urgent need and performed a great public service. Introduced at a time when the nation's banks were suffering serious losses through check raising, La Monte Safety Paper served so effectively to stabilize this essential phase

of banking service, that it soon became America's standard of protection for checks and other negotiable instruments. » » Today La Monte Safety Paper is used and endorsed by more than 75% of the nation's leading banks and by outstanding corporations from coast to coast. » » And the ever-increasing popularity of this product has been, in no small part, due to the tireless research and experimentation pursued by its maker to keep pace with increasing demands for safety. » » Your Lithographer or Printer will gladly submit samples of La Monte Safety Papers and explain how you can have your own Trade Mark or individual design incorporated in the check-paper itself.



LA MONTE *Safety* PAPER

GEORGE LA MONTE & SON
Nutley New Jersey



NOVEMBER
1941

NORTHWESTERN *Banker* DES MOINES

FORTY-SIXTH YEAR

NUMBER 652

Oldest Financial Journal West of the Mississippi River

IN THIS ISSUE

Editorials

Across the Desk from the Publisher..... 8

CLIFFORD DE PUY
Publisher

RALPH W. MOORHEAD
Associate Publisher

HENRY H. HAYNES
Editor

J. STUART DAVIS
Associate Editor

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

NEW YORK OFFICE

Frank P. Syms
Vice President

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

MINNEAPOLIS OFFICE

Jos. A. Sarazen
Associate Editor

Telephone Hyland 0575

Feature Articles

Frontispiece 10
Should Bank Profits Be Limited to 6%?..... 11
News and Views..... *Clifford De Puy* 12
South Dakota—Twenty Years Ahead of the Parade..... *Millard G. Scott* 13
Nebraska Bankers in Omaha..... 14
Pictures at the Nebraska Convention..... 15
How Our Auditing System Improves Bank Operation..... *E. E. Wiemer* 16
News Notes from Nebraska..... *Henry H. Haynes* 17
Why We Refused Deposits..... *J. J. Krall* 18
Legal Department—Can A Gift or Trust Be Revoked?..... 21

Insurance

Can Your Prospect Tell You How Much Is Enough?..... *L. P. Schwinger* 23
Hold Annual Agency Convention..... 24

Bonds and Investments

The Month's Market Maneuvers..... *James H. Clarke* 25

State Banking News

Minnesota News 31
Twin City News..... 33
South Dakota News..... 35
North Dakota News..... 37
Nebraska News 39
Omaha Clearings 41
Lincoln Locals 43
Iowa News 47
Iowa Banks Excess Reserves..... 47
Is Iowa Land Being Bought or Sold?..... 52
Iowa News from Here and There..... *J. A. Sarazen* 57
Helping Boys to Raise Better Cattle..... *R. J. Meyer* 59

The Directors' Room

A Few Short Stories to Make You Laugh..... 66

MEMBER
Audit Bureau of Circulations
Financial Advertisers Association



Across the Desk From the Publisher

"Behind the Rising Sun"

In these days when our diplomatic relations with Japan are in such a turmoil, we have found a great deal of interest in reading James R. Young's book "Behind the Rising Sun."

Mr. Young is a famous foreign correspondent who spent 13 years in Japan and the Orient, and he knows most of the answers.

He believes that Japan is mostly bluff, and at the present time, of course, her government is entirely under the domination and control of Germany.

Some of the interesting points which Mr. Young makes in his book are these:

1. **Japan has not a friend in the world.**
2. **Japan is whistling in the darkness of an international graveyard.**
3. **Not even Japan can depend on Germany's commitments to Tokio.**
4. **Japan faces her greatest crisis. A business depression has set in. She is stagnated with goods she cannot export.**
5. **Peace with the leaders of Japan is now impossible.**

And on the business side of Japan's present dilemma are these interesting sidelights:

1. *Golf balls cost \$2.00 apiece.*
2. *Oranges cost \$1.00 each.*
3. *The tourist trade of 7 to 10 million dollars annually has disappeared.*
4. *Every servant in your house is a spy.*
5. *Boycott of Japanese toys has destroyed a major industry.*
6. *Income taxes are paid on incomes of \$200 a year and over, and taxes are up 35 per cent to 50 per cent.*
7. *Coal is \$15.00 to \$20.00 a ton."*

Incidentally, he also blames England for much of our current trouble because he believes that, "England herself has been responsible for bringing civilization today to the very verge of chaos."

But he also criticizes the United States, and says that "By our own action we have aided the Japanese to cause the greatest misery and migration in history, as 40,000,000 Chinese men, women and children have been forced to abandon their stores and homes and have been crucified, assaulted and beaten, because of the assistance we have given Japan up to this time."

Mr. Young does not believe that Japan will ever conquer China, and that she is a tricky, treacherous nation, which is now very much on the spot.

Six Per Cent Profit Limit

Plan Unsound

If Secretary of the Treasury Henry Morgenthau's plan to limit profits of corporations to 6 per cent is enacted into a law after the first of the year, it will be the most unsound and unwise legislation which has yet been passed by Congress.

True, if every corporation could make 6 per cent profit every year, and have no bad years, that might be satisfactory, but that is not the case.

In good years surpluses must be created for bad years.

Perhaps Secretary Morgenthau hasn't thought of that adversity.

Commenting on this plan, Mark A. Brown, vice president of the Harris Trust and Savings Bank of Chicago, said recently:

"Although Morgenthau hasn't told in detail how the scheme would be applied, it is obvious that any such ceiling would have drastic consequences."

"It fails to make allowance for the fact that few corporations over a period of years exceed a return of 6 per cent on invested capital. The reason that corporations are able to keep going is that they make up in good years the losses that they incur in bad years."

In the meantime, while increasing taxes and urging the public to buy U. S. Defense Bonds, it is time that someone in Washington took up the question of eliminating non-defense expenditures by our own government.

As has been pointed out by many prominent economists, over \$2,000,000,000 could be saved by eliminating unnecessary expenses at this time, but instead of that taxes are increased and no non-defense items seem to be eliminated.

Certainly such a program should be followed before any such plan as limiting corporations to a 6 per cent return on their invested capital is even discussed.

Urge Repeal of Inflationary Statutes

The Economists' National Committee on Monetary Policy of New York has urged the repeal of inflationary statutes in order to help prevent inflation and also to make the price control program really work.

This committee agrees in general with the recommendations recently made by Secretary Morgenthau, but believes that there should be a repeal of the greenback law of May 12, 1933, and of the laws authorizing the devaluation of our metallic currency.

This statement, which was signed by Benjamin M. Anderson, Jr., University of California, and formerly economic adviser for the Chase National Bank, and 53 other economists, is as follows:

"We heartily approve, in general, the recommendations with respect to controlling a rise in prices made by Secretary Morgenthau, but notice with regret, that he did not mention the inflationary nature of some of the monetary laws written into our statutes during and since 1933, and the desirability of repealing them. Attempts to restrict a rise in prices while an expansion of our supply of money continues under existing laws and policies constitute efforts to control effects while certain basic causal factors remain undisturbed. Furthermore, the possibility of using these laws in the future to expand the supply of our currency by the processes of inflation or devaluation point to the importance of giving the public the reassurance involved in their repeal.

"We therefore earnestly urge again the repeal of the greenback law of May 12, 1933, the law authorizing bimetalism, the Silver Purchase Act

of 1934, the law providing for the purchase of domestic silver above the market price, and the laws authorizing the devaluation of our metallic currency."

We agree with this committee that the inflationary nature of some of these monetary laws should be repealed in order to reassure the public that they will not be used at some future period in our national emergency.

But has Congress the desire, the initiation, or the courage to do so? Probably not unless their "master's voice" from the White House says "yes," which is very doubtful.

Will Consumer Credit Control Be Permanent?

Of course, no one can definitely answer whether consumer credit control will be permanent by the government, but there are some who think that it may.

W. Harvey Kyle, manager of the personal loan and finance department of the Cleveland Trust Company, thinks that, "The method which the government took to regulate consumer credit indicates the desire on the part of the government to control it. The steady extension of many forms of government control during the past nine years is a warning of what we may expect."

However, in spite of this, Mr. Kyle believes that most everyone seems happy about the generosity of the restriction and, "Generally, they have met widespread approval. But, it may be a little too early to feel the impact because the controls are so arranged that a single turn of the vise will add considerably more force."

Regulation W, which became effective September 1st, also brought the following points clearly into focus, according to Mr. Kyle:

"First—It is a complicated piece of regulation;

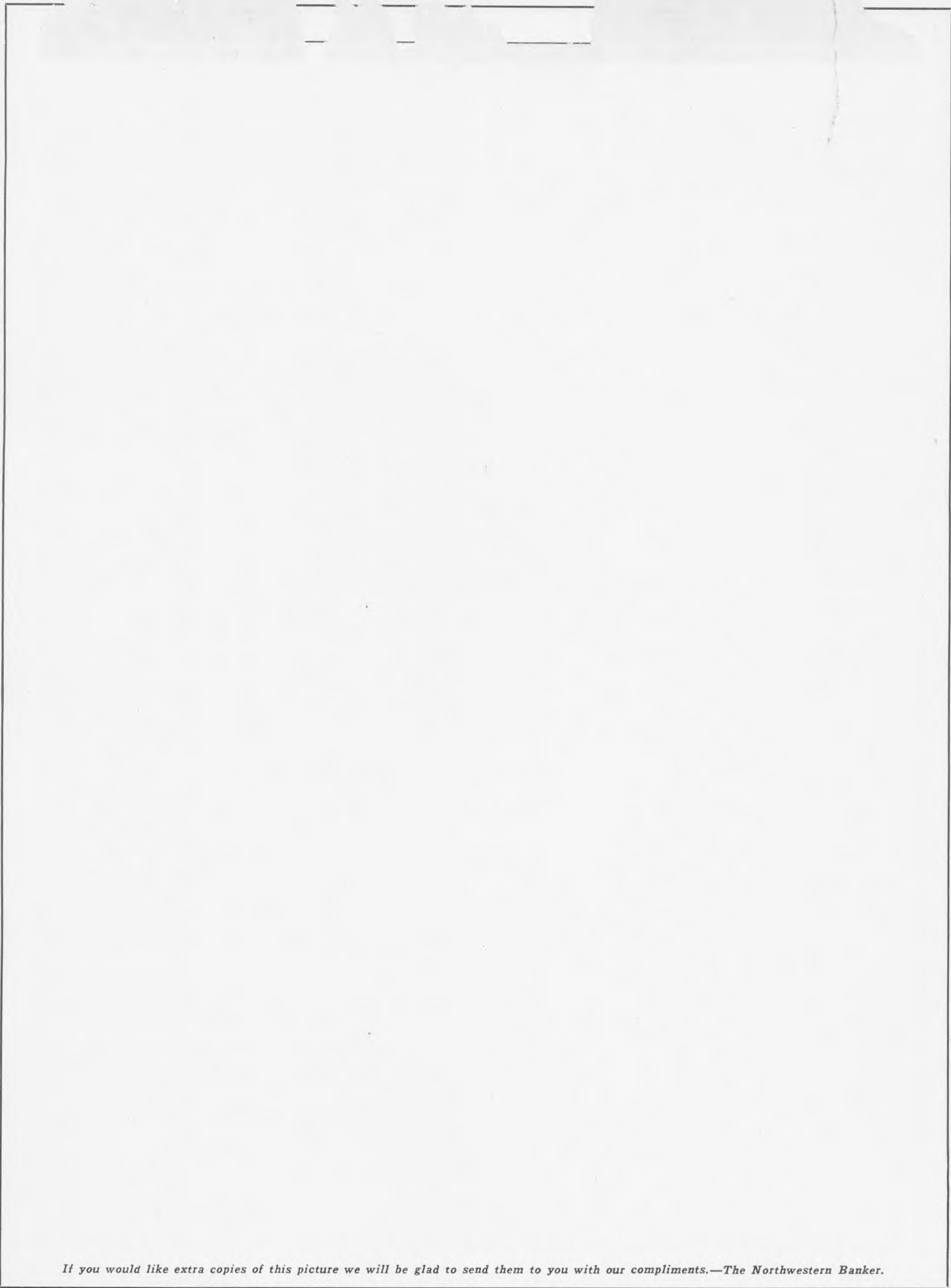
"Second—The present restrictions are only the first step in a procedure that will undoubtedly increase both the severity and scope of installment credit restrictions;

"Third—It is going to be a process that will affect the lower income brackets immediately and possibly the middle brackets a little later;

"Fourth—It will undoubtedly increase operating costs and hence tend to increase interest rates to the public."

Whatever the ultimate may be, let us hope that everything is done to prevent permanent government control of installment buying.

Clifford DePuy



If you would like extra copies of this picture we will be glad to send them to you with our compliments.—The Northwestern Banker.

Northwestern Banker November 1941

Should Profits Be Limited

to

6%?

NORTHWESTERN BANKER
readers give opinions on Mr.
Morgenthau's proposal to
limit corporation profits to
six per cent

THE recent suggestion by Treasury Secretary Henry Morgenthau that corporation profits during the present national emergency be limited to 6% and that the government should take all the excess above 6% by taxation, while it may have been merely a trial balloon to sound out public reaction, has already had many interesting repercussions.

It affected the stock market adversely, and brought a storm of criticism from business in general, in addition to many and varied types of comment from political leaders.

The NORTHWESTERN BANKER is interested in knowing how bankers view Mr. Morgenthau's proposal, hence we have made a survey on this subject among middle western bankers. On the whole, bankers seem to oppose such a measure, and some of their comment is given as follows:

E. S. Kiernan, cashier, Alton Savings Bank, Alton, Iowa:

"We think now is the opportune time for banks to accumulate a large undivided profits account, to absorb the inevitable losses to follow when this 'war boom' collapses. Denied that right, where will we charge them? If we accept the risks of an 'all out' effort towards national defense, we can be assured that we will have to take some losses. We think the tax on large incomes and corporate incomes is high enough now. Broaden the base until everyone is tax conscious and perhaps levy a Federal sales tax. Then citizens will demand business management and economy in government."

C. L. Breckenridge, cashier, First National Bank in Ammour, South Dakota:

"We do not like such radical talk. This war debt must, if corporations are to exist, be spread over a large number of years.

"We also are opposed to such large tax on corporations and allow individuals and partnerships in a preferred class. We feel this is an unfair and discriminatory tax."

A North Dakota banker:

"I am opposed to the 6% limit on corporation profit because I feel that it is too low.

E. A. Gandrud, president, Pope County State Bank, Glenwood, Minnesota:

"I presume the survey you are conducting is relative to the effect such legislation would have on banks directly. I would not be much opposed to a limit of 6% net on your invested capital, as a ceiling during the war. Concessions, however, should be granted to a limited extent, for provisions for losses through setting up of reserves for that purpose and then held to its being used for that purpose, say during the next five years, and if not used up it be considered subject to tax on the original basis."

F. G. Grosz, vice president, Bowdle State Bank, Bowdle, South Dakota:

"We certainly are not in favor of the limit of 6% and then let the government take all that in excess.

"If this measure should become a law the banks would have no way to set up a reserve for future losses, etc., and we surely will have losses when this spending spree is all over."

L. D. Murfield, cashier, Citizens Savings Bank, Anamosa, Iowa:

"This appears a difficult question to handle in as much as we are not perhaps fully informed as to the conditions which may require such a tax.

"The government came to the rescue of the banks, and created sufficient credit to stay them over, and now if the condition of the government makes it necessary for us to give all possible assistance to maintain our system, then no doubt any tax will be reasonable.

"It does appear that a 100% tax may defeat its purpose and that perhaps there will be more revenue derived from a tax of say 70%, if figured over a period of several years, and that this would leave more incentive for new business to invest capital, and consequently without sufficient knowledge, perhaps it is only natural that I would be opposed to this enormous tax."

C. B. Newman, vice president, Dodge Center State Bank, Dodge Center, Minnesota:

(Turn to page 27, please)

Northwestern Banker November 1941

6%?

NEWS AND VIEWS

OF THE BANKING WORLD

By Clifford DePuy

DR. MARCUS NADLER, professor of finance at New York University, in speaking before the savings bank division of the American Bankers Association last month, said:

"Strong banks will be able to weather the storm that is bound to follow. They will also be in a position to finance the postwar reconstruction and combat effectively all efforts that may be made toward nationalization of the banking system."

Secretary of the Treasury Henry Morgenthau, Jr., has been bombarded with criticism about his plan to limit corporations to a profit of only 6 per cent of their invested capital.

This plan has now been postponed to January 1, 1942, and it may be reconsidered at that time.

As many bankers and business men have pointed out, corporations have to take care of the years when there may be losses to be underwritten.

The "old Chicago Room" of the Chicago Club was the scene of the gathering of bankers during the A. B. A. convention, who were invited for breakfast by the Northern Trust Company officials, among whom were the following who officiated at "delivering the bacon": **Solomon B. Smith, Laurance B. Robbins, David B. McDougal, C. M. Nelson, Lanning McFarland**, vice presidents; **Edward B. Smith, John A. Prosser, Charles B. Weaver, Alfred Brittain, G. Lyle Fischer**, second vice presidents; **Lyell H. Ritchie**, assistant cashier, and **Robert Hunt**.

William D. Hughes, secretary of the Nebraska Bankers Association, in making his annual report to the convention last month, showed that receipts from memberships from October 1, 1940 to September 30, 1941, amounted to \$12,333.01, compared to \$10,759.44 for the previous year.

Receipts from the insurance agency were a little less this year than the year before, as they were \$3,869 last year and only \$3,011 for the current year.

Total receipts for the year from all sources amounted to \$20,499, and total disbursements amounted to \$21,030.

Northwestern Banker November 1941

The Association, however, is in excellent financial condition, as they have over \$21,617 in cash and savings bonds on hand.

One well-known columnist, in writing about affairs at Washington, says that "Many business men believe that Washington has replaced Hollywood as the home of the screwball."

The National City Bank of New York had a continuous open house during the A. B. A. convention, and among those who represented the bank were: **W. Randolph Burgess**, vice chairman of the board; **J. S. Rockefeller**, vice president; **DeWitt A. Forward**, vice president; **George S. Moore**, vice president; **George W. Fraker**, vice president; and **G. S. Carrel**, assistant cashier, of the public relations division.

P. D. Houston, retiring president of the American Bankers Association, in reporting to the organization this year, said that rate reductions by surety companies will effect annual savings in the insurance premium costs of banks of \$1,800,000. This is in addition to reductions totaling more than \$4,000,000 negotiated by the Insurance and Protective Committee of the A. B. A. since June, 1937.

Phillip A. Benson, president of the Dime Savings Bank of Brooklyn, in discussing "Defense Savings Bonds," states that bonds for a total amount of \$1,272,000,000 maturity value have been sold, and that the sale of stamps totals about \$15,000,000.

Recent figures show that banks and trust companies, including receivers, to which money was loaned by the **Reconstruction Finance Corporation**, have made a very excellent record in their repayments to the R. F. C.

The total amount of money loaned to this group is \$2,020,206,321, and the amount repaid has been \$1,925,014,869, or 95 per cent, which is certainly a very excellent and remarkable record on the part of the banks of the United States.

Banks in the United States lost \$19,220 in accepting 2,697 counterfeit notes

during the fiscal year ended June 30th, **Julian T. Baber**, of the United States Secret Service, Washington, D. C., told the State Secretaries Division of the American Bankers Association at the annual convention. During the previous fiscal year, he pointed out the loss amounted to \$33,916 represented by 4,433 notes, while the public loss during the 1941 fiscal year amounted to \$91,097, a decrease of \$54,547 for the previous fiscal year. This remarkable reduction in counterfeiting is due in large measure to the nationwide "Know Your Money" educational campaign instituted by the Secret Service four years ago.

A. T. Donhowe, president, and **C. Floyd Harris**, vice president of the Iowa Bankers Association, together with **Clifford De Puy**, publisher of the **NORTHWESTERN BANKER**, broadcast over KSO last month in behalf of the Iowa Association.

The broadcast was arranged by **Frank Warner**, secretary. Mr. Donhowe discussed the number of loans being made by Iowa banks, while Mr. Harris told of the benefits of purchasing defense bonds and stamps and Mr. De Puy gave brief news items from the recent American Bankers Association convention in Chicago.

Dale Carnegie, the well-known influencer of people, in an address which he made recently, said that **Phil Hanna**, editor of the *Chicago Journal of Commerce*, "Is where he is today because he played the piccolo while a poor banker in Michigan. It made him popular at dances, and thus contributed to his success."

Personally, we think that the piccolo may have had something to do with Phil's success, but the greater share of it came from the pointed paragraphs of his pungent pen.

Frank Warner, who just celebrated his twenty-fifth anniversary as secretary of the Iowa Bankers Association, was truly surprised and delighted with the many letters which he received upon the occasion of this well-known anniversary.

In acknowledging these to his friends, he said: "The watch presented to the writer during the same banquet from the Council of Administration of our Association on behalf of the member banks, is a beautiful thing in itself. What it means to the writer can never be adequately expressed by him, but beautiful as it is and all that goes with its presentation on behalf of the Iowa Bankers, it can never equal in meaning what these two

(Turn to page 35, please)

South Dakota—Twenty Years *Ahead of the Parade*

What Happened When the State of South Dakota Ventured Into Socialism

OVER twenty years ago, we in South Dakota, got the idea that we could lift ourselves by the boot straps. We cursed private capital because they wouldn't rush in and help us develop our state as rapidly as we would have liked. We accused them of wanting to destroy the common people. We called them blind to their opportunities and finally we resolved to help ourselves through the use of special powers voted to the state.

We believed the cure for all our economic ills was contained in government ownership. We went into the insurance business, the bonding business, coal mining, manufacture of cement, and into the banking business through the so-called Guarantee Act, and into the farm loan business through the creation of a Department of Rural Credit. Everyone was happy and enthusiastic as long as the money or the benefits were forthcoming; but, oh, the wails that went up when our dream houses collapsed and the bills came due.

With one exception, all have failed miserably. The State Cement Plant, with a veritable monopoly on all business within the state, and with management that has not sought a price war, is apparently paying out.

Why anyone harbors the idea that a political appointee can, or will, manage a gigantic business venture better than a private citizen, trained and experienced in his own line, using his own funds and risking his own future, is more than we can understand. Whenever politicians rush in where sound businessmen fear to tread, you can bet your last dollar that, sooner or later, the taxpayers will be called upon to salvage the wreck.

This has been so true of South Dakota's ventures into the business field and of the experiences of our sister states and of the Federal Government itself, that perhaps we may be pardoned for feeling that these experiences should have been a warning to the sponsors of much larger lending, spending, operating ventures now be-

By Millard G. Scott

*Director Rural Credit Board
Pierre, South Dakota*



MILLARD G. SCOTT

ing attempted on a national and even an international scale. **Here in South Dakota, we have learned "the hard way" that government has no business in business.**

Our Constitution was "old fashioned" and had to be changed so that the State Government could borrow funds necessary to start business enterprises not necessarily a proper function of government. We, too, were told that the full faith and credit bonds, sold to secure funds with which to make farm loans to individuals, would be "self-liquidating." With all the enthusiasm of the little boy with a new gun, a young man just out of school or a professor turned loose, we "shot the works," expounded theories and endeavored to revolutionize the old, tried and tested ways of accomplishment.

As soon as we could repeal the constitutional restriction on indebtedness,

we sold \$47,500,000 worth of bonds at interest rates as high as 6½ per cent, and loaned the greater part of this money, not only in the proven sections of our state, but in the semi-arid and untried sections as well. Many loans were made to acquire and plow up good grazing land for risky agricultural practices. Loans were made during a period of highest land values ever reached in the Northwest, and, in many instances, were loaned in far from conservative amounts and often to speculators. We had state inflation on top of national inflation.

Needless to say, a political appointee does not follow so rigid a collection policy as a private loaning agency. As a consequence, approximately ninety per cent of the original borrowers lost their farms, and, of course, reaped no benefits from the loans.

Furthermore, no adequate plan for meeting maturing bonds or interest payments was set up. Refunding bonds were sold to meet these obligations and they were sold without any regard for other maturities. For fifteen years, the state followed such a course. As a consequence, bonded debt piled up in succeeding years until maturities reached as much as \$7,000,000 in one year.

Little factual information was available for the people, as most officials failed to realize, or hesitated to admit, the true financial condition of Rural Credits. By 1939, but 1200 of the original 12,000 borrowers still owned their own homes and a number of them had delinquent loan installments or unpaid taxes.

Governor Harlan J. Bushfield, in his inaugural address, urged a speedy but orderly liquidation of the Department. The 1939 legislature, by resolution, condemned the half-hearted handling of Rural Credit affairs and demanded real liquidation. With few changes in the personnel of the Department, but with a new conception of public employment, a campaign to return seven thousand Rural Credit farms to private ownership within a five-year period. (Turn to page 44, please)

Northwestern Banker November 1941

Nebraska Bankers In Omaha

O. A. Riley, Vice President of Hastings National Bank, Named to Head Association During Coming Year

O. A. RILEY, vice president of the Hastings National Bank, was elected president of the Nebraska Bankers Association at the annual meeting of the organization held in Omaha last month. Heading the executive committee is Edgar McBride, president of the Commercial Bank, Blue Hill; William B. Hughes continues as secretary of the Association, and R. H. Kroeger, vice president of the Live Stock National, Omaha, was named treasurer. Others making up the executive committee are, from Group One, J. D. Stocker, cashier, Otoe County National Bank, Nebraska City; Group Three, L. R. Gillett, president, National Bank of Norfolk; Group Five, Ben N. Saunders, vice president, Fort Kearney State Bank, Kearney; Group Six, R. E. Knight, president, Alliance National Bank, and for Omaha, R. H. Hall, vice president, North Side Bank.

Nebraska officers of the American Bankers Association elected were, J. O. Peck, vice president, Continental National Bank, Lincoln, state vice president; C. C. Neumann, vice president, Farmers & Merchants National Bank, Oakland, member nominating committee; alternate, J. D. Milliken, vice president, Fremont National Bank; O. W. Johnson, vice president, Bank of Burwell, vice president, state bank division; H. A. Hovey, president, South Omaha Savings Bank, vice president, savings bank division, and Howard Hadley, trust officer, Continental

National, Lincoln, vice president, trust division.

E. N. Van Horne, executive vice president, American National Bank, Chicago, was named president of the Past Presidents' Association, and H. H. Barber, president of the Citizens National Bank, Boone, Iowa, is vice president of the same organization.

Among resolutions adopted by Nebraska bankers were the following:

"The past year has witnessed an unusual and coordinated activity in the all important work of Association committees. Current problems and difficulties have been met with efficient dispatch. Long term programs have been launched, which, if pursued with the thoughtful planning evidenced during the past year, will prove of unlimited value to the banks of Nebraska and the communities they serve.

"We recommend the continuation of the Regional Clearing House program and the strengthening of the individual Regional Clearing House Associations so their full usefulness may be utilized by the Nebraska banks.

"We commend the work of the Agricultural Committee under the leadership of Chairman Edgar McBride, and

"Whereas agriculture is a major industry throughout the United States and of increasing importance under the present national emergency, thus being of vital interest to a large majority of the member banks of the American Bankers Association, we commend the work of Dan Otis and

A. G. Brown of the Agricultural Commission of the American Bankers Association and further recommend and urge to the executive council of the American Bankers Association that an agricultural section be created to further the interests of agriculture throughout the entire country.

"We commend the work of our committee on examination fees which undoubtedly had much to do with the reduction of fees already in force for smaller national banks and commend and urge their further efforts in this direction.

"We recognize and appreciate the statement of the Secretary of Treasury, Henry Morgenthau, Jr., in his press conference as reported in the American Banker, July 8, 1941, wherein he stated:

"The position, as far as the administration is concerned, is that any time any private institution can do business, we are tickled to step aside and let them do it, but we are only in business when the private institutions can't or won't do business."

and urge the banks of Nebraska to accept this statement as conclusive.

"Therefore, we recommend that the committee on agencies in competition with banks pursue its efforts, and with the cooperation of our banks prove conclusively to the public and to those in authority that these emergency agencies are now unnecessary, and that the functions of deposit and dis-

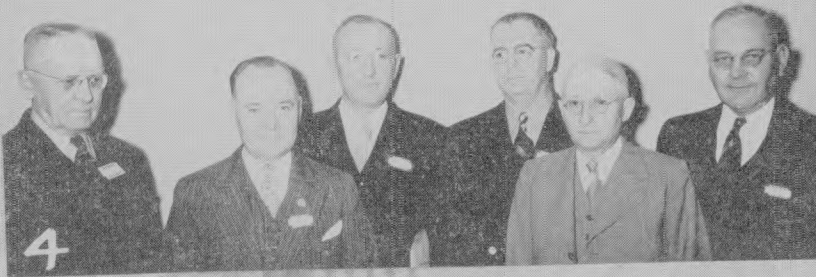
(Turn to page 41, please)

AT THE NEBRASKA CONVENTION

Pictured on the opposite page are a number of those attending the recent annual convention of the Nebraska Bankers Association, held in Omaha. Reading from left to right they are: 1—Members of the Fifty-year Club who attended the convention; **C. K. Hart**, president Adams County Bank, Kenesaw; **J. W. O'Neil**, Omaha National Bank; **W. H. McDonald**, chairman of the board McDonald State Bank, North Platte; **William B. Hughes**, secretary Nebraska Bankers Association; **Harry Miller**, president First National Bank, Stanton; **Charles E. Wood**, president and cashier The Bank of Talmage; and **R. C. Boyd**, president Carson National Bank, Auburn. 2—A group at the registration desk. 3—**J. R. Stevenson**, cashier Farmers Bank, Nebraska City; **V. P. Meyer**, assistant cashier First National Bank, St. Joseph, Missouri; and **L. C. Farwell**, cashier State Bank of DuBois. 4—Members of the nominating committee—**F. W. Harris**, vice president Alliance National Bank; **J. O. Peck**, vice president Continental National Bank, Lincoln; **G. F. Moss**, cash-

ier McCook National Bank; **J. B. Rossiter**, president First National Bank, Walthill; **T. F. Green**, cashier Bank of Valley; and **Glen T. Gibson**, president Exchange Bank, Gibbon. 5—**Wade R. Martin**, superintendent of banks, Lincoln; and **W. H. McDonald**, chairman of the board McDonald State Bank, North Platte. 6—**P. I. Badura**, cashier Ashton State Bank; and **A. B. Outhouse**, president First National Bank, Loup City. 7—One of the ladies' luncheons held at the Hotel Fontanelle. 8—**O. J. Melton**, president First State Bank, Lodgepole; **W. S. Rodman**, president American National Bank, Kimball; and **Frank M. Farr**, cashier First National Bank in Aurora. 9—**C. C. Neumann**, executive vice president and cashier Farmers & Merchants National Bank, Howell; and **Henry Schneider**, president Plattsmouth State Bank. 10—**Mrs. W. A. Sawtell**, chairman committee of hostesses; **Mrs. A. L. Coad**, **Mrs. C. A. Gregory**, and **Mrs. V. B. Caldwell**.

Northwestern Banker November 1941



How Our Auditing System *Improves* Bank Operation

I AM not an accountant, but study of accountancy as offered in commercial college and endeavor to learn commercial banking in its various stages and degrees, suggested plans for audits. These have been encouraged through work in and with Iowa banks, since the year 1921. Some of them have established themselves very definitely in my mind and I hope the readers of this article may receive the nucleus for beneficial ideas for the good of bankers and banking.

What is auditing in a bank? Simply, it is examining our books; all of the accounts showing as an asset or liability, income or expense, to ascertain the correctness of such figures under our jurisdiction. Yes, it should have another purpose; that purpose is of discouraging any inaccuracy, or attempt, on the part of anyone to misappropriate or embezzle. The reports of any audit, or examination should be written and a matter of record.

We are not a large bank, our total assets being approximately two and one-half million. Therefore, some work must be performed by individuals whose work overlaps as to departments. We adhere strictly to banking; no revenue being obtained from real estate transactions, or from insurance. And with the decrease in returns from good loans and other prime investments, it is necessary to have our protective control not too expensive. We cannot hire a full time auditor, responsible to the directors alone for audits and direct supervision. This would be the proper procedure and is followed in large banking institutions. However, we have been able to satisfactorily provide a system of auditing for our own purpose. It is one which, in my opinion, could be slightly revised, or generally followed for satisfactorily auditing any bank of our size or smaller.

It is intended under our program of auditing that such audit shall work in full cooperation with the semi-annual examinations by the Banking Department and by our Board of Directors. Bank Examiners receive in their visits to numerous banks, many ideas; the better ones are passed on to us bankers in the spirit of kindness and helpfulness.

Northwestern Banker November 1941

By E. E. Wiemer

*Cashier
Citizens National Bank
Boone, Iowa*

"We spend much money for conventions and promotional activities of one kind and another. A few dollars more wisely spent along the line of constructive examination of accounts could save us worry and pay us larger dividends"

In the examination by our Directors, it has been our intention to have them conduct such examination as they prefer. We suggest having the Directors use for detail work, one or two individuals of ability and good standing in the community; frequently this is a former employee. This will facilitate and assist in the work and give the three directors time to devote more of their attention toward conducting a thorough examination of the assets. They can review the signatures and collateral to notes, giving the management many ideas and suggestions relative to the various lines of credit. Of course, the directors' examination should be in written form and full detail, with criticisms and suggestions for improvement. This audit should be considered at a regular meeting of the Board of Directors and referred to the managing officers for enforcement as rapidly as practical. While discussing directors' examinations in connection with the auditing function, may I say—no director should, in any way, be intimidated to restrain his ideas as to the assets, nor to any conclusion, but should be given the opportunity to speak freely and in no way develop into a Yes-man. Directors should truly direct the policy of a bank

and should be familiar with the bank's affairs and policies.

In our audit, assets and liabilities are proved periodically, not less than once each month for each general ledger account; occasionally, some department more frequently. Our aim is to keep this method of audit as effective and economical as possible, featuring the Surprise Audit. It is easy to get into a rut; as was our case a few months ago. In a visit with our auditor it was suggested to him the audit of the loan department, under the supervision of the managing officers, was becoming routine, with no surprise feature and with individuals responsible for that department assisting in the audit and knowing in advance the time of the audit. I want each employee to know it is my desire to have my department audited with the same surprise feature and regularity as is followed in other departments. This improves employer-employee relationship. If we do away with the surprise feature of an audit, we defeat one of the main controls of examination or auditing.

In the audit of our bank, a written report is made enumerating the exceptions found. Also suggestions for improved records which, in itself, will facilitate future auditing and assist the bank examiners. In short, it is the policy of a cooperative, helpful examination, in written form, to be reviewed immediately upon completion of the audit and at future dates.

For a complete record of the monthly audit, we have prepared a master sheet with adequate space for a year of audits; one square devoted for each month, with twelve squares set opposite the heading of each account carried on our ledger as an asset or liability.

We audit the following accounts monthly: Checking accounts, Savings accounts, Christmas savings clubs, Time certificates of deposit, Dormant accounts, Reconciliation of correspondent bank accounts, Budget loan savings accounts, Certified checks, Overdrafts, Trust deposits, Bonds (government, municipal), Commercial loans, Farm mortgage loans, City real estate loans, F. H. A. loans, Corn loans,

(Turn to page 59, please)

News Notes From Nebraska

What Banks and Bankers Are Doing in the Cornhusker State

AFTER reading newspaper accounts appearing some months ago about the discovery of oil in southeastern Nebraska, we had supposed that Falls City would have experienced all the boom town aspects that go with Black Gold, but in talking with **A. F. Schaible**, president of the Richardson County Bank of Falls City, we found our build-up wasn't the real thing. It is true that with forty wells near Falls City, and another ten producing wells north and west of the town, this community of 6,500 population is getting along very well indeed, thank you. Considerable new money has come into the town, all the business buildings are occupied and business is good, but not of the boom variety.

Many test holes were drilled, as is always the case, but the producing wells have now settled down to a rather steady output, with some of them pumping 400 to 500 barrels per day. Mr. Schaible has a producing well on one of his farms, as noted in the picture on this page.

Mother Nature has been kind to Falls City in another way, in that the town is located in the Eastern Nebraska apple belt. **A. D. Cameron**, assistant cashier of the First National Bank, told us a little about growing apples, and has an orchard of his own. The 1940 Armistice Day storm took its toll of apple trees in the vicinity of Falls City and of course many of the trees were destroyed. New trees have been planted, but it takes seven or eight years after planting for an apple tree to start bearing. The orchards here produce mostly Jonathan apples, with some Grimes Golden and Delicious.

The First National Bank of Falls City is in new quarters across the corner from its former location, with complete new interior and fixtures that are most attractive.

Business is good in Dawson, according to **Al Riley** of the Dawson Bank. His father, as at least every Nebraska banker knows, is **Dan J. Riley**, president and cashier. Mr. Dawson, Sr., for many years has helped to fight the battle of the Nebraska Bankers Association through the Nebraska legislature. He hasn't always won, of course, but his batting average is right near the top.

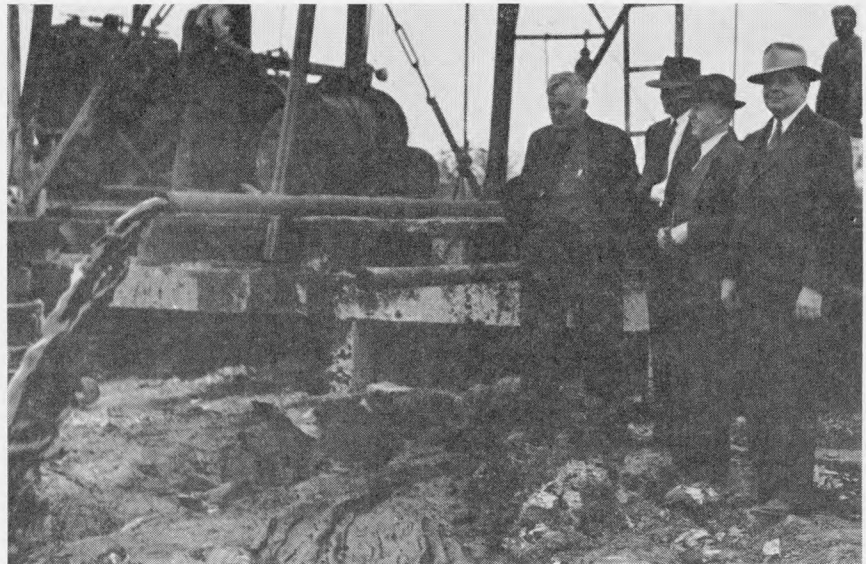
By Henry H. Haynes
Editor

Believe it or not, Auburn, Nebraska, has two complete business sections—something unusual for a city of only 3,700, with two railroads and a courthouse scrambled into the circumstances that caused it all. We asked **John T. Zacharias**, cashier of the Carson National Bank, to tell us about it, and here is his explanation. It seems that when the railroads first came through Auburn, a branch of the Santa Fe went west through the south part of town, and the Missouri Pacific went north through the northern section. With the stations nearly a mile apart, it was natural that busi-

this happened years ago, and one would think the whole thing would have been forgotten by this time, but we understand some of the oldtimers are still doing a little "feudin'" on their own account.

The Carson National Bank is in the south, or courthouse section, and has assets of more than a million dollars.

If you happen to be in Auburn around mealtime, be sure and eat at the **Auburn Hotel**. Homemade jam, and hot biscuits that melt in your mouth—homemade spiced pears or peaches, and to cap it all off, homemade icecream in several flavors, and then just a lot of good food in between. For breakfast there is a big bowl of strained honey on the table, for your pancakes, but the bees get credit for this.



Above is pictured an oil well which came in on the farm of A. F. Schaible, president of the Richardson County Bank, Falls City. Of the four men at the right in the picture, Mr. Schaible is standing third from the left.

ness enterprises of various kinds should spring up around both. But this was only the start. Sometime later the county decided to move the courthouse from Brownsville to Auburn, and then the point was raised as to which part of the city should have the courthouse, the north or south. South finally won, so the north practically seceded in everything but its name, and eventually the north business section has developed into a much larger commercial center. All

James P. Kelley, cashier of the First State Bank at Johnson, showed us where an addition will be built onto that bank in the near future. Present quarters are being enlarged by a new space ten by sixteen feet, to be used largely for storage purposes. With deposits of \$235,000, Mr. Kelley reports more than the usual head of livestock in that vicinity, and his bank is making the usual loans on this collateral. D. C. Casey, cashier of the First Na-

(Turn to next page, please)

Northwestern Banker November 1941

Why We Refused Deposits

By J. J. Krall *Cashier*
Fairfax State Savings Bank

In the June issue of the NORTHWESTERN BANKER, we published an editorial "Are You Refusing to Take Deposits?"

This told the story of a banker who said he was refusing to take deposits because he did not think he could invest them profitably.

In the July issue of the NORTHWESTERN BANKER, this question was again outlined in an editorial "Consider Customers As Guests of Your Bank."

In this editorial, a letter from a banker who agreed that banks should accept deposits at all times was reproduced.

Then in the October issue there appeared another editorial "Making Money on Deposits a Real Problem," in which a bank president said he believed it was good banking to refuse deposits when they could not be invested profitably.

In this article, "Why We Refused Deposits," J. L. Krall, cashier, Fairfax State Savings Bank, Fairfax, Iowa, gives his views on why they refused time deposits a few years ago.

We should be glad to have your expression of opinion on this very interesting and timely subject.—Editor's Note.

JUST a little fuel to the fire regarding the discussion about refusing deposits.

"A few years ago (during the horse and buggy days) we were paying 2 per cent on time and savings deposits and at that time we refused in this little town of less than 300 about \$40,000 in time deposits during one year. The refusing of these deposits proved to be good business on our part and beneficial in more than one way, and I shall endeavor to set out the facts.

"If we had accepted the \$40,000 which we refused, our earnings for the year would have been \$800 less and we know they were small anyway. In every case where an interest bearing deposit was refused the depositor carried no other balance with us—that is no demand money. And in most instances the depositor whose money we refused to accept at interest was looking for some other form of investment and our deposit would, we believe, have been only until the depositor found something better. We suggested other forms of investments and even suggested that some of our competitor banks might like to have the money and might even pay them larger interest.

Northwestern Banker November 1941

"We learned that when it became known that our bank would not accept large deposits on interest bearing deposits it was the best advertising we could possibly hope for. We had no difficulty in explaining to our customers just why it was not good business to accept such deposits.

"The solution to our problem was solved when on January 1, 1937, we reduced the interest on time and savings deposits from 2 to 1 per cent. Yes, I have had many bankers tell me that they could not understand how any bank could maintain their deposits when paying but 1 per cent.

"For your information I give you the following facts and figures showing the deposits in our bank at the time of making the reduction in interest and at the close of business October 6th.

	Demand Deposits	Time Deposits	Total Deposits
Jan. 1, 1937...	\$126,519.34	\$211,622.81	\$338,142.15
Oct. 6, 1941...	275,254.35	177,757.43	453,011.78

"By these figures you will see that our demand deposits increased \$148,735.01, our time deposits increased \$33,865.38 and the total deposits increase was \$114,869.63. In my opinion our present statement reflects a healthier and more prosperous picture than the one of January 1, 1937, and since January 1, 1937, we have not had to refuse to accept interest bearing deposits.

"I might add further that all of my competitors in this territory, except Cedar Rapids, have continued to pay interest as much as 2½ per cent on deposits.

"Our governmental agencies in the loan field are more competition to us than are those who seek to have our depositors leave their money with them. And if we are to meet the competition of the governmental loaning agencies we must, of course, reduce the overhead (which includes interest paid) in order to meet that competition and we believe we have been very successful. As a matter of fact, we have never, to our knowledge, lost a loan which we desired to make, to one of the governmental loan agencies.

"I feel certain the bankers' troubles so far as it being necessary to refuse to accept time deposits is concerned, will be solved if they will reduce the rate of interest on time deposits to a point where they can afford to accept such deposits. It certainly has solved the problem for us."

NEBRASKA NEWS NOTES

(Continued from page 17)

tional Bank in Johnson, reports business good at his institution, but would like to see a little more demand for loans.

Another center of feeding operations is Tecumseh, where **J. V. Johnson** is president of the only bank in this city of 2,200. Tecumseh is a town where there are no vacant store buildings—every location is occupied, and apparently these merchants are doing a good business since Mr. Johnson says there is very little demand for city loans. However, his bank has more than \$300,000 in loans, mostly to farmers for feeding livestock.

W. A. Steinauer, cashier of the Bank of Steinauer, is largely interested in finding out what is going to happen to banks and bankers several years hence when the party is all over and the New Deal orchestra leaves the platform, and without doubt there are other bankers in this U. S. A. who would like an answer to the same question. But the Bank of Steinauer has been doing business in the same location since 1888, so it's likely they know a few of the answers, at least.

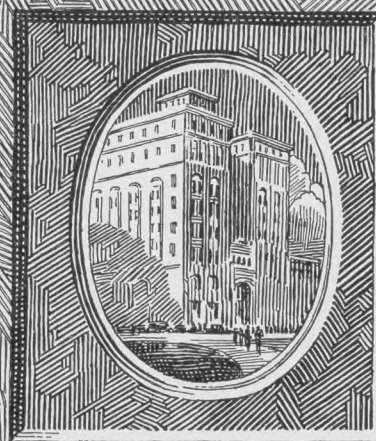
Fifty-nine years ago, when **H. C. Van Horne**, chairman of the board of the Farmers State Bank of Pawnee City, came to that town it had a population of 2,000—now the census reads about 1,500, and that is why Mr. Van Horne believes that general business in the smaller communities, and that includes the banking business, will never again reach the volume attained a few years ago. The smaller towns are all diminishing in population, with the young folks especially going to the larger centers in search of employment. The trend now looks like it might be as Mr. Van Horne points out, but we think there will always be a place in the smaller towns and cities for a good bank, efficiently operated, such as the Farmers State is. **M. K. Van Horne**, president of the bank, was on a pheasant hunting trip when we called.

We found **F. H. Obermann**, cashier of the State Bank of Burchard, completing plans for a corn picking contest which was to be held on October 24th north of his city. Mr. Obermann, president of the Burchard Commercial Club, is also active in promoting the picking contest, which we understand is more or less of an annual affair in Pawnee county. Ten contestants had registered up to October 16th, and they were to

(Turn to page 20, please)

Equipped
For All
BANKING
Needs

The Omaha National Bank



ALWAYS
AT YOUR SERVICE

*Member
Federal
Deposit
Insurance
Corporation*

DEFENSE program activities affect, but cannot change, the ancient formula of bank earnings: income minus expense.

A greater volume of credit instruments may reflect increased income, but as industry quickens its pace, the result will be more checks and thus more expense.

As costs rise, see to it that your items enjoy the advantages of a service that is both efficient and economical.

... THE ...

PHILADELPHIA NATIONAL BANK

ORGANIZED 1803

PHILADELPHIA, PA.

Capital, Surplus and Undivided Profits
\$45,000,000

Member of Federal Deposit Insurance Corporation

NEBRASKA NEWS NOTES

(Continued from page 18)

compete in a field estimated to yield 60 bushels to the acre. Cash prizes were awarded at this "bang-board" derby, and the winner was to participate in the state contest later in the month.

Speaking of corn, white, yellow, hybrid, etc., we saw several top-notch ears in the Citizens State Bank in Pawnee City. Several farmers had brought in samples to **J. A. Barr**, cashier, and he had them on display in the lobby of the bank. There were several varieties of hybrid, as well as big, sturdy ears of white corn, and if these samples are an indication of the Pawnee county corn crop, farmers in that community will have some spending money this fall and winter.

The pheasant season opened about the middle of October in Nebraska, and of course many bankers wiped the rust out of the old shotgun and hoped to get their limit. But some were after bigger game, as we discovered when we called at the Beatrice National Bank and were told by **W. W. Cook**, assistant cashier, that his father, **D. W. Cook**, vice president, and one of the bank directors, **D. S. Dalbey**, were with a party doing some real hunting and fishing at Hansons Camp, Nester Falls, Ontario, Canada. Fishing was for lake trout, and the hunting included deer, ducks, and partridge. The party was to spend two weeks in Canada, and expected to return to Beatrice about October 23rd.

H. A. Reeves, cashier of the First National Bank, Beatrice, showed us the new interior decorating which was about completed in his bank. The bank had already installed new fixtures, air conditioning, and fluorescent lighting throughout the lobby and officers' quarters, the whole making a most attractive improvement.

The next time you are in Lincoln, if you haven't been there recently, take a good look at the Continental National Bank Building, and we doubt if you'll recognize the corner—at least we didn't. The building proper for the four floors above the street has been faced with square white limestone blocks, and the street floor, or bank proper, with black granite. The pillars and cap at the bank entrance are bronze, and the large windows on each side have been filled with glass brick.

The interior of the banking room, including the personal loan depart-

(Turn to page 42, please)

Can A Gift or Trust Be Revoked by the Donor?

STEWART, a Minnesota banker, delivered to his attorney, Eisenhardt, certain bearer bonds for re-delivery to his, Stewart's, daughter as a gift. The daughter acknowledged and accepted the gift, but did not pick up the bonds at Eisenhardt's office, as she preferred to leave them in his safe until she could arrange for a safe-deposit box for them. While the bonds were in Eisenhardt's safe Stewart attempted to revoke the gift. Could he do so?

No. A completed gift cannot be revoked by the donor. Here the bonds had been made the subject of a gift and the gift had been accepted by the donee. The donor could not thereafter revoke it.

Suppose that in the preceding question Stewart had set up a trust for his daughter without her knowledge and had delivered into the trust certain bonds. Assume further that the delivery was complete and without any strings attached to it. Could Stewart thereafter revoke the gift?

No. A trust created by delivery of property to a third person is valid although the beneficiary had no notice of it. Previous notice to the beneficiary of the creation of a trust is not necessary.

Black was appointed guardian of Herndon, a minor, in South Dakota. A few days after Herndon became of age, Black settled his accounts with him and obtained a release from him. In obtaining the release Black did not make a full disclosure of his dealings with Herndon's property and shortly thereafter Herndon discovered he had been defrauded by Black and sued him. In such circumstances will the courts be lenient in construing the release against Herndon?

Yes. The courts look with distrust upon settlements made by guardians with wards recently coming of age. From the confidential relation between them it will be presumed that the ward was acting under the influence of the guardian, and all transactions between them prejudicially affecting the interests of the ward will be held constructively fraudulent, and will be

These and Other Timely Legal Questions Are Answered By the LEGAL DEPARTMENT

set aside unless shown to have been the deliberate act of the ward with full knowledge of the transaction.

Mahl died in Nebraska leaving a will that established a spendthrift trust of which his son was the beneficiary. The trust, by its terms, provided that the principal should go to the son if he procured a discharge in bankruptcy from all his liabilities. He procured such a discharge. His creditors sought to subject the principal to the payment of their claims, asserting that the spendthrift trust was void as against public policy. Should they prevail?

No. A testator is not guilty of fraud or any other act against public policy if he provides, as a condition to the vesting of his estate, that the beneficiary first obtain a discharge from his liabilities in bankruptcy. The testator owes no duty to the beneficiary's creditors and they have no right to contest the provisions established by him.

Turney bought certain land in Michigan at a foreclosure sale without examining the public records to see if there were any liens against the property. It so happened that there was a second mortgage, duly recorded, against the property that had not been affected by the foreclosure suit. Did Turney, in making his purchase, receive the land subject to the second mortgage?

Yes. The second mortgage, duly recorded, was notice to the purchaser of the incumbered land that he took subject to the second mortgage lien. By reason of this his title was encumbered by that mortgage regardless of whether he examined the public records as an incident to the purchase.

A Washington, D. C., banker employed a boy to clean his car. The boy,

together with other boys, took it for a ride and accidentally wrecked it on the way back. The boy had no intent of permanently depriving the owner of the car and, in a criminal prosecution against him, was convicted under a statute penalizing merely the taking of a car without the consent of the owner. The banker carried a policy of insurance on the car protecting him against loss on account of theft. Could he recover under such policy?

Yes. Under a recent decision by the United States Court of Appeals for the District of Columbia it was held in a case involving facts substantially similar to those outlined in the question that the policy was broad enough to cover the loss sustained by the banker. It is interesting to note that in a fairly recent case involving very similar facts, the Supreme Court of Minnesota held to the contrary.

An Idaho banker owned certain antique jewelry that he had insured against "all direct loss or damage by fire." The jewelry was inadvertently put into a trash incinerator and there burned. Could the banker recover under the policy?

No. A loss of insured property, through being inadvertently put into a trash incinerator and there burned, is not compensable under a policy insuring it against "all direct loss or damage by fire." The word "fire", as used in fire insurance policies, has a well-settled meaning of a "hostile" fire and, since the fire in question was a "friendly", rather than "hostile", fire, a recovery will not be permitted.

A Michigan banker was also the agent for an insurance company. As such agent he collected certain insurance premiums which he failed to remit to his principal. Subsequently he went through bankruptcy. Did such action on his part discharge him from liability to remit the premiums?

No. Premiums collected by an agent for an insurance company are received and held by the agent in a fiduciary capacity. A debt which arises out of a fiduciary relationship in existence at the creation of the debt, which was the case here, is exempt from discharge in bankruptcy.

Trained and Capable **FIELD SERVICE MEN**

Always Ready to Serve You

Western Mutual Agents build business more easily with the help of trained and capable field service men, willing, anxious and able to serve you.

This **EXTRA SERVICE** can mean increased agency production for you.

Legal Reserve—Non-Assessable Fire and Auto Policies.

Standard Policy Forms.

**Western Mutual
Fire Insurance Co.**

9th and Grand

Des Moines, Iowa



"Over a Third of a Century of Safety and Service With Savings"

Smith and Brown, as comakers, executed a promissory note in favor of a bank in Pennsylvania. It was not paid when it came due. The bank sued on it after the statutory period of limitations had run from its due date. At the trial the comakers defended on the ground that the statute of limitations had run, and in response to such defense the bank asserted that such was not the case because one of the comakers had agreed to pay half if the other comaker would pay the balance. The bank proved the agreement by the comaker to pay as outlined but it could not prove that the remainder had been paid by the other comaker. Should the bank prevail?

No. A promise by one of two comakers of a note to pay half of it if the other comaker would pay the other half is, where the other comaker never paid his share, not effective to toll the statute of limitations. A conditional promise to pay will not remove the bar of the statute of limitations unless the condition is performed.

A corporation formed under the laws of another state, duly qualified to do business in Minnesota as a foreign corporation. Subsequently it ceased to do business there but in doing so it, as required by statute, irrevocably appointed certain state officials its agents for service of process in actions arising from its Minnesota business. Jordan sued the corporation on a claim he had against it after it left the state. The suit was filed after the statute of limitations had run but Jordan asserted the statute could not be invoked as a defense because of the company having left the state. Was such assertion correct?

No. A foreign corporation which has ceased to do business in Minnesota and withdrawn therefrom except that, in obedience to statute, it has left there a continuing agent for personal service of process in actions arising from its Minnesota business is, in contemplation and as a result of law, continuously present there for service upon it in such actions. It follows that the running of the statute of limitations is not tolled by its qualified departure from the state.—THE END.

C. of C. Treasurer

Leslie McMahon, vice president of the City National Bank and Trust Company of Chicago, was elected treasurer of the Illinois Chamber of Commerce at their annual meeting held last month in Chicago. Mr. McMahon was also re-elected a director for a two year period.

Can Your Prospect Tell You How Much Is Enough?

GOOD afternoon. I didn't stop in to sell you any life insurance today, because I don't know that you need or want additional life insurance—and even if you did—it would be presumptuous on my part to feel you would want to purchase it from me. However, if I may have the privilege of visiting with you for a few moments—and if I can give you some ideas that you can use now or in the future—is there any reason why I couldn't have your business?

If you knew definitely that today was the last day you were going to be alive—how much life insurance would you buy? I have asked several thousand men that same question but have never received the same answer twice. Some men say they would like to buy at least a hundred thousand—some a half million, but you and I know that life insurance cannot be purchased promiscuously, but must be purchased in accordance with a man's needs and his ability to pay. The question is, How much is enough? Not life insurance—but income producing property. Before we try to answer that let's take a fast moving picture of your family. You were born in what month? Day and year? Your wife is younger or the same age? You have how many children—who is the eldest?

From the standpoint of our discussion today you are dead and buried. The funeral was held yesterday and today your wife is going to attempt to find out where she stands economically, but I'm going to give you a privilege today that will not be given you when your time actually comes.

I'm going to give you the privilege of discussing your widow's minimum needs and the beauty of this is that if we find some things that need changing, you can do it now. I have a definite responsibility to the people I serve because if you and I don't do this now, your widow will have to do it later and at that time she will not have you to counsel with and whoever assists her may not have her best interests at heart and then, too, at that time if things are not as they should be, no changes can be made.

By Lowell P. Schwinger

*Northwestern Mutual Life
Waterloo, Iowa*

If every prospect would answer that question honestly, and then act accordingly, the job of life insurance selling would be much easier

The critical years for your family are the next five years. What is the least amount of monthly income your wife would require to provide the actual necessities of life—food, shelter and clothing?

In arriving at the minimum income don't forget that this is to be a net income—there will be one less in the family to feed and clothe—you will not be here—there will be no expenses incidental to your work and neither will there be any life insurance premiums to pay.

In your estimation the irreducible income to your wife during the critical period must be \$200 per month—is that right?

Now, naturally, you and your wife have always planned on college educations for your three children. A college education is needed more than ever today to enable one to compete in a world where competition is tougher each year. You know when I graduated from high school in a small town, that same year three boys from this little town graduated from a university and rated a headline in the weekly gazette, but ten years later eight young people from this same community graduated from colleges and universities and the gazette gave them one column two inches long on the back page.

The amount of income each of your children will need to go through college will depend somewhat on the course they take and what school they

attend. About what amount in planning did you and your wife figure each child's college requirements would be? I think your figures for a minimum of \$3,000 for each child is within reason.

Now, the children are on their own—going to college—with minimum income provided. Naturally, you would desire for your wife an income for the balance of her life. How much is the least she should have each month as long as life lasts so that she can continue living on in the same surroundings among her friends where she can maintain her own home so that the children can come back to visit with mother on Easter, Mother's Day, Thanksgiving and Christmas, and later when the children have families of their own the kiddies' big moment will be going to spend the holidays with grandma. In order to make all of this possible, what would be the least she would have to have or that you would want her to have? You feel then that the least she should have is \$100 per month—is that right?

When a widow has arranged her budget for income, what is the next step she must take? Isn't it true that she must know what the actual immediate cash requirements are so that she can start out with a clean slate. Is there a balance on the home?—\$4,000—Are there any other obligations? \$5,000—The average expense of last illness and funeral in the United States is \$1,300. That of course is problematical because if you are confined to a hospital for several months before death it would take considerably more. However, if you went home with pneumonia and died two days later there would be considerably less expense—what in your estimation is an average amount we should figure on? That's right you never can tell—\$1,500 is a very fair figure.

When a widow has arranged her budget for income and knows how much the immediate cash requirements are, what is the next step she must take? Isn't it true she must go over to the lock deposit box to find out what there will be to do these

(Turn to next page, please)

Holds Annual Agency Convention

AGENTS of the Western Mutual Fire Insurance Company of Des Moines held their annual agency convention last month in Des Moines and almost 600 agents and their wives were in attendance. The delegates represented Iowa, Nebraska and South Dakota, the three states in which the



Above, left to right: "Al" Adams, of the Home Office; Glenn S. Blount, secretary; F. F. Faville, former Chief Justice of the Iowa Supreme Court, who was the principal speaker at a luncheon session of the Western Mutual Convention; J. D. Kent, chairman of the board, and Charles S. Vance, president, of the Western Mutual Fire. Below, on left, W. W. Vollmer, local agent at Ames; Glenn Horton, special agent, Waterloo; Marvin Graves, of the Dike Agency, Dike; and L. E. A. Johnson, local agent at Sioux City. Below, right, snapped at the banquet which was attended by more than six hundred.

Western Mutual operates. Highlights of the convention were the annual banquet, at which Robert Burlingame, assistant news editor of Radio Station WHO was the speaker, and the closing luncheon session at which F. F. Faville, former chief justice of the Iowa Supreme Court, was the principal speaker. J. D. Kent, chairman of the board of the Western Mutual, presided at the business sessions.

The Western Mutual Fire is one of the outstanding fire companies in the middle west and is now in its 34th year. The company is experiencing a steady growth in volume of business in all of the three states in which it operates.

In addition to Chairman Kent, officers of the company include President Charles S. Vance, Vice President J. M. Piper, Secretary G. S. Blount, and Treasurer John Mueller.

HOW MUCH IS ENOUGH?

(Continued from page 23)

things with. What will she find there? Understand, anything you and I discuss is absolutely confidential, and don't forget that the life insurance dollars are going to be the same kind of dollars she will get from government bonds or any other holdings you may have.

How much life insurance will she find? Plenty—well that certainly is fine—how much is that—\$15,000—well that certainly is grand—now what else will there be—any mortgages, bonds, stocks? Oh, you have stock in your company? Does this stock have a ready market generally, and on today's market or an average market what will she be able to realize on this stock? \$10,000—that is the extent of your holdings—right?

Now I told you when we started that for our intent and purpose today that you were dead and buried, but I was only fooling because on the law

(Turn to page 28, please)



A Demonstrated Fact—

"Allied Mutual Pays"

Our slogan is really more than a slogan—it is a fact demonstrated over a thousand times each month. Agents and policyholders alike appreciate this prompt, fair, considerate claim service. It builds friends.



**ALLIED MUTUAL
CASUALTY COMPANY**

Harold S. Evans, President

Hubbell Bldg.

Des Moines, Iowa



Northwestern Banker November 1941

**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

The Month's Market Maneuvers



JAMES H. CLARKE

Substantial German gains along the vast Russian front, a stepping up of war production in this country, the torpedoing of American boats, a fight in Congress to amend the neutrality act, priorities, inflation, higher taxes, price controls, strikes and more strikes—these and many other things served to jumble the picture in October. And the stock market—a sensitive barometer—sold down.

We are writing this article Tuesday morning, October 28 to meet our tomorrow's deadline. There are—including today—still four trading days in the month—but it seems unlikely that much can happen to change the trend of the month's developments. There have been twenty-two days of trading in October's markets—gains were registered eight times while on fourteen days losses resulted. Almost all of the losses were closely tied in with the war news—Russian reverses. The day the Japanese cabinet fell prices broke about two points. But there were other causes—yesterday when the American Tobacco Company announced a cut in its dividend rate, the market averages broke over a point—and American Tobacco stock itself dropped 9½ points. Apparently, those who have felt that the market has already discounted dividend cuts are mistaken.

The Dow-Jones averages for industrial stocks provide a good yardstick to measure the price changes during the month. On September 30, the average was 126.79—by October 16 it had dropped to 118.52—yesterday's close of 119.43 showed but slight recovery. The market, in other words, is now back to the levels which prevailed in June—and the summer rise, based largely on Germany's failure to conquer Russia quickly, has been erased. Some stocks have fared much worse than the market itself. Bethlehem Steel, which sold at 74 the last week in June, traded at 62 yesterday, U. S. Steel was off five points in the same period; while Westinghouse, which offered stock rights, was off the substantial amount of 23½ points—from 95 in June to 71½. On the other

Prepared for
The Northwestern Banker

By James H. Clarke

Assistant Vice President
American National Bank & Trust Co.
Chicago

hand, the oil stocks which have acted well in this market—Texas Company, for instance, was 39 in June is now 44—Standard Oil of New Jersey was 40 is now 43—Skelly was 29 is now 35, etc. The oil companies with their large capital investments appear to be in a favorable tax position.

No analysis of a corporation's possibilities in the days to come will be of value without a complete study of its tax problem. Taxes have already reached a point where in numerous cases large increases in gross business have been more than offset by the new taxes—and the trend is to even larger taxes. So, despite inflation—stock prices will be hampered and dividends lower if the Government siphons off increasingly larger amounts.

While inflation fears are supposed to disturb bond prices, there were no evidences of such a disturbance in October. Government bond prices were higher during the month in the face of an offering of Treasury 2½'s due in 1972 to raise \$1,200,000,000 in new money—and with full knowledge that Morgenthau has plans for much more to come. Municipal bonds continued to sell on a very low yield basis as investors, both individuals and institutions, sought the benefits which tax exemptions provide. Railroad bonds of a speculative quality—particularly those of roads which are being reorganized—enjoyed better markets during the month. Apparently, numerous investors who formerly purchased stocks are finding somewhat better values in second-grade rail bonds—in this period of sharply better railroad earnings. So long as the unsettled wage controversy overhangs, however, buyers will be cautious in this market—any wage decision of less than a 10 per cent increase or one which is tied in with the sliding scale of living probably would be interpreted as bullish by the markets.

Outside of the Treasury offering, very little new financing came into the market during the month. The largest issue—\$38,000,000 of Central Illinois Public Service 3¾'s of 1971—was offered today, and it is too early to accurately appraise its reception. Considering the price of 107 and the yield of about 3.02, it seems a fair assumption, however, that the bonds were not a riot marketwise. Beneficial Industrial Loan Corporation has just offered \$10,000,000 of Debenture 2¾'s of 1956 at 100. There are still bonds available as we write this—the sales apparently being a bit slow. There were one or two other small offerings in the past four weeks, including \$5,600,000 of Gulf Power Company 3½'s of 1971—priced at 103 to yield 2.96 per cent. Today's Wall Street Journal carries a bid of 102¼ for these bonds.

Reports of the Securities and Exchange Commission do not indicate now that new financing will pick up much in November. It is likely that Philadelphia Electric Company will sell \$20,000,000 of First Mortgage 2¾'s of 1971 if the markets are right. Florida Power and Light, Illinois Commercial Telephone Company and Champion Paper and Fibre Company also have financing plans—if the markets are satisfactory.

The daily statements of the Treasury indicate that expenditures for National Defense are averaging between fifty and sixty millions a day—with the trend upward. At this rate, the goal of two billions per month is now in sight—and additional financing will be necessary late in November or early in December. Since the Administration does not expect the land forces to be fully armed until 1943 and the two-ocean navy to be ready until 1946, it is easy to see that our debt can easily multiply two or three times.

And yet in these days of managed money markets with the Treasury the only big borrower, it is difficult to foresee any set of circumstances which will upset the Government's plans. An actual declaration of war would be disturbing, and a complete collapse in Russia would hurt—but by and large, the demand for media of investment for income still seems to outweigh the natural reluctance to buy bonds in these uncertain times.

Northwestern Banker November 1941

Central National Bank in Chicago Celebrates Fifth Anniversary

OVER 13,000 customers and friends of Central National Bank in Chicago helped them celebrate their fifth anniversary in an open house celebration held in connection with the formal opening of their newly enlarged quarters last month.

From a one floor bank opened in October, 1936, with deposits of \$300,000, Central National Bank made tremendous strides to reach their present deposits of over \$20,000,000 in five

short years. Their phenomenal growth has been attributed to the many personalized services rendered to the depositors of the bank—services that grew from the policies instituted by the president, Carl F. Kuehnle.

Hundreds of baskets of flowers from customers, friends and other banks, bedecked the main and the new second floor.

The bank quarters were remodeled to include a second floor that was pre-

viously used by outside businesses and the addition of the second floor virtually doubled the space given each division.

Today the bank is handling an average of 100,000 items per day, which is another indication of the fact that this is a real "service institution."

From among the very fine personnel in the bank are many officers who orig-



CARL F. KUEHNLE

GMAC

GENERAL MOTORS ACCEPTANCE CORPORATION

is engaged primarily in facilitating wholesale distribution and retail sales of the following products of General Motors Corporation and its world-wide affiliates: CADILLAC, 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

inally came from Iowa. These include Carl F. Kuehnle, president, from Denison; Harold H. Stout, vice president, from Fairfield; Karl E. Wehrly, senior vice president, from Dubuque, and Arthur A. Ellerd, assistant to the president, from Sioux City. Leroy A. Listug, executive vice president, did not come from Iowa, but he is next door neighbor, as he came from Illinois.

According to the latest figures, the Central National Bank now is in the upper 3 per cent in volume of business among the nation's 14,000 banks.

Elevated to Presidency

With the highest registration ever recorded for a national meeting, the final session of The National Association of Bank Auditors and Comptrollers Convention closed last month in Chicago. C. W. Borton, assistant vice president, Irving Trust Company, New York City, was elected to the presidency, to succeed Charles Z. Meyer, comptroller, The First National Bank of Chicago.

Mr. Borton has been active in the affairs of both the New York City conference and the national organization for a number of years. From 1932 to 1938 he was a national committeeman in the second district. At the Houston convention in 1938 he was elected to

national office as secretary-treasurer and each year since that time he has advanced through the various offices and now assumes the top executive position.

He has always taken a prominent part in organizing new conferences. Since first becoming a national committeeman he has seen the number of local conferences doubled, the number now standing at fifty. During his year as first vice president and as head of the organization committee, four new conferences were established, including one in Manila, Philippine Islands.

Mr. Borton was appointed assistant auditor of Irving Trust Company in 1926 after four years' service in the company. He was elected auditor in 1932 and assistant vice president in 1939.

Smith Iowa Representative

Scarborough & Company, Chicago, insurance counselors, announce the appointment of Horace A. Smith as representative of the firm in charge of the state of Iowa. Mr. Smith is a former resident of Iowa, is a graduate of the University of Iowa, and has recently



HORACE A. SMITH

completed a training course in the Scarborough home office in servicing bank insurance programs.

Mr. Smith succeeds Ward Macfadden in the Iowa territory, the latter now being in the Scarborough office in Chicago in an executive capacity in charge of sales supervision. It is quite likely Mr. Macfadden will visit Iowa occasionally during the administration of his new duties.

Mr. Smith will reside in Des Moines, where Scarborough & Company maintains offices in the Valley Bank Building.

Many Do

"Why was Bill so upset in the bank this morning?"

"Oh, he just lost his balance."

6 PER CENT PROFITS

(Continued from page 11)

"I believe that Mr. Morgenthau must be thinking only of revenue and that he feels that anyone earning over 6% can more easily afford it than those who make less than that. However, I do not believe in this type of taxing. I believe that a stiffer graduated income tax would be the better way to raise his revenue."

An Iowa banker:

"I am absolutely opposed to Mr. Morgenthau's proposal, as what object would there be to make any money? It would take the incentive to make money away from people and corporations, and that incentive is what has made this country what it is. However, we need just about one more half-cracked idea from the New Dealers as this one is, and it would about finish things. I just wonder when it has gotten to be such a crime to make some money and be thrifty? Everything else should be restricted by Morgenthau, and make sacrifices, except labor. That is about as consistent as he is, and as I see it, organized labor are the worst offenders we now have and have been for the past years.

"Further, if we cannot accumulate any reserve at the present good times, how can we do it when we are in another depression and not making any money, with plenty of losses, and surely you cannot accumulate any reserve limiting a corporation to 6%, as the

IOWA BANKS

BUY

Iowa FHA Title II
Insured Loans

■ ■ ■

Iowa's Oldest and Largest
FHA Loan Dealer

■ ■ ■

Write for our Current List

Epperson & Co.

Fleming Building

Des Moines

Iowa

COMMERCIAL INVESTMENT TRUST

INCORPORATED



COMMERCIAL INVESTMENT TRUST INCORPORATED, with capital and surplus in excess of \$66,000,000, 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 315 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.

stockholders would want this, which they are entitled to."

K. T. Aisenbrey, cashier, Bank of Alpena, South Dakota:

"I am opposed for the reason that this will not enable a bank to build up a reserve in case of an emergency. Losses are bound to appear when these markets settle back and it may mean an assessment on the stockholders."—THE END.

HOW MUCH IS ENOUGH?

(Continued from page 24)

of averages, you have a better chance of living to retirement age than you have of dying and if you were selecting a retirement age today which of the three universal retirement ages would you select—age 55, 60 or 65?

In other words, you feel that age 60 is just right—not too early—and not too late where you won't have time to enjoy the fruits of your labor—

right? At age 60, what is the amount of income you feel you will have to have to permit your wife and yourself to do the things you have planned? You feel \$200 will do the job nicely, right!

Do you know the pension power of your present owned life insurance at age 60? What I mean by pension power is how much per month the cash values of the life insurance you now own will provide under the terms of the contracts. It is not uncommon for men like you in responsible positions who are busy every moment of the day to be uninformed on the pension power of your insurance.

However, this is one of my duties to advise you, and if I may examine your policies for a few moments, I will take down the data I need to supply you with this information or I can give you a receipt for your policies and gather facts together in my office. Thank you for having the secretary get them—here is your receipt.

If it were possible that you could find a plan that would enable you to dismiss from your mind for all time the two greatest hazards of life—the hazard of living too long—you thought I was going to say die, but if you look around you the men and women you know personally who during the major part of their lifetime were self sustaining and today are dependent on friend, relatives or charity, I believe you will agree the greatest hazard is the hazard of living too long.

The second greatest hazard—is the danger of dying too soon—before you have an opportunity of doing the things you have planned for your family. If it were possible that you could find a plan that would eliminate these hazards down through the future it would certainly be worth a great deal, wouldn't it? What could you put into such a plan per month if it were available?

You say you could squeeze out \$50 per month? In the course of a week or ten days after I have carefully analyzed your situation, I will call you and we can arrange for a time when you, your wife and I can get together and I will give you the result of my findings, but in the meantime, let's call in the man with the little black bag and find out whether or not you can qualify.—THE END.

Takes Over Assets

Joint announcement was made on October 27th by Lee Frank, chairman of the board of National Bond & Investment Company, Chicago, and A. E. Duncan, chairman of the board of Commercial Credit Company, Baltimore, that an agreement has been en-

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

Shaw, McDermott & Sparks

Investment Securities

Suitable for Investment of Banks,
Institutions and Trust Funds

914 Liberty Bldg.

Phone 3-6119

DES MOINES, IOWA

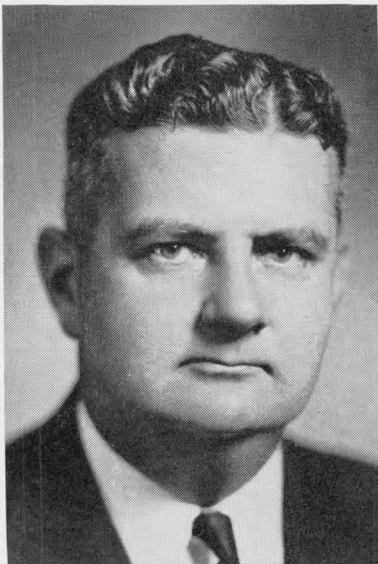
tered into whereby the assets of National Bond & Investment Company and its subsidiaries will be acquired for cash at approximate book value by Commercial Credit Company.

Mr. Duncan stated that Commercial Credit Company expects to continue, and possibly through an enlarged territory, the successful plans and policies for many years pursued by National Bond & Investment Company and its subsidiary companies. New subsidiaries of Commercial Credit Company, under similar names used by National Bond & Investment Company and its subsidiaries, will continue to operate the business as heretofore at their present local offices with Chicago headquarters, and with their present management and personnel, without any change in present National Bond plans and policies with dealers and the public.

Kissell Elected Vice President

E. Chester Gersten, president, announces that the board of directors has elected William J. Kissell a vice president of the Public National Bank & Trust Company of New York City.

Mr. Kissell started his banking career in 1915 with the National Bank of Commerce in New York and was later with the Guaranty Trust Company



WILLIAM J. KISSELL

with which the former institution was merged. During the period of bank difficulties he was treasurer of the National Credit Corporation, founded by the nation's banks as a forerunner of the Reconstruction Finance Corporation. Since the liquidation of that corporation in 1935 he has been with the New York Trust Company as assistant treasurer.

SOUND COUNSEL

in analyzing and meeting every operating problem



Nearly every bank in the United States has profited by Burroughs' technical knowledge of the different methods and machines that can be used to meet different conditions in bank accounting.

The banks have profited also by the sound counsel that Burroughs gives . . . sound counsel in analyzing a bank's procedure, routine and requirements—sound counsel in making practical, carefully thought out recommendations—sound counsel in selecting the right equipment to meet each bank's individual requirements—sound counsel in properly installing and applying the equipment selected.

Today, in the face of changing conditions, banks are benefiting more than ever by Burroughs' fifty years of active participation in the development of bank accounting—are profiting by Burroughs' dependable recommendations.

BURROUGHS ADDING MACHINE COMPANY
DETROIT, MICHIGAN

Today's
Burroughs

DOES THE WORK IN LESS TIME • WITH LESS EFFORT • AT LESS COST



MEASURED PROFIT IN FEEDING . . .

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

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

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

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



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

USE "NORTHWESTERN" SERVICES

Department of Banks and Bankers

Wm. N. Johnson
Vice President

F. W. Conrad
Asst. Vice Pres.

D. E. Crouley
Asst. Cashier

L. P. Gisvold
Asst. Cashier

NORTHWESTERN NATIONAL BANK AND TRUST COMPANY

MINNEAPOLIS • MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker November 1941



O. G. JONES
President
Red Wing

MINNESOTA NEWS



WILLIAM DUNCAN, Jr.
Secretary
Minneapolis

Recovering from Operation

H. H. Peyton of Duluth, president of the Pioneer National Bank of that city and of the First National Bank of Proctor, is recovering at a Rochester hospital from a major operation.

Bank Remodels Interior

The remodeling of the interior of the First National Bank of Le Center is well under way, and the work is continuing at all hours except those when the bank is open to the public.

Association Meets

The fall meeting of the Northwest Clearing House Association was held October 25 at the Palm Garden Cafe in Thief River Falls.

A good attendance was reported at this meeting, which included a business session in the late afternoon, followed by a banquet in the evening.

Guest speakers included O. C. Jones of Red Wing, president of the association, and William Duncan of Minneapolis, secretary of the Minnesota Bankers Association.

Seventh Payment Made

According to bank officials, the seventh payment to holders of participating trust certificates at the Zapp State Bank of St. Cloud was made last month.

The payment amounted to 5 per cent, bringing the total to 55 per cent of the remaining 50 per cent the trust holders were forced to leave in the bank in 1933.

State Banks Strong

Minnesota banks have materially strengthened their position by building up strong surplus, undivided profits and reserve accounts, F. A. Amundson, state commissioner of banks, announced recently upon completion of reports showing the condition of state banks.

Deposits for the three quarter jumped \$6,493,192, or to a total of \$312,740,205, as of September 24, 1941, from the total recorded on June 30

last, Amundson's tabulation showed. The report covers 487 state banks, one savings bank and four trust companies.

The reserve required as of September 24 was \$20,437,608, according to Amundson, but the cash on hand totaled in excess of \$70,000,000, or more than three times the amount required by law.

Amundson observed that the demand for local loans is increasing while a gradual reduction of secondary bonds continues.

Surplus, undivided profits and reserves increased \$1,099,783 for the quarter. Surplus in state banks now total \$11,751,750 against capital stock of \$13,857,100. Undivided profits total \$7,005,838. Combined, surplus and undivided profits total \$18,757,588, and exceeds the capital stock by \$4,900,488.

Loans and discounts increased \$4,427,378, to a total of \$149,726,692.

Give Seminar Lectures

"Banking, Business and World Events" is the title of the seminar-lecture course now being given in St. Paul under the auspices of the St. Paul chapter of the American Institute of Banking. The lectures are being held in the employes' club rooms of the First National Bank of St. Paul.

Two lectures have already been given—on October 10 and 24—the speakers being Thomas H. Hodgson, assistant counsel of the Federal Reserve Bank of Minneapolis, and Carl R. Gray, Jr., executive vice president of the Omaha railroad. Two more lectures will be given—on November 7 and 21—the speaker on November 21 being Louis S. Headley, vice president of the First Trust Company of St. Paul.

Favorable Business Picture

Favorable sign in the business picture at Fairmont was the high mark set in the value of "bank debits."

A month ago, debit volume reported by Fairmont banks to the Federal Reserve Bank of Minneapolis amounted to \$2,969,000 and was 25 per cent above

the figure reported for the same month a year ago. This marks the best volume recorded for any like month in recent years.

Validity of Law Upheld

Validity of the 1933 banking act which permits reorganization of state banks with the approval of a majority of depositors and the commissioner of banking, was upheld last month in a Minnesota supreme court decision written by Chief Justice Henry M. Gallagher.

The decision was handed down in a suit against the Citizens State Bank, New Ulm, by Mrs. Hattie Baltrusch, who attempted to recover the entire amount of the money she had deposited in the bank, instead of the one-half provided under the reorganization plan.

The lower court judgment granted her only half her deposits and she appealed the judgment to the high court.

In the decision, the court held that the state banking law did not "impair obligation of contracts so as to violate the Minnesota constitution" and that the commissioner of banks had acted correctly in approving the plan of reorganization.

New Director

John E. Hoff, Duluth real estate man, recently was elected to the board of directors of the Bank of Commerce & Savings, according to announcement made by Jay Markle, president. Hoff is vice president of the Duluth Board of Realtors and of the Building Owners' and Managers' association. He is a past president of the latter group, a member of the apartment house committee of the national association and a member of the local association's taxation committee.

Annual Meeting Held

The Blue Earth Valley Clearing House Association held its annual meeting in Blue Earth last month.

The main speaker of the evening was Professor A. B. Morris of the Mankato Teachers College, who gave a historian's view of present day world events. Other speakers were R. O. Bishop, regional supervisor of the FDIC, O. G. Jones of Red Wing, president, and William Duncan, Jr. of Minneapolis, secretary, Minnesota Bankers Association.

Earl Hummel of the First and Farmers National Bank of Blue Earth, retiring president of the association, presided at the meeting. New officers were elected as follows: William Borcherdt of the First National Bank of Mapleton, president; M. J. Jones of

Northwestern Banker November 1941

Cambria, vice president; and Glen Ugen of Wells, secretary-treasurer. Clifford Kittleson of Frost and A. T. Weyer of Elmore were placed on the board of directors of the association.

FDIC Report

Resources of the 644 insured commercial banks in the State of Minnesota totalled \$1,159,110,000 on June 30, 1941, according to a survey made public recently by the Federal Deposit Insurance Corporation.

Deposits in the insured banks were

listed as \$1,045,282,000. Demand deposits of the latest call date amounted to \$712,135,000 and time deposits totalled \$333,147,000.

Loans and discounts of the reporting banks amounted to \$398,130,000, an increase of \$46,452,000 over the June 29, 1940 total.

Direct and guaranteed obligations of the United States Government listed by the Minnesota banks amounted to \$252,956,000 on June 30, 1941. Other securities totalled \$94,958,000.

Loans and discounts of the 13,423 insured commercial banks throughout

the country totalled \$19,913,000,000, an increase of \$2,899,000,000 or 17 per cent over the amount reported June 29, 1940. Deposits increased from the \$58,425,000,000 reported the previous year to \$65,617,000,000, the highest figure since inauguration of deposit insurance.

Large Bank Volume

Favorable sign in the business picture of Owatonna was the high mark set in the value of "bank debits."

A month ago debit volume reported by Waseca banks to the Federal Reserve Bank of Minneapolis, amounted to \$3,065,000 and was 13 per cent above the figure reported for the same month a year ago. This was the best volume recorded for any like month in more than twelve years.

Debit totals for the year to date stand 18 per cent above the corresponding figures for 1940.

Accepts New Position

Palmer Score, who has been employed by the First State Bank of Kensington, is now working at the Bank of Elbow Lake.

Goes to Monticello

Frank Doemhildt has resigned his position as assistant cashier of the Elysian State Bank to take a similar one in the Wright County State Bank of Monticello.

Resources Over \$8,000,000

Resources of Faribault county's banks have now reached a total of more than eight and a quarter million dollars, according to quarterly statements recently printed.

Bank Directors Elected

Election of Ely Salyards and Carlisle M. Heimbach to the board of directors of the City National Bank of Duluth was announced last month by Herman C. Matzke, bank president, following a directors' meeting. Mr. Salyards is president of the Duluth Board of Trade and Mr. Heimbach is president of Heimbach Lumber Co. The new directors fill vacancies on the board created by the deaths of J. F. Killorin and H. C. Macgregor.

Construct New Vault

A new vault is being constructed in the State Bank of Park Rapids. The vault is in the rear of the bank structure, and is additional vault space. The present vault is not being disturbed.



Let Us Assist You

Due to current high prices of the livestock going into feed lots, banks will experience exceptionally heavy demands from the feeders for financing.

We specialize in feeder financing and our service to banks located in feeder territory will be especially valuable this year.

Our complete banking facilities assure prompt and efficient handling of all transactions in this territory.

We invite your account.

Stock Yards National Bank

South St. Paul, Minnesota

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

TWIN CITY NEWS



JOYCE FINRUD of First National Bank & Trust Company, Minneapolis, was elected president of the Twin City Bond Traders club at the annual meeting, at which members voted to incorporate the organization under state laws.

George Jackish of Harris, Upham & Company, Minneapolis, was given Finrud's former post of vice president, while **Carroll H. Babcock** of Piper, Jaffray & Hopwood, Minneapolis, was named treasurer, **Byron Kairies** of Merrill Lynch, Pierce, Fenner & Beane, Minneapolis, became secretary and **Robert M. Rice**, Minneapolis, retiring president, national committee-man.

Prof. Theodore Mitau of Macalester college, St. Paul, youth worker in Germany in the early Nazi days, spoke at the annual fall banquet of the Minneapolis Federal Reserve club at Curtis hotel. Club president this year is **Edith Drier**.

Minnesota Safe Deposit association held its first meeting of the new year at Commodore hotel, St. Paul, with **Charles E. Nieman**, attorney, leading the discussions of vault problems.

Officers are **J. M. Kane**, cashier of Stock Yards National Bank, South St. Paul, president; **M. E. Weimar**, assistant cashier, Farmers & Merchants State Bank, St. Paul, vice president, and **Dorothy Rich**, Bloomington-Lake National Bank, Minneapolis, secretary-treasurer.

Executive committee members are **H. A. Warner, Jr.**, president of First State Bank, White Bear Lake; **Julia Cummings** of St. Anthony Falls office of First National Bank & Trust Company, Minneapolis; **C. A. Moberg, Jr.**, vault manager of First National Bank, St. Paul, and **J. G. Goblisch**, assistant cashier of Grand Avenue State Bank, St. Paul.

By James M. Sutherland
Special Correspondent

Validity of Minnesota's 1933 banking act, which permits reorganization of state banks with approval of a majority of the depositors and the commissioner of banks, has been upheld in a decision handed down by the state supreme court.

The ruling was made in a suit against the Citizens State Bank of New Ulm by Mrs. Hattie Baltrusch, who attempted to collect the entire amount of money she had deposited instead of the one-half provided under the reorganization plan. The supreme court upheld the lower court in denying her the right to collect her full deposits.

Richard C. Lilly, president of First National Bank, St. Paul, is one of three northwest bankers named members at large of the executive council of the American Bankers Association. Others are **B. Murray Peyton**, president of Minnesota National Bank of Duluth and for many years treasurer of the A. B. A., and **Samuel N. Pickard**, president of the National Manufacturers Bank of Neenah, Wis.

Clarence R. Chaney, vice president of Northwestern National Bank & Trust Company, has been named a director of the Minneapolis Civic & Commerce Association.

Just four years old, Columbia Heights State Bank paid its second dividend Oct. 10. The \$3 a share dividend was 50 cents greater than that paid a year ago. The bank opened Oct. 18, 1937.

Earnings last year, according to **Cashier H. S. Woodward**, were \$9.40 per share, after federal taxes. Follow-

ing their custom, directors put the bulk of these earnings into surplus and reserves. Book value, including reserves, is now over \$153 per share, compared with the issuing prices of \$130. **Arthur L. Gluek** is president, **Henry E. Atwood** vice president and **H. S. Woodward**, cashier.

H. B. Humason, president of American National Bank, St. Paul, has been named a member of the executive committee of the national bank division of American Bankers Association, representing the Ninth Federal Reserve District.

New officers of the Exchequer of Minneapolis were named at the first fall meeting of the 1941-42 season, report of the nominating committee being unanimously adopted.

Gordon E. Larkin, vice president of Marquette National Bank, was ad-

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

Northwestern Banker November 1941

vanced from vice president to president; **E. J. Olson**, manager of Northwestern National Bank & Trust Company's Lincoln office, was advanced from secretary-treasurer to vice president, while **L. R. Oberg**, cashier of Bloomington-Lake National Bank, was elected secretary-treasurer.

Chairman of the bank management committee is **J. Raymond Smith**, comptroller of Northwestern National, while members are **O. H. Odin**, executive vice president of Marquette National Bank, and **K. M. Morrison**,

comptroller of First National Bank & Trust Co.

C. Herbert Cornell, cashier of University National Bank, heads the program committee, assisted by **William A. Benson**, assistant manager of Northwestern National's North American office, and **Harry I. Ziemer**, vice president and cashier of Minneapolis Federal Reserve Bank.

B. W. Lohmar, manager of First National's North Side office, is retiring president. **R. O. Thayer** vice president of Fifth Northwestern National Bank, headed the nominating committee.

Col. Clarence B. Little, pioneer legislator and banker of North Dakota and a member of the executive committee of First Bank Stock Corporation, died in St. Paul only a little over a month before his eighty-fourth birthday. Born in New Hampshire, he had lived in Bismarck, N. D., since 1883. He was a member of the first North Dakota senate, in which he served 20 years.

William F. Graves, assistant secretary of Northwest Bancorporation in charge of the credit department in Minneapolis, has assumed new duties as vice president and director of the National Bank of LaCrosse, Wis., a Banco affiliate.



Qualified—One Hundred Per Cent!

For 46 years the Live Stock National Bank has been located in the Sioux City stock yards—serving the live stock and farming interests of the great Sioux City market area.

If your bank is agricultural—as are most banks in this territory—you can see why our specialized experience helps you. Both our location and experience qualify us a hundred per cent to handle your items for you in Sioux City.

OFFICERS

C. L. Fredricksen, President
M. A. Wilson, Vice President
W. G. Nelson, Assistant Vice President
W. C. Schenk, Cashier
H. C. Linduski, Assistant Cashier
C. L. Adams, Assistant Cashier
J. S. Haver, Assistant Cashier

DIRECTORS

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

"The Bank at the Yards"

Member Federal Deposit Insurance Corporation

LIVESTOCK NATIONAL BANK

SIoux CITY, IOWA

Northwestern Banker November 1941

Clearing House Meeting

Seventy bankers from Freeborn, Steele and Waseca counties comprising the Dairy Region Clearing House Association met at the country club in Albert Lea recently for an evening session. Officers elected are Charles Spalding, Waseca, president; W. A. Gray, Albert Lea, vice president; H. L. Peterson, Twin Lakes, secretary-treasurer; and F. J. Greeley, Alden, director. Round table discussions of banking problems were held. Golf was also arranged for the afternoon and a dinner was held in the evening.

Appointed Vice President

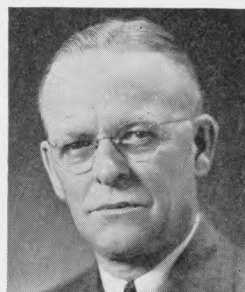
Holland Norton of Waseca, who has been traveling for the past 11 years in his capacity with the examining and auditing division of the Northwest Bancorporation, recently took over his new duties as vice president of the Murray State Bank of Slayton.

Dividend

Northwest Bancorporation on November 25 will pay a dividend of 25 cents a share to stockholders of record November 10. This is Banco's second dividend in 1941, the first, for 20 cents, had been paid May 25. In 1940 the bank holding company paid two dividends totaling 20 cents.

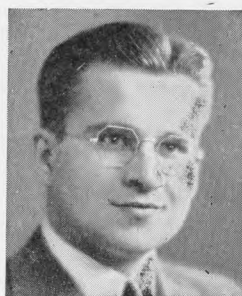
Farr Resigns

Daniel E. Farr, chairman of the board of directors of Investors Syndicate since 1938, has resigned to take the post of head attorney in the office of the chief of air corps, material division, United States army. He will make his headquarters at Wright field, Dayton, Ohio. During World War I he served as a captain commanding the fortieth machine gun battalion.



L. T. MORRIS
President
Watertown

SOUTH DAKOTA NEWS



GEORGE M. STARRING
Secretary-Treasurer
Huron

Group Meeting

C. O. Gorder of Deadwood was elected president of group seven of the South Dakota Bankers Association at the annual meeting in Lead last month.

Other officers elected were T. L. Seppala, Edgemont, vice president, Charles E. Pendo, Lead, secretary-treasurer, and C. J. Poshuta, New Underwood, executive council representative.

Prominent Banker Dies

A long illness ended last month in the death of Benson H. ReQua, 82, vice president of the First National Bank and Trust Company of Sioux Falls.

Mr. ReQua had been connected with the banking business in Sioux Falls since 1888, and had been active until August, 1940, when he became ill.

Plan Enlargement Program

R. E. Driscoll, president of the First National Bank of Rapid City, announced last month that the bank had purchased the Fallon building in Rapid City, owned by Mrs. Bernadine Benedict, as the first step in a contemplated enlargement program.

Mr. Driscoll said that increased banking activity had made it necessary to make plans for the future.

Plans for enlarging the bank quarters are being discussed, and will not be started until some time next year.

FDIC Report

Resources of the 161 insured commercial banks in the state of South Dakota totalled \$120,308,000 on June 30, 1941, according to a survey made public recently by the Federal Deposit Insurance Corporation.

Deposits in the insured banks were listed as \$106,508,000. Demand deposits of the latest call date amounted to \$74,473,000 and time deposits totalled \$32,035,000.

Loans and discounts of the reporting banks amounted to \$53,474,000, an increase of \$6,713,000 over the June 29, 1940 total.

Direct and guaranteed obligations of the United States Government listed by the South Dakota banks amounted to \$17,555,000 on June 30, 1941. Other securities totalled \$12,369,000.

Loans and discounts of the 13,423 insured commercial banks throughout the country totalled \$19,913,000,000, an increase of \$2,899,000,000 or 17 per cent over the amount reported June 29, 1940. Deposits increased from the \$58,425,000,000 reported the previous year to \$65,617,000,000, the highest figure since inauguration of deposit insurance.

Purchase New Equipment

The Menno State Bank recently purchased 180 safety deposit boxes which will be installed in the bank vault. They are equipped with double locks, and are larger than those formerly in use.

Favor Branch Bank

The Pine Ridge business men's club called a special session last month to discuss the possibility of establishing a branch bank in Pine Ridge.

Three members of the Black Pipe State Bank of Martin, O. A. Hodson, president; Carl Hicks, cashier and Harold James, director, were present.

The advantages of a bank in Pine Ridge, a fast growing community of 1,800, with a large government payroll and much road work expected in the near future, were pointed out. Although no definite action was taken, it is expected that a bank will be established soon.

Former Banker Dies

James Nelson, 87, well-known Midland rancher, passed away at his home there recently.

Mr. Nelson was a member of the board of directors of the First National Bank of Philip for 25 years.

Make Improvements

Many improvements are being made and some remodeling taking place at the Sturgis branch of the First Na-

tional Bank of the Black Hills. A new front entrance and new doors and a false ceiling are being added. Fluorescent lighting and an air conditioner are being installed, while the interior will be completely redecorated.

Accepts Teller's Position

Charles J. Torkelson, an employe of the First Citizens National Bank of Watertown for the past four years has accepted a teller's position with the First National Bank at Mandan, North Dakota.

Buy Controlling Interest

Sale of the controlling interest of Mrs. C. A. Stone of Carthage in the Farmers State Bank of that city, of which her late husband was president, is reported, the buyers being the Community Mortgage Company of Lake Preston.

Stockholders in the mortgage company include J. O. Purinton, E. F. Green and Harry J. Eggen of De Smet.

Celebrates 61st Anniversary

The First Citizens National Bank of Watertown recently celebrated its 61st anniversary of business. Established in September, 1880, its deposits from a comparative handful of citizens then totaled but \$5,000. Today the bank announces a clientele of more than 6,000 depositors and borrowers and a worth of \$3,000,000. A rightful boast of the institution is that in its 61 years of business "no depositor has lost a single dollar entrusted to its care." The bank now has 15 employes. Ten additional persons comprise its official staff and board of directors.

NEWS AND VIEWS

(Continued from page 12)

bound volumes of your letters mean to him and will ever increasingly mean as the years go by."

Roger Topp, vice president, and **Daniel F. O'Meara**, assistant vice president of the Public National Bank and Trust Company of New York, officiated most delightfully at their "open house" cocktail party held at the Blackstone during the American Bankers convention last month.

The main office of the bank has now been moved to 37 Broad Street, and greatly improved facilities are thus available at this very fine institution, which now has deposits of over \$170,000,000.

Marriner S. Eccles, chairman of the Federal Reserve Board, in a recent

Northwestern Banker November 1941

statement said that, "Industrial strife during times of national peril was intolerable, because every unit of the nation's production machinery was needed for defense and civilian needs."

We quite agree with Mr. Eccles, but when the government of the United States itself has pandered and pampered labor leaders in order to get their votes, what chance is there of that same government enforcing the same rules and regulations for labor unions that now exist for corporations?

How long the American public will

stand for such practices as having strikes in defense industries, time alone will tell.

Miss A. T. Olsson, publicity director of the Live Stock National Bank of Omaha, has been using the back of their statement card to help sell new defense bonds, and the copy is "Believe in the United States of America," and then she points out four reasons why Series E United States Defense Bonds are a good investment by saying:

"1. Backed by the full faith and credit of the U. S. Government.

2. Registered, not transferable.

3. Pays 2.9 per cent interest if held ten years.

4. Redeemable at any time after 60 days from date of purchase."

Joseph C. Williams, vice president of the Commerce Trust Company of Kansas City, is naturally proud of the fact that his institution is, "largest of the many large banks in the Tenth Federal Reserve District," and, at the last call, had deposits of \$227,661,314.

Also the surplus and undivided profits of the bank are \$7,149,333, and the capital is \$6,000,000.

Orval W. Adams, former A. B. A. president, and executive vice president of the Utah State National Bank of Salt Lake City, has called our attention to a speech of Dr. Joseph F. Merrill of the council of the twelve apostles of the Mormon Church, in which he criticizes the abuses of the present labor organization, and expresses his opposition to the "closed shop."

Dr. Merrill said: "When we deny an able-bodied man the 'right to work' we rob him of his independence and destroy his happiness. It is this denial that faces myriads of willing workers in America today, because of a new tyranny—one never dreamed of by the founders—that has arisen, that of the 'closed shop,' including the check-off system."

A. L. M. Wiggins, president of the Bank of Hartsville, South Carolina, sent us a copy of the *Anderson Daily Mail* as it would be published "in the United States should we lose the priceless liberties guaranteed in the Bill of Rights."

At the top of the paper it said, "Get ration cards at City Hall if you expect to eat." Also, under the name of the publication it said, "Published under censorship of the Government of the Third Heel."

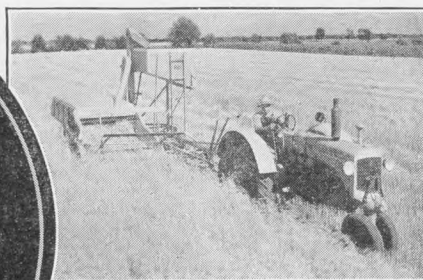
All meetings were banned, a work week of 70 hours was established and all elections were called off because General Heil Heel was to name his own candidates.

William Feick, vice president, Irving Trust Company, New York, used to train fliers in World War number one. He did a stunt flight at Little Rock to publicize a Liberty Loan bond sale but he fell 15,000 feet and miraculously escaped death. Although Mrs. Feick is not very keen about his flying (Turn to next page, please)

HELPING ONE
means
HELPING
ALL

Realizing the value and importance of modern, efficient farm tools, bankers have been a potent force in the promotion of prosperity of rural communities. In offering a helping hand to deserving farmers who lack the ready cash for buying needed tools and power, bankers have helped those farmers to become better customers for all business places in the community.

This year bankers and MM dealers will again be cooperating to bring more MM tractors and machines to deserving farmers in their communities. In doing so, they'll be performing a service not only to the farmers themselves but to the community as a whole, and indirectly the whole nation.



Above: Universal "Z" 2-4 row 2-3 plow tractor and Harvester "69"—one man operation. The Mighty Masters of all Crops.



Above: The Harvester 12 foot — original light weight, big capacity combine for all crops — world's largest seller in that size.

MM Tractors and machines will this year bring to more farmers new dependability in performance and new economy in operation.

Below: "J" Harvester — offered in 6 and 8 foot sizes — one or two man operation.



J. I. HEGGE
President
Hillsboro

NORTH DAKOTA NEWS



C. C. WATTAM
Secretary
Fargo

Elected President

Evan D. Saltzman, who has served the First National Bank of Bismarck as vice president since March, 1939, was elected president of that institution last month to succeed the late Col. C. B. Little.

Mr. Saltzman becomes the fifth president in the history of the 62-year-old institution, second oldest bank in North Dakota.

Mr. Saltzman brings long years of banking experience to his new capacity.

Former Banker Dies

Herman A. Brocherding, postmaster at New England, died in a Fargo hospital last month after an illness of several years.

Mr. Brocherding was a resident of New England for a quarter of century, and was one of the founders of the Farmers and Merchants State Bank there, which closed September 15, 1931.

Harvey Banker Dead

O. S. Peterson, 38, assistant cashier of the First State Bank of Harvey, died recently of a heart attack. Mr. Peterson had been a resident of Harvey since 1930, when he entered the employ of the First National Bank. Mr. Peterson became assistant cashier of the First State Bank in 1936, when the First State took over the First National.

FDIC Report

Resources of the 150 insured commercial banks in the state of North Dakota totalled \$93,431,000 on June 30, 1941, according to a survey made public recently by the Federal Deposit Insurance Corporation.

Deposits in the insured banks were listed as \$82,931,000. Demand deposits of the latest call date amounted to \$53,058,000 and time deposits totalled \$29,873,000.

Loans and discounts of the reporting banks amounted to \$35,936,000, an increase of \$8,183,000 over the June 29, 1940 total.

Direct and guaranteed obligations of the United States Government listed by the North Dakota banks amounted to \$17,145,000 on June 30, 1941. Other securities totalled \$7,133,000.

Loans and discounts of the 13,423 insured commercial banks throughout the country totalled \$19,913,000,000, an increase of \$2,899,000,000 or 17 per cent over the amount reported June 29, 1940. Deposits increased from the \$58,425,000,000 reported the previous year to \$65,617,000,000, the highest figure since inauguration of deposit insurance.

Prominent Banker Deceased

Colonel Clarence B. Little, 83, well-known citizen of Bismarck and president of the First National Bank of that city, died in a St. Paul hospital recently after an illness of three months.

Regional Meeting Held

Twenty-three bankers of the section in and around Hope recently held a regional meeting in that city. Officers elected by the group are: M. G. Peterson of Hope, president; C. S. Anderson of Hatton, vice president; and A. C. Brown of Hannaford, secretary-treasurer.

NEWS AND VIEWS

(Continued from page 36)

now, he still chases the clouds from coast to coast when he wants to make a business trip.

Chester L. Price, advertising and publicity manager of the City National Bank and Trust Company, Chicago, had a private luncheon at the bank for a number of publishers and their associates who were in Chicago during the A. B. A. convention. Chet has long been active in the Chicago Financial Advertisers Association as well as the National organization.

Max von Schrader, cashier of the Union Bank and Trust Company, of

Ottumwa, was invited to go sailing with **Ed Decker** of the First National Bank of Chicago during the big gathering of A. B. A. executives. Whether Max will add yachting to his many other activities has not yet been learned.

B. F. Kauffman, president, and **R. R. Rollins**, vice president, of the Bankers Trust Company, Des Moines, put on one of the most delightful luncheon parties which was given in Chicago during the A. B. A. The party was held in the private suite of **Joe P. Binns**, manager of the Stevens Hotel, and after luncheon **Griff Williams**, well-known pianist, playing at the Palmer House, entertained the assembled guests. Before entering, all guests were required to sign their names in chalk on a blackboard.

The **Alvin E. Johnson** family of Omaha was honored last month in the choice of Miss Myrtle Louise Johnson as one of the princesses at the coronation of the King and Queen of Ak-Sar-Ben. Mr. Johnson is president of the Live Stock National Bank of Omaha.—**THE END.**

Annual Outing

The Annual Columbus Day Outing of the City National Bank and Trust Company of Chicago was held at the Medinah Country Club with several hundred officers and employees in attendance.

In the golf tournament, the low gross awards were:

M. C. Kornis, 85; P. R. Clarke, 86; L. L. Reid, 86; K. Rosek, 86; V. Galitz, 88, and W. W. Hinshaw, Jr., 88.

Low net scores were:

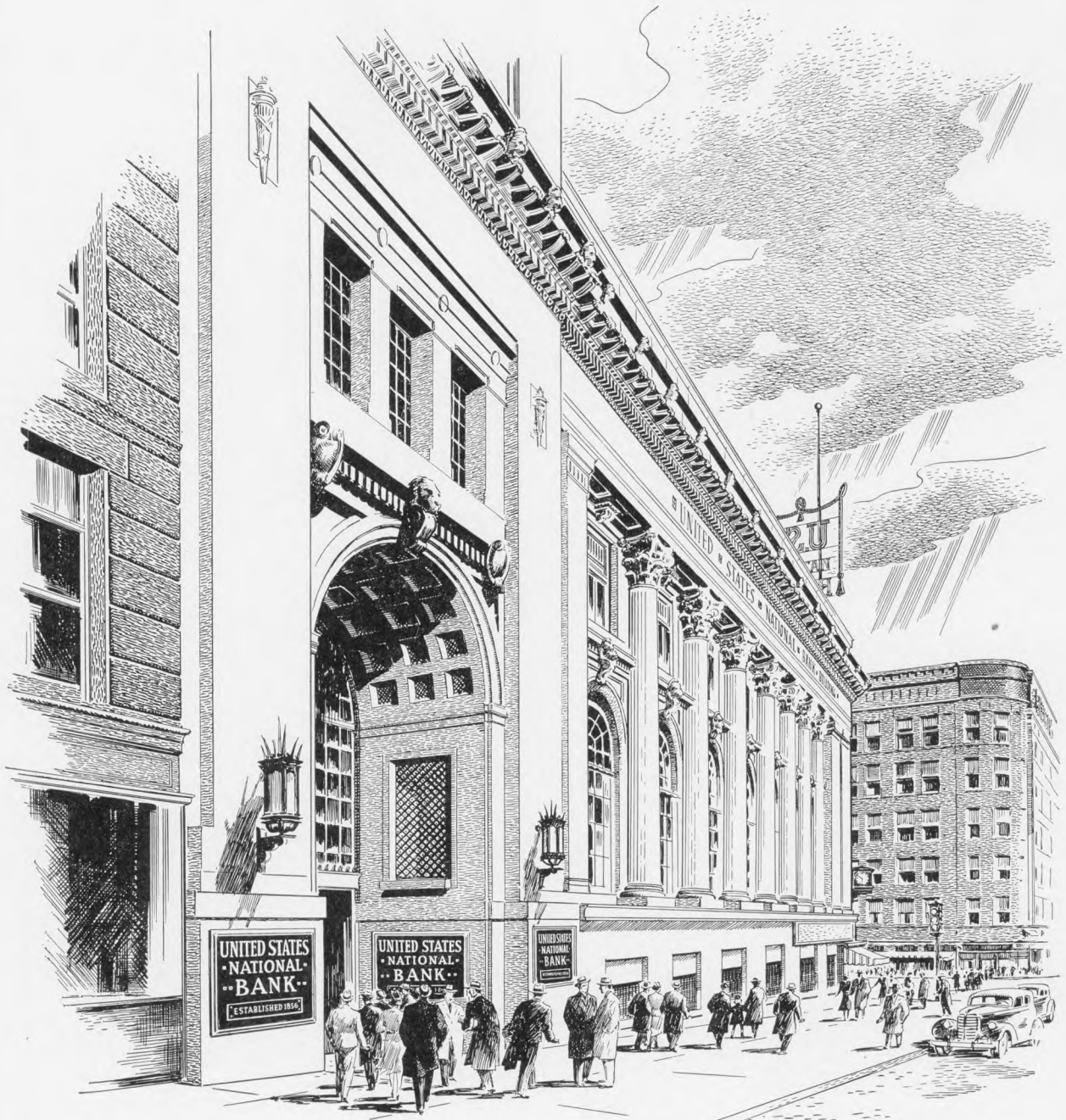
M. E. Shanahan, 71; Robert Guess, 71; J. B. Landry, 72, and John Barbee, 72.

In addition to golf, the day's program included baseball, tennis, horse-shoes, bingo, and bridge, with the awarding of prizes, movies of last year's outing, and dancing in the evening.

Division Chairman

Lawrence F. Stern, president of the American National Bank and Trust Company of Chicago, is serving as chairman of the banks' division of the Chicago Community Fund drive this year. The quota for the division is \$210,000. Harold N. Snapp, assistant cashier of the bank, is serving as chairman of the speakers bureau for the drive.

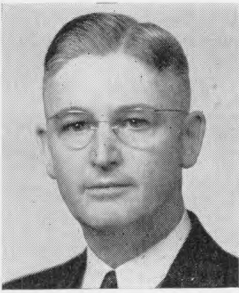
Northwestern Banker November 1941



The
UNITED STATES
National BANK of Omaha

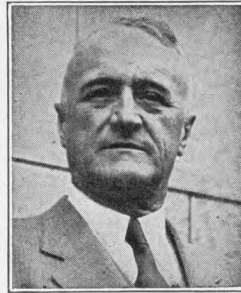
Member Federal Deposit Insurance Corporation

Northwestern Banker November 1941



O. A. RILEY
President

NEBRASKA NEWS



WM. B. HUGHES
Secretary
Omaha

Corn Show

Prizes totaling \$75 in cash will be given in the second annual corn show sponsored by the Central National Bank of Columbus, it was announced recently.

The show, which last year attracted more than 150 entries, will be open for entries November 5th. Judging will be Saturday, November 15th, by E. F. Frolik, assistant extension agronomist, who judged last year's show.

\$2,000 Stolen

Last month burglars burned their way into the vault of the Grafton State Bank, which contained about \$2,000.

However, it is doubtful if the thieves obtained much loot, since apparently the heat from their torch destroyed much currency and silver.

It is believed that these burglars were the same ones who looted the Citizens State Bank at Carleton a week previous to the Grafton robbery. The Carleton burglars escaped unobserved with about \$1,400, leaving behind about \$1,000, some of which was burned by the torch.

Delegate to Convention

Carl Schmeichel of the Broken Bow State Bank represented that institution at the Junior Banker's Convention held in Hastings last month.

Goes to Lincoln

Mrs. Madeline Manthy, who has been employed by the First National Bank of Fairbury for a number of years, recently left Fairbury to join her husband, Carl W. Manthy, who is an instructor in a Lincoln high school.

Junior Bankers Meet

Election of officers and an address by Dr. William A. Irwin of New York City, educational director for the American Institute of Banking, highlighted the meeting of the first annual convention of the Junior Bankers Association of Nebraska, held last month at the Clarke Hotel in Hastings.

The newly elected president for the juniors is B. M. DeLay, assistant cashier of the DeLay National Bank of Norfolk, who has served as state chairman since the state association was organized at Grand Island two months ago.

W. E. Siebert of the First National Bank at Grand Island was elected vice president.

Henry Gramann of the Adams State Bank of Adams is the secretary-treasurer.

Grand Island was selected for the second annual convention next year.

Other speakers were William B. Hughes of Omaha, secretary of the Nebraska Bankers Association; Carl Ganz of Alvo, past state president, and William N. Mitten of Fremont.

New Employee

Miss Orfa Carr has accepted a position in the Commercial Bank of Bassett. Miss Carr replaces Chantry Spann, who worked at the bank until a short time ago.

Apply for Loan License

Nebraska State Bank of South Sioux City and the Weiler Finance Company of Audubon have applied to the state banking department for small loan licenses. Hearing has been set for November 14th.

New Bank Clerk

Harry McCutcheon, Jr., has accepted a position as a clerk in the Commercial State Bank of Cedar Bluffs. He replaces Harold Grosse, who has been called for service in the army.

Accepts Position

Miss Ruth Longly, a graduate of the Lexington high school and Lincoln School of Commerce, has accepted a position with the First National Bank at Auburn, Nebraska.

Entertain Bank Employes

Mr. and Mrs. E. G. Schellpeper entertained the employes of the Cones

State Bank of Pierce, and their families, at a buffet dinner at their home last month. Miss Marian Holle, who has resigned as bookkeeper of the bank to accept a similar position at the Norfolk National Bank, was presented a traveling bag by the group.

Mr. Schellpeper is cashier of the Cones State Bank.

Completes Remodeling

The Washington County Bank of Blair, which began an extensive remodeling program several months ago, has now completed its improvements.

Accepts New Position

John Huigens of Creighton has accepted a position as bookkeeper in the Cones State Bank at Pierce. Mr. Huigens succeeds Miss Marian Holle.

FDIC Report

Resources of the 361 insured commercial banks in the state of Nebraska totaled \$389,493,000 on June 30, 1941, according to a survey made public recently by the Federal Deposit Insurance Corporation.

Deposits in the insured banks were listed as \$347,791,000. Demand deposits of the latest call date amounted to



PAUL W. SHOOLL

Mr. Shooll, well known to Nebraska bankers throughout his several years of Northwestern Banker representation there, will be calling at your bank soon to obtain items of news about your institution and its personnel, and happenings of community interest in which your bank is active. Your cooperation with Mr. Shooll will be greatly appreciated.

Northwestern Banker November 1941

\$286,284,000 and time deposits totaled \$61,507,000.

Loans and discounts of the reporting banks amounted to \$146,707,000, an increase of \$25,767,000 over the June 29, 1940, total.

Direct and guaranteed obligations of the United States government listed by the Nebraska banks amounted to \$72,993,000 on June 30, 1941. Other securities totaled \$31,342,000.

Loans and discounts of the 13,423 insured commercial banks throughout the country totaled \$19,913,000,000, an increase of \$2,899,000,000 or 17 per cent over the amount reported June 29,

1940. Deposits increased from the \$58,425,000,000 reported the previous year to \$65,617,000,000, the highest figure since inauguration of deposit insurance.

Attends Convention

Edgar Scheips, assistant cashier of the First National Bank of Fairbury, attended the convention of National Association of Bank Auditors and Comptrollers, which was held at the Palmer House in Chicago from October 8th to October 11th. While in Chicago Mr. Scheips also attended the Northwestern - Wisconsin football game.

Resigns Position

Mrs. Wallace Landon, who has been employed by the First National Bank of Gordon for over fourteen years, recently resigned her position at the bank. Mr. and Mrs. Landon have purchased a farm near Gordon, where they plan to make their home.

Clell Elwood will replace Mrs. Landon at the bank.

District Meeting Held

Some seventy bankers and others from the Fourth regional district attended the convention of the organization in Falls City recently. Towns within the district represented were Falls City, Auburn, Burchard, Dawson, DuBois, Humboldt, Johnson, Nemah, Pawnee City, Table Rock and Tecumseh. Correspondent banks in Lincoln, St. Joseph and Kansas City were also represented.

Herman W. Schepman, cashier of

the Johnson County Bank of Tecumseh, was elected president of the district. K. G. Sandrock of Falls City was chosen vice president and Max Church of DuBois secretary-treasurer. One director was named for each of the five counties. Those elected were Roy Dirks of Auburn for Nemah county, Rudolph Kovanda of Elk Creek for Johnson county, Richard McMullen of Stella for Richardson, Maurice Van Horne of Pawnee City for Pawnee county and J. R. Stevenson of Nebraska City for Otoe county.

By-laws were amended to allow Otoe county to become a member, the four counties previously having membership being Richardson, Pawnee, Nemah and Johnson. H. Gramman of Adams gave a short talk explaining the Junior Bankers' Association and Senator Otto Kotouc Jr. of Humboldt spoke briefly of the small loan law. Elmer Hallstrom of Avoca was the principal speaker and discussed in detail the small loan law.

New Officers

The official department of the Diller State Bank has been reorganized as follows: O. J. Mayborn, president; Mrs. O. J. Mayborn, vice president; W. E. Anderson, cashier; and Mrs. Etta Mayborn, director.

Thorley Named President

At a recent meeting of the directors of the Commercial National Bank of Ainsworth, H. G. Thorley of Springfield was named president, to fill the vacancy caused by the death of his father, G. H. Thorley, who headed the Commercial Bank for many years.

Read what they say
about the **PROFITABLE**
"PAYC" (Pay-as-You-Check)
Checking Plan!

**Another banker
writes ---*

"We are gratified with every phase of the 'PAYC' no-minimum-balance system. Our experience would seem unmistakable evidence of the public need for a pay-as-you-go checking account service, especially when operated along such a high level of efficiency as the 'PAYC' system affords."

*Name of bank on request

Recent "PAYC" Purchaser:

FIRST NATIONAL BANK
OF THE BLACK HILLS
HOT SPRINGS, S. DAK.

Ask a "U.S." representative for complete information about the "PAYC" plan, or write to —

UNITED STATES CHECK BOOK CO.
OMAHA, NEBRASKA

Out-of-Town Banks

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

CITY NATIONAL BANK
AND TRUST COMPANY of Chicago

208 SOUTH LA SALLE STREET

(Member Federal Deposit Insurance Corporation)



Omaha Clearings

THE water department of Omaha's Metropolitan Utilities District will be short \$446,500 of the \$2,668,000 needed to pay off outstanding water bonds when they mature December 15, General Manager Walter Byrne said recently.

Dr. Willard Quigley, chairman of the district's board, said he anticipated the board will meet the shortage by temporary loans from accumulated reserves in the gas department.

Title is vested in the Federal Land Bank of Omaha, the Federal Intermediate Credit Bank of Omaha, Omaha Production Credit corporation and the Omaha Bank for Co-operatives, of a half-block of ground on the south side of Dodge street between 19th and 20th streets, recently purchased by the Farm Credit administration as the site for a new Farm Credit building in Omaha.

The agency is now housed in rented quarters.

Wallace Spear, trust officer of the First National Bank of Omaha, was a member of the hunting party of **Governor Nels Smith of Wyoming** on a pheasant shoot in South Dakota recently.

The marriage of Miss Jessie Clark, daughter of President **W. Dale Clark** of the Omaha National Bank, and Mrs. Clark, was an event of Oct. 18th. She married John H. Schirding of Petersburg, Ill. A reception followed at the Fontanelle hotel.

Robert Hall, of the North Side Bank of Omaha, has been elected treasurer of a reorganized University of Nebraska Alumni Association in Omaha.

The **Omaha Federal Land Bank** has offered a new service to farmers.

Farmers who wish to convert their current income into insurance may deposit it with the bank, where it will draw compound interest at the same rate borrowers are paying for land bank loans— $3\frac{1}{2}$ per cent.

For the first three-quarters of 1941, Omaha bank clearings were up 19.3 per cent and bank debits 21.2 per cent compared with last year. September increases were 41.3 per cent for clearings, 29.9 per cent for debits.

Thomas Hodgson, assistant counsel of the Federal Reserve bank of Minneapolis, urged 180 credit union members attending a midwest district banquet at Omaha, to curtail their buying, and to save for a day when civilian plants are back in full operation. Other speakers included John Phillips, Jr., Kansas City Federal Reserve Bank assistant cashier.

Figures in response to a national bank call as of Sept. 24 showed total bank deposits of \$160,010,616 in Omaha, compared with \$142,959,519 on June 30. Loans totaled \$60,820,771 compared with \$55,998,404 June 30th.

	Deposits	Loans
Omaha Nat'l . . . \$	62,011,501	\$20,206,910
First Nat'l	31,244,857	16,105,162
U. S. Nat'l	33,959,380	6,262,091
Live Stock Nat'l	16,600,338	10,241,333
Stocky'ds Nat'l	9,828,020	3,679,581
Packers Nat'l . .	3,118,774	1,693,940
Douglas County Bank	1,540,455	687,985
South Omaha Savings Bank	889,317	469,285
North Side Bk.	817,974	474,484
Totals	\$160,010,616	\$60,820,771

Andrew Kopperud, vice-president of the Omaha Federal Land Bank for 16 years and a director of the bank 20

years, is the new chairman of the agricultural committee of the Omaha Chamber of Commerce.

J. F. McDermott, vice-president of the First National Bank of Omaha, is the general chairman of the 1941 Christmas seal campaign of the Nebraska Tuberculosis association.

Mr. McDermott also is the newly-elected commander of the Nebraska department, American Legion.

He has also been designated by the United States treasury department as chairman of the defense saving campaign in Nebraska.

Miss Myrtle Johnson, daughter of **Alvin E. Johnson**, president of the Live Stock National Bank of South Omaha, and Mrs. Johnson, was announced as a princess to serve at the Ak-Sar-Ben ball Oct. 24.

At MacMurray College, Jacksonville, Ill., she has been elected social chairman of the MacMurray branch of the Association of Childhood Education and was one of 15 girls chosen for membership in the Theta Sigma society.

Mrs. J. T. Stewart, 3rd, wife of the cashier of the First National Bank of Omaha, and their children, Gertrude and Jimmy, are back in Omaha after summering at the Stewart cottage at Lake Okoboji. Mr. Stewart spent week-ends at the lake.

Gwyer H. Yates, former Omaha banker, and Mrs. Yates arrived in late October for a visit in Omaha. They left two years ago.

William A. Sawtell, Jr., son of the president of the Stock Yards National Bank of Omaha and Mrs. Sawtell, was admitted to federal court practice in Omaha recently. He is a graduate of the University of Nebraska law school.

Led by **C. W. Mead**, president, the Nebraska Bond and Mortgage company of Omaha sent a delegation to the 28th annual convention of the Mortgage Bankers' Association of America in New York early in October. Mr. Mead is a member of the board of governors of the association.

NEBRASKA CONVENTION

(Continued from page 14)

count can, and will, be adequately provided by our commercial banks.

"We reiterate our hearty endorsement of the dual system of banking in the United States, and express continued opposition to any further extension of branch banking. We, therefore, urge support of any legislation

Northwestern Banker November 1941

which would 'freeze' branch banking in its present status.

"The banks of Nebraska have always been the natural lending agencies of the various communities of the state. We oppose any legislation which seeks to retire them from any portion of that function."

Close to 700 registrations were filed at the Nebraska convention—not a record attendance, but a good turnout considering that the Junior Bankers of Nebraska were meeting in Hastings the following week. The program was

of the usual high caliber, arranged by Secretary Hughes, and the entertainment features were especially good.

Carl Ganz, in his president's report, said he believed the Association had completed another successful year, and in legislative matters the Nebraska Association accomplished more in Nebraska than did the American Bankers Association in Washington. Bankers all over the country, said Mr. Ganz, are confronted with serious problems—the economic conditions with which they are faced are international in

scope and repercussions cannot be escaped—some of these problems will be with us for many years—the war will have to be paid for, and it is up to bankers to solve their problems or they will have no banks to manage.

One of the most interesting talks at the convention was given by L. F. Livingston of the DuPont Corporation, who had on display hundreds of new and useful products resulting from recent application of chemistry to business development. Many of these new products have just been perfected and their application to business and the consuming public has yet to be found, while others are already in commercial production and are finding rapid sale. Due to the defense emergency, Mr. Livingston said, this country is advancing scientifically in a few years compared to 25 years which would have been necessary under normal conditions.

Guaranty Trust Company of New York

Fifth Ave. at 44th St. 140 Broadway Madison Ave. at 60th St.
LONDON VICHY PARIS BRUSSELS

Condensed Statement of Condition, September 30, 1941

RESOURCES

Cash on Hand, in Federal Reserve Bank, and Due from Banks and Bankers	\$ 909,006,759.19
U. S. Government Obligations	1,157,552,026.48
Public Securities	58,342,470.96
Stock of the Federal Reserve Bank	7,800,000.00
Other Securities and Obligations	19,538,325.32
Loans and Bills Purchased	520,529,278.57
Credits Granted on Acceptances	4,760,137.53
Accrued Interest and Accounts Receivable	8,259,492.84
Real Estate Bonds and Mortgages	1,774,880.17
	<u>2,687,563,371.06</u>
Bank Buildings	11,012,624.19
Other Real Estate	1,349,841.25
Total Resources	<u>\$2,699,925,836.50</u>

LIABILITIES

Deposits	\$2,388,555,610.60
Checks Outstanding	13,024,435.42
	<u>\$2,401,580,046.02</u>
Acceptances	\$7,814,805.31
Less: Own Acceptances Held for Investment	3,054,667.78
	<u>4,760,137.53</u>
Liability as Endorser on Acceptances and Foreign Bills	79,600.00
Foreign Funds Borrowed	203,400.00
Dividend Payable October 1, 1941	2,700,000.00
Items in Transit with Foreign Branches and Net Difference in Balances Between Various Offices Due to Different Statement Dates of Some Foreign Branches	2,374,525.16
Miscellaneous Accounts Payable, Accrued Taxes, etc.	9,852,917.63
	<u>2,421,550,626.34</u>
Capital	\$ 90,000,000.00
Surplus Fund	170,000,000.00
Undivided Profits	18,375,210.16
Total Capital Funds	<u>278,375,210.16</u>
Total Liabilities	<u>\$2,699,925,836.50</u>

Securities carried at \$15,731,309.32 in the above Statement are pledged to qualify for fiduciary powers, to secure public monies as required by law, and for other purposes.

This Statement includes the resources and liabilities of Brussels Branch as of August 31, 1941, and other Foreign Branches as of September 24, 1941.

Member Federal Deposit Insurance Corporation

NEBRASKA NEWS NOTES

(Continued from page 20)

ment at the rear, is being completely remodeled and enlarged. The officers' quarters will be moved to the rear of the lobby, with a private office for President **T. B. Strain** and an adjoining office for a directors' or conference room. The ceiling in the main lobby is being rebuilt to accommodate indirect fluorescent lighting, and the stairway leading down to the trust department and vaults will be changed to open from a position near the bank entrance. The bank has taken over a large portion of the second floor of the building, and here will be quartered the transit and clerical department. **C. W. Battey**, cashier, told us the improvements were expected to be completed by late December.

Wayne C. Clark has recently joined the Citizens State Bank, Dorchester, as assistant cashier. His former home has been in Illinois, where the Clark family came from originally. Dorchester is in the midst of a new paving project, whereby the main street of the town will be surfaced for its entire length to connect and make a shortcut with Highway 6 at the north of the city.

H. J. Southwick, president of the First National Bank of Friend, looked (Turn to page 44, please)

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



Lincoln Locals

THE Nebraska banking department reported that 114 Nebraska small loan companies had been relicensed under the new state law passed by the last legislature.

The department said 18 applications still were pending, including 10 from banks planning to enter the small loan field. There were 152 small loan licenses issued last year.

All directors of the Lincoln Joint Stock Land Bank were re-elected at the annual meeting. They are: **W. A. Selleck, Walter Anderson, W. W. Burr, John L. Teeters, C. C. Cartney, W. E. Barkley, Katharine Dougan, E. H. Luikart and Dr. W. C. Becker.**

Reports indicated that liquidation is well under way. In the last nine months the bonds outstanding have been reduced \$1,100,000. They presently stand at a little over \$4,000,000, compared to the 1930 peak of \$42,000,000. In the same nine months, \$900,000 worth of land has been sold, with 30 per cent of the price received in cash and the price obtained 96 per cent of the value carried on the books. Remaining holdings are about 350 eastern Nebraska farms and 95 in Iowa. Loans have been reduced by \$400,000.

Officers re-elected at a meeting of the directors were: Barkley, president; Cartney, Teeters and Selleck, vice presidents, and Miss Dougan, secretary-treasurer.

The state banking department has granted new small loan company licenses to the Lexington State, Fort Kearney State and Herman State banks.

Bank Help Wanted

Many attractive positions now open from Chicago to Pacific Coast for posting machine operators, stenographers, tellers and assistant cashiers. Country bank experience preferred. Write for application blank.

THE CHARLES E. WALTERS CO.
P. O. Box 1313, Omaha, Nebraska

The last legislature "did a favor" to both the Nebraska banker and the state when it reduced the number of required annual bank calls to three, **State Banking Director Wade R. Martin** said.

Martin made this observation in announcing there would be no bank call until December 31st. In previous years, an autumn call has been issued in early October.

He explained his department had decided to take advantage of the bill passed by the 1941 unicameral authorizing the banking division to dispense with one of the regular quarterly calls.

"Four calls a year are not necessary to inform us of the condition of state banks," Martin said. "Three, or even two, calls are sufficient."

The Platte Valley Bank, formerly Bank of Morse Bluff, won a reversal in supreme court of an action in which

it sought to hold J. J. Franta of Saunders county liable on a note he had signed with Joe C. Franta. The latter had confessed judgment. J. J. Franta denied he had made personally the interest payments recorded on the back of the note, while the bank cashier said he did and showed by the records that Franta's bank account had been charged with the check. The court says that it is reluctant to set aside jury verdicts on matters of fact, but that in this case the verdict is so clearly wrong as to induce the belief that it must have been found through passion, prejudice, mistake or some means not apparent in the record.

Brief Nebraska News

C. A. Peterson, cashier of the Deuel County State Bank of Chappell, reports that the last of the preferred stock of his bank was retired on October 1, 1941. The capital structure, which was formerly \$5,000 common, \$20,000 preferred and \$5,000 surplus, was changed in 1935 to \$25,000 common and \$18,000 surplus.

Mr. Peterson also reports that there has been a considerable increase in deposits in the banks this fall over the fall of 1940, deposits last year being \$400,000, and this year \$650,000.

J. A. Kucera, cashier of the Clarkson Bank of Clarkson, has been named as chairman of the drive for funds in the High Eagle district of the Covered Wagon Council of the Boy Scouts of America. The campaign is for funds to operate Scouting during the balance of 1941 and for 1942.



"Dependable"

For almost one third of a century The Continental National Bank has assured every Nebraska banker of the utmost in dependable correspondent service in Lincoln.

The
CONTINENTAL NATIONAL
BANK
of
LINCOLN

Member Federal Deposit Insurance Corporation



with PAY-AS-YOU-GO CHECKING ACCOUNTS

• Two profitable rules: Offer *extra* benefits...tell prospective customers about them.

1 Todd Super-Safety Checks provide the extra benefits: Users are proud to issue checks of such distinctive appearance. They appreciate the way Super-Safety defies alteration and counterfeiting through exclusive safety features; and every customer has positive assurance against such losses, because this protection is guaranteed by insurance.

2 The Todd Company will gladly tell you how numerous other banks have successfully merchandised Pay-As-You-Go Checking Accounts. A special sound slide film will demonstrate these tested methods to your employees.

Increase your bank's profits—send the coupon for details now.

████████████████████
The Todd Company, Inc.
Rochester, N. Y.

Please send descriptive literature that outlines tested methods for creating profitable Pay-As-You-Go Checking Accounts with Todd Super-Safety Checks.

Bank Name _____

City _____ State _____

By _____

████████████████████

Todd
COMPANY, INC.

ROCHESTER NEW YORK
OFFICES IN ALL PRINCIPAL CITIES

Mrs. J. A. Kucera, wife of the cashier of the Clarkson Bank, was the principal speaker at the county convention of the Women's Clubs of Dodge county, which was held at Hooper last month. Her topic was "The Permanency of a Democracy."

E. T. Warnemunde, cashier of the Winside State Bank, reports the addition of Miss Bessie Rew to the clerical staff of the bank. The bank has been showing a steady increase in business, which necessitated the increasing of the force.

The Cozad State Bank is now putting out for the convenience of its customers a small envelope called the "Handi-Pocket Coin Bank." On the front of the envelope there is a small slot for inserting dimes, as well as a place for checking deposits of from 10c to \$3.00. The motto is "Save a Dime a Day."

H. C. Schumann, president of the Citizens State Bank of St. Mary, Nebraska, reports that the capital stock of the bank was recently increased from \$10,000 to \$15,000. Mr. Schumann also states that the surplus is now \$5,000 and that contingent reserves are \$5,000.

Ben B. McNair, vice president and cashier of the Columbus Bank of Columbus, states that his bank, which commenced business on February 1, 1935 with capital of \$50,000, of which \$20,000 was common and \$30,000 was preferred, has now retired its preferred. Capital and surplus and undivided profits are now \$70,000.

NEBRASKA NEWS NOTES

(Continued from page 42)

after business while **A. H. Frantz**, cashier, took a trip duck hunting up near Oshkosh. Mr. Frantz has a son residing in Chicago, and the latter accompanied his father.

There is plenty of moisture in the vicinity of Exeter, according to **L. T. Blouch**, cashier of the First National Bank there. In fact, all banks report the best moisture conditions for the present time of year which have existed in Nebraska for several years. Water was standing in many of the fields from Crete on west—in some cases a little too much, since rains at the wrong time had retarded somewhat the drilling of winter wheat. Wheat planted some weeks ago is up and will make an excellent growth before the extremely cold weather starts.

Mr. Blouch returned recently from a vacation trip through the New England states, where he visited an aunt in Massena, New York. It is at Massena where the Number One aluminum plant of the country is located, and Mr. Blouch said another huge plant is now under government construction near the same location. He said it appeared that business in the East was better than in the West, due of course to more of the industries there deep in turning out defense products.

You folks who think Nebraska is all dried up and ready to blow away should have seen the vegetable display in the lobby of the Geneva State Bank. There you will find a sweet potato weighing five pounds and five ounces, and a sugar beet which when dug weighed ten pounds—either one of them would make a good meal for a large family. Not bad, we say, in a community devoted largely to dry farming.

Earl H. Wilkins, president of the Geneva State Bank, had just returned from deer hunting in Idaho in the Salmon River country. He got his deer, by the way, and has some movies to prove it to those interested and doubtful.

J. J. Klima, cashier of the Farmers and Merchants Bank, Milligan, reports satisfactory business in his community, the Bohemian town with an Irish name. We learned the community was originally settled largely by persons of Irish descent, and some of the old settlers are still there, but the business men of the city are now almost entirely Bohemian.—**THE END.**

TWENTY YEARS AHEAD OF THE PARADE

(Continued from page 13)

riod was launched. This quota of sales has been maintained for over two years under none too favorable conditions, and it is apparent that the goal will be reached within the specified time.

Over \$1,000,000 in delinquent taxes were paid. Ordinary business practices have been adopted. The force has been reduced by thirty-three people. Expenses really are down and every phase of the Department's work is progressing at an increased pace.

Perhaps the biggest and most important change in the Department was the reorganization of the huge bonded debt. The state owed \$37,000,000 in non-callable bonds, bearing an average of approximately four per cent inter-

• NEBRASKA NEWS •

est and all maturing within a ten-year period. As stated above, these maturities, together with interest payments, made it necessary for the Department to raise as much as \$7,000,000 in some years. Department officials wanted to escape the dangers of these unmeetable debts and the hazards of a fluctuating money market.

They conferred with some of the best financial authorities in the nation, including many South Dakota and Minnesota bankers. With the assistance of Attorney Gregory Brunk of Des Moines, the V. W. Brewer Company of Minneapolis, Lehman Brothers of New York, and many others, a plan was devised to level this debt without asking the bond holders to make any sacrifices. The plan, which has become generally accepted throughout the nation, is known as the level debt service plan; and bonds, in excess of our ability to pay, were refunded by a "hump-back" coupon bond. These bonds provided the same rate of interest as the outstanding bonds for a like period and then were extended from ten to twenty years at a 3% rate of interest.

Enough of the former bonds were secured and the new bonds sold to practically level our debt service requirements. South Dakota will never have to refund another Rural Credit bond. Appropriations for the support of the Department for the present biennium have been reduced \$1,600,000. About the only legislative or administrative problem remaining is to see that business practices, not political expediency, continues to control the department.

South Dakotans are proud of the way they have faced their problems and borne their burdens during some very trying years. They have a determination to be independent, self-supporting and to meet all their obligations. Their experiments in socialistic ventures have been very costly and painful, and they are now on the right track, determined that nothing like this shall ever happen to South Dakota again.—THE END.

Council Appointments

Announcement of the appointment of twelve members at large to the executive council of the American Bankers Association was made by Henry W. Koeneke, newly elected president of the association. Mr. Koeneke is president of the Security Bank of Ponca City in Ponca City, Oklahoma.

The twelve appointed by Mr. Koeneke were:

Harry A. Bryant, president, Parsons Commercial Bank, Parsons, Kansas; William S. Gray, Jr., president, Central Hanover Bank and Trust Company, New York, New York; Robertson Griswold, vice president, Maryland Trust Company, Baltimore, Maryland; Eugene P. Gum, secretary, Oklahoma Bankers Association, Oklahoma City, Oklahoma; G. Carlton Hill, vice president, Fifth Third Union Trust Company, Cincinnati, Ohio; J. R. Leavell, president, Continental Illinois National Bank and Trust Company, Chicago,

Illinois; R. C. Lilly, president, First National Bank of Saint Paul, Saint Paul, Minnesota; B. Murray Peyton, president, Minnesota National Bank, Duluth, Minnesota; Samuel N. Pickard, president, National Manufacturers Bank, Neenah, Wisconsin; Charles E. Spencer, Jr., president, First National Bank, Boston, Massachusetts; J. C. Williams, vice president, Commerce Trust Company, Kansas City, Missouri; J. S. Rogan, president, American National Bank, Indianapolis, Indiana.

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO

Statement of Condition, September 24, 1941

RESOURCES

Cash and Due from Banks	\$ 818,185,017.28
United States Government Obligations, Direct and Fully Guaranteed	624,063,801.66
Other Bonds and Securities	58,987,537.99
Loans and Discounts	256,348,753.49
Stock in Federal Reserve Bank	2,850,000.00
Customers' Liability on Acceptances	586,877.41
Income Accrued but Not Collected	3,040,857.32
Banking House	12,075,000.00
Real Estate Owned other than Banking House	2,210,222.39
	\$1,778,348,067.54

LIABILITIES

Deposits	\$1,644,392,843.76
Acceptances	592,217.32
Reserve for Taxes, Interest and Expenses	5,701,893.00
Reserve for Contingencies	17,329,344.98
Income Collected but Not Earned	411,637.55
Common Stock	50,000,000.00
Surplus	45,000,000.00
Undivided Profits	14,920,130.93
	\$1,778,348,067.54

United States Government obligations and other securities carried at \$183,355,231.05 are pledged to secure public and trust deposits and for other purposes as required or permitted by law

Member Federal Deposit Insurance Corporation



Statement of Condition
September 24, 1941

LIVE STOCK NATIONAL BANK

OMAHA

RESOURCES

Loans and Discounts.....	\$10,241,333.24	
Bonds and Other Securities.....	6,141.86	
Stock in Federal Reserve Bank.....	30,000.00	
Banking House and Fixtures.....	1.00	
Other Real Estate.....	None	
U. S. Gov. Securities....	\$2,646,392.19	
Cash, Sight Exchange and Due from Federal Reserve Bank.....	5,196,254.07	7,842,646.26
		\$18,120,122.36

LIABILITIES

Capital Stock (Common).....	\$	500,000.00
Surplus (Earned).....		500,000.00
Undivided Profits.....		313,549.27
Reserve for Taxes, Interest, etc.....		189,077.16
Unearned Discount.....		9,657.83
Dividend Payable Sept. 30, 1941.....		7,500.00
Deposits:		
Banks	\$8,635,661.15	
Other Deposits.....	7,964,676.95	16,600,338.10
		\$18,120,122.36

CAPITAL, SURPLUS & UNDIVIDED PROFITS

September 24, 1933 - - - -	\$ 616,038.60	- - -	
September 24, 1937 - - - -	877,379.88	- - -	
September 24, 1941 - - - -	1,313,549.27	- - -	

LOANS & DISCOUNTS

September 24, 1933 - - - -	\$ 1,660,388.45	- - -	
September 24, 1937 - - - -	4,280,256.42	- - -	
September 24, 1941 - - - -	10,191,821.96	- - -	

DEPOSITS

September 24, 1933 - - - -	\$ 4,986,823.44	- - -	
September 24, 1937 - - - -	13,554,317.08	- - -	
September 24, 1941 - - - -	16,600,338.10	- - -	

THIS BANK WELCOMES the opportunity to render added service in the Nation's Defense Program.

IN KEEPING with our policy of full co-operation with the Nation's Defense effort we desire also to extend adequate and helpful credit to all approved business concerns including the vital Livestock and Agricultural enterprises.

ALVIN E. JOHNSON, *President.*

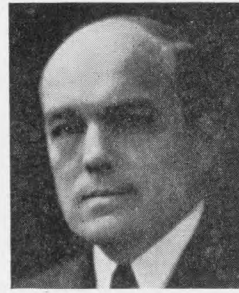
This Bank Has No Affiliated Companies

Member of Federal Reserve System and Federal Deposit Insurance Corporation



A. T. DONHOWE
President

IOWA NEWS



FRANK WARNER
Secretary
Des Moines

Entertain 4-H Boys

The directors and officers of the Williams Savings Bank entertained the Liberty-Rose Grove 4-H club boys at a dinner last month at the Central cafe in Williams. Rev. Harold Putney and County Attorney Lloyd Karr of Webster City were guests as well as Henry Hill, leader, and Earl Mark, assistant leader of the club.

Forty-three attended the dinner and later a program was presented in the rooms over the bank.

Farm Appraisal School

Officials of the Federal Land Bank of Omaha held a farm appraisal school at Ellsworth last month. Members of the boards of directors of the Ellsworth and Story City land bank associations attended: including N. P. Olsen, T. Z. Henryson, John H. Johnson, Dan Jacobson, Julius Knutson, L. M. Johnson, Calvin Crawford, and H. R. Sapp. The latter is secretary-treasurer of the six farm loan associations of Hardin, Hamilton and Story counties. Land bank officials from Omaha and Fort Dodge were in charge of the school which was held to familiarize officers in that territory with methods of making appraisals of farms on which to base federal land bank loans.

Heads County Association

Nick Holst, Onslow Savings Bank, recently was elected president of the Jones County Bankers Association at a dinner meeting in Anamosa. He succeeds Charles Luett, Monticello State Bank.

Other new officers include: L. B. Madson, Citizens State Bank, Wyoming, vice president; Melvin Ingwersen, Onslow Savings Bank, treasurer, and Leonard J. Wegman, Citizens Savings Bank, Anamosa, secretary.

Farmers Savings Bank at Martelle was host to the association at the meeting.

Change Corporate Name

W. D. Hanna and Company of Burlington, Iowa, has changed its corporate name to Hanna-Kramer Company. Branch offices are maintained at Cedar Rapids, Waterloo, Sioux City, Keokuk, and Washington.

Hardin County Meeting

Bankers of Hardin county met last month at the Pine Lake Country Club at Eldora. The ladies enjoyed bridge in the afternoon and the men played golf.

A turkey dinner was served in the evening in the club rooms with the Rev. J. Leslie Leonard of Belmond as guest speaker. The day was in charge of W. K. Bramwell, president of the Hardin County Savings Bank.

Increase Capital Stock

At a special meeting of stockholders of the Farmers State Bank of Grafton held last month it was unanimously voted to increase the capital stock of the bank from \$10,000 to \$15,000.

Under the new capitalization, there will be 200 shares outstanding with

a par value of \$75 per share. The Grafton bank is one of the oldest in the county. G. H. Bringolf is president and executive officer in charge of the bank.

Receives Promotion

Paul M. Shain, of Wauke, Iowa, who joined the force of the Central Savings Bank and Trust Company of Emmetsburg on May 15, was recently elected assistant cashier of the bank by the board of directors of the institution.

Accepts Clerical Position

Virgil R. Carlson of Fremont, Nebraska, has accepted a position on the clerical force of the Decatur County State Bank of Leon.

New Employee

Miss Loretta Beebee of Modale has accepted a position in the Pisgah Savings Bank of Pisgah.

Accepts Position

John Kepple of Nashua has accepted a position as assistant cashier of the Denver Savings Bank.

Appointed to Committee

J. M. Hutchinson, trust officer of the Davenport Bank & Trust Company, has been named a member of the committee on federal legislation of the trust division of the American Bankers Association for the 1941-1942 organization year, according to an announcement by Richard G. Stockton, president of the trust division.

This committee acts as an advisory and vigilance group on all matters of federal legislation, and is one of the most important of the trust division.

Iowa Banks Have Excess Reserves of 209.72%

OF the 544 state banks in Iowa, only 50 of them are members of the Federal Reserve System, but if they were all members and the reserves of these banks were based on Regulation D which has required members of the Federal Reserve System to increase their reserve requirements, the per cent of actual reserve in excess of required reserve of all the 544 banks would be 209.72 per cent.

Mel W. Ellis, Superintendent of the Department of Banking for Iowa, recently released the figures which present this very excellent showing on

the part of the Iowa state banks.

The figures are as follows:

Reserves of Iowa State Chartered Banks Based on Regulation D Giving New Reserve Requirements to be Maintained with Federal Reserve Banks				
Total Cash Reserves on				
September 24, 1941.....\$172,407,476.88				
	Required	Volume of	Required	
	Percent	Deposits	Reserve	
Time Deposits of all State Banks	6	\$182,985,644.82	\$10,979,138.69	
Demand Deposits Country Banks	14	257,647,469.29	36,070,645.70	
Demand Deposits of Reserve City Banks	20	43,075,840.80	8,615,168.16	
				\$483,708,954.91
				\$55,664,952.55

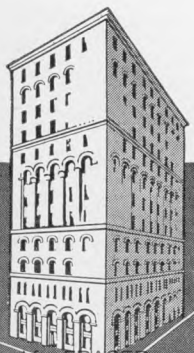
Total required reserve..... \$55,664,952.55
Excess reserve\$116,742,524.33
Percent of actual reserve in excess of required reserve, 209.72 per cent.

Northwestern Banker November 1941

New Source of Iowa Income

Depend upon Iowa farmers and their bankers to recognize an opportunity! Consider the soybean, for example. In 1920, soybeans were known mainly to botanists. But in 1940, 1,559,000 acres of Iowa farm land were planted to soybeans: 826,000 acres as hay; the other 733,000 acres producing 15,026,000 bushels of beans.

While Iowa soybean production was developing from zero in 1920 to the impressive 1940 total, the Bankers Trust Company of Des Moines was making steady gains in resources and in customers. Particularly gratifying has been the steady increase in the number of Iowa banks carrying Des Moines accounts at this bank:



Member Federal Deposit Insurance Corporation

BANKERS TRUST

WHAT'S BEEN HAPPENING IN IOWA

Comparison in Acres Planted with Soybeans

1920

no soybeans planted


1940



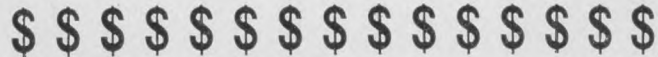
 1,559,000 acres


Comparison of resources Bankers Trust Company

1920

 4,700,000

1940



 23,399,000

COMPANY

6th and Locust
Des Moines

Receives First Group Policy

The Central National Bank and Trust Company of Des Moines has received the first group life insurance policy issued by the Bankers Life Company of Des Moines.

About 90 full time employes of the bank are covered by the policy, which includes both life insurance and pension benefits.

Because the bank has had the principal account of the local life insur-

ance firm since 1908, it received group policy No. 1, it was announced.

Employes pay about one-third of the insurance and annuity benefits costs while the bank pays the remainder. Employes are covered by life insurance ranging from \$1,200 to \$5,000, depending on their salaries and thus their contributions.

The amount of pension, which becomes effective for women employes at age 60 and for men at 65, depends on the size and period covered by the payments.

Bank Official Dies

John W. Hawk, 68, assistant vice president of the Central National Bank and Trust Company of Des Moines, died at his home last month of a heart attack.

Mr. Hawk had been employed at the Central National Bank, formerly the Central State Bank, the last 30 years. Prior to that he was city auditor and for a time was employed at the county courthouse.

New Bookkeeper

Mrs. Fred Strunce began work last month in the First National Bank of Lenox as bookkeeper. She replaces Don Cofer who resigned when school started to begin his second year as commercial instructor in the Lenox school.

Elect New Officers

The board of directors of the Poweshiek County Savings Bank of Brooklyn recently revised its official list, electing C. W. Fowler as president, C. C. Ecklund, vice president, and Floyd McAllister, cashier.

Directors of the bank remain the same, namely, T. F. Buchenau, Harley H. Burch, L. E. Dunton, C. C. Ecklund, C. W. Fowler, H. R. Light and Otis Wood.

Honor H. R. Young

H. R. Young, former president of the Iowa Bankers Association who on September 25 completed 25 years as cashier of the American National Bank of Arlington, was honored last month at a banquet given at the O. C. Miede home in Arlington by bank directors and employes.

Mr. Young's father and grandfather both were bankers. He was presented a gold watch, and Mrs. Young and Mr. Young's mother, Mrs. H. S. Young, also received gifts.

Former Banker Dead

Frank W. Dingley, 75, widely known former banker and real estate dealer, died at Algona last month after a long period of ill health.

For many years Mr. Dingley was cashier and vice president of the former Algona State Bank.

Check Transactions High

Check transactions through banks of Iowa's nine clearing house cities totaled \$276,414,000 from September 3 to October 1, this year, as compared with \$234,394,000 for the like period of 1940. It was a gain of \$42,020,000.



A Bank for Middle West Bankers

For nearly three-quarters of a century this bank has handled the accounts of bankers throughout the middle west. May we explain how this long experience can be made of value to you?

LIVE STOCK

NATIONAL BANK OF CHICAGO

Established 1868

UNION STOCK YARDS

Member Federal Deposit Insurance Corporation

Des Moines led the field with a total of \$106,795,000. Sioux City was second with \$52,120,000 and Cedar Rapids third with \$33,782,000. Davenport, with \$24,883,000, nosed out Waterloo, with \$23,647,000, for fourth place.

Assumes New Duties

B. L. McKee, vice president and cashier of the Muscatine Bank and Trust Company, Muscatine, has taken over his duties as a member of the executive council of the American Bankers Association, having been sworn in at a meeting of the council held recently in Chicago, Illinois.

Mr. McKee was elected as an executive committeeman of the American Bankers Association, representing the Iowa Bankers Association, at the annual convention of the state group held early in September. He will hold office for three years, one member being elected by the state association each year.



Frank D. Williams (above), executive vice president, the First Capital National Bank of Iowa City, is receiving congratulations on his reelection as a director of the Chicago Federal Reserve Bank (unopposed).
Good work, Frank!

New Bank Opens

The newly organized Security State Bank formally opened in Independence last month.

The president is J. F. Baden, formerly of Lake City, Iowa, and the vice president is Roger L. Wheeland, also formerly of Lake City. John Coran, Jr., Buchanan county treasurer for eight years, will be cashier.

Directors, all of Independence, are N. H. Tegen, Leo O'Brien, Leo Molloy and William Armstrong.

Accepts New Position

Ruth Evans of Owatonna, Minnesota, has been employed by the Iowa Trust and Savings Bank of Estherville as stenographer to fill the place left vacant by the resignation of Eileen Mortenson, who is now working in an Independence bank.

Herbert Foskett Dead

Herbert I. Foskett, 79, a resident of Iowa for more than 50 years and wide-

ly known in banking and political circles, died last month at his home in Monrovia, California, of heart disease.

Horace W. Foskett of Des Moines, assistant vice president of the Equitable Life Insurance Company of Iowa, is a son.

Accepts Onawa Position

Mrs. Lucille Yocum of Yutan, Nebraska, has accepted a position in the Onawa State Bank, taking the place made vacant by Miss Elizabeth Huntington who is employed in the Live Stock National Bank in Chicago, Illinois.

FIRST NATIONAL BANK

MASON CITY, IOWA

A GOOD BANK TO TIE TO

Total Assets - - - - -	\$10,657,394
Amount of Deposits - - -	9,704,421
Capital Liability - - - - -	873,778
October 10, 1941	

ONE OF IOWA'S TEN LARGEST BANKS

OFFICERS

Fred C. Heneman	President
Dean H. Lightner	Vice President
Carl A. Parker	Vice President
William W. Boyd	Cashier
Douglas G. Swale	Assistant Vice President
Cardinal S. Thompson	Assistant Vice President
Roy B. Johnson	Assistant Cashier
Alfred M. Halsor	Assistant Cashier
Ralph E. Wiley	Assistant Cashier
Harry C. Fisher	Assistant Cashier

Member Federal Deposit Insurance Corporation

Northwestern Banker November 1941

Is Iowa Land Being Bought or Sold? By Whom, and for How Much Per Acre?

A Survey on Iowa Real Estate Made by J. A. "Joe" Sarazen, Associate Editor

HUMBOLDT—B. B. Watson, cashier, First National Bank: Very little land changing hands here. Insurance companies have added a substantial increase to the price of their holdings in this territory. No land has been sold to outside investors.

Fort Dodge—F. C. Moeller, president, Fort Dodge National Bank: There is some land changing hands. Tenants are purchasing from insurance companies and this land is being financed on a long term basis. A number of farms have been purchased by professional men as an investment. Six months ago more land changed hands than at present.

Algona—R. H. Miller, president, Iowa State Bank: Some farm land is moving in this locality which is being purchased by local people. Business is good and we have been kept very busy.

Boone—E. E. Wiemer, cashier, Citizens National Bank: During the last year a considerable amount of farm real estate has changed hands in this territory. Sales have slowed down in the last 30 days, due to the bid and asked spread between buyer and seller. Good improved land is bringing from \$135 to \$145 per acre. Very little of this land has been purchased by outside investors. Fifty per cent of it has been purchased by farmers and 50 per cent by local business men as an investment. The insurance companies have liquidated most of their holdings around here and there will be a definite shortage of farms for the tenant farmer.

Ogden—H. L. Bass, ex-vice president, City State Bank: Good improved farm land costs \$150 per acre. Good unimproved land from \$100 to \$125 per acre. Sales have slowed down to a minimum as owners anticipate higher

prices and to sell now would also have a bearing on their income tax return. Insurance companies have raised the price of their holdings from \$15 to \$25 per acre. There is no land available for the tenant farmer around here.

Dallas Center—L. R. Bock, auditor, Brenton State Bank: Some farms have recently changed hands around here and for the most part have been purchased by local farmers. The present price is around \$125 per acre. One farm here was recently purchased by a Des Moines man, which probably will be held for speculation. Very little land is now owned by insurance companies in this area.

Winterset—H. L. Paull, cashier, Union State Bank: Not much farm land changing hands around here and speculation is nil. Some tenants have been purchasing from insurance companies on a long term contract basis with a minimum down payment.

Greenfield—L. E. Foster, assistant cashier, Adair County Bank: The price of farm real estate in our territory has not shown any substantial increase. Several farms have changed hands and they are being purchased by tenant farmers who have been operating them or by an adjoining farmer who is adding to his holdings. The price varies from \$50 to \$100 per acre. There is no speculation by outsiders. Tenants have purchased, often due to concern of having farm sold from under them and no place to go.

Nevinsville—James Kosar, cashier, Nevinsville Savings Bank: A few farms have changed hands which are being purchased for the most part by tenants. A farm or two has been purchased as an investment.

Creston—R. K. Meadows, cashier, Iowa State Bank: Several farms were sold last spring to Nebraska farmers who purchased them from insurance companies, usually with a small down payment and on a long contract basis. The average price of farm land around



Under the auspices of the Iowa Bankers Association and the extension service of Iowa State College, Iowa bankers have been attending farm appraisal and land use schools of instruction in various parts of the state. The picture above was taken at one of the schools. At the left of the group, with the augur in his hand, is Paul Burson, Iowa State College agronomist; Frank Warner, secretary of the Iowa Bankers Association, is in the center of the group, in white shirt and black tie.

here is \$60 to \$65 per acre. Crops are just fair this year.

Grand Junction—Claus Loof, president, Peoples Trust & Savings Bank: A considerable amount of farm land changed hands around here up until six weeks ago and the market has now flattened off. Good improved land brings around \$140 per acre and good unimproved land around \$110 per acre. Mr. Loof doubts that there will be any radical increase in price for some time to come, if ever. He feels that the reason for prices sky rocketing in the early '20's was due primarily to loose credit by banks and that the bankers are too level-headed today to have that situation happen again.

Perry—C. S. Johnson, executive vice president, First National Bank: While farm land has shown an increase of \$15 to \$25 per acre in this territory, we do not intend to raise our sights very high on appraisals when making a loan. A few farms around here have been sold to outsiders for speculation, or a hedge against inflation. The average price for unimproved land is \$100 per acre and good improved land brings from \$130 to \$140 per acre; 117 acres just changed hands at \$122.50 per acre and this is not considered top grade land. Another deal of 190 acres was consummated the other day at \$135 per acre and this farm is fairly well improved. We have been able to get local tenant farmers located so far but many inquiries are being received from outsiders who will not be able to get located around here.

Minburn—W. L. Crumley, cashier, Dallas County Savings Bank: Several farms changed hands around here in the last three or four months. The average price is \$125 to \$140 per acre. A 240-acre farm three miles out was recently sold to a Chicago woman at \$140 per acre as an investment. A local farmer purchased 190 acres at \$125 per acre after selling his 80 acres at the same figure. There is an acute shortage of farms for tenant farmers in this county and Mr. Crumley estimated approximately 60 tenant farmers would have to leave the county to get located.

Osceola—R. K. McGee, vice president, Clark County State Bank: Quite a number of farms are changing hands around here. Most of the farms are being purchased by tenants who have acquired some livestock and are able to make enough of a down payment to hold the farms. A few of the farms have been purchased by farmers from Nebraska. There is very little evi-

dence of speculation on land, as yet, in our section.

Glidden—H. W. Porter, president, First National Bank: Several farms have changed hands around here in the last year. Good improved land brings upward of \$125 per acre. Good unimproved land is selling from \$90 to \$120 per acre. No outside investors are coming into this territory to speak of. In May a Des Moines man purchased 320 acres near here at \$90 per acre. This is fair land but no buildings. An 80 acre farm, close to town,

was just sold at \$130 per acre. Another 80 changed hands a few weeks ago at \$115 per acre. This property was well improved and good land.

Carroll—C. J. Hess, cashier, Carroll County State Bank: There has been more activity in farm real estate of late than for several years and prices have increased \$15 to \$25 per acre. A good improved 160 acres was sold the other day at \$150 per acre. Another sale of 187 acres was completed at \$130 per acre and the improvements were not good. In the last few months our



The Key to Sioux City

A First National Bank account is your key to the prompt, efficient collection of your checks and drafts in Sioux City.

Our employes know how to put through your collections with the maximum speed and accuracy. Our officers are experienced in the art of personal help on your individual problems. Let First National Bank service take care of your Sioux City needs.

A. G. Sam, President

J. P. Hainer, Vice President

J. R. Graning, Assistant Cashier

Fritz Fritzson, Vice Pres. and Cashier

E. A. Johnson, Assistant Cashier

J. T. Grant, Assistant Cashier

W. F. Cook, Auditor

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

FIRST NATIONAL BANK IN SIOUX CITY

segregated trust fund has sold three farms from \$100 to \$125 per acre. Many farmers have withdrawn from the market, anticipating better prices. Insurance companies own very little land in this county. There is no land available for the tenant and several tenants have been forced to quit, as their farm was sold from under them.

Auburn—H. C. Bruns, vice president, Auburn Savings Bank: There was more activity in the sale of farm land last spring than at present. There is no land being sold to outsiders here. The best price is around \$125 per acre

and unimproved land will bring from \$60 to \$100. Practically no land is owned by insurance companies in this area.

Estherville—W. C. Currell, president, Emmet County State Bank: There has been some activity in the sale of farms in this area and for the larger part the sales have been made by insurance companies on long term contracts with a minimum down payment. Improved land is selling from \$85 to \$100 per acre. A recent sale of 400 acres was consummated at \$87.50 and \$90 per acre. Another quarter sold

for \$115 which had good buildings. Two Des Moines men purchased 1,400 acres in this area a year ago but there is very little speculation. Prices have increased from \$10 to \$15 per acre and insurance companies still own a considerable amount of land in this territory.—**THE END.**

Joint Meeting of Bank Examiners

On November 10th, in Des Moines, there will be held a joint meeting of the FDIC and Iowa examiners.

Invitations have been issued by C. L. Pitman and F. A. Lettow, supervising examiner and assistant supervising examiner of the FDIC, respectively, and Melvin W. Ellis, superintendent, and Ralph L. Bunce, deputy superintendent, of the Iowa Department of Banking, to the 36 men engaged in the examination of Iowa State Chartered banks on behalf of the FDIC,



MELVIN W. ELLIS

Federal Reserve Bank of Chicago, and the Iowa State Banking Department to attend an all day meeting in Des Moines on November 10, 1941.

A program of the sessions to be held in the Green Room of the Ft. Des Moines Hotel and of the dinner at the Des Moines Club following the business session is as follows:

10:00 a. m. Green Room, Mezzanine Floor, Ft. Des Moines Hotel—an hour devoted to

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

★ ★ ★ ★ ★ Headquarters for Northeastern Iowa Bankers

Our correspondents have found that our complete facilities assure quick and efficient service on the handling of all their Northeastern Iowa items. Your account is invited.

THE NATIONAL BANK OF WATERLOO

Member—Federal Deposit Insurance Corporation

Member—Federal Reserve System

Northwestern Banker November 1941

getting to know all the other fellows.

- 11:00 a. m. to Noon—Discussion of subjects of mutual interest in an every-day attempt to intelligently appraise banks. Bring along your "pet peeve." We'll kick it around and see if we can crack it.
- 12:15 p. m. Private dining room at north end of ballroom—same floor—Luncheon.
- 2:30 p. m. Back in the Green Room for further consideration of "pet peeves"—we may not have finished.
- 5:00 p. m. Crow's Nest—Fifth Floor, Des Moines Club—Relaxation.
- 6:30 p. m. Banquet Room — Fifth Floor, Des Moines Club—Informal dinner with all the trimmings.

Inasmuch as the objectives of the two groups of examiners are identical, it is anticipated a better acquaintance among them will be beneficial and that many helpful ideas of cooperation will result from the meeting.

Increased Check Transactions

Check transactions through Des Moines banks totaled \$951,866,000 for the first nine months of 1941—only \$48,134,000 short of the billion dollar mark.

It was a gain of \$88,822,000 over the 1940 figure for the like period.

September registered a total of \$110,313,000 to become the seventh month to pass the \$100,000,000 mark. It showed a \$14,622,000 increase over check payments for September a year ago.

As check transactions are only another name for debits to individual bank accounts, they give an accurate measure of the "velocity" or money in the community, and are considered one of the best barometers of business activity.

Bankers said large construction payrolls at the Des Moines ordnance plant, coupled with a record breaking home building program and a number

of major industrial projects here undoubtedly have helped materially to produce the heavy gains in check transactions which have continued over the last seven months.

Given A. B. A. Post

R. O. Byerrum, executive vice president of the First Trust & Savings Bank of Davenport, was named Iowa vice president of the American Bankers Association at the annual convention in Chicago recently.

Mr. Byerrum was appointed to that

post by Henry W. Koehnke, Ponca City, Oklahoma, who is the new president of the A. B. A. The state vice president presides at meetings of members for his state and is responsible for membership and organization matters in his jurisdiction.

Harlan Banker Dies

John J. Norgaard, executive vice president of the Harlan National Bank of Harlan, died at his home recently from a heart attack suffered 10 days prior.

Welcome

This Year Visit the "International" America's Greatest Live Stock Exposition

NOVEMBER 29th to DECEMBER 6th, at CHICAGO

The Drovers National Bank joins the management of the "International" in cordially inviting you to visit this advance showing of "styles" in live stock. As a banker, with important interests in the live stock field, you will soon find these 1941 "styles" translated into practical values in farm herds of your community.



Banks Sold or Bought!

quietly, quickly and in a personal manner

JAY A. WELCH

Haddam, Kansas

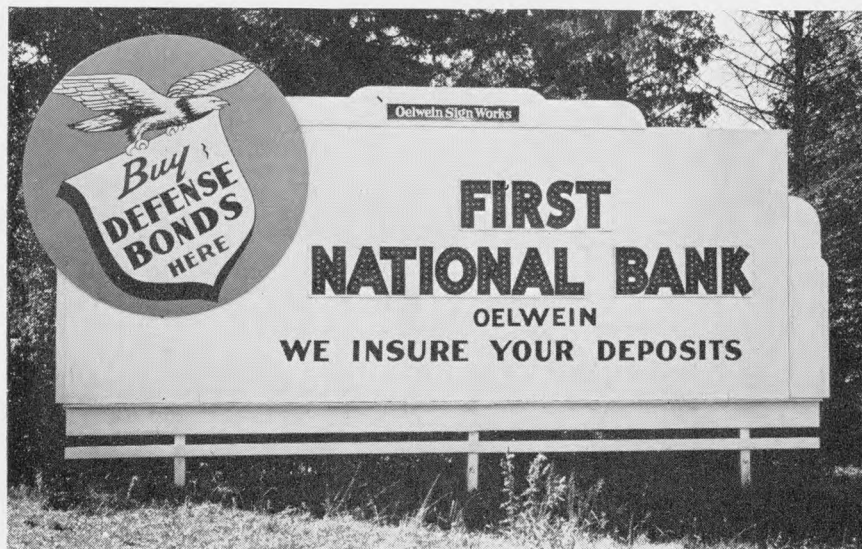
"35 years Practical Banking
Experience."

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

MEMBERS, FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker November 1941

DEFENSE BOND ADVERTISING



Pictured above is one of the highway signs sponsored by the First National Bank of Oelwein, Iowa, to promote the sale of Defense Bonds. The picture was obtained through the courtesy of **M. C. Hanson**, cashier of the bank.

League Holds Convention

Members of the Iowa Building and Loan League held their 50th annual convention last month in Des Moines with an attendance of more than 200.

The meeting was a two-day meeting, and in addition to addresses by several of the members of the League, there were speeches by a number of speakers from out of town, including Frank Hardinge, Jr., secretary of the Society of Residential Appraisers, Chicago; Paul Endicott, president, United

States Savings and Loan League, Pomona, California, and Dr. Melchior Palyi, formerly with the German Reichsbank and now associated with the University of Wisconsin.

Among the local speakers was Clifford De Puy, publisher of the NORTHWESTERN BANKER, who made an address on the subject "Are We Killing the Goose That Lays the Golden Egg?"

Dr. Payli, who is one of the outstanding speakers in the United States

on international affairs, gave an interesting interpretation of the international situation. Also Horace Russell, counsel, United States Savings and Loan League, spoke on provisions of the Wage and Hour Law.

At the closing session of the League, the following officers were elected for the ensuing year: M. J. Lanning of Newton, president; L. J. Maresh of Cedar Rapids, first vice president; John C. Shenk of Davenport, second vice president. E. M. Klapka of Fort Dodge was re-elected secretary-treasurer.

The new executive committee will include: Frank G. Nebiker of Burlington, Hubert E. James of Des Moines and Charles R. LaBarre of Algona.

Prominent Man Dies

C. B. Smeltzer, prominent Ft. Dodge resident, died very suddenly at the Lutheran Hospital in that city last month. He had had no previous warning of illness.

Mr. Smeltzer was for many years in the banking business. He was president of the former Iowa Savings Bank of Ft. Dodge, and at the time of his death was director of the State Bank, Ft. Dodge, and banks in Renwick, Pocahontas, Clarion, Rockwell City and Adrian, Minnesota.

Form Study Group

Fifteen bank employes from Grinnell and neighboring towns held a dinner meeting recently at the Monroe Hotel for the purpose of organizing a study group, which will hold weekly meetings for the next eight months under the sponsorship of the American Institute of Banking.

Hugh McCleery of Laurel conducted the inaugural meeting. Those present agreed upon Tuesday as their regular meeting night and they will hold their classes in the lobby of the Grinnell State Bank.

The study group will be instructed by J. W. Charlton, associate professor of economics at Grinnell College. The study topic will be bank administration.

Among those who attended the dinner meeting were: Pauline Ryan, Louise Mowitt and L. M. Laning of the Grinnell State Bank; Donald McDowell of the Poweshiek County National Bank of Grinnell; C. C. Ecklund of Brooklyn; M. L. Hickman, O. L. Karsten, A. E. Peters, G. M. Kruse, L. H. Macy and Mary Louise Mowitt of Newton; James Anderson of Kellogg, and Mr McCleery.

*We Take Pleasure
in announcing*

MR. HORACE A. SMITH

as

IOWA REPRESENTATIVE

with offices in the

**Valley National Bank Building
Des Moines**

SCARBOROUGH & COMPANY

Insurance Counselors to Banks
Chicago



J. A. SARAZEN

IOWA NEWS FROM HERE AND THERE

By J. A. Sarazen, Associate Editor

THE Ruthven State Bank, which opened for business July 5, had deposits of nearly \$200,000 on October 15th.

Deposits at **The State Bank, Fort Dodge**, were \$3,500,000 on October 13th, an all time high for this bank. Loans and discounts were over \$2,000,000.

Arnold Boehm, cashier, City State Bank, Ogden, informs us that loans in his bank have shown a substantial increase of late and are up nearly \$200,000. A great deal of this being cattle paper.

Statement of the **Boone State Bank** shows growth in deposits through the various years from April 19, 1933 to the current statement. On the above date deposits were but \$170,000 and on September 24, 1941, deposits totaled \$2,850,000. Bills receivable amount to \$1,951,000 and the capital structure has kept pace with the increase in deposits as it now stands at \$237,000.

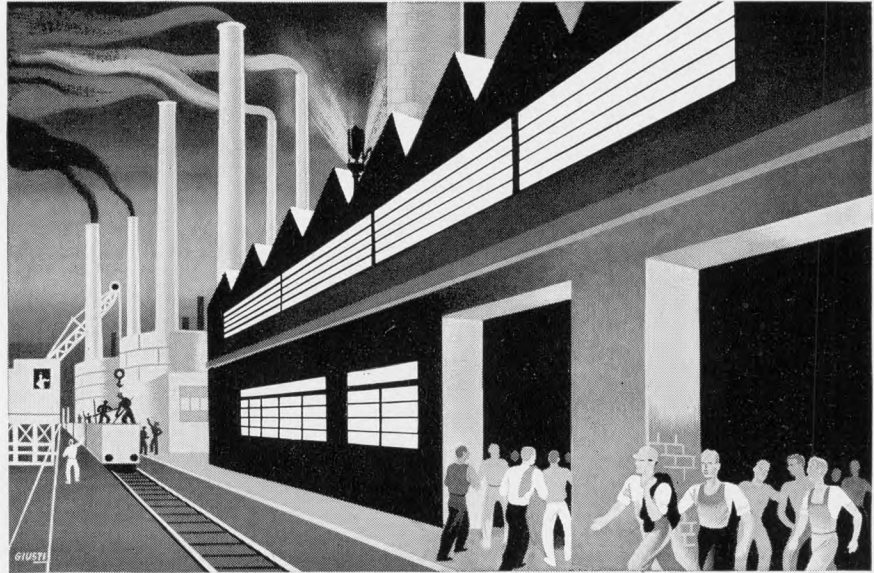
It is interesting to note the capital structure of the **Humboldt Trust & Savings Bank**. Capital (common) is \$50,000, surplus \$50,000, reserves \$50,000 and undivided profits \$53,900. Deposits amount to \$1,415,000.

At the First National Bank, Humboldt, cashier **B. B. Watson** told us his bank was enjoying a good volume of business and earnings were satisfactory. The bank premises has been charged off and stockholders have been receiving a nice dividend since 1936. It is gratifying to note the increase in the reserves of this bank built up from earnings since 1933 when the old First National Bank was put into liquidation and the new bank started. Capital at that time was \$50,000 and reserves but \$10,000. Today capital is \$50,000, surplus \$100,000 and reserves of over \$38,000. (The old bank was moved to the back room and paid depositors in full). A splendid source of income says Mr. Watson, is the farm implement dealer paper which is cleared through his bank.

A substantial amount of this paper is carried at all time which he said has proven most satisfactory. Service charges on checking accounts here at

Humboldt are 50c per month to all customers, plus 2c on every check drawn on the account.

Visiting **V. W. Miller**, vice president, Jefferson State Bank, Jefferson, who has returned to his desk after an extended illness, we were informed that his bank plans to do some extensive remodeling of the interior of the building. New low type counters will be installed, an addition will be added to the rear of the building increasing floor space considerable. A new safe deposit vault will be built and a new heating plant and air conditioning will be installed. The booking department will be moved down stairs



NEW MARKETS—NEW METHODS

OVER the face of the country in the past few months has come an enormous change—a change which is reflected in the business activity of every citizen. New markets, new methods, new concepts of business are required; and in each of these respects *credit* plays an important role.

In the Chicago area, the American National Bank and Trust Company is actively engaged in correlating credit requirements with these changing conditions of business. Such services have brought this institution into close contact with many typical industrial problems of today. It is for this reason that the American National is able to offer exceptional correspondent banking services to *business-minded* banks in other parts of the country.

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO

LA SALLE STREET AT WASHINGTON

Member Federal Deposit



Insurance Corporation

OUR BUSINESS IS TO HELP BUSINESS

Northwestern Banker November 1941

and many other improvements will soon get under way. We also learned that it was just lately that Mr. Miller was moved up from cashier to vice president and former assistant cashier, **Ralph Maloney**, was made cashier.

E. E. Wiemer, cashier, Citizens National Bank, Boone, was proud to inform us that his bank has sold three times as many Defense Bonds as any other bank in the country of like size.

E. B. McIntire, cashier, Kent State Savings Bank, is celebrating his 25th year with this bank this year. For a

young man "Mc" has seen a lot of banking business.

The Perry A. I. B. study group got off to a good start this year and with an increase in membership of from 34 students last year to 48 this year. **Lloyd Bock**, Brenton State Bank, Dallas Center, is the president and **Dorothy Helmick**, from the same bank, is the secretary and treasurer.

The board of governors is composed of **Gerald Clause**, **Milton Barnett**, **Bergen Raynor** and **Hugo Norgren**. **Chas. Joy**, former county attorney, is the instructor this year.

Celebrates 83rd Birthday

Mr. Henry Guenther, Wheatland's veteran banker, with a record of over fifty-eight years of continuous service, celebrated his 83rd birthday anniversary recently at the home of his daughter, Mrs. C. A. Baumgart in Des Moines.

Mr. Guenther enjoys good health and attends to his banking duties daily.

Conclude Vacation

Mr. and Mrs. Fred Welch, Mapleton, recently returned from a month's vacation tour of the eastern states.

Mr. Welch is the president of the First State Bank in Mapleton, having served that institution actively for over thirty years.

To Represent Mississippi Valley Trust Co.

Announcement has just been made by Mississippi Valley Trust Company of the election as assistant secretary of M. C. Hook Jr. Mr. Hook will cover the territory in Missouri, Iowa and Nebraska as a representative of Mississippi Valley Trust Company. He



HERE CORRESPONDENTS GAIN FACILITIES OF VALUE TO THEMSELVES AND THEIR CUSTOMERS

Upon establishing a connection with The Northern Trust Company, the out-of-town-bank makes immediately available to itself the full facilities of this institution. These include the efficient handling of routine transactions, and also a variety of special services. Our correspondents profit from our many years of sound banking experience. They welcome access to in-

formation, which is the result of up-to-the-minute fact finding. And they enjoy, too, the opportunities to consult with our friendly, informed personnel on all banking and trust matters. By utilizing these sources of information, each correspondent of The Northern Trust Company broadens and reinforces the scope of his bank's service to his customers and his community.

THE NORTHERN TRUST COMPANY

50 SOUTH LA SALLE STREET, CHICAGO
Member Federal Deposit Insurance Corporation



M. C. HOOK, JR.

was formerly in the bond department of Mercantile-Commerce Bank and Trust Company.

Mr. Hook is a graduate of Bradley Polytechnic Institute at Peoria, Illinois, where he received a Bachelor of Science degree in Business Administration in 1930. He is married, has one child, and resides in University City.

Northwestern Banker November 1941

Helping Boys to Raise Better Cattle

By **RAYMOND J. MEYER**

Cashier of the Boone State Bank and Trust Company, Boone, Iowa

"WE went out in the Nebraska Sand Hills and purchased 150 of the best calves obtainable and sold the calves at two auctions. The first auction was held Saturday, October 4, and the next auction was held October 25. We have bought these cattle and are prorating back to the buyers any money over and above the actual cost of the cattle. Comments that we have heard from the first fifty we secured is that they are some of the best cattle that were ever brought into Boone county.

"We had a dinner and a tour with the ranchers from whom we bought the calves, and the 4-H boys were guests. The ranchers visited each boy and saw what the calves looked like at that time and perhaps got some ideas of their own as to bettering their own stock.

"We also will give a week's free trip on a western ranch to the two boys who show the best calves from the ones purchased.

"From comments heard I believe we are putting on a very successful advertising scheme, but, more important, it is actually helping out the community and I believe that is the purpose of banks."

OUR AUDITING SYSTEM

(Continued from page 16)

Commercial paper, Warrants and certificates, Budget loans, Collateral file records, actual collateral, Insurance records on all mortgage loans, reviewing their maturity to be sure all loans are amply protected, Safety deposit box rentals, and Wage and hour records.

Do not neglect proper audit and control of the Dormant accounts.

I have not mentioned the feature of auditing income and expense. We have not developed this part of our audit program adequately but hope to develop a system of checking income and expenses. However, we hold fast to the practice of paying all expenses by check, with no disbursements; salary or postage, large item or small item, being paid in cash.

It is definitely our intention and our program that no one shall check for correctness in his department and there is no definite program for the date of auditing any department. When it appears to be a day when business is not too rushing, we ask our auditor to conduct the audit of

some particular department, or occasionally at his suggestion, an audit is conducted. It is desirable for us to conduct these audits before the 20th of each month. If such has been impossible, the audit is conducted on overtime. The routine of checking each month is also varied. Perhaps one month it will be the Loan department first, another month the

Savings department, with no set procedure to follow; thereby keeping all departments on their toes as to the date their department and work will be checked.

The following example will perhaps portray what can happen in the procedure of surprise audits. One of our employes had reconciled our correspondent bank balances two months consecutively; the mail clerk automatically handed him the monthly statements for reconcilements the third month. He had half completed the reconcilements at the time this came to my attention. This employe was requested to turn over the statements

Why

the FIRST WISCONSIN is

First in Wisconsin



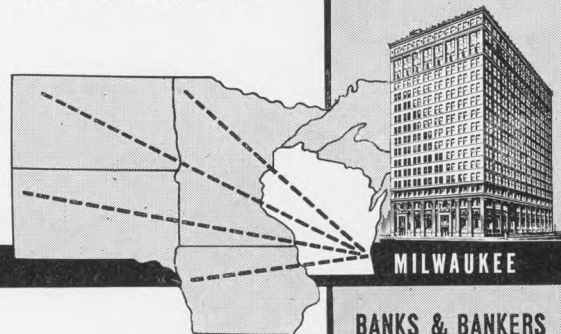
Ample resources. Complete modern facilities. Unparalleled statewide contacts. A large and competent staff headed by experienced officers. An 88-year record of growth and progress. . . . With these important factors providing a sound foundation for efficient service, the First Wisconsin National of Milwaukee holds outstanding rank as "Wisconsin's bank for banks".

The First Wisconsin is the largest bank in Wisconsin, Iowa, Minnesota, North and South Dakota . . . 31st in size among all banks in the United States.

The First Wisconsin serves more than 85 per cent of all the banks in Wisconsin... plus many leading banks in key cities of neighboring states.

Resources Over \$285,000,000

Established 1853



MILWAUKEE

FIRST WISCONSIN NATIONAL BANK

OF MILWAUKEE

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

BANKS & BANKERS DIVISION

George T. Campbell
Vice-President

Richard J. Lawless
Ass't Vice-President

Donald A. Harper
Ass't Vice-President

Northwestern Banker November 1941

for reconciliation to another employe. He was rather offended when asked to surrender the partially completed work and apparently felt he might be considered disloyal or dishonest in some respect. However, when it was explained to him that one important feature of any proper form of auditing or examination, was the surprise angle and that the managing officers' department was being audited with the same carefulness, this feeling of resentment on his part was soon forgotten.

The result of the surprise audit on the part of a fellow employe in our bank, has placed our employes more on their alert. Likewise, it acts as an encouragement for the management to handle their share of the banking business on a better basis. It should induct into an individual the desire for better records.

Each morning there is placed on my desk a typewritten sheet which performs a feature of auditing. It has a space for each of our cages. Tellers are instructed to have cash only in their possession at night. One employe is designated to handle cash items. The items are listed on this master cage sheet in detail. If it appears any item is doubtful, and if in the regular course of business it is not eliminated, the item is given special attention by the cashier. Also on this sheet is indicated the amount of exchange, notary and other fees collected daily through each cage, thereby giving complete records according to cages, showing those best following instructions.

Our cash item sheet has been most appreciably received on the part of the banking department. They review them during examination. They have worked satisfactorily as a check on the cages, and the fact that all exchange and miscellaneous collection fees are recorded, gets away from petty cash being handled by all individuals in the bank. Petty cash boxes have always proved to be a nuisance, a temptation and with no justification in the operation of a bank as they provide no record of the money spent.

Our audits show the following criticisms most frequently: Failure to file receipts for items taken from files, and illegible writing, poor filing and uncompleted corrections. These cost a bank much money and loss of time.

In regard to further ambitions along the line of auditing, although our employes are gradually getting acquainted with the different departments through assisting in auditing, this is still inadequate. If sufficient knowledge of other duties were obtained through exchange auditing, it would be easy to shift one employe to another department in surprise moves. This would involve the function of an audit and necessitate a checking out and a checking in of a department. Perhaps this type of an audit can now be used in many banks. To me, it appears to hold forth many possibilities and may discover the best place for each employe.

Another of my ambitions is the hiring of an independent firm of Certified Public Accountants. A firm which is

familiar with banking and its procedures, together with management engineering. They to conduct a surprise audit once a year and not to be crowded for time as are the examiners of the banking departments. This audit could be most beneficial and teach each individual the easier and better way of doing their work and the more diplomatic way of handling his particular part of the banking business. I used this type of audit to facilitate the voluntary liquidation of a bank. The assets were audited and the books set up by a C. P. A.; a surprise audit was conducted relative to the voluntary liquidation once each year. The audit was more complete than the audit of a Banking Department. It covered income, disbursements, assets checked back to their entry into the trust; endorsements, test computations as to interest, etc., together with suggestions to the management as to how to properly handle all records. It was detailed, with a copy of the audit to each trustee. This trust paid 100% several years ago; the depositors will receive 2% interest; there will be a substantial amount of return to the stockholders and no stock assessment was collected. Examiners expected a 75% to 85% pay out. Proper accounting and management gave excellent results.

I believe this service, a C. P. A. management audit, could be most satisfactorily used to supplant one examination of the Board of Directors. It could prove many of the employes doing a better job in a more diplomatic way than the management appreciates and perhaps such survey would give to the management many ideas for efficiency.

Auditing should be a cardinal function in the operation of any bank. It should be foremost in the mind of any bank officer or member of the Board of Directors. We spend much money for conventions, advertising and what not. A few dollars more wisely spent along the line of constructive examination of accounts could save us worry and pay larger dividends.—
THE END.

Executive Committee Announced

Rulon F. Starley, president of the National Association of Supervisors of State Banks and Bank Commissioner of Utah, announced yesterday that he had appointed the following executive committee of the association:

Joseph E. Perry, commissioner of banks, Massachusetts; William R. White, superintendent of banks, New

Federal Home Loan Bank of Des Moines

Des Moines, Iowa

STATEMENT OF CONDITION NOVEMBER 1, 1941

RESOURCES

Advances to Members.....	\$15,899,495.00
U. S. Government Obligations and Securities fully guaranteed by U. S.....	3,324,980.75
Accrued Interest Receivable.....	48,938.28
Deferred Charges.....	10,994.83
Other Assets.....	300.00
Cash.....	4,393,026.86
	<u>\$23,677,735.72</u>

LIABILITIES AND CAPITAL

Capital Stock Subscriptions.....	\$10,362,400.00
*Debentures Outstanding.....	11,500,000.00
Premiums on Debentures.....	9,584.03
Deposits—Members and Applicants.....	902,260.35
Accrued Interest Payable.....	11,022.36
Surplus:	
Reserves.....	\$624,554.68
Undivided Profits.....	267,914.30
	<u>892,468.98</u>
	<u>\$23,677,735.72</u>

*Participation in \$75,500,000.00 consolidated Federal Home Loan Bank debentures outstanding, which are the joint and several obligations of the twelve Federal Home Loan Banks.

York; John C. Bell, Jr., secretary of banking, Pennsylvania; Rodney P. Lien, superintendent of banks, Ohio; John D. Hospelborn, deputy bank commissioner, Maryland; Wilfred J. Begnaud, bank commissioner, Louisiana; Melvin W. Ellis, superintendent of banking, Iowa; Homer B. Clarke, superintendent of banks, Tennessee; F. A. Amundson, commissioner of banks, Minnesota; Maple T. Harl, bank commissioner, Colorado; Linwood O. Neal, bank commissioner, Oklahoma; Rulon F. Starley, bank commissioner, Utah (ex officio).

The majority of the new committee represent reappointments. The new appointees are Wilfred J. Begnaud of Louisiana and Melvin W. Ellis of Iowa.

The executive committee, which consists of one bank commissioner from each of the twelve Federal Reserve Districts, is the policy-making body which, in conjunction with the officers, conducts the business of the association during the period between annual conventions.

Koeneke Announces A. B. A. Committee Members

New members of the various committees, commissions and councils of the American Bankers Association, who have been appointed to serve during the association year 1941-42, have been announced by Henry W. Koeneke, A. B. A. president.

The new appointees and the committees, commissions and councils to which they have been named are:

Federal Legislation

Thomas Bowron, vice president, First National Bank, Birmingham, Alabama; A. E. Bradshaw, president, Na-

tional Bank of Tulsa, Tulsa, Oklahoma; C. Francis Cocke, president, First National Exchange Bank, Roanoke, Virginia; A. George Gilman, president, Malden Savings Bank, Malden, Massachusetts; T. S. Harkison, vice president, National Bank of South Dakota, Sioux Falls, South Dakota; J. Sherrard Kennedy, vice president, First National Bank, Atlanta, Georgia;

William C. Tompkins, auditor, First National Bank, St. Louis, Missouri; Lang Wharton, executive vice president, First National Bank, Dallas, Texas; Frank King, comptroller, Continental Illinois National Bank and Trust Company, Chicago, Illinois.

Executive Committee

Homer J. Livingston, attorney, First National Bank, Chicago, Illinois.

Subcommittee on Bankruptcy

Homer J. Livingston, attorney, First National Bank, Chicago, Illinois, chair-

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

There's more to a satisfactory correspondent banking relationship than the performance of the generally accepted functions of a correspondent — i.e., handling transit checks and collections.

The ability and the desire to "go out of the way" to handle unusual situations and transactions are important, too.

NATIONAL BANK OF DETROIT

Complete Banking and Trust Service

DETROIT, MICHIGAN

THE PUBLIC NATIONAL BANK AND TRUST COMPANY OF NEW YORK

Service — Maintaining an intimate, personalized correspondent bank service.

Experience — Officials with years of service in this field, assuring a knowledge of requirements and valuable assistance.

Policy — To cooperate with out-of-town banks rather than compete for business which is rightfully theirs.



Resources over **\$175,000,000**

ESTABLISHED 1908

MEMBER
NEW YORK CLEARING HOUSE ASSOCIATION
FEDERAL DEPOSIT INSURANCE CORPORATION

FRIENDLY SERVICE

Come to the Bismarck for luxurious comfort ... good food ... and that elusive something called "friendly service" that makes you feel right at home. Every modern hotel convenience is here at your beck and call ... and the location is a time-saving convenience.

Write for booklet
with map of
downtown Chicago

OTTO K. EITEL, MNG. DIR.



ACOUSTICS AND FLOORING FOR BANKS

Write for Free Estimates

H·B·BUCKHAM
AND
COMPANY
DES MOINES

man; J. Sherrard Kennedy, vice president, First National Bank, Atlanta, Georgia.

Subcommittee on Section 5219 U. S. Revised Statutes

Thomas W. Bowers, vice president, Bank of the Manhattan Company, New York, N. Y.; William C. Tompkins, auditor, First National Bank, St. Louis, Missouri.

Subcommittee on Taxation

C. Francis Cocke, president, First National Exchange Bank, Roanoke, Virginia; Frank King, comptroller, Continental Illinois National Bank and Trust Co., Chicago, Illinois.

Federal Legislative Council

State Chairmen—California: A. R. Thomas, executive vice president, First Trust and Savings Bank, Pasadena; District of Columbia: Charles H. Doing, first vice president, Washington Loan and Trust Co., Washington, Georgia; J. Sherrard Kennedy, vice president, First National Bank, Atlanta; Iowa: J. J. Miller, cashier, Waterloo Savings Bank, Waterloo; Louisiana: M. L. Funderburk, president, Citizens Bank and Trust Co., Houma; Massachusetts: George Avery White, president, Worcester County Trust Co., Worcester; Michigan: Stephen A. Graham, vice chairman of board, Michigan National Bank, Port Huron; Mississippi: G. M. McWilliams, executive vice president, Citizens Bank, Hattiesburg; North Carolina: Frank P. Spruill, president, Peoples Bank and Trust Co., Rocky Mount; North Dakota: Martin Aas, vice president, First State Bank, New Rockford; Ohio: Philip R. Peters, cashier, Fairfield National Bank, Lancaster; Oklahoma: E. C. Love, president, First National Bank, Chandler; Oregon: Charles H. Stewart, president, Portland Trust and Savings Bank, Portland; South Carolina: B. M. Edwards, president, South Carolina National Bank, Columbia; Texas: Walter P. Napier, president, Alamo National Bank, San Antonio; Utah: Charles L. Smith, president, First National Bank, Salt Lake City; Vermont: H. A. Dahlgren, cashier, Killington National Bank, Rutland; Virginia: C. S. Carter, president, Dominion National Bank, Bristol; Washington: Benjamin N. Phillips, president, First National Bank, Port Angeles; West Virginia: Hayes Picklesimer, executive vice president, Kanawha Valley Bank, Charleston.

Finance

W. F. Augustine, vice president, National Shawmut Bank, Boston, Massachusetts; W. Elbridge Brown, vice president and trust officer, Clearfield Trust Company, Clearfield, Pennsylvania; W. W. Hopper, president, First

—our Federally Insured up to \$5,000 savings accounts are the solution to your investment and trust problems. Current dividend 3½ percent.

Statement on request.

414 Sixth Avenue
Des Moines, Iowa

This is a
store of
familiar faces.
Men who come
here once,
always come
back again
... and repeat
customers do
build a
business!

Since 1861

FRANKEL'S



Iowa's Largest Business Training School
Many banks, bond-houses, insurance companies and other financial institutions employ A. I. B. graduates. Write or telephone when you need efficient office employees.

E. O. FENTON, Director
American Institute of Business
DES MOINES
10th and Grand Tel. 4-4221

National Bank of Nevada, Reno, Nevada; A. L. M. Wiggins, president, Bank of Hartsville, Hartsville, South Carolina.

Membership

R. L. Dominick, vice president, Traders Gate City National Bank, Kansas City, Missouri; Harry C. Hausman, secretary, Illinois Bankers Association, Chicago, Illinois; Tasker G. Lowndes, president, Second National Bank, Cumberland, Maryland; A. G. Maxwell, vice president, Citizens and Southern National Bank, Atlanta, Georgia; Ray Nesbitt, vice president, First National Bank, Dallas, Texas; Ray R. Ridge, vice president, Omaha National Bank, Omaha, Nebraska; Charles L. Smith, president, First National Bank, Salt Lake City, Utah.

State Legislation

Martin Aas, vice president, First State Bank, New Rockford, North Dakota; Dick Crutcher, president, First National Bank, McAlester, Oklahoma; Leon Fraser, president, First National Bank, New York, N. Y.; Oral Jones, vice president, City National Bank, Wichita Falls, Texas; L. G. Kennedy, vice president, First National Bank, Denver, Colorado; E. V. Krick, vice president and cashier, American Trust Company, San Francisco, California; Edward B. Stearns, vice president and cashier, Manchester National Bank, Manchester, New Hampshire; Thomas P. Summers, president, Citizens Union Bank, Rogersville, Tennessee; Frank J. Tuhl, vice president, First National Bank, St. Charles, Minnesota.

Ex Officio

Chairman State Legislation, National Bank Division: Bernard C. Wolfe, president, First National Bank, Towanda, Pennsylvania; Chairman State Legislation, Savings Division: W. W. Slocum, president, The United Savings Bank, Detroit, Michigan.

State Legislative Council

State Chairmen—Alabama: W. C. Bowman, president, First National Bank, Montgomery; Arkansas: W. A. McDonnell, executive vice president, Commercial National Bank, Little Rock; Colorado: Albert F. Cruse, president, Routt County National Bank, Steamboat Springs; District of Columbia: Francis G. Addison Jr., president, Security Savings and Commercial Bank, Washington; Florida: S. E. Teague, chairman of board, Capital City Bank, Tallahassee; Georgia: Harry Thornton, president, First National Bank, Elberton; Illinois: William H. Miller, vice president, City National Bank and Trust Co., Chicago; Indiana: Dudley N. Elmer, president, Second

National Bank, Richmond; Iowa: C. A. Knudson, president, College Savings Bank, Ames; Kansas: H. A. Bryant, president, Parsons Commercial Bank, Parsons; Kentucky: Lee P. Miller, vice president, Fidelity and Columbia Trust Co., Louisville; Louisiana: William B. Gladney, executive vice president, Fidelity Bank and Trust Co., Baton Rouge; Massachusetts: F. Winchester Denio, vice president, First National Bank, Boston; Minnesota: Lewis G. Castle, vice president, Northern National Bank, Duluth; Nebraska: Dan J. Riley, president, Bank of Daw-

son, Dawson; New Jersey: H. Douglas Davis, vice president, Plainfield Trust Co., Plainfield; New Mexico: E. R. Wright First National Bank, Santa Fe; New York: Fred E. Worden, president, National Bank of Auburn, Auburn; North Dakota: J. O. Milsten, president, First National Bank, Belfield; Oregon: C. E. Williamson, cashier, Bank of Albany, Albany; Pennsylvania: Carl W. Fenninger, vice president, Provident Trust Company, Philadelphia; South Carolina: John B. Slean, president, The County Bank, Greenwood; South Dakota: L. T. Morris, president, First

SERVICE

A

Constantly
Continuing
Campaign
for
its

Improvement



MISSISSIPPI VALLEY TRUST COMPANY

St. Louis



MAY WE PRESENT

Advertising that Sells

LESSING ADVERTISING CO.
DES MOINES

R. J. FLYNN, PRES. D. L. DUNGAN, SECY.

PERMANENTLY
SHARP!



**STUDENTS!
BUSINESS FOLKS!**
Here's Your Daily
SUCCESS COMPANION!

SHEAFFER'S

Fineline

"In Working
Togs" (shown)
Also Streamline
balance models

**\$1.00
and
up**

39% smaller writing point is always sharp — that means neater figures, more readable writing, clear carbons, distinct shorthand.

SPIRAL GRIP for tireless writing. Double length propelling eraser. Sturdy, precise mechanism; outlasts all others. Uses double length, strong FINELINE leads.

A lasting, welcome gift for anybody, any time. Just right for your own use, too! Make FINELINE yours today.

KOCH BROTHERS

PRINTERS - BOOKBINDERS - OFFICE OUTFITTERS
STATIONERS - BUSINESS MACHINES
GRAND AVENUE AT FOURTH

Des Moines

Citizens National Bank, Watertown; Tennessee: C. D. Walling, president, City Bank and Trust Co., McMinnville; Virginia: Thomas H. Blanton, president, Union Bank & Trust Co., Bowling Green; Washington: P. A. Strack, executive vice president, Peoples National Bank, Seattle.

Foundation Trustees

Ex Officio: A. L. M. Wiggins, president, Bank of Hartsville, Hartsville, South Carolina.

Insurance and Protective

Edward A. Wayne, secretary, North Carolina Bankers Association, Raleigh, North Carolina.

Agricultural Commission

Term expiring 1944—Jesse K. Cope Jr., assistant cashier, First National Bank, Lansdale, Pennsylvania; Elford H. Morison, secretary-treasurer and trust officer, Wilton Trust Company, Wilton, Maine; Charles T. O'Neill, vice president, National Bank and Trust Co., Charlottesville, Virginia.

Bank Management Commission

William A. McDonnell, executive vice president, Commercial National Bank, Little Rock, Arkansas, chairman.

Term expiring 1942—William S. Elliott, president, Bank of Canton, Canton, Georgia.

Term expiring 1944—William J. Kinamon, cashier, Hunterdown County National Bank, Flemington, New Jersey; William H. Miller vice president, City National Bank and Trust Co., Chicago, Illinois; Ben E. Young, vice president, National Bank of Detroit, Detroit, Michigan.

Ex Officio—Vice President National Bank Division: S. A. Phillips, vice president, First National Bank, Louisville, Kentucky; Vice President Savings Division: W. W. Slocum, president, The United Savings Bank, Detroit, Michigan; Vice President State Bank Division: Frank P. Powers, president, Kanabec State Bank, Mora, Minnesota; Vice President Trust Division: Louis S. Headley, vice president, First Trust Company of Saint Paul, Saint Paul, Minnesota; Vice President American Institute of Banking Section: David E. Simms, Salt Lake City Branch, Federal Reserve Bank of San Francisco, Salt Lake City, Utah; Vice

President State Secretaries Section: Fred M. Bowman, secretary, Kansas Bankers Association, Topeka, Kansas; Past Chairman Bank Management Commission: J. Harvie Wilkinson Jr., vice president, State-Planters Bank and Trust Co., Richmond, Virginia.

Commerce and Marine Commission

Term expiring 1944—Myron F. Converse, president, Worcester Five Cents Savings Bank, Worcester, Massachusetts; Hugh L. Harrell, vice president, First National Bank and Trust Co., Oklahoma City, Oklahoma; Frederick E. Hasler, chairman of board, Continental Bank and Trust Co., New York, N. Y.; A. D. Simpson, president, National Bank of Commerce, Houston, Texas; A. J. Wedeking, Dale State Bank, Dale, Indiana.

Economic Policy Commission

Term expiring 1943—William A. Mitchell, vice president, J. P. Morgan and Co., New York, N. Y.

Term expiring 1944—A. George Gilman, president, Malden Savings Bank, Malden, Massachusetts; Rudolf S. Hecht, chairman of board, Hibernia National Bank, New Orleans, Louisiana; John C. Wright, vice president and cashier, American National Bank and Trust Co., Chicago, Illinois.

Public Relations Council

Gwilyn A. Price, president, Peoples-Pittsburgh Trust Co., Pittsburgh, Pennsylvania, chairman; John D. Arthur, Society for Savings, Cleveland, Ohio; Fred M. Bowman, secretary, Kansas Bankers Association, Topeka, Kansas; Victor Cullen, assistant secretary, Mississippi Valley Trust Co., St. Louis, Missouri; A. J. Gock, vice chairman of board, Bank of America N. T. & S. A., San Francisco, California; C. Lane Goss, vice president, Worcester County Institution for Savings, Worcester, Massachusetts; R. R. Rollins, vice president, Bankers Trust Company, Des Moines, Iowa.

Committee on Public Education—John D. Arthur, Society for Savings, Cleveland, Ohio.

Research Council

Raymond N. Ball, president, Lincoln-Alliance Bank and Trust Co., Rochester, New York; Wall G. Coapman, secretary, Wisconsin Bankers Association, Milwaukee, Wisconsin; M. A. Limbocker, president, Citizens National Bank, Emporia, Kansas; Leon M. Little, president, New England Trust Co., Boston, Massachusetts; William A. McDonnell, executive vice president, Commercial National Bank, Little Rock, Arkansas; J. Cameron Thomson, director, Northwestern Na-

Wessling Services

Counsel on Bank Public Relations

D. R. WESSLING, PRESIDENT

Des Moines, Iowa

Advertising programs for banks and trust companies. Let us help you get "things done." Write us today.

IOWA NEWS

tional Bank and Trust Co., Minneapolis, Minnesota; P. M. Davis, president, American National Bank, Nashville, Tennessee.

Consumer Credit Council

T. C. Boushall, president, Morris Plan Bank of Virginia, Richmond, Virginia; John H. Lucas, vice president, Peoples-Pittsburgh Trust Co., Pittsburgh, Pennsylvania; R. B. Umberger, executive vice president, Industrial National Bank of Chicago, Chicago, Illinois; Don H. Wageman, vice president, American National Bank, Cheyenne, Wyoming.

Graduate School of Banking Board of Regents

Term expiring 1942—David E. Simms, Salt Lake City Branch, Federal Reserve Bank of San Francisco, Salt Lake City, Utah.

Term expiring 1944—William A. Ten Eick Jr., assistant cashier, The Chase National Bank, New York, N. Y. (class of 1941.)

Executive Committee—David E. Simms, Salt Lake City Branch, Federal Reserve Bank of San Francisco, Salt Lake City, Utah.

Finance Committee—W. L. Hemingway, president, Mercantile-Commerce Bank and Trust Co., St. Louis, Missouri; George T. Newell, vice president, Manufacturers Trust Co., New York, N. Y.

E	Employers Mutual Casualty Company..	24
	Epperson and Company.....	27
F	Federal Home Loan Bank.....	60
	First National Bank—Mason City.....	51
	First National Bank—Sioux City.....	53
	First Wisconsin National Bank.....	59
	Frankel Clothing Company.....	62
G	General Motors Acceptance Corporation	26
	Guaranty Trust Company.....	42
H	Hawkeye Mutual Hail Insurance Assn...	65
	Home Federal Savings and Loan Assn...	62
	Home Insurance Company.....	5
I	Iowa-Des Moines National Bank and	
	Trust	68
J	Jamieson and Company.....	33
K	Koch Brothers	64
L	George La Monte and Son.....	6
	Lessing Advertising Company.....	64
	Live Stock National Bank—Chicago.....	50
	Live Stock National Bank—Omaha.....	46
	Live Stock National Bank—Sioux City..	34

M	Merchants Mutual Bonding Co.....	61
	Merchants National Bank.....	2
	Minneapolis Moline Power Implement	
	Company	36
	Mississippi Valley Trust Co.....	63
N	National Bank of Detroit.....	61
	National Bank of Waterloo.....	54
	Northern Trust Company.....	58
	Northwestern National Bank and Trust	
	Company	30
O	Omaha National Bank.....	19
P	Philadelphia National Bank.....	20
	Public National Bank and Trust Co....	61
S	Scarborough and Company.....	56
	Shaw, McDermott and Sparks.....	28
	Stock Yards National Bank—St. Paul...	32
T	Todd Company	44
U	United States Check Book Company....	40
	United States National Bank.....	38
W	Charles E. Walters Company.....	43
	Jay A. Welch.....	55
	Wessling Services	64
	Western Mutual Fire Insurance Co.....	22

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

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

PUBLISHER'S STATEMENT

Statement of the Ownership, Management, Circulation, etc., required by the Act of Congress of March 3, 1933, of the NORTHWESTERN BANKER, published monthly at Des Moines, Iowa, for October, 1, 1941.

1. Name of Publisher: Clifford De Puy, Des Moines, Iowa. Associate Publisher, R. W. Moorhead, Des Moines, Iowa. Editor, Henry H. Haynes Des Moines, Iowa.

2. Owner, Clifford De Puy, Des Moines, Iowa.

3. That the known bondholders, mortgagees and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

R. W. MOORHEAD,
Associate Publisher.

Sworn to and subscribed before me this 1st day of October, 1941.

HENRY H. HAYNES,
Notary Public.

(Seal) (My commission expires July 4, 1942.)

Index to Advertisers

A	Allen Wales Adding Machine Corp.....	67
	Allied Mutual Casualty Company.....	24
	A. C. Allyn and Company.....	28
	American Hotel Association.....	65
	American Institute of Business.....	62
	American National Bank & Trust Co....	57
B	Bankers Trust Company.....	48-49
	Bismarck Hotel	62
	H. B. Buckham.....	62
	Burroughs Adding Machine Co.....	29
C	Central National Bank and Trust Co....	3
	Chase National Bank.....	4
	City National Bank and Trust.....	40
	Commercial Investment Trust.....	27
	Continental-Illinois National Bank and	
	Trust	45
	Continental National Bank—Lincoln...	43
D	F. E. Davenport and Co.....	42-54
	Des Moines Building, Loan and Savings	
	Association	65
	Drovers National Bank.....	55

For a Fresh Start STOP at a HOTEL



More than 5000 hotels on the continent and in nearby territories, representing the seventh largest industry, allied for service and progress.

AMERICAN HOTEL ASSOCIATION

IN THE DIRECTORS' ROOM

Tit for Tat

A husband drew his chair beside his wife's sewing machine.

"Don't you think you're running too fast?" he said. "Look out! You'll sew the wrong seam! Mind that corner, now! Slow down, watch your fingers! Steady!"

"What's the matter with you, John?" said his wife alarmed. "I've been running this machine for years!"

"Well, dear," replied her husband, "I thought you might like me to help you, since you help me drive the car."

Wrong Again

Traffic Officer: "As soon as I saw you coming around the curve, I said to myself, 'Forty-five at least.'"

Woman Driver: "Well, you're way off. It's this hat that makes me look so old."

All Even

Matron (at the counter): "I suspect that you're giving me awfully short weight for my money!"

Grocer: "Well, I'm positive you're giving me an awfully long wait for mine."

Take It and Like It

Newlywed Husband: "Do you mean to say there's only one course for dinner tonight? Just cheese?"

Wife: "Yes, dear. You see, when the chops caught fire and fell into the desert, I had to use the soup to put the fire out."

You'd Look, Too

An old gentleman dropped something on the floor of the theatre and was making a great fuss trying to recover it. Finally a lady near him asked what he had lost. "A chocolate caramel," he replied. "All that fuss over a piece of candy?" said the lady in a disgusted tone. "Yes," said the man, "my teeth are in it!"

A. D. or B. C.

Steno: "What day of the month is it?"

Boss: "I dunno. Look at the calendar."

Steno: "Well, what day of the week is it?"

Boss: "I dunno. Look at the paper."

Steno: "I did, but I don't know whether it's yesterday's paper or today's."

Northwestern Banker November 1941



Kitty, Kitty!

Husband: "One night when you were away, I heard a burglar. You should have seen me going downstairs three steps at a time!"

Wife: "Where was he—on the roof?"

Don't Miss Anything

Mountain Guide: "Be careful not to fall here. It's dangerous. But if you do fall, remember to look to the left. You get a wonderful view."

Safety First

"Papa, what is a prophet?"

"My son, a prophet is a man who tells you what is going to happen but doesn't bet any money on it."

Lost Cause

The minister met Tom, the village ne'er-do-well, and, much to the latter's surprise, shook him heartily by the hand.

"I'm so glad you have turned over a new leaf, Thomas," said the good man. "I was delighted to see you at the prayer meeting last night."

"Oh," said Tom after a moment of doubt. "So that's where I was."

Strange

"Are you the girl who took my order?" asked the impatient gentleman in the cafe.

"Yes, sir," replied the waitress politely.

"Well, well!" remarked the customer, "You don't look a day older."

Poor Shot

Recruiting Officer: "And I suppose you want a commission?"

Insurance Salesman: "No, thanks—I'm such a bad shot that I'd rather work on straight salary."

No Substitutes

Sergeant: "What is the first thing to do when cleaning a rifle?"

Private: "Look at the number."

Sarge: "And what has that to do with it?"

Buck: "To make sure I'm cleaning my own gun."

Pretty Soft

"Do you like my new hat? I earned it myself."

"How did you do it?"

"Oh, I cut down on my husband's lunch and tobacco money."

Rapid Fire

Son: "Dad, what's the difference between an ordinary gun and a machine gun?"

Dad: "A big difference, my boy. It is just as though I spoke, and then your mother spoke."

She Must Be

Mary: "Indeed, she is very much in love."

Julia: "What makes you think so?"

Mary: "Well, when he's away she writes letters to him whether she wants money or not."

Sixteen Times Better

The student meditated thoughtfully ere he spoke.

"I am not sure, father, whether I shall be a specialist for the ears or the teeth."

"Choose the teeth, my boy; everyone has thirty-two of them, but only two ears."

Cutting Remarks

"I do my ice skating in the winter on the same spot I do my horseback riding in the summer."

"Do people laugh when you fall down?"

"No but the ice makes some funny cracks."

The Old Devil

New Curate: "And what did you think of my sermon on Sunday, Mrs. Jones?"

Mrs. Jones: "Beautiful, sir, and so instructive. We didn't know what sin was until you came here."

Follow the Leader

Wife: "Didn't you have any luck at the races, dear?"

Husband: "Luck! Why, when my horse passed me I had to lean over the fence, point, and yell: 'They went up that way!'"



**WE STRIVE TO BUILD
THE WORLD'S BEST
ADDING MACHINES**

*AND OUR USERS
BELIEVE WE DO*

ALLEN  WALES

ADDING MACHINE CORPORATION

444 Madison Avenue, New York, N. Y.

SALES AND SERVICE IN 400 AMERICAN CITIES AND IN 40 FOREIGN COUNTRIES

FOR *Your* CUSTOMERS . . .

**HELPFUL
CORRESPONDENT
BANKING**

Service!



- ★ Regardless of size or location, Iowa Banks insure complete, up-to-the-minute service for customers by making full use of the correspondent facilities provided by Iowa's Largest Bank.
- ★ Correspondent services include:
 - ★ Co-operation in meeting the needs of your customers who require larger lines of credit than you can extend locally.
 - ★ Fast transit service for the collection of checks and drafts.
 - ★ The transfer of funds.
 - ★ Safe-keeping of securities for your Bank and your customers.
 - ★ Credit information.
 - ★ Depository for reserves.
 - ★ Government and Municipal Bonds for investment; orders executed for the purchase or sale of other securities.
 - ★ Complete Trust Department service.
 - ★ Assistance with operations problems, installation of equipment and efficient handling of items.

Iowa-Des Moines National Bank
& TRUST COMPANY

Member Federal Deposit Insurance Corporation