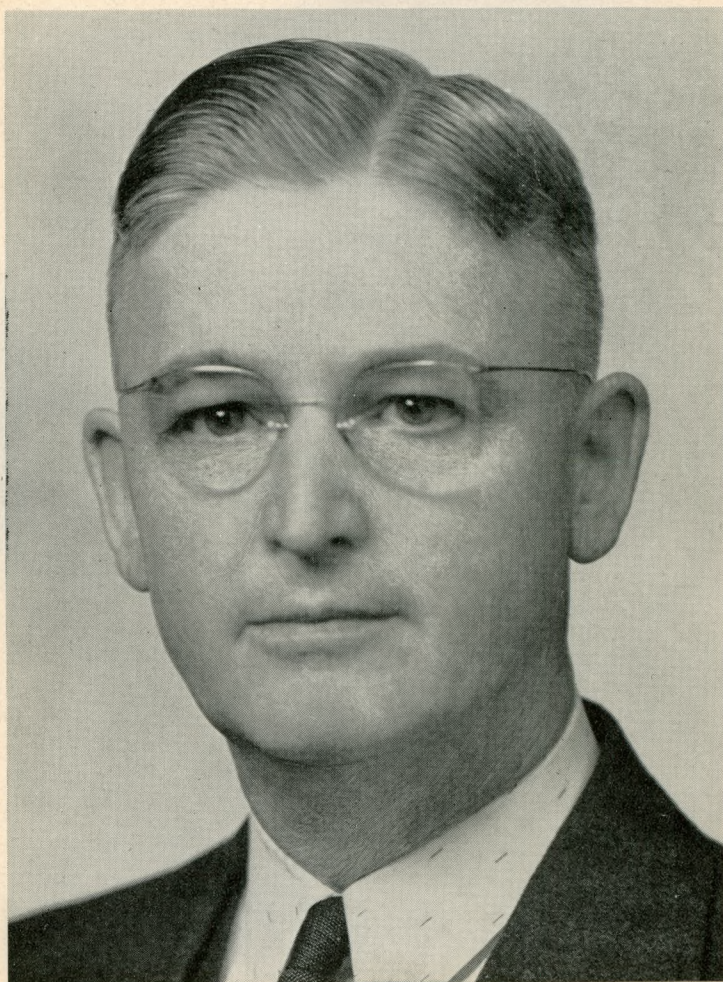


NORTHWESTERN *Banker*

DECEMBER
1941



O. A. RILEY
Vice President, Hastings National Bank
President, Nebraska Bankers Association

What Bankers Can Do to Help Control Inflation

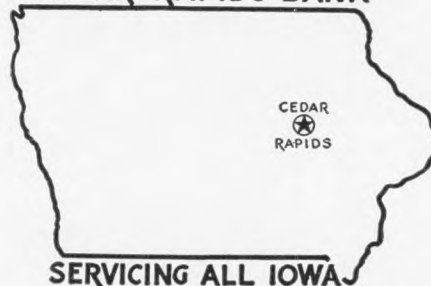


The Richness of Age

Age enriches a bank with a fund of experience and endows it with certain characteristics that come only with the passing of time. These elements are important in GOOD correspondent bank service.

Now in its 60th year, the Merchants National has three score years of correspondent experience to its credit. In some cases, this time-tested and proven service now goes to the second and even to the third generation of bankers!

A CEDAR RAPIDS BANK



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Cedar Rapids Iowa

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A Merry Christmas
and a
Happy, Prosperous New Year
is cordially extended
to all of our friends



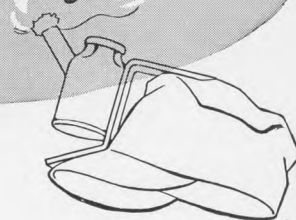
"Iowa's Friendly Bank"

The **CENTRAL NATIONAL BANK**
and Trust Company
DES MOINES

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*The Lamp that
Saves Lives....
The Paper that
Saves Money*

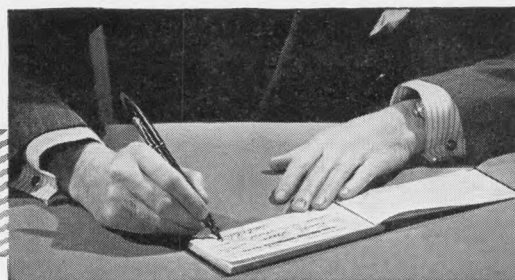


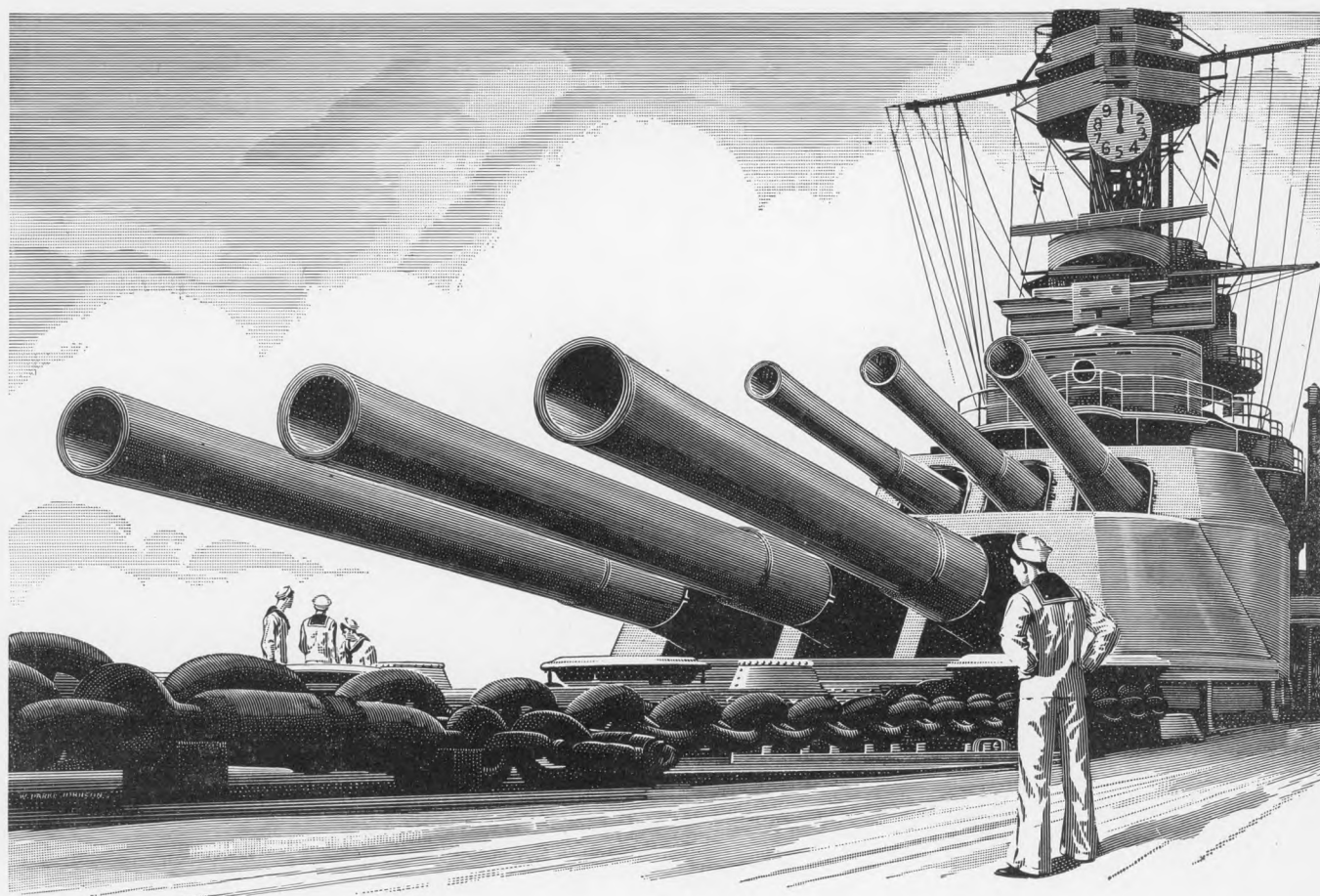
In former days, the lamp worn on the coal miner's cap was a constant source of danger. It often ignited mine gas or coal dust, causing explosion and loss of life. The safety lamp now in use is security against this peril. Before the days of La Monte Safety Papers, checks and drafts were subject to the dangers of easy alteration and counterfeiting. Inventive genius in each case brought the assurance of safety. In the mine, the safety lamp has saved lives. In banking and business, safety paper has given immeasurable security to checks and other documents involving dollars, against alteration and forgery. » » La Monte Safety Papers are the modern standard of protection, bringing to bankers and business heads everywhere the satisfying sense of freedom from concern over the daily outpouring of checks and other valuable instruments of our commercial activities. » » Their use and endorsement by 75% of the country's leading banks and by leading business houses, is clear evidence of their safety value . . . Your Lithographer or Printer will be glad to show you how your own trademark can be made part of the paper itself.

LA MONTE *Safety* PAPER



GEORGE LA MONTE & SON
Nutley New Jersey





Freedom of the Seas

More swiftly than was believed possible, more powerfully even than hoped for, our two-ocean navy is taking shape to assert this nation's inalienable rights on the high seas.

To make possible our floating ramparts of steel and all else that is necessary on land and sea and in the air to defend America—commercial banks throughout the country are actively participating in financing the

construction of new shipyards as well as other facilities for armament production.

In financing the building of these great industrial defense plants, the Chase National Bank is cooperating in vigorous measure with correspondent banks throughout the land, thus helping to place in the hands of our armed forces the means of defending this nation's honor and integrity.

THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

Member Federal Deposit Insurance Corporation

Northwestern Banker December 1941

This is the Desk
that a Cow
made famous



It was Mrs. O'Leary's
cow that kicked over
the lantern that started
the blaze that fired Chicago that
developed into one of the greatest
conflagrations in recorded history.

IN THIS roaring holocaust the Chicago office of THE HOME INSURANCE COMPANY was burned to ashes. This did not, however, prevent settlement of claims insured by the Company. H. H. Walker, Adjuster of THE HOME, sat behind this desk, which is now in the H. V. Smith Museum collection; and from improvised headquarters accomplished settlement of losses amounting to more than \$3,000,000. The promptness and reliability with which insured losses were paid emphasize today the calibre of protection always afforded by companies of THE HOME FLEET.



CHICAGO IN FLAMES—The rush for life over Randolph Street Bridge
—from a sketch by John R. Chapin

On the back of one of the drawers in the desk, H. H. Walker wrote these words, "This desk I desire to pass in the family down to the youngest son as a memento of the 60 days' hard work by its possessor at Chicago, Ills. 1871."

☆ THE HOME ☆
Insurance Company
NEW YORK

FIRE • AUTOMOBILE • MARINE INSURANCE

DECEMBER
1941

NORTHWESTERN *Banker* DES MOINES

FORTY-SIXTH YEAR

NUMBER 653

Oldest Financial Journal West of the Mississippi River

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Across the Desk From the Publisher

Does Inflation Doom the Dollar?

In a very interesting treatise "Dollar Doomsday" by E. C. Riegel of New York, it is his belief that inflation dooms our present dollar as a unit of exchange, and he believes that the "Index Dollar" should be used as a basis for measuring values.

He believes that the Dollar Index Bureau should be established which would officially authenticate and publish "Under its seal this index. Based upon this authoritative and impartial pronouncement, business may adopt the index dollar rather than the dollar as its credit monetary language."

The index dollar might, on the day of a sale or contract, stand at 113, meaning that the price level had advanced 13 per cent from the base date. The price quoted in index dollars, in a contract written in terms of it, would mean a constantly rising figure in connection with the rising price level as shown by the official index.

For example, 30 days later it might mean 115, if that were the official figure released by the Index Bureau on that date. A year later it might mean 149. The figure above 113 would be the inflationary factor which the payer would have to add to his payment.

We believe that this idea of an index dollar has much to recommend it, but we doubt very much that any of our congressmen at Washington will take the time or interest to study it sufficiently to see whether it is worth putting into effect.

The index dollar, to have any real value, would have to be accepted nationally the same as we accept now the industrial averages for stocks.

Whether inflation dooms the dollar remains to be seen, but of one thing we may be sure, that its

purchasing power will be greatly reduced as the prices of goods, services and commodities continue to rise.

Are Bankers Only Shopkeepers Today?

One of my banker friends in Los Angeles sent me a very interesting story from the Los Angeles *Times*, written by Chapin Hall, who writes a regular column for that newspaper entitled "What Goes On?"

In this article Mr. Hall points out that bankers are only shopkeepers today, that if they have to make a decision on any item more than \$1.98, it has to be referred to the "main office," and that branch managers are transferred around like Standard Oil filling station attendants.

Mr. Hall also seems to think that no matter how successfully an individual is conducting his business affairs in any particular community, such a record has no bearing on his status with his local banker.

We disagree entirely with Mr. Hall, except that we realize that he is in a state that is dominated by branch banking, and that may have a definite influence on Mr. Hall's attitude and viewpoint.

In his article, Mr. Hall says:

"The banker is no longer the guide, philosopher and friend of the community whose advice is sought on mundane affairs any more than the modern parson is on affairs of the soul. He, the banker, no longer wears a top hat and frock coat or looks out upon the world with a cold, steely glint in his eye. Instead he is a 'manager' who bosses the crew, refers all matters involving more than \$1.98

to the 'main office' and who may be transferred to another post any day, like a Standard Oil filling station attendant.

"It makes not the slightest difference to him that you have lived in the community for 50 years and met every financial obligation on the nose, or that your 'word is as good as your bond.' Bankers are only shopkeepers today, no longer necessarily the town's richest or 'leading' citizens, and their stores are merely the Blankville branch of the Steenth National Bank of Bigtown.

"Even the familiar grills separating the boys who hand out or take in the cash are being removed by at least one big chain bank, and the manager of any of them is as accessible as a floorwalker in a department store."

We believe that the banker is still the guide, philosopher and friend to thousands of business men and individuals who are seeking financial advice.

The banker today does take into consideration the previous experience and record of honesty and integrity of the man or woman who wants to borrow money from his bank or carry out some business transaction.

Bankers today are more than shopkeepers, and they are resuming the place in their communities of esteem and prestige which they formerly occupied.

Bankers are a vital and necessary part of our modern business life, and more so today than ever when they are being relied upon to carry their load in our national defense program.

Yes, indeed, bankers are more than shopkeepers, and are doing their part in every community throughout the land.

Let's Assume Our Tax Burden Now

There are many who believe our tax burden should be passed on to some future time, and that it will be easier to pay then than now. This argument is not likely to be sound in view of the fact, at some future time, war will be over, the spending program will have stopped, and big incomes and high wages will not be as prevalent as they are at the moment.

Therefore, the time to pay the taxes is now when such incomes are available, and not later on when they are less likely to be in effect.

In a recent bulletin the National City Bank of New York says:

"With the federal debt already above fifty-three billion dollars (not including the indirect debt of nearly seven billion dollars) and certain to rise much higher, it is evident

that we are piling up difficult debt and tax problems for the future. Such problems may prove exceedingly embarrassing in the period of post-war readjustment when incomes are no longer swollen by defense expenditures and when the willingness to pay taxes is no longer strengthened by the consciousness of national crisis.

"The time to pay taxes, in other words, is now, when employment and incomes are high, and when the need for sacrifice is generally recognized."

After the war emergency is past, the desire and willingness to pay taxes will be less apparent, and they will also be harder to collect.

Therefore, we quite agree that the job for us all now is to assume our tax burdens, and pay whatever may be necessary, assuming that non-defense expenditures are being reduced at the same time.

Leadership Of Bankers Needed Now

That the leadership of bankers is needed more than ever was emphasized by Leonard P. Ayres, who is now Brigadier General in the statistical division of the War Department, who spoke before the A. B. A. Convention recently.

General Ayres pointed out that: **"Ever since the days of Alexander Hamilton and Robert Morris, American bankers have been leaders in their communities. They are leaders now, but there are pressing reasons why they should exercise leadership more generally, more aggressively, and more effectively in the trying time in which we are, and in the still more trying times that lie ahead."**

There are no bankers with whom we are acquainted who aren't willing and anxious to exercise their leadership in their communities, but the General must remember that the powers-that-be in Washington have been impeding and competing with banking as it has never been competed with in the history of the country.

In spite of this competition, and in spite of much antagonism which has been shown the bankers in the past nine years, they are on the firing line today, helping to sell defense bonds, stamps and doing everything they can to work out the pressing economic problems of today.

We quite agree that the leadership of bankers is needed now more than ever.

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 December 1941

What Can Bankers Do In Their Own Communities To Help *Control Inflation?*

Some Comments on the Problem of Inflation By
Northwestern Banker Readers

INFLATION—is it coming, or do we have it? And having it, what can we do about it—or is it now too late to try to do anything?

Inflation, like charity, begins at home, and then spreads out like the ripple on a pool until the entire area is engulfed.

We asked several bankers to tell us what they thought could be done by bankers in their communities to help control the inflationary impulse, and replies we received are indeed interesting, as noted below.

Clay W. Stafford, cashier of the Ames Trust & Savings Bank, Ames, Iowa, says:

"The one definite thing which all banks can do to assist in inflation control is to push the sale of Defense Bonds. Our little bank, without much personal effort but with the assistance of newspaper advertising which we have done, has sold a total of \$130,925 of these bonds.

"Beyond this, it seems that there is little that can be done at the present time, except to call the people's attention to the fact that it is important that they set aside unusual reserves at this time to take care of taxes which they will have to start paying in March of next year.

"To ask people to make sacrifices and seriously curtail expenditures is like attempting to paddle a canoe against a strong current. People can see on all sides the extravagance of the federal government in non-defense and pork-barrel projects and with this example from above, it is not possible to develop a sacrificial attitude on the part of the people themselves."

E. A. Reitan, cashier of the Alberta State Bank, Alberta, Minnesota, in his reply makes a suggestion regarding John L. Lewis that I am sure many of us would like to see happen. Mr. Reitan says:

"You know it is almost impossible

to try to prevent something that has already happened. If they will throw John L. Lewis out in the middle of the ocean with a ton weight around his neck, that might help and do a lot of good."

E. S. Kiernan, cashier of the Alton Savings Bank, Alton, Iowa, writes as follows:

"Inflation is as a huge flood that, if it comes, will cover the entire nation. It is idle to believe that any one community can escape.

"People, being people, will spend their money as they please.

"The local banker may, perchance, put his own house in order, sacrifice some present profits (maybe lose a few customers in the deal) and he may advise those of his customers who come to him for advice, to put THEIR house in order.

"In the Great Flood, Noah and his family were saved, while the scoffers perished!

"If everyone put their own house in order, the community would suffer less; and there is the banker's task."

Brief, but nonetheless to the point, is the reply of **Leo J. Wegman, president of the Citizens Savings Bank of Anamosa, Iowa, when he says:**

"Keep credit closely in hand. Induce bank customers to pay their present debt obligations, and avoid useless spending. Create cash reserves through savings deposits or investment in government bonds for future contingencies."

Mr. Wegman, folks, is a Democrat, but apparently not a New Dealer, as evidenced by his advice to "avoid useless spending."

And now let us turn to a statement made by **Dr. George S. Benson, president of Harding College, Searcy, Arkansas, wherein the good doctor makes a suggestion as to how to avoid inflation:**

"There is only one way to avoid in-

flation—pay for the war as we go just as far as possible and thus avoid heavy indebtedness and heavy taxation over a long period following the war.

"Two steps are necessary to accomplish this end.

"1. Collect more taxes now, specifically for defense.

"2. Economize now in non-defense expenditures and apply every possible dollar of revenue to the cost of the war.

"Can we collect more taxes for defense now? Yes, nationalism is high, industries are active, and incomes are high. People will pay high taxes much more easily than at any other time.

"Can we economize on non-defense expenditures? Yes, indeed. Nationwide economy is possible, and is imperative. We can all practice economy when we have to.

"I am president of Harding College, a small college in Arkansas, a state where the per capita income is only \$225 a year and the average family income only \$969 a year. This college has no endowment, no income from taxation, no regular large gifts, and, as our students do not come from wealthy homes we cannot charge high tuition and fees. Accordingly, we can only balance our budget by economizing. Our experience proves this to be an asset. It has made our students more self-reliant, more dependable, more efficient—more in demand. Throughout the past ten depression years, we have constantly had more calls for graduates than we could supply, even during the period when there were millions of unemployed youth, including thousands of college graduates.

"Waste and extravagance on the part of the public or on the part of our Government is particularly painful to us. All of our professors are making sacrifices in order that the

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Give Those Dormant Accounts a Shot of *Direct Mail*

Here Are Samples of Three Letters—Two Introductory and One Follow-Up—That you Might Try to Promote More Activity in Your Savings Department

PROBABLY every savings account, no matter how small the initial amount may be, is opened with the good intention of being kept active and built up to a sizable sum. But there is keen competition these days for the savings depositor's fifty cents or his dollar, and many times it isn't long before a regular deposit or two will be missed, then later no more deposits at all, and the account, if not withdrawn entirely, remains dormant.

In an effort to stir some activity into dormant accounts, the Financial Advertisers Association has suggested a number of form letters which bankers can use, and several of them appear below.

One of the letters, the wording of which might be changed to fit the requirements of any bank, reads as follows:

There are two important factors in every successful effort to save money—the start—and the keeping at it.

You made the start when you opened a savings account in the Blank National Bank, but—somehow—you did not keep at it.

"Keeping at it" is not easy—as you have discovered for yourself. It is usually easier to spend than it is to save, for it is always easy to find an excuse for spending money—if you want to spend it.

The one sure plan for "keeping at it" is to decide how much you can spare from your weekly or monthly earnings, then — DEPOSIT THAT AMOUNT REGULARLY IN THE

BANK EACH WEEK OR EACH MONTH.

Don't keep the money in your purse awaiting a convenient time to deposit it; if you do—some of it will surely get away from you. You know this to be true. If it is not convenient for you to come to the bank, you can easily and safely deposit by mail. Many of our customers do this.

You have made the start—now, why not try this plan of saving a definite amount regularly and build up your savings account in the BLANK NATIONAL BANK?

"HE CAN WHO THINKS HE CAN."

Very truly yours,

YOUR BANKER.

Another introductory letter to dormant savings account depositors might read like this one:

Upon looking over our books last week we found that your account had been inactive for a long time. This troubles us a bit, for we feel that it may be an indication of dissatisfaction on your part. If this is true, even to the slightest extent, we should like to hear about it.

We find, however, in the few cases of inactive accounts we have that they are often explained by two chief causes; first, the depositor has moved away; second, he has been unable to make deposits once or twice, and has fallen away from the habit of coming regularly to the bank.

Whatever may be the reason in your particular case, we wish to assure you

of our sincere desire to be of the greatest possible assistance to you at all times.

We are looking forward to the pleasure of seeing you soon again.

Cordially yours,

YOUR BANKER.

After using one or both of the above letters, you find that they have stimulated many dormant accounts into activity, so you of course want to let the depositor know you appreciate his return to the fold. Then you might send him the following letter:

I was very glad to notice you were in today to make a deposit on your savings account, in response to our recent invitation.

And I hope you will continue with regular deposits. If you do adopt my suggestion of saving some set sum each week, I know that a year or so from now you will have no reason to blame me for making the suggestion.

Again, I want to thank you for coming in. I hope your visits will be frequent. And I want you to know that all of us are continually at your service. Consult us freely for advice on all money matters.

Very truly yours,

YOUR BANKER.

Direct mail, whether used as suggested above, or to call attention to other services offered by your bank, is always worthwhile. It keeps the individual thinking about your institution with relation to his banking needs, whatever they may be.

ideals of our institution may be maintained. We are able to hold Ph.D. professors at \$100 a month, when they are annually offered two or three times that amount elsewhere. Our highest salary is \$1,800 a year, and we are holding executives who are actually been offered five times that amount. These professors also set an example of thrift and economy by liv-

ing within their incomes. My own family car is still a 1936 V-8 because we are unwilling to break the family tradition of never going into debt.

"This loyalty on the part of the faculty and students who economize so faithfully for the ideals of Harding College convinces me that the public officials of the United States and the general public will economize to the

'nth degree for the salvation of American Democracy, when they are convinced of three things:

"1. That economy is essential to the preservation of American Democracy.

"2. That all people are joining in the effort, both rich and poor.

3. That the Federal Government will lead the way.—THE END.

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Coin Banks Are His Hobby

DOWN in Carlisle, Iowa, there is a banker with a hobby. His hobby is unique in that it is closely related to banking, whereas hobbies of most people are far removed from the business in which they are engaged. But Clarence T. Simmons, of the Hartford-Carlisle Savings Bank, is different—his hobby is collecting small coin banks of the type used by many banking institutions for distribution to their savings account customers to stimulate activity in that department.

Mr. Simmons has been accumulating his collection over a period of years, and is constantly adding to it. His collection now totals something over 400 coin banks of various kinds, sizes, and shapes. He has one or more banks from every state in the Union. Canada and Hawaii are also represented, and just recently he had a letter from a banker in Bermuda saying that a small coin bank from that corner of the British Empire was on its way to him. True to the old saying that prophets are without honor in their own country, Mr. Simmons has fewer coin banks from his home state of Iowa, than from each of many other states. Iowa bankers please note, and see to it that the Hawkeye State is a little better represented.

The coin bank collection of Mr. Simmons is unique in another way—it is purely a “bankers’ bank” display.



Here are just a few of the 400 coin banks in the Simmons collection. Mr. Simmons has all his banks numbered and cataloged, for easy reference.

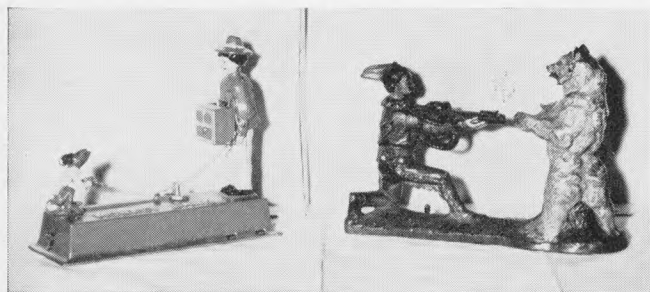
By that we mean all the coin banks in his collection came to him direct from bankers, and all are samples of banks which are now, or at some time have been, used by banking institutions for distribution to customers of their savings departments. Mr. Simmons says he understands there are in the country several collections of mechanical types of coin banks, such as are sold in toy shops to appeal to juveniles, but so far as he knows his collection of bankers’ banks is the only one of its kind in existence.

The types and kinds of coin banks in the Simmons collection are of many sizes and shapes, although those made up to represent small books are the most popular. Of course the basic material used in their construction is metal, and there are many metal miniatures—small figures of cats, owls,

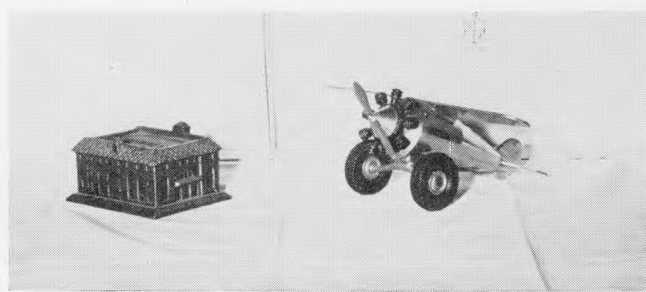
bells, beehives, barrels, bank buildings, watches and clocks, houses, trunks, strong boxes, and even airplanes. One of the oldest banks in the collection, of the book type, is also from the oldest organized bank in the United States—the Provident Institution for Savings, Boston. The picture at the beginning of this article, while including only a few of the Simmons collection, is representative of the many items in it.

The monkey and organ-grinder bank pictured here, of the mechanical type, is distributed by the Home Savings Bank of Boston. The coin is placed in the monkey’s mouth and when a lever is pressed, the coin is tossed from the monkey into the organ-grinder’s box. The hunter shooting at the bear, also pictured, is around 45 years old, and

(Turn to page 28, please)



Two of the mechanical banks in the Simmons collection. The one on the right Mr. Simmons has had for more than 45 years, given to him as a child.



The small bank at the left is a replica of the Bank of Hawaii, Ltd., Honolulu. The airplane is the “Spirit of Savings”, has a wing spread of about ten inches, and fuselage length of the same.

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After Property Is Fully Paid For, Can *Recovery* Be Made for Misrepresentation?

A MINNESOTA banker bought a farm in that state on installments. The seller made certain representations regarding the well on the land that were false. All but one of the installments were paid when the fraud was discovered. The banker sought to hold up the last payment but the seller served notice of default and the banker made the remaining payment rather than forfeit the property. He thereafter sued the seller for damages for false representations. Did the fact that he completed payment for the land after he discovered the fraud prevent a recovery?

No. The contention that the banker could not recover because, after discovering the falsity of the representation regarding the well, he completed his contract to purchase should not be sustained as he was threatened with forfeiture. The final payment did not waive his right to damages.

McLean sold to Farrell a \$5,000 promissory note in Nebraska for \$100. The note had been signed by Petrie and he had an absolute defense to any action by McLean against him on it. Farrell demanded payment when the note fell due. Petrie refused to pay and Farrell sued, asserting he was an innocent holder in due course against whom Petrie's defense would not lie when the point was raised at the trial. Petrie brought out as against such an assertion the price paid by Farrell for the note and the jury found him not an innocent purchaser. Would such facts sustain such a finding?

Yes. In an action on a note, evidence disclosing that the maker had an absolute defense to the note in the hands of the original payee and that the plaintiff purchased the note which had a face value of \$5,000 for \$100 will support a finding that the plaintiff was not a holder in due course.

An Iowa banker died in that state leaving a will under which his property passed to a trustee. The will fur-

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

ther provided that the trustee should pay over to the banker's son the income and any part or all of the principal when, in the trustee's judgment, the payment would be to the son's best interests. It so happened that the wife of the son had obtained a divorce from him and, as an incident thereto, a judgment for the support of their minor children. Could she subject the trust to the payment of such judgment?

No. Where a will provides that the testamentary trustee shall have the discretion of paying the income or principal to the testator's son when, in the trustee's judgment, such payment would be to the son's best interests, the trust cannot be subjected to a judgment for the support of the son's minor children. A testator has the right to dispose of his estate as he desires.

A Wisconsin trust company was appointed trustee of an estate consisting in part of United States Savings Bonds that increased in value every six months rather than providing for semi-annual interest payments. The instrument creating the trust provided the income from the principal of the estate should go to one person during his lifetime and that at his death the principal should go to another. The trustee treated the semi-annual increases in the value of the bonds as income and arranged that it be distributed accordingly. Was this proper?

Yes. In a recent case involving substantially similar facts the Wisconsin Supreme Court held that the increases in the redemption price of United States Savings Bonds owned by a trust

estate were not appreciations in the value of the bonds as in the case of ordinary bonds bought at discount, but constituted income of the estate and belonged to the person entitled to receive the income.

Carney was for many years a resident of and a banker in North Dakota. He resigned from his position with the bank, sold all his property in North Dakota, and started on a journey west via automobile with the intent of abandoning his North Dakota domicile and establishing one elsewhere. Before he got out of the state, however, he was involved in an automobile accident and, in a lawsuit that arose out of it, the question arose of whether he was still a legal resident of North Dakota. Was he such a resident?

Yes. A person having his legal residence or domicile in North Dakota, who removes from the place of his domicile with the intention not to reside there any longer and to remove to another state, is still a resident of, and has his domicile in, North Dakota as long as he remains in the state. His domicile in North Dakota continues until he acquires another domicile elsewhere.

Watson was charged with forgery in Iowa. At the trial, the cashier of the local bank who, for about twenty years in the course of his employment, had occasion to examine specimens of handwriting for the purpose of establishing the identities of the writers, was permitted to testify as an expert and, as such, to express an opinion on whether the accused wrote the alleged forged signature by comparing it with the writing of the accused. Was this proper?

Yes. In a recent case involving such a situation the Iowa Supreme Court held that a bank cashier was, in the circumstances outlined, sufficiently qualified by his work, his intelligence, and his experience over a long period

of years to express an opinion on whether the defendant wrote the signature in question.

The father of Maxwell, a minor, was a resident of Iowa. His mother was a resident of Texas. Neither parent had abandoned or relinquished the child. Maxwell's father died and it became necessary to appoint a guardian for him. No Iowa property was involved in such an appointment. Did the Iowa court have jurisdiction to appoint a guardian for Maxwell?

No. Where one parent dies, the domicile of the surviving parent fixes the domicile of the child in the absence of any relinquishment or abandonment. Where, as here, a minor child's father was domiciled in Iowa at the time of his death and his mother was a resident of Texas, the minor's domicile on the death of his father was in Texas and the Iowa court had no jurisdiction to appoint a guardian for him.

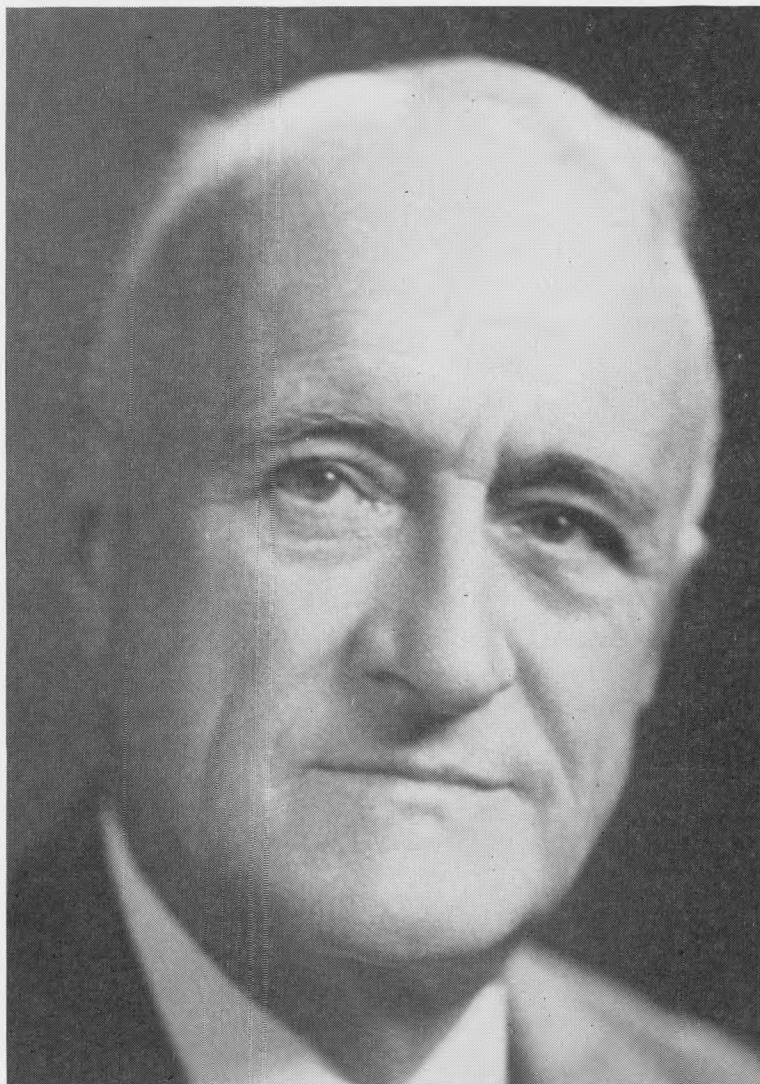
A controversy arose as to the right to use certain church property in a city in South Dakota between certain members of the church. The matter went to court and, in the proceedings, the court was asked to settle certain ecclesiastical differences which had given birth to the controversy. Could it do this?

No. Where a controversy arises in court as to the right to use certain church property, the court's powers are those of a secular court and are limited to a consideration of the property and civil rights of the litigants, and it cannot settle ecclesiastical differences which give birth to the controversy.

The Iowa State Highway Commission sought to condemn for the public use as a highway a broad strip of land across a farm belonging to a banker in that state. At the trial the banker sought to show that the commission was seeking to obtain more land than was actually needed. The commission, in reply to this contention, asserted that, in the opinion of its civil engineers, the strip sought was necessary for drainage, snow control, and to permit innocent drivers to get out of the way of reckless drivers. Could the court, despite the contention of the highway people, go into the matter and decide in favor of the banker if it found the facts to be as he contended?

Yes. The width of land to be taken for highway purposes is not controlled solely by the opinions of the civil engineers as to the footage required. While
(Turn to page 28, please)

Orchids to W. B. "Billy" Hughes



WILLIAM B. HUGHES

HERE is a salute to a man who deserves all the nice things that can possibly be said about him—Wm. B. Hughes, the veteran Secretary of the Nebraska Bankers Association.

"Billy", as everyone knows him, doesn't know a thing about this tribute. If he did, he might try to stop the NORTHWESTERN BANKER presses, for he's the kind of an executive who keeps always in the background, putting the Association above self.

"Billy" has a service record that few Association Secretaries can match—thirty-six years of constant, faithful service to the Nebraska Bankers Association. He, and his father before him, are the only two Clearinghouse Managers Omaha has ever had. His father, W. H. S. Hughes, served from 1884 to 1901 and "Billy" since 1901.

December happens to be his anni-

versary month as manager of the Omaha Clearing House and that is the occasion of this tribute.

"Billy" began as Secretary of the Nebraska Bankers Association in 1905 and under his careful, faithful supervision the Association has enjoyed a most constructive era. He is a tireless worker, he is a diplomat par excellence, and he is beloved and respected by the entire Association membership.

"Billy" Hughes has done such a grand job for Nebraska Bankers that they are apt to take him as a matter of course and for granted. That in itself is a great compliment, but recognition of this thirty-sixth anniversary is also merited and timely.

His thousands of friends everywhere will join in this tribute to the veteran Secretary of the Nebraska Bankers Association!

Northwestern Banker December 1941

There Must Be No Speculative Boom In Farm Real Estate

A PROGRAM to prevent a speculative boom in farm real estate was outlined to a group of leading farm mortgage lenders of the country recently by A. G. Black, governor of the Farm Credit Administration. More than a hundred institutions and insurance companies writing about 75 per cent of the mortgage loans made to farmers were represented at the conference called by Governor Black.

"Experience tells us that a major war inevitably brings about violent price fluctuations," Governor Black warned the conference in his opening message. He drew upon the record of the last land boom to remind his listeners that these fluctuations in turn "create serious problems in the field of agricultural credit."

"We would be derelict in our responsibility," Governor Black told the lenders, "if we did not endeavor to anticipate those problems and take measures to soften their effect before it is too late." Adherence to a program of lending on the basis of normal farm values, discouragement of speculative expansion in farm plant as well as production and the encouragement of the more rapid reduction of debt out of current incomes were among the measures urged by Governor Black as necessary in dealing with present problems.

Calling upon the farm mortgage lenders to cooperate with government agencies in aiding farmers to make needed shifts to meet permanent changes in production requirements, Governor Black urged mortgage lenders to adopt five objectives as "an anchor to the windward in the present critical situation":

1. Make normal values the primary factor in all appraisals in making farm real estate loans. Our experience shows this to be the soundest basis of appraisal in a situation such as the one now confronting us.
2. Impress upon present borrowers the wisdom of making use of higher incomes now available for the repayment of existing debts. This

A. G. Black, Governor of the Farm Credit Administration, urges mortgage lenders to adopt five objectives as an anchor to windward in the present critical situation. "So far increased sales activity in land has been sound. Let us keep it that way."

will be a factor in preventing inflation.

3. Encourage farmers to build reserves out of higher incomes today to bridge the period when incomes are not so high, by offering inducements to borrowers to accumulate funds to meet future payments. We should seek by this and other means to discourage speculative expansion of the fixed farm plant.
4. Every effort must be made to avoid fostering speculative increases in production, yet at the same time careful consideration should be given to the needs for extending short-term credit to farmers for making sound and necessary shifts and increases in production to meet the needs of the Food for Defense Program.
5. Encourage the sound use of credit to foster a better balanced agriculture, yielding a higher and a more secure standard of living to the family type of farm.

"If lenders to agriculture undertake to follow such a program," Governor Black contended, "we will accomplish much toward insuring a sound future not only for agriculture but for our lending institutions as well." Closer cooperation between farmers and all agencies seeking to serve agriculture was called for by Governor Black. "During this critical period," the governor declared, "closer cooperation on the part of all these agencies, govern-

mental or private, is essential if the goal of a better balanced agriculture is to be permanently maintained."

Pointing to "overlending and borrowing on speculative values" as prime factors in pushing the farm mortgage debt of the country to a peak of 11 billions, Governor Black declared: "Once more we appear to be headed toward a period in which most, if not all, of these factors may again be brought into play. Unless we keep our heads, we are likely to find ourselves in the same situation we were in following the last period of readjustment from a war to a peacetime economy. It is the intention of the Farm Credit Administration to keep their heads and come out with the fewest headaches possible. To that end we are reiterating today our intention to continue to make real estate loans primarily on the basis of the productive capacity of the farm in terms of normal values. Furthermore, we are urging our present borrowers to make as rapid payments as they can out of current incomes."

Governor Black pointed to an increase in industrial production of 56 per cent on July 1st over two years ago, a rise of 11 per cent in wholesale commodity prices so far in 1941 and a gain of 14 per cent in cash income from farm marketings during the first half of 1941 as evidence of the present trend. "A sustained rise in commodity prices is not long in finding expression in higher prices for land and heavier debts on farms," Governor Black declared, "and it is this phenomenon of heavy increases in the burden of farm debt that we are primarily interested in today."

However, there are a number of factors at work which Governor Black said tended to forestall speculative increases in land values on anything like the scale of 20 years ago.

Chief among these were the farmers themselves and the leaders of the national farm organizations. "Every farmer I have talked to," said Governor Black, "is positive in the opinion that he does not want to see the land boom of the last war repeated. There

Northwestern Banker December 1941

Would You *Saddle* Your Bank With Loans Like These?

IN THESE days when banks are purported to have more money than they know what to do with, every banker is on the lookout for good places to loan money. The following report on a loan was sent in to us by Mel W. Ellis, superintendent of the Iowa Banking Department. Mr. Ellis prefaces the loan report by saying:

"A competent judge of livestock values is a worthwhile person on the staff of any bank making loans on that type of security, and periodic inspections keep the loan committee informed regarding the values behind the assets. An Iowa bank which has such an outside man has sent us the following report to indicate the thoroughness with which it equips its credit files for the benefit of its officers and information of the examiners of the bank."

September 15, 1941.

To the Loan Committee:

In response to your assignment I visited today "The Speedway Farms" (otherwise known as "McCarthy's Racing and Saddle Stables") and submit my report on the fourteen head of horses included in your mortgage. Though I admit I am versed in current market values of cattle, hogs, sheep and other farm personal property, the appraisal of fast horses such as these is a bit out of my line, but I have estimated the value of these assets to the best of my ability.

As you know, wealthy local equestrians patronize these stables, so in season the earnings from hourly rentals may indicate greater values than I have set out, though I have taken into consideration that gross rentals are somewhat affected by the hay and fodder these nags eat on idle days as well as on busy ones.

No. 1. Black Beauty—Five year old stallion, presumed to have



HOT SUE

She has three gaits—start, stumble, and fall

five gaits and to have won first place in his (whatever) class once. He is said to have been shown in all states west of Iowa.

My value this asset \$ 300

No. 2. Steamboat—Eleven year old bay gelding. Record 1:59 on mile track. Born in New York and raced on every track in the Union. He is worn out and his wind is bad but he won the slow race at the County Fair this year.

My value this asset \$ 50

No. 3. Lone Spot—Eight year old mare; choice of the classiest equestrian in town. This mare earns a lot of money for her owner and highly valued by him.

My value this asset \$ 125

No. 4. Chestnut girl. Nine year old mare with foal by Black Beauty. Five-gaited and lame

besides. Favorite mount of wealthy local (competitive) banker.

My value this asset \$ 125

No. 5. Hot Sue—Sorrel mare, 5 years old, usually ridden by banker's wife. She (the mare) is gentle and has lots of personality. She has three gaits, start, stumble and fall.

My value this asset \$ 125

No. 6. Golden Melody — Four year old mare, and a favorite with the choir leader of our church. Owner says she is very speedy but she has never been clocked. Her sire may be Man-of-War. She will be raced in 1942.

My value this asset \$ 125

No. 7. Fleetwood — Seven year old sorrel gelding; saddle and jumping horse—jumps when the flies are bad. Ridden by wealthy local lumberman.

My value this asset \$ 100

No. 8. Teabiscuit—Two year old bay filly. Very promising animal. I don't know her gaits or speed but hope for the best.

My value this asset \$ 50

All the above are pasture bred.

Six draft horses from 1 to 7 years old \$ 600

Total \$1,600

I have not attempted to ascribe any value to McCarthy's going business for some pleasant Sundays it is going good and on rainy days it isn't. Your committee will probably wish to add enough for that to at least equal the face of the McCarthy line in the bank. Above values are presented without guaranty.

T. L. Harley, Farm Manager.

is a more conservative attitude among farmers generally on the subject of land values. Today the emphasis, as far as farmers are concerned, is on getting a decent standard of living out of the land—to earn from it a fair living." Another important factor is the fact that a major portion of the

farm mortgage debt has been rewritten in recent years on much longer terms, about 40 per cent of it being in the hands of the federal land banks and Federal Farm Mortgage Corporation.

"Neither agriculture, nor the lenders to agriculture, can afford another

period of overlending and speculation, with the accompanying economic maladjustments, which followed the last World War," Governor Black declared. "We must do everything we can to prevent a repetition of this as we once more are called upon to make the shift (Turn to page 29, please)

Northwestern Banker December 1941

NEWS AND VIEWS

OF THE BANKING WORLD

By Ralph W. Moorhead

ANOTHER Iowa boy CONTINUES to make good. **Rodney P. Lien**, former banker at Waterloo, Mason City, and Rudd, has just been made Vice President and Comptroller of the Cleveland Trust Company, one of the largest banks in the United States. Rodney has resigned as Superintendent of Banks in Ohio to accept his new position at age 40.

Des Moines Bankers say that the city's money pulse is being substantially quickened by the immense payroll at the Des Moines Ordnance plant now under construction just north of Des Moines. The weekly payroll is now well in excess of one-half million dollars. Eighty-five hundred employees are now working on the project, and Des Moines merchants report that they are spending their money regardless of **Mr. Morgenthau's** various plans to siphon a given portion of our new wealth into savings.

The good old patriotic spirit of the western hemisphere seems to have overtaken Cuba. At least **President Batista**, Cuban president, who came up through the ranks from an army sergeant to head of the Cuban government (with the aid of one good revolution) has declared that Cuba would enter a war against Germany when and if the United States takes that last long step.

Omaha has visions of becoming a great air center according to **President Alvin Johnson** of the Live Stock National Bank of Omaha. The big Martin Bomber Plant south of Omaha at Fort Crook will soon be in operation, and Omaha is experiencing quite a boom as a result of this project. Mr. Johnson says that from many contacts with **Glen Martin**, Omaha is assured that when the war is over, this plant will be a permanent thing for the production of big transport, freight, express, and passenger planes. Mr. Martin believes that the war will advance aviation at least a quarter of a century, and that America will really take to the air when peace comes once again.

Edward W. Warner, President of the City National Bank of Clinton, Iowa, in addition to many banking duties also goes in for Boy Scout work. He was recently honored by being elected president of the Boy Scouts of America for the Mesquakie Area Council which includes Clinton and Jackson Counties. Following his election, a banquet was held in Clinton at which the honored guest was an old friend of Mr. Warner, **Walter W. Head**, President of the National Council of Boy Scouts of America. Mr. Head is well-known throughout American banking circles and is president of the General American Life Insurance Company of St. Louis.

A continued increase in the volume of bank loans for the financing of defense orders is reported in a new survey by the **American Bankers Association**. It discloses that 376 banks in 146 cities had \$1,765,000,000 of defense loans outstanding on September 30. This is an increase of \$460,000,000 over June 30. Seventy-two per cent of the commitments were made without assignments of contract and only 28 per cent of the defense loan transactions required assignments.

The remodeling of the **Continental National Bank of Lincoln**, Nebraska, is nearing completion, and bank officers are hopeful that it will be entirely finished around Christmas time. Their new banking home will be one of the most beautiful and modern in the entire country. Among the many streamlined features is the big open window display. As Vice President **Ed Becker** points out, why can't a bank take advantage of window display advertising just like a department store? Proceeding on this theory, the Continental National officers are planning some very unusual window displays, although this particular type of bank advertising is comparatively new. Bankers who are planning to inspect the new banking home around the first of the year have a real treat in store for them.

The Ice Carnival featuring **Sonja Henie's** 1942 Hollywood Ice Revue,

which last month held its premier showing for one week in Omaha, was enjoyed by many Nebraska and Iowa Bankers. It was staged at the Ak-Sar-Ben Coliseum and as usual, Omaha bankers figure prominently in the festival. **W. B. Millard, Jr.**, Vice President of the Omaha National Bank is this year King of the Ak-Sar-Ben. The Omaha banks not only had boxes reserved for the festival, but they likewise assisted their many correspondent banks in procuring tickets. The performances were sell outs and out-of-town bankers appreciated this service very much. The revue was gorgeous, being headed by the one and only Sonja. The costumes alone were reported to have cost \$70,000 which put the show on a big money basis.

The entire Des Moines Rotary Club made a special visit last month to the Omaha Rotary Club, and were also entertained as guests at the Hollywood Ice Revue on a Thursday night. The Iowans went to Omaha in a special train. A feature of their visit there was the noon luncheon with the Omaha Club at which Omaha Rotarians put on a humorous skit entitled "Rotary Heaven". **Ray L. Ridge**, Vice President of the Omaha National Bank, took the leading role as Saint Peter. The Des Moines delegation headed by **President George A. Peck** was greeted by **Arthur B. Dunbar**, Omaha insurance man acting as inter-city committee chairman.

Banks and insurance companies will be interested in a new type of financial control in conquered Norway, which has just been announced by the Quisling Party according to a propaganda release from the Royal Norwegian government's press agent's representative in the United States. The Quisling party has announced it will appoint one member of its party to the Board of Directors of every bank and insurance company in Norway. This new director will have FULL authority in each bank or insurance company in all matters pertaining to personnel.

The Quisling party concedes that the proposed action will undoubtedly result in a panic among depositors, but it was further explained that since the banks and insurance companies have an "excess" cash balance of a billion kroner, such a panic "would only be for the good".

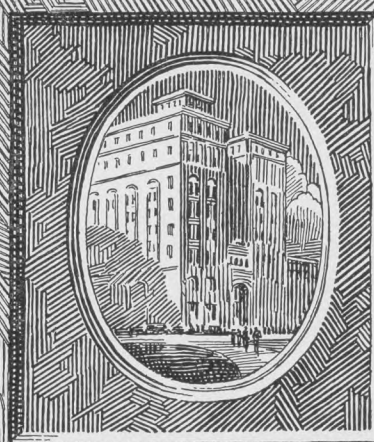
Inference

He: "I wish I had a nickel for every girl I've kissed."

She: "What would you do? Buy a pack of gum?"

Equipped
For All
BANKING
Needs

The Omaha National Bank



**ALWAYS
AT YOUR SERVICE**

*Member
Federal
Deposit
Insurance
Corporation*

Northwestern Banker December 1941

How Your Bank Can *Profit*

From Financing Farm Auction Sales

HAVE you heard the chant of the auctioneer at a recent farm auction? Have you listened closely to his introductory remarks? Have you heard him start off his sale something like this: "Step this way, ladies and gentlemen, and we'll get started on this auction sale. As you know, this sale is being held today for a complete sell-out of all the farm machinery, grain, hay, cows, horses, and sheep, making up all of the personal property belonging to your neighbor, Mr. Ivan Amble. The Auburndale State Bank is clerking the sale. You know the terms but to clear up any questions, I shall repeat them: Sums under \$10 are cash. Over that amount, just one quarter down in cash, and the balance for 3 per cent for six months time. All you need is the 25 per cent cash towards your total purchase and the balance the Auburndale State Bank will carry for you. No questions asked of you. No signers required. They will take anyone's note for the balance of their purchase. You pay your one quarter down and the bank will settle with Mr. Amble for the other three quarters of your purchase. Remember: All items must be settled for today, and no property can be removed until settled for. Pay for your small items as you buy them. Have your change ready and give it to one of the clerks. We've a lot of things to sell here today so let's get started right away. Here we have . . ."

Have you been allowing your auctioneers to get up and make a statement that you would take anyone's note for the balance of three quarters of his purchases at your sales? Have you stated that you would ask no questions or for no additional signers on notes?

We do just that and have found that it works out successfully.

To give you a clear explanation of how we can do this let's go back to the time when Mr. Amble first walked into the bank and asked us if we would handle his farm auction for him. One of the usual questions the farmers ask is: "What will you charge me to handle my sale?" Our reply is that "We'd be glad to handle your sale for you, Mr. Amble." Then we go on to

By C. M. AMMAN

**Assistant Cashier
Auburndale State Bank
Auburndale, Wisconsin**



C. M. AMMAN

explain our method of taking care of all the details of his sale, from start to finish; and when it is over hand him a check for the total amount due him, less our charges. No red tape; no delay in settlement; no notes for him to carry; but cash for his property the night the sale is over. We take care of all the advertising; have the sale bills posted in the various places in the territory where they will be seen the most; have "spot" radio advertisements made for his sale; pay for having the cows tested for Bang's disease; pay for the auctioneer of his choice, guiding him in the selection of one of the better men but leaving the final decision rest in his power; clerk the sale; take all notes offered by anyone who can pay the one quarter down in cash, on all purchased items over \$10; and make a complete report of all items sold, and written so he can read it and understand how we arrive at his cash settlement. Our charges,

of course, are fixed so that we can save him considerable money over what the sales finance companies in this territory would charge him for conducting his sale along the same lines.

You probably are wondering just how we can do this and what rates we charge for handling the auctions. Our rates vary with the size of the sale ranging from 8 per cent for a small sale down to 5 per cent of the total amount of a big sale, for taking charge of all details of the auction and paying all the expense.

What does it cost the bank to run a sale of this type? We first check over the farmer's personal property. Next we get in touch with the auctioneer the farmer has selected and arrange to pay the auctioneer selected a flat fee of 2 per cent of the sale for his services, if the sale is to be a large one, or a little more if it is to be a small sale. Then we call the veterinary and have him go out to the farm and test all the cattle for Bang's disease and pay his bill for his services. Next we have large sized 20-inch by 32-inch bills made up on stiff cardboard stock, numbering around a hundred and fifty. These we post in all the business places in the local community, and surrounding towns. We run a small ad in the local papers in the farm classified auction columns and the day before the sale run a quarter page ad in two or three of the local papers, giving it wide publicity. Our "spot" radio broadcasts are put on the air for the week preceding the sale. All of which makes our advertising bill cost between \$25 and \$40, depending on the size of the sale. Should the sale run \$3,000 the total costs would be in the neighborhood of \$100. We would charge 6 per cent for handling this sale, which would leave us \$80 for our share of the sale after all expenses were paid. The larger the sale the more money we make for the cost is increased from this point on only for the auctioneer's fees.

Have you wondered how much finance paper we can secure out of a \$3,000 sale? This amount will vary with the territory but on an average, \$500 in notes would be the top figure.

Most of this would be yielding us the maximum rate of interest allowable by the laws of this state. Our experience with this type of finance paper has been excellent. We watch that the payments are made as the note calls for, and we have yet to repossess any of the property sold on the sales. Should we have to do so in the future, we would do it without hesitation, for with one quarter of the current value paid down on any item, we do not feel that we would have much difficulty in listing the property on our next auction sale selling it for more than we had against it. Our records for collections has been exceedingly good, with one exception, in more than three years of financing sales. A stranger paid his one quarter down on the purchase price of two cows. We took his note and a purchase money chattel mortgage calling for six equal monthly payments. The following week he sold the cows and "skipped" the country. We have been unable to locate him. We have, however, located the cows through their ear tag numbers. At the time of this writing, the note is in the hands of our attorneys for collection. We expect to have a small loss on this transaction. Remember, though, that our net profit on handling this one sale where the cows were sold would more than pay for the amount of the note should we lose it all—which we feel will not now happen since we have traced the cows. This was the unusual case, which rarely happens to an insured member bank. Our directors still feel satisfied with the farm auction sale results.

One of our talking points for selling the farmers on the idea that the bank should handle their sales is that the farmer feels more free about buying at a bank auction sale for he knows the banker; knows that he will be treated fair; knows that the good farmer who desires credit at the sale can get it at regular bank rates and not the advertised finance rate of 3 per cent for the six monthly payments. The farmers like to come into the bank and make their payments, for it saves them the money order fees and postage. Should they get into difficulties such as sickness or accident and find they can't meet a payment on time, they know they will not be charged a stiff finance rate for the collection, but the usual economical bank charges.

The sales finance companies sold the farmers the idea that a financed auction sale where anyone can buy without the full purchase price or bankable credit, will bring more money to him in the gross amount of his sale, so in reality the farmer who has his personal property sale financed will have

The Service Departments of this Bank—

Transit
Collection
Credit
Investment Advisory
Transfer
Safekeeping

are all under the personal
direction of officers who have
had long experience each in his
particular field.

Meeting the varied needs of our
Correspondent Banks is our
first consideration.

... THE ...

PHILADELPHIA NATIONAL BANK

ORGANIZED 1803

PHILADELPHIA, PA.

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

Member of Federal Deposit Insurance Corporation

What does Western Mutual's Extra Service Mean to You?



Western Mutual agents build more business on the EXTRA SERVICE that Western Mutual's trained field men supply.

You, too, will find that EXTRA SERVICE means extra premium income for your agency. Investigate just how much extra a Western Mutual contract can mean to your premium income.



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"

more money in the end than if he ran a strictly cash sale and took only bankable notes, which he would have to carry himself and collect. From our own experiences we have found that this theory actually works out in practice. That is another one of the reasons why we have gone into financing farm auction sales locally.

These farm financed sales remind us of a few years back when all the bankers with few exceptions looked on car finance paper as a poor place to invest their money. We believe that in time to come the banks in the smaller communities will all be doing what today the sales finance companies as well as a few of the banks are doing in financing farm auctions. The bankers will again save money for their customers by their lower charges and better service.

For the past three years our bank has financed farm sales on this plan. We take on as many sales as we can conveniently handle in our territory, without adding additional help. We have been running about thirty sales each year, and believe this year we will top the dollar volume of previous years because of good financial conditions among the farmers.

Do we have a contract with the farmers for handling their sales? Yes, in most cases, for it eliminates anyone else from coming to the farmer and taking the sale away from us. This happened once and we find that the moral effect of signing a contract for the handling of the sale seems to be enough to eliminate any chance of losing a sale through this cause.

When we first discovered that the sales finance companies were beginning to take farm auctions away from us, it was then we decided to finance sales ourselves.

We use some of their sales ideas, but we revised their methods to fit our needs and practices. We consistently advertise, "We can save you up to 40 per cent on your auction sale." That phrase or one with a similar thought appears in all our advertising matter, such as newspaper ads, calendars, statement of condition reports, on our farm auction posters, our radio "spot" ads, as well as in our slides for our local movies.

You bankers usually know if a farmer is thinking about an auction long before the salesmen for the finance companies hear of it through the stock buyer or other source, whom they pay for telling them of a prospect that they may sign up for a financed farm auction. The farmer who has the auction doesn't like it when he finds out that someone has usually been paid

(Turn to page 30, please)

Sell Accident Coverage — and Make More Money

ON OCTOBER 13, 1922, Mr. Dreyfuss, an agent in Savannah, Georgia, sold Dr. R. B. Harris, also of Savannah, an accident policy with \$20,000 principal sum and \$100 a week indemnity. Five years later on June 8, 1927, Mr. Dreyfuss sold Dr. Harris an additional policy providing \$15,000 principal sum and \$50 weekly indemnity. Three months later on September 13, 1927, Dr. Harris, in reaching for a bottle of bichloride of mercury, overturned it, spilling it in his eyes, resulting in the permanent loss of his sight. During the fourteen years since then, Dr. Harris has received \$600 every four weeks under his accident policy and the total has now reached \$104,000 and there is still a reserve on this policy of \$49,000.

On December 22, 1910, a Chicago agent sold James M. Dibb of that city an accident policy providing \$5,000 principal sum and \$25 weekly indemnity. On February 8, 1913, just one year before the first World War began, Mr. Dibb fell down his basement stairs suffering a basal fracture of the skull. Every eight weeks since then Mr. Dibb has received a check for \$200 and is still receiving it. Mr. Dibb has received a total of over \$36,000 during the twenty-eight years of his disability and has outlived:

1. The agent who wrote the business.
2. The underwriter who handled it.
3. Two physicians who treated him following his accident.

4. Three of the claim men who have handled his case during this period.

These are just two victims of accidents and you might naturally say, why single these out for attention? Here's why—ask yourself the question—if Dr. Harris or Mr. Dibb had been one of my close personal friends and customers would he have had an accident policy when he needed it as a result of my efforts? The sad thought is, I am afraid, that many of you would have to confess that every time you thought about Dr. Harris or Mr. Dibb you would have been pricked by an uneasy conscience rather than of having the feeling of satisfaction which

By R. C. Larson

Field Supervisor
Aetna Casualty & Surety Company
Hartford, Conn.



R. C. LARSON

both of the agents on these two policies must have experienced.

There is just one form of insurance written by companies today in which the company's maximum liability is not predetermined, and that is accident insurance. When you sell a man an accident policy issued by most companies today you can tell him honestly that whether his claim is for \$5 or \$100,000 your company is not only able but glad to pay the claim, and this is the line which we are asking you today to do a better job with. It hardly seems necessary to devote this time to persuading you to write a line which is so important—but it is a fact that many of you have not made the most of your opportunities with this line.

What would you think of a business man in your town who paid no attention to an item in his business which for the industry as a whole produced more than 20 per cent of its income?

How about you then? Casualty premiums in 1940, \$1,210,931,940. Accident and health premiums in 1940, \$253,910,572. Almost every successful agency has a backlog of this business—probably because the volume of this line indicates aggressive salesmindedness, which is a healthy sign in building casualty business.

Some agents say the business is complicated. That is not a good excuse. Only the knowledge of three things is necessary. First, a risk must be classified—the standard manual does this for you. Second, a policy form must be selected to fit the assured, which should not be complicated because although accident policies differ they are constructed of the same building materials as follows:

1. Death benefit.
2. Dismemberment.
3. Weekly indemnity.
4. Medical expense.

Every accident policy is constructed of these materials, some policies including all of them and others merely leaving out some. So, if you have not sold accident insurance it is not because:

1. People won't buy if asked.
2. That you have not the right product.

If we admit these two things—it is up to us and the thing that is lacking is a plan.

Let me suggest a plan: Prospecting is the most essential part of any long range production plan and prospects for accident insurance are available from many sources:

(a) Accident insurance is written by most companies for the age groups ranging from 14 to 64.

(b) Your files of present customers will reveal many prospects.

(c) Go to the classified telephone directory and select prospects by occupational groups.

Some preapproach work is necessary—otherwise you may find yourself embarrassed. We suggest:

1. That you know the approximate age and occupation of your prospect.
2. That you know his approximate weekly income.

Northwestern Banker December 1941

3. That you know enough about his physical condition to know whether or not he will be eligible.—**THE END.**

Plans Changed

Plans for a new winter schedule of policyholders meetings, and renewal of the program satisfactorily tested last spring, have been suspended due to the present disturbed general situation, it is announced by O. J. Arnold, president of Northwestern National Life Insurance Company of Minneapolis.

"There has been so much interest shown in the idea, especially by the

life industry," Mr. Arnold said, "that we feel we should make this announcement in our change in plans.

"In the past few months," he said, "there has been a vast increase in the number of group meetings connected with national defense, foreign assistance, and other phases of the present emergency. Many additional demands are being made on the time, energy, and attention of the average citizen—who is also the average insurance policyholder.

"Most of these additional group efforts, and additional demands, expect and deserve a 'priority rating' in the schedules of good Americans. The great problem today is to find the time

and energy to devote to these extra activities, with which our own meetings would have to compete.

"Therefore it seems only sensible to postpone for the present our projected winter series of policyholder meetings, beneficial as this idea has proven itself to be.

"At the initial series of meetings, held last spring in several smaller mid-western cities, policyholders met officers and executives of their company, talked over personal problems with them, and showed an intelligent and friendly interest not only in the workings of their own insurance policies, but also in the position of life insurance and its policyholders in the nation's economic structure. The company, too, gathered much practical information from these meetings—particularly from the question-and-answer sessions—which is proving of great value in shaping new policyholder literature.

Breaking a New Field

Northwestern National Life has set its plow into a new field. Its agents are now paid primarily for service, not for sales—a fact of prime interest to buyers of life insurance.

Your NWNL agent's income no longer depends primarily on the new insurance you buy from him. It depends rather upon the amount of that insurance you *keep in force*. You will keep in force only that insurance which meets your needs efficiently and economically, and *continues* to meet them, regardless of your changing circumstances. Your NWNL agent's income thus depends directly upon his capacity for sound, intelligent, low-pressure selling, and sound, intelligent service *after the sale*.

The depression of the thirties proved that American life companies had perfected a technique for safeguarding policyholders' funds. These companies are now working toward a similarly successful technique of agency service to policyholders. Northwestern National Life's system of paying its agents according to "how well they serve" rather than according to "how much they sell" is a contribution of fundamental importance to this end.

NORTHWESTERN National Life

INSURANCE

O. J. Arnold,
President



COMPANY
Minneapolis,
Minnesota



Fidelity & Surety Bonds

Blanket Bonds

Burglary & Forgery

Insurance



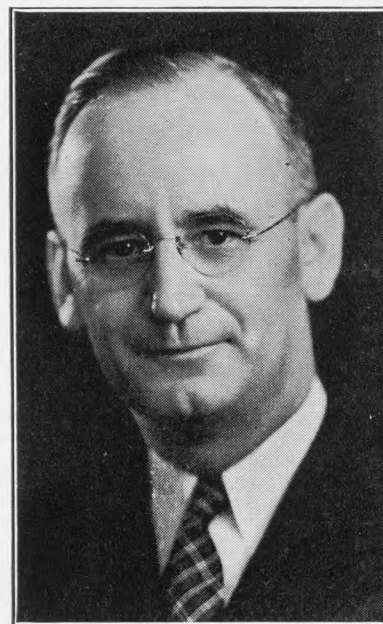
NATIONAL SURETY CORPORATION

VINCENT CULLEN
President

Mutual Convention

More than 450 Iowans, who sell two billion dollars worth of insurance a year, registered in Des Moines for the annual two-day convention of the Iowa Association of Mutual Insurance Associations.

The convention's first general ses-



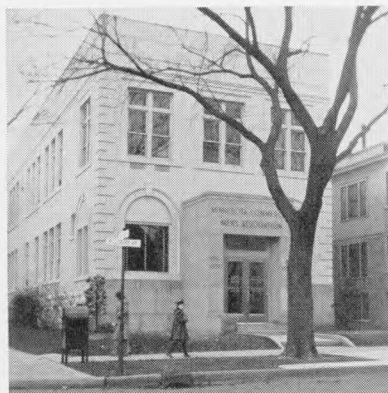
HAROLD S. EVANS

sion was called to order by President Harold S. Evans of Des Moines.

Out of the 140 member associations in 85 counties, 115 were represented.

One member group, the Iowa Mutual Tornado Insurance Association, was host at a dinner at which Harry P. Cooper, Indianapolis, Indiana, secretary of the National Association of Mutual Insurance Companies, spoke.

Minnesota Commercial Men's Makes Building Alterations



Above, left, is the new doorway arrangement following alterations made on the building of the Minnesota Commercial Men's Association. Pictured on the right is the front of the building as it appears following remodeling.

RECENTLY the Minnesota Commercial Men's Association, of Minneapolis, remodeled and improved their home office building located at 2550 Pillsbury Avenue.

Alterations to the building, which is owned by the company, consisted of refacing the entire front with light colored Kasota stone, with the entire building painted an ivory cream to match. The front entrance to the building has been relocated, to eliminate any outside steps, and a new commodious lobby is finished off in blond white oak.

Terrazzo flooring and Tennessee marble are used in dressing up the lobby. All ceilings throughout have been given accoustical treatment for sound-proofing and fluorescent lighting is installed in all the offices. This gives to Minneapolis a fine additional home office building for a strong and fastgrowing Minnesota company.

The officers of the company are O. A. Brachlow, president; U. A. Hamrum, vice president; Arthur Dengler, treasurer, and Paul Clement, secretary and general manager.

John A. Gunn Dies

John A. Gunn, 80, chairman of the board of the Employers Mutual Casualty Company of Des Moines, died at his home last month after a year's illness.

Mr. Gunn came to Des Moines in 1895 when he was general agent in Iowa for the J. I. Case Company. In 1907 he organized and was president of the old Gould Balance Valve Company, Kellogg, Iowa.

Mr. Gunn was president of the Iowa Manufacturers Association in 1911, and that year became one of the founders of the Employers Mutual Casualty

Company. He was president of the company until he retired last December.

At the time of his death he was a director of the Central National Bank & Trust Company. He had been a director of the Chamber of Commerce and the Iowa State Traveling Men's Association. From 1920 to 1935 he was vice president of the National Association of Mutual Casualty Companies.

St. Paul F. & M. Dinner Dance

Four hundred fifty members of the St. Paul Fire & Marine Insurance Company Employees' Club gathered together on the evening of November 18 at one of the most colorful affairs of the organization in years—a dinner-dance at the St. Paul Hotel. The evening's festivities began with a dinner in the Continental room amid table decorations in keeping with Thanksgiving.

Following dinner, and after the tables were removed, the special entertainment arranged for the evening was staged by the St. Paul Fire & Marine chorus of sixty matched voices, directed by James Allen, well known local civic opera singer, giving a rendition of several well chosen songs which earned a tremendous round of appreciative applause.

The surprise feature of the evening was the showing of several "flickerettes"—reels of old, hair-raising and side-splitting comedies—which created hilarious enjoyment for everyone present—especially those who could hark back to the days when those "thrillers" were the rave of the country. In between the various reels, a

Over and over again . . . "Allied Mutual Pays"

Record breaking new business written by Allied Mutual agents in turn suggests record breaking claim payments as well.

Each month finds Allied Mutual paying more and more claims. Our fair, considerate claim service helps to build friends for our agency force and for insurance generally.



ALLIED MUTUAL CASUALTY COMPANY

Harold S. Evans, President

Hubbell Bldg.

Des Moines, Iowa

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

barber shop trio recreated tonsorial vocalists of by-gone days—and received uproarious acclaim for their characteristic appearance and favorite tunes selected.

The entertainment finished, an orchestra ushered in dancing for the evening.

Held each year, the annual dinner-dance of the Fire & Marine Employees' Club is looked forward to by the entire personnel. This year's program was arranged by an able committee headed by Howard Clang.

Dan H. Otis Dies

Dan H. Otis, director of the Agricultural Commission of the American

Bankers Association, died recently in Minneapolis.

Mr. Otis, who was identified with agricultural work throughout his lifetime, had been director of the Association's Agricultural Commission for eighteen years. Early in his career he was professor of dairy husbandry and animal husbandry at Kansas State College. For four years he was editor of the *Kansas Farmer*. Subsequently he became assistant dean of the college of agriculture and professor of farm management in the department of agricultural economics of the University of Wisconsin.

During World War number one, he was identified with rehabilitation

work of the A. E. F. in France. Upon his return from France, he joined the Wisconsin Bankers Association as director of its Banker-Farmer Exchange. He came to the American Banker Association in February, 1923.

Allen Wales Finishing Excellent Business Year

W. J. Pickering, president of the Allen Wales Adding Machine Corporation of New York, reports that their company is finishing the best year in its history.

During the last six years, the company has made a 600 per cent increase in sales with its 100 different new Allen Wales Models which are now being distributed in 400 different cities throughout the United States.

This remarkable record has been due first, to the manufacturing of a very fine and satisfactory machine and



W. J. PICKERING

second, to the excellent service which has been given to the buyers of Allen Wales Machines after they have been purchased.

In a recent survey conducted among some of the dealers as to the business outlook in their territories for 1942, the vast majority of them replied that "the outlook for 1942 is very encouraging".

In this same survey, dealers were asked if they felt "that your own sales will be better in 1942 than they were in 1941" and the majority of them replied yes to the question, with some dealers saying that they expected their sales to be "from 50 to 75 per cent better".

Banks which have purchased Allen Wales Adding Machines have found them most satisfactory and have been able to post their items and transact their daily business with speed, accuracy and dependability.

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.

GENERAL MOTORS INSTALMENT PLAN

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

EXECUTIVE OFFICE
NEW YORK

BRANCHES
IN PRINCIPAL CITIES

The Month's Market Maneuvers



JAMES H. CLARKE

Too much happened in November—so many things, in fact that the markets could not digest or appraise them. The amendment of the Neutrality Act, the sinking of American boats, the coal strikes, the threatened railroad strikes, strikes in dozens of other industries, American troops in Dutch Guiana, American-Japanese tension—all served to cloud the domestic picture. And the situation abroad was not helpful with further Russian reverses, the removal of General Weygand as Pro-Consul in North Africa, the British drive into Libya—the results of which are still unknown at this writing.

Despite all of these things, the prices of stocks stood up pretty well—but Government bonds yielded some ground. We are writing the article early this month—today is Tuesday, November 25—but our dead line is an early one since Iowa has a Republican Thanksgiving day and date. Including today, there are still five days of trading activity in November's markets—allowance must be made for any changes which may occur to affect what we say today.

So far there have been seventeen days of trading this month—on eight days there were gains and on nine, losses. Practically even—and the averages have changed but little. On October 31 the Dow-Jones average for industrial stocks was 117.82—yesterday the market closed at 117.30—negligible change for the period. This despite the fact that there were some days in the period when prices fluctuated sharply. The worst day in the month was the twelfth—following the Armistice Day holiday. The Dow-Jones average broke 2.01 points and the volume of stocks traded exceeded one million—the only time during the month when that volume was recorded. There was apparently no one cause for the break that day—but war news, higher taxes, and general market pessimism plus some liquidation found the market too weak to handle the offerings.

On the twelfth, the Dow-Jones averages were 115.44—the low point of the month, and only slightly above the May 1 low of this year. In fact, only about four points above the low hit

Prepared for
The Northwestern Banker

By James H. Clarke

Assistant Vice President
American National Bank & Trust Co.
Chicago

early in the summer of 1940 at the time of Dunkirk and the fall of France. The stock market has not been a very profitable place in the last two years.

But strangely enough the English market—the stock exchange in London—is acting well. The London market hit its low point on June 26, 1940, when the industrial stock average compiled by the London Financial Times hit 61.1. Today the average is around 104—in fact, it went up three points last week—so that the recovery from the low point is about 70 per cent. Of course, the decline in the pound sterling—especially in the outside or “boot-leg” market—can account for some of this. But by and large, the English investor since he already knows pretty well what will happen to him tax-wise, seems willing to buy equities, while the American, still in the early stages of tremendous uncertainties, prefers the side lines.

That there has been a lot of selling of stocks in our markets to establish tax losses is a certainty. Whether there is still a great deal to come is not predictable—but most of it should be over by the middle of December—it will be interesting then to see what the market can do.

The market for Government bonds was somewhat easier in November—as we mentioned earlier. The notes were relatively weaker than bonds, as short term rates showed some signs of stiffening—a natural development in times such as these. The longest notes—the Treasuries due in March, 1946—were bid 100.12 on October 31, dropped to 99.27 on November 16, and recovered to 99.31 yesterday. The longest bonds—the 2½s of 72/67, were 103.13 on October 31, dropped to 102.29, and then recovered to 103.2 as of this morning. There was no new Government financing during the month but about a billion and a half will come into the market soon—possibly before we go to press. In October, expenditures of the Treasury exceeded two billion dollars—defense expenditures

alone being \$1,527,000,000. Figures which we have for the first three weeks of November show about the same rate of spending. It is easy to see why taxes and more taxes, new financing and more new financing face us as we go into 1942.

Municipal bonds were firm during the month—their tax exempt features becoming even more attractive in many accounts as the days pass. High grade corporates held up well but second grade rails were somewhat weaker in the face of the threatened strike. A strike, of course, which no one believes will actually occur—but somewhat disturbing none the less. This decision also will probably be made before we go to press—if the original findings of the President's fact finding board are upheld it will be bullish for the time being for rail securities. If the roads are forced to give larger wages—we may be again facing bad rail markets.

There are some bond offerings during the month which are worth mentioning. Central Illinois Public Service Co. brought out \$38,000,000 of first mortgage 3½s of 1971 at 107, while Superior Oil sold \$15,000,000 of 3½s of 1956 at 103. This morning's Wall Street Journal indicates that there are bonds of both these issues around at the offering prices—in short, the deals were a bit slow. The same appears true of an offering of \$15,000,000 of debentures of Hiram Walker. On the other hand, Westinghouse sold \$20,000,000 debentures 2½s of 1951 at 101½ and there is a bid in the market of 102¾. Today—Tuesday, November 25th—Pacific Gas & Electric is selling \$25,000,000 of 3's of 1971 at 105 and tomorrow Philadelphia Electric Company will offer \$20,000,000 of first mortgage 2½s of 1971 on a 2.55 basis.

Last week for the first time in eleven years, carloadings were higher than the similar week of 1930. This was the result of unprecedented industrial production throughout the country—production developed through our defense program—which may or may not be good. But regardless of the reasons, we shall see a number of industries surpassing all previous records in 1942—but unfortunately, many small businesses seem likely to fare badly. That the economy of the country will be greatly distorted in the coming year is a certainty—and the markets face new problems that will have to be appraised from day to day.

Northwestern Banker December 1941

To Sell U. S. Savings Bonds



Sidney Maestre, president of the Mississippi Valley Trust Company of St. Louis, left, showing Gale F. Johnson, field director of the Defense Savings staff of the Treasury Department, the miniature of one of the 50 billboards which the bank has placed in the St. Louis area to promote the sale of United States Savings bonds.

Mississippi Valley Trust Company, according to Maestre, is conducting an "all out" sales campaign for Savings Bonds, which includes the use of newspaper, billboard, poster and radio advertising. The promotion was started in October and will continue through December.

Sale of United States Savings Bonds at Mississippi Valley Trust Company have thus far averaged approximately a half-million dollars per month, with an expected increase now that advertising is reaching the public through practically all advertising media.

COIN BANKS

(Continued from page 13)

was given to Mr. Simmons when he was a child. After compressing a spring, a coin is placed on the barrel of the gun and with somewhat of a cross-bow effect is shot between the paws of the bear and drops down somewhere into the bear's innards, of course to be recovered later and placed on deposit in a savings account. While all this shooting is going on, release of the spring causes the hunter to bob his head and the bear to open its mouth.

Pictured here also is a coin bank from Hawaii, and another bank in the shape of an airplane, and a good one, too. The Hawaii bank is a miniature of the Bank of Hawaii, Ltd., Honolulu, with of course a slot in the roof through which to drop the coins. The airplane was distributed at one time by the Fletcher American National Bank of Indianapolis, known now as the American National Bank. The little plane is most true to detail with its rubber tires, whirling propellor and small motor, and is meant to be a replica of the Spirit of St. Louis. The plane is called, however, according to the brass inscription on each side, the "Spirit of Saving".

It would take many pages to fully describe the Simmons collection of coin banks—they must be seen to be appreciated. When you are in Carlisle, look up Mr. Simmons and we know he will be glad to show the collection to you.—**THE END.**

LEGAL DEPARTMENT

(Continued from page 15)

great weight is given to the determination of executive governing bodies concerning the necessity of taking private property for public use, such determination is not conclusive and what is a public use is to be determined by the courts.

Snow was attorney for an estate in Iowa. As such he made a claim against it for ordinary and extraordinary services and testified fully in support thereof when the matter came before the court for allowance. The administrator called no witnesses and offered no testimony. The court, nevertheless, entered a judgment dismissing the claim. Could it do this?

No. A judgment dismissing a claim of an attorney against an estate for ordinary and extraordinary services will not be sustained where the attorney

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

testifies fully in support of his claim and the administrator calls no witnesses and offers no testimony. The allowance of attorney's fees rests to a considerable extent on the discretion of the trial court, but an order allowing or disallowing fees should be supported by adequate evidence.

NO BOOM IN FARM REAL ESTATE

(Continued from page 17)

to a war time economy," the governor urged his listeners.

Governor Black held such increases in farm prices and in farm real estate values as had so far taken place to be sound and a necessary corrective, in most instances, to long continued price disparities in agriculture. "We are all vitally interested in safeguarding the gains we have made and we are making," Governor Black declared, "in the direction of a better balanced agricultural economy. A more prosperous agriculture is indicated by the fact that cash income from farm marketings during the first half of 1941 totaled 14 per cent more than in the same period in 1940 and that farm income was 36 per cent higher in June than it was the same month last year.

"While it is true that in some instances farm incomes have not advanced as fast as costs, the rise in costs has not been so marked. For the country as a whole farm prices are rising faster than farm operating costs and this is likely to become more general. Farm wages have risen fastest among cost items on the farm. In the case of a good many other items advances have not been very extensive."

These higher prices and increased farm income are not an unwelcome sign in the opinion of Governor Black after years of depressed prices and low land values. "But as this increased activity begins to manifest itself," he pointed out, "we might well refresh our memories with regard to what happened in circumstances not unlike these in the past. We need to take stock of the experience acquired in the last two and a half decades during which farm land values rose to an all-time high and collapsed within a very short time to less than half their

former peak, bringing disaster to lender and borrower alike.

"As we move forward and experience increased pressure for larger loans and more liberal appraisals, we need to chart our course carefully. We should approach the credit phase of agriculture more carefully than we did during the last war period if serious difficulties are to be avoided. What is equally important—if we take the proper precautions now and develop sound plans in agriculture, we can help make the present situation contribute to the permanent well-being of the farmer and his family.



*City Dollars on the
Farm strengthen
our line of Defense*



DEFENSE requires production and more production on farms as well as in factories. More milk, cheese, poultry, eggs, and hogs. These mean increased acreages of hay, legumes and pastures which may require important shifts from other crops. Many farmers are producing Food for Freedom and soundly financing its production through local lending institutions which rediscount such loans with a Federal intermediate credit bank. City dollars, invested in Federal intermediate credit bank debentures by means of which such rediscounts are financed, thereby go to work on the farm. City dollars, protected by more than 18 years of experience in lending by the Federal intermediate credit banks, thus contribute to the strengthening of our national defense.

THE FEDERAL INTERMEDIATE CREDIT BANKS

SPRINGFIELD, MASS.
BALTIMORE, MD.
COLUMBIA, S. C.

LOUISVILLE, KY.
NEW ORLEANS, LA.
ST. LOUIS, MO.

ST. PAUL, MINN.
OMAHA, NEB.
WICHITA, KAN.

HOUSTON, TEX.
BERKELEY, CAL.
SPOKANE, WASH.

Further information regarding the Debentures may be obtained from

CHARLES R. DUNN, Fiscal Agent

31 Nassau Street, New York, N. Y.

Northwestern Banker December 1941

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

"Such gains in farm income as this period is likely to produce should help bring closer to realization those goals of better living for the farm family and a more secure way of life on the land. It would be far better to see improved farm income go toward reducing existing debts, and to provide the means for stabilizing that better standard of life, than to see it syphoned off once more into wasteful speculation. So far increased sales activity in land has been sound. Let us keep it that way."—**THE END.**

FINANCING FARM AUCTION SALES

(Continued from page 22)

for telling the sales finance company that he was talking about holding a sale.

When you are first discussing the auction sale with a prospective farmer, sell him on the true idea that your bank can finance his sale and handle the details better than the finance companies. It can be done, and if you are willing to fight for profitable busi-

ness it will be yours.

Would we advise other banks in general to go into the financing of farm auction sales? Providing you now regularly clerk farm sales, and are willing to meet the competition by giving the additional services that financed sales require, we would then say, "You can't afford to stay out of the business if you expect to conduct your share of the sales in the near future!"

The farmers like the plan of financed auction sales, and the idea is spreading rapidly in other states. There is good money in farm auctions if you finance them.

Conference Speaker

K. K. Du Vall, vice president of the City National Bank and Trust Company of Chicago, spoke before the Underwriters Conference of the Federation of Mutual Fire Insurance Companies at the Stevens Hotel in Chicago on Tuesday, November 25. His subject was, "Basic Business Conditions—A Forecast for 1942."

Bryant Elected

Charles Bryant, president of the Morris Plan Bank, Des Moines, has



CHARLES H. BRYANT

been elected as a member of the executive committee of the Morris Plan Bankers Association. Richard Stout, Washington, D. C., was re-elected president.

Mr. Bryant has been a vice president of the organization, and in 1939 was also a member of the executive committee.

159 BANKS

159 banks have been correspondents of Central Hanover for more than 50 years.

Such relationships must be satisfactory, or they would not have endured for over half a century.

CENTRAL
HANOVER BANK
AND TRUST COMPANY
NEW YORK



MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Quarter-Century Employees Honored

CENTRAL Hanover Bank and Trust Company gave a dinner at the Hotel Roosevelt on November 18 in honor of employees, officers and trustees who have been connected with the institution for twenty-five years or more. Plans for the permanent organization of a Quarter-Century Club were adopted, and Herbert T. Magruder, assistant vice president, who has completed thirty-nine years with the bank, was elected president of the new organization.

William S. Gray, Jr., president of the bank, presented to each of the 151 members of the club who are on the staff of the bank at the present time a \$100 defense bond as a "diploma". Expressing the bank's appreciation for their loyalty over such a long period of time, Mr. Gray declared, "Such a record is a significant achievement, and the bank wishes to make recognition of it in a significant way."

Among the 151 active members of the club, twenty-four have records of more than forty years' service. The longest record of continuous service is held by Henry R. Carse, trustee, who joined the staff of the Hanover National Bank fifty-five years ago. Walter G. Nelson, assistant vice president, who holds that record among present employees of the bank, has completed forty-nine years of service.

Retired members of the staff with a service record of a quarter-century or more are included as honorary members, and seventeen attended the organization dinner. George H. Stone joined the staff of the Continental Bank in 1876, which gives him the



William S. Gray, Jr., president of Central Hanover Bank and Trust Company (right), presenting first \$100 defense bond to Walter G. Nelson, assistant vice president, veteran of forty-nine years' service with the bank.

distinction of having a connection with Central Hanover which dates back four years earlier than that of his closest competitor for this honor.

Formal presentation of the club's insignia was made by Mr. Gray to Mr. Carse and Mr. Nelson, veterans of the organization who attended the dinner. Each member of the club also received the club insignia.

Seventeen employees and officers who have just this year completed their twenty-five years with Central Hanover were the subject of initiation rites for the amusement of the old-timers. Entertainment included piano, accordion and guitar music and group dancing.

IT'S A SNAP!



...TO SAVE TIME WITH BLUE STREAK VOUCHERS AND CHECKS

Now—you can have bank official check forms with a time-and-money-saving feature which makes issuance faster, easier, more accurate and safer!

Drafts, Cashier's and Treasurer Checks, Money Orders, Trust Department and Expense Vouchers with the Blue Streak Binding give you as many copies as you need—all from a single entry. You can insert these forms repeatedly in a typewriter for subsequent entries because they are bound together. Then—instantly—you flick the binding and carbon sheets from the completed forms. No error-breeding, time-consuming copying. No extra stub, check register or receipt to fill out—the automatic copies serve these purposes perfectly. You cut posting operations and speed up service with resulting economy, efficiency, and better customer relations.

For greater safety, Blue Streak Checks and Vouchers are produced on paper that has exclusive, alteration-defying features. Insurance guarantees this protection.

Enjoy faster, more accurate and safer disbursement procedure in all departments! Send for sample forms to fit your needs.

The Todd Company, Inc., Rochester, N. Y.
Please send samples of Blue Streak Checks and Vouchers designed to make our disbursement procedure faster, safer, more accurate, neater.

Bank Name _____
Address _____
City _____ State _____
By _____ N.W.B. 12-41

Todd
COMPANY, INC.

ROCHESTER NEW YORK
OFFICES IN ALL PRINCIPAL CITIES

Northwestern Banker December 1941

Out-of-Town Banks

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

CITY NATIONAL BANK
AND TRUST COMPANY of Chicago
208 SOUTH LASALLE STREET
(Member Federal Deposit Insurance Corporation)

MINNESOTA NEWS

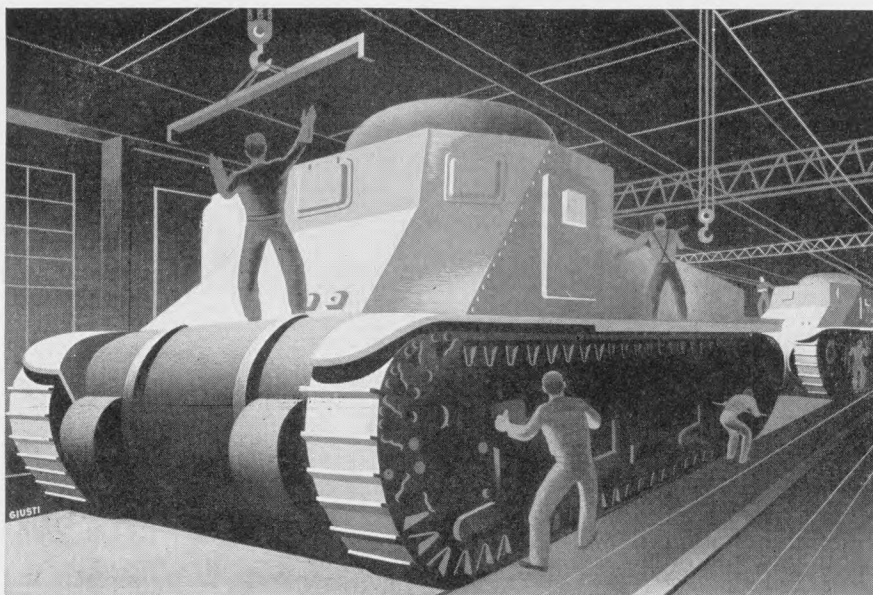
Large Crowd at Opening

The opening of the Farmers & Merchants State Bank's new building at Lambertson last month at an open house drew from 3,000 to 3,500 people who came to offer congratulations and view the new quarters. The lobby was

beautiful with numerous large bouquets of flowers sent by banks and friends.

An item of unusual interest was the gallery of pictures of early day residents of this community.

Ladies were given roses, men cigars and the children candy. A booklet prepared by the bank was given to grownups. It showed the condition of the bank following reorganization and a statement of the condition following the last call statement. It also reviewed early day history of the community and a brief summary of Lambertson today.



THE GREATEST CHANGE OF ALL

OUR COUNTRY has embarked on a program which marks a difference in the life of every citizen. Business is newly shaped, changing in all its aspects. In this stage, still transitional, perhaps the greatest outside assistance which any private enterprise can render to industry is performed by a *business-minded bank*.

The American National Bank considers it a privilege and a duty to cooperate fully with Chicago business in meeting the unusual conditions of the present. The same spirit actuates our relationships with correspondent banks throughout the nation. This willingness to go beyond mere routine is a factor of increasing importance in inter-bank associations during these times.

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 December 1941

Cashier Dies

Lloyd Patterson, 56, cashier of the Worthington State Bank died recently of a heart ailment.

Remodel Bank

Marble workmen from St. Paul are engaged in remodeling the fixtures at the Peoples State Bank of Storden and covering the counters with marble. When completed, a new and luxurious interior will be given the bank. More room is given customers by moving the fixtures farther back from the outside walls.

Veteran Banker Dies

Frank J. Kramer, long a St. Charles business man and president of the First National Bank, died suddenly last month.

Study Group Formed

The Fergus Falls Study Group of the American Institute of Banking has been organized by the employees of the Fergus Falls National Bank and the First National Bank. The purpose of the organization is to make available to bank employees a specialized course of training in various subjects in connection with the functions and operations of banks. At the present time two classes are being conducted, the meetings being held in a study room at the high school. Norman Arveson has been selected to instruct a class in commercial law, which meets each Tuesday afternoon and has a membership of 15. H. E. Swenson and O. U. Habberstad will instruct a class in bank organization and practice which meets each Wednesday afternoon and is composed of 13 students.

Accepts New Position

Ray E. Schmierer, formerly of Westington Springs, South Dakota, has accepted a position as assistant cashier at the First National Bank of Winnebago.

Mr. Schmierer fills the vacancy created at the bank by the resignation of Douglas Wescott in the spring.

Marries Former Schoolmate

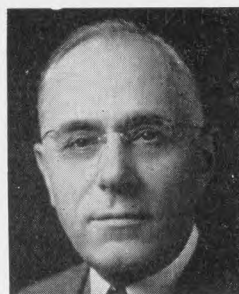
O. G. Jones, president of the Goodhue County National Bank of Red Wing, and also president of the Minnesota Bankers Association, was recently married in Des Moines, Iowa, to Miss Edith Lewis.

Miss Lewis was a schoolmate of Mr. Jones in Dawson, Missouri, some time ago, and she has been an instructress in the schools of that town for a number of years.



O. G. JONES
President
Red Wing

MINNESOTA NEWS



WILLIAM DUNCAN, Jr.
Secretary
Minneapolis

With him on the trip are E. W. Johnson, Postmaster K. O. Finnilla and Dr. J. D. Van Valkenburg. They will be gone about two weeks. Mr. Christenson expects to complete changes by January 1, 1942.

S. B. Ruohoniemi is slated to be president and Carl V. Lind as cashier of the bank at the beginning of the new year.

Installs New Furniture

The Empire National Bank and Trust Company of St. Paul has installed new furniture in the junior officers' quarters. A feature of each executive's desk is an oval-shaped extension which affords customers an individual surface for their papers.

Total footings of the Empire National are nearly \$10,000,000.

Elected Vice President

Election of William A. Gray of Albert Lea as a vice president and director of the City National Bank of Duluth has been announced by Herman Matzke, president, who said Mr. Gray will move to Duluth with Mrs. Gray and their 16-year-old son, James, about January 1st.

Mr. Gray will resign his position in Albert Lea.

In the banking business for 30 years, Mr. Gray has had experience in both the investment and commercial fields and for the last 12 years has been connected with banks in Lincoln, Nebraska, and Albert Lea.

Savings Increase

Harry M. Miller, secretary of the First Federal Savings and Loan Association of St. Paul, states that the organization has enjoyed the greatest increase in savings in its history during the past 12 months.

Declare Dividend

A semi-annual dividend at the rate of 3 per cent per annum has been declared by directors of the Twin City Federal Savings and Loan Association, of Minneapolis, payable January 1, according to announcement by Roy W. Larsen, vice president. This is the association's thirty-eighth consecutive dividend. Since 1936 dividends have continuously been at the rate of three per cent per annum.

Resources of the association now exceed \$15,350,000, the association being the seventh largest Federal savings and loan association in the

United States. Members' accounts have increased almost three and a half million dollars in the last year, according to Mr. Larsen, the largest growth the association has enjoyed in any year during its history.

Changes at Floodwood

P. H. Christenson, president of the First State Bank of Floodwood, is disposing of his interests in the bank to S. B. Ruohoniemi, cashier, and Carl V. Lind, assistant cashier.

Mr. Christenson has gone on an extended trip to Colorado, Arizona and Texas to check over new locations.

Observe 85th Anniversary

The Root River State Bank of Chatfield observed its eighty-fifth anniversary last month.

Founded in 1856 by J. C. Easton, the bank was acquired in 1888 by G. H. Haven, whose son, G. A. Haven, is president.

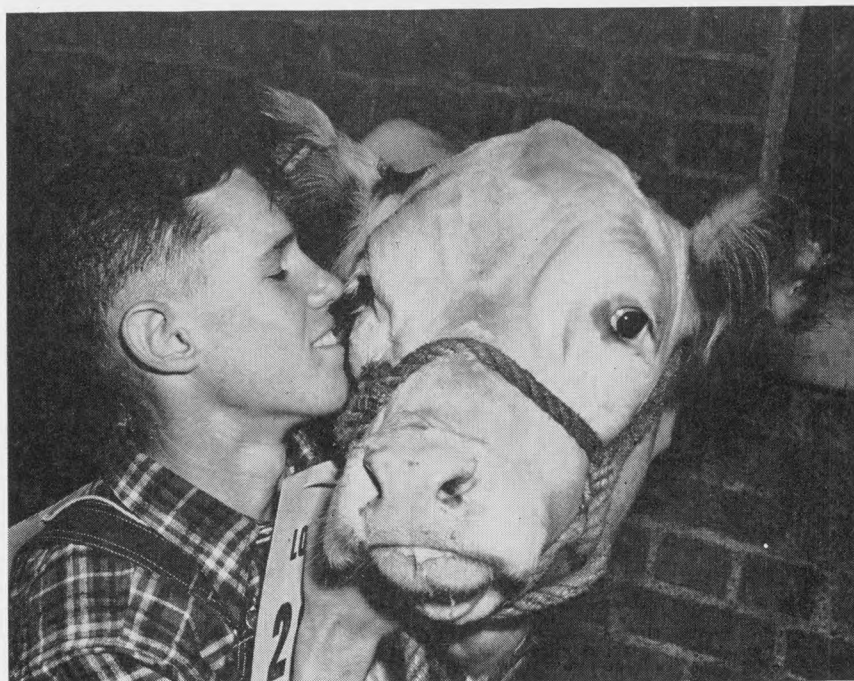
Not Gambling on Inflation

It is evident that farmers are not gambling on inflation.

Such was the statement in Minneapolis recently of H. R. Hommedal, president of the Union National Bank of Rochester.

Mr. Hommedal and J. G. Robertson, president of the Rushford State Bank, gave the agriculture committee of the

Northwestern National Buys Prize Winner



The Northwestern National Bank and Trust Company of Minneapolis paid Charles Cunningham of Pipestone, Minnesota, \$342.55 for his prize-winning Herford yearling steer at the auction which closed the annual Minnesota Junior Livestock Show for 4-H Club Members at South St. Paul. The show came to a close with a record auction sale at which leading Minnesota business firms bid in the prize animals with all proceeds going to the youngsters to pay for college tuition, further club work and other meritorious purposes. Charles' steer weighed 1,105 pounds and was paid for at the rate of 31 cents per pound.

• MINNESOTA NEWS •

Minnesota State Bankers' Association their views.

Commenting on several recent small bank holdups in the state both said this often occurs as Christmas nears, adding that the best solution is to keep very little cash in the till.

Farmer Brown is doing pretty well this year, what with rising prices on the products he sells, but he isn't letting the money go to his head. He's paying his bills.

"Rising farm prices are making a prosperous year for the farmer," said

C. W. Spaulding, president of the Waseca National Bank. "But farmers are not making the mistake of World war boom days by dissipating their funds. Most of them are liquidating debts, which is a good thing for their own and also for the national economy."

Will House OPM, OEM

District offices of OPM and OEM will be relocated in adjacent office space in the Midland Bank Building

in Minneapolis about January 1st, it was learned recently.

Included are the priorities and contract distribution division offices of OPM, the OEM information office and the training-within-industry branch of OPM. All now are located in various parts of Rand Tower.

This announcement sets at rest rumors that the government was considering moving the offices out of Minneapolis.

Retired Banker Dies

Edward G. Quamme, a prominent figure in the Federal Land Bank movement and the first president of the St. Paul Federal Land Bank, died last month at his home in Minneapolis. He had been ill for some time.

Directors Re-elected

Re-election of two directors of the Federal Reserve Bank of Minneapolis was announced last month by Walter C. Coffey, chairman of the board. Member banks re-elected J. R. McKnight, Pierre, S. D., as a class A director, and J. E. O'Connell, Helena, Montana, as a class B director, each to serve a three-year term beginning January 1, 1942. Mr. McKnight is president of Pierre National Bank and Mr. O'Connell is president of Eddy's Bakeries, Inc., at Helena.

Duluth Banker Dead

John Roger Wells, 61 years old, resident of Duluth for 52 years, a teller at the First & American National Bank for 40 years, died recently in a Duluth hospital after a short illness.

Meet at Melrose

Members of the Central Minnesota Clearing House Association met at Hotel Melrose at Melrose last month for a quarterly business session. Henry Schroeder of Long Prairie, president of the association, had charge of the meeting with Henry Sauer of Paynesville as secretary.

Speaking at the meeting were Wm. J. Duncan, secretary of the State Bankers Association and Ben DuBois of Sauk Centre, secretary of the Independent Bankers Association. Dr. J. D. Eckstrom of Minneapolis, who writes a forecast column for a Twin City daily, was present and related future world events as he foresees them. In charge of entertainment for the meeting were: Walter Obey of St. Paul and Dr. Tartig and Charley Rieger of Minneapolis.

John H. Welle of the Melrose State Bank had charge of local arrangements for the gathering.



How the "Iron Horse" helped Chicago grow

IMAGINE a freight train *one hundred and fifty miles long*. That's the approximate amount of freight moving into and out of Chicago *daily*! Imagine passenger trains entering and leaving a city at the rate of *one every minute*. That's what happens in Chicago almost every day in the year!

The railroad industry has contributed greatly to Chicago's progress. It has helped to make possible the growth of this bank and its services. The Continental Illinois National Bank and Trust Company is proud of its association with forward-looking industry in the Chicago area.

Continental Illinois National Bank and Trust Company OF CHICAGO

Member Federal Deposit Insurance Corporation

Northwestern Banker December 1941

TWIN CITY NEWS



THE Minneapolis Clearing House Association has recommended that member banks make a service charge on checks drawn on other local banks and presented for payment by non-customers. The charge would be five cents for checks up to \$10 and 10 cents for those above \$10.

A. J. Roszak, assistant cashier of Drovers Exchange State Bank, South St. Paul, has been elected president of the South St. Paul Commercial Club.

John Burgess, vice president of Northwestern National Bank & Trust Company, has been reappointed to the consumer credit council of the American Bankers Association.

J. M. Wallace, Jr., is manager and **William B. Webster** assistant manager of the St. Paul office of Merrill Lynch, Pierce, Fenner & Beane, which has opened in new quarters at W-1591 First National Bank Building after being in temporary quarters since September 15th.

Mell W. Hobart, president of Ministers Life & Casualty Union, has been elected a director of Marquette National Bank, according to announcement by **Ralph W. Manuel**, president. Mr. Hobart has been a leader in the development of the insurance company.

Some 500 members and friends of Minneapolis chapter, American Institute of Banking, attended the annual "Fun Fest" at Marigold Ballroom, November 18th.

All sorts of entertainment features were offered, while there were prizes for the best costumes.

Dorothy Ahern and **Arthur Lee** were co-chairmen of the event. Sub-committee chairmen were **Margaret Rum-**

By James M. Sutherland
Special Correspondent

ball, flowers; **Philip Schrader**, stands and booths; **Franklin Sprecher, Jr.**, tickets; **Harold Gabrielson**, prizes, and **Carl Stengl**, games.

Arthur W. Johnson has been transferred to the Helena branch of the Minneapolis Federal Reserve Bank. He formerly was manager of the RFC custody department here.

Paul W. Loudon of Piper, Jaffray & Hopwood will take part in a panel discussion during the annual convention of the Investment Bankers Association of America at Hollywood, Florida, November 30th to December 5th.

More than 50 executive officers of banks affiliated with **Northwestern Bancorporation** attended the annual fall meeting of its central operating committee.

Principal subject of discussion was bank operations under the defense program. **J. C. Thomson**, Banco president, presided at the business sessions. **S. S. Ford**, president of Northwestern National Bank & Trust Company, Minneapolis, and other executives of the bank were hosts at one social function; **Edgar L. Mattson** and other executives of Midland National Bank & Trust Company, Minneapolis, were hosts at another.

Bank President Dies

John H. Welle, 61, president of the State Bank of Melrose and one of Central Minnesota's most prominent financiers for many years, died suddenly at his home in Melrose last month.

Bankers Entertain 4-H Leaders

Adult and junior leaders of 17 4-H clubs in Jackson County were honored at the sixth annual recognition dinner, sponsored by the Jackson County Bankers' Association, held at the Community Hall at Alpha last month.

The banquet was sponsored by the following banks of Jackson County: First National Bank, Jackson; First National Bank, Lakefield; First National Bank, Heron Lake; Farmers State Bank, Lakefield; First State Bank, Okabena; Jackson State Bank, Jackson; Farmers and Merchants Bank, Alpha.

LEGAL INVESTMENT

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INSURANCE COMPANIES

Accounts Insured up to \$5,000

Convenient . . . Safe

3%

(Current Rate)

St. Paul Federal Savings & Loan Association

Axel A. Olson, Sec'y-Mgr.
4 East Fourth St., ST. PAUL, MINN.

Northwestern Banker December 1941

Clearing House Meeting

A dinner meeting of the Southern Minnesota Clearing House Association was held recently at the Rochester Country Club.

Results of the election were as follows: J. F. Schneider of Elkton, president; C. W. Wilkins, Austin, vice president; G. N. Reppe, Grand Meadow, secretary-treasurer, and Homer Woolbridge of Stewartville, a director. Hold-over directors are C. F. Dabelstein of Rochester and G. Skogsmark of Kasson.

Principal speaker at the banquet was William Duncan, Jr., secretary of the state association, who detailed provisions of the wage-hour and social security laws.

About 80 persons attended the dinner.

Propose Boundary Change

Forty bankers of Washington, rural Ramsey and Dakota counties met at the Grand Cafe in Stillwater last month for the annual dinner and business meeting of the St. Croix-Missis-

sippi Valley Clearing House Association.

Principal business of the meeting was consideration of proposed changes in the boundaries of the association territory.

The St. Croix-Mississippi Association is an outgrowth of the old Washington-Rural Ramsey group, which was expanded a few years ago to include Dakota County. It appears now however, that the Dakota County group has more in common with the Twin Cities, Rice, Scott, and other groups south of the Minnesota River. Change in boundaries to release Dakota County to another district if desired was approved. The change is urged by William Duncan, secretary of the Minnesota Bankers Association.

It was also decided to invite Chisago County bankers, if they desire, to join the Washington-Ramsey group. Chisago County has withdrawn from the group to the north, including Hinckley and Pine City territory, because it appeared there was too little in common.

Because of the proposed changes, election of officers was postponed until new boundaries are established, and the old officers will continue to serve.

Present officers are Henry Schoen of Hastings, president; Elmer Johnson of Forest Lake, vice president, and H. A. Warner, White Bear, secretary.

Commissioner Amundson of the department of banking was principal speaker Wednesday night. He discussed new problems before Minnesota bankers as result of the defense effort, and other changes in the nation's financial structure.

Meet at Spring Grove

The quarterly meeting of the Southeastern Minnesota Clearing House Association was held at the high school in Spring Grove last month, with 50 attending.

The main speaker of the evening was John Burgess, vice president of the Northwestern National Bank and Trust Company of Minneapolis.

William Duncan, Jr., secretary of the Minnesota Bankers Association, spoke briefly, paying respects to O. K. Dade, who for many years represented the Spring Grove district in the state house of representatives.

O. G. Jones of Red Wing, president of the state association, extended the association's greetings.

John A. Frisvold of Rushford presided at the meeting, and the arrangements for the meeting were in the hands of B. N. Onsgard and Charles Dahling of Spring Grove.



Livestock Financing

Every day in many pastures and feed lots, the Livestock National Bank is engaged in the livestock business. For we cooperate with local banks in all phases of rural banking and livestock finance.

Our service follows straight through to the sale of the livestock in the Sioux City market and our remittance to the customer. From such experience we are completely equipped to handle all your Sioux City correspondent items.

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

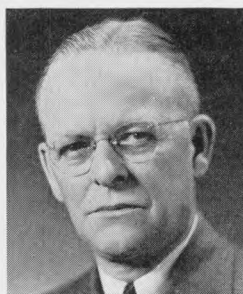
C. R. McKenna, Pres., Johnson Biscuit Co.
B. L. Sifford, Attorney, Sifford & Wadden
G. F. Silknitter, President, Sioux City Stock Yards Company
C. L. Fredricksen, President
M. A. Wilson, Vice President
H. C. Boswell, Secretary-Treasurer, Western Contracting Corporation

"The Bank at the Yards"

Member Federal Deposit Insurance Corporation

LIVESTOCK NATIONAL BANK

SIoux CITY, IOWA



L. T. MORRIS
President
Watertown

SOUTH DAKOTA NEWS



GEORGE M. STARRING
Secretary-Treasurer
Huron

Banks Are Healthy

"The banks of South Dakota are at present enjoying the healthiest condition in their history," was the observation of Erling F. Haugo, superintendent of banks, after returning from a tour of the state during which he addressed seven group meetings of bankers in as many days.

"During a period of rising prices, there is a tendency for people to speculate," the state bank chief said, "and the banks are expected to curb this tendency by refusing to lend for speculation. Bankers are custodians of other people's money and it is not their right to invest the same in speculative schemes. They must be certain that they always receive a sufficient margin of security for every loan."

Construction Contract Awarded

Henry Hackett, Rapid City contractor, was awarded the general contract for the construction of the new Rapid City National Bank Building. A. E. Dahl, executive vice president of the bank, reported recently.

The plumbing and air conditioning contract was awarded Mellgren Plumbing Company of Rapid City and the electrical contract to Baumgartner Electric Shop of Rapid City.

Construction of the new two-story building will be started immediately, Dahl said.

Other general construction bids were offered by Jonas Construction Company of Aberdeen, Northwestern Engineering Company of Rapid City and the Henry Carlson Construction Company of Sioux Falls. The Rapid Plumbing Company also bid for the plumbing and air conditioning contract and the Rapid Electric Company for the electrical contract.

The bank will occupy the front 90 feet of the 140 by 50 foot building, which will be of brick construction trimmed with cast stone. The rear 50 feet will be for stores and the entire second floor for rental office space.

Plans for the building were drawn by A. Moorman and Company, bank architects of Minneapolis. Resident architect is A. L. Forrette of Rapid City.

Open Branch Bank

The Commercial State Bank of Wagner has leased the Lakeside Bank Building now owned by Albert Travněk of Wagner. A branch bank for Lake Andes will be housed in the building.

Sponsor Credit School

An agricultural credit school, sponsored by the South Dakota State College of Agriculture and the agricultural committee of the South Dakota Bankers Association, will be held in Brookings December 8th and 9th. Program for the two days is as follows:

Monday, December 8th

A. M.

8:00 Registration—Pugsley Memorial Union Building, College Campus.

9:30 Address of Welcome—Lyman E. Jackson, Brookings, President, South Dakota State College of Agriculture and Mechanic Arts. Response—L. T. Morris, Watertown, President, South Dakota Bankers Association.

The Agricultural Credit Situation in South Dakota, Gabriel Lundy, Brookings, Professor, Agricultural Economics.

Meeting the Credit Needs of Farmers and Ranchers—Panel Discussion led by R. M. DePuy, Brookings, Chairman, Committee on Agriculture. Participants: H. N. Thomson, Presho, Vice President, South Dakota Bankers Association; W. E. Perrenoud, Sioux Falls, Cashier, First National Bank; A. W. Powell, Sisseton, Vice President and Cashier, Roberts County National Bank; Fred Lewis, Lemmon, President, First National Bank; Frank Messner, Aurora, Farmer and Feeder.

Noon

12:00 Luncheon—Pugsley Memorial Union Building.

The Farm Credit Administration and Its Place in the Credit Field—R. C. Engberg, Omaha, Director of Research, Farm Credit Administration.

Factors Affecting Farm Income—Discussion by: Agronomy and Animal Husbandry Staffs.

Tour of Livestock Research Projects—Conducted by: Experiment Station Staff.

P. M.

6:30 Dinner—Pugsley Memorial Union Building.

Music—Orchestra.

Magician—Dr. Ward Miller, Brookings, Professor of Botany.

Tuesday, December 9th

A. M.

9:30 Re-Discount Facilities of the Federal Reserve Bank with Respect to Farmer Paper—Harry I. Ziemer, Minneapolis, Vice President and Cashier, Minneapolis Federal Reserve Bank.

How to Get More Good Agricultural Loans—Panel Discussion led by Tom Harkison, Sioux Falls, Vice President, National Bank of South Dakota. Participants: L. H. Loken, Watertown, Vice President, Farmers and Merchants Bank; H. B. Lovald, Philip, Cashier, First National Bank; A. G. Berger, Clear Lake, Vice President and Cashier, Deuel County National Bank; W. H. Frei, Wagner, President, Commercial State Bank; J. R. McClenahan, Secretary-Treasurer, Mitchell Production Credit Association.

Agricultural Credit Data and Credit Files—L. L. Lillibridge, Burke, President, Burke State Bank.

Noon

12:00 Luncheon—Pugsley Memorial Union Building.

Credit Problems as Seen By Farmers and Ranchers—L. Roy Houck, Gettysburg, Farmer and Rancher.

Credit Problems as Seen By a Farm Wife—Mrs. Claude Parker, Arlington.

What's Ahead—A. G. Brown, New York, Manager, Agricultural Credit Department, American Bankers Association.

Film on Selenium Investigation—Experiment Station Chemistry Staff.

Tour of New Dairy Milking Unit—Dairy Husbandry Staff.

Adjournment.

Northwestern Banker December 1941

1941 Group Meetings

THE 1941 South Dakota group meetings came to a close recently. Attendance exceeded that of last year by thirty-eight. Six hundred thirty-nine registered in 1940, while this year there were six hundred seventy-seven. Seventy-nine per cent of the member banks were represented at the meetings.

The following speakers, President Morris, Superintendent of Banks Haugo and C. William Duncan, were on every program. Al Mills, auditor of the Minneapolis Federal Reserve Bank, and K. K. Fossom of the same institution, were present at each one of the meetings and capably handled a discussion on consumer credit at several of the meetings.

President Morris gave sound advice with regard to "Reserves for Future Headaches," the Wage and Hour Act, and the banks' part in the defense program.

Superintendent Haugo stressed the importance of "Community Reserves" in a capable and interesting manner.

C. William Duncan of the *Evening Public Ledger*, Philadelphia, entertained delegates with numerous de-

scriptions of famous personalities in the news.

Officers Elected

Group I at Yankton (attendance 99).
President—R. G. Stevens, president, Citizens Bank, Vermillion.

Vice President—W. A. Schaetzel, president, Union County Bank, Elk Point.

Secretary-Treasurer—Geo. K. Brosius, assistant manager, Vermillion Branch, National Bank of South Dakota, Vermillion.

Nineteen Forty-two meeting at Vermillion.

Group II at Sioux Falls (attendance 144).

President—Carl J. Odegard, manager, Madison Branch, Northwest Security National Bank of Sioux Falls, Madison.

Vice President—E. M. Dean, cashier, Farmers State Bank, Canton.

Secretary-Treasurer—E. J. Dirksen, cashier, Security Bank and Trust Company, Madison.

Nineteen Forty-two meeting at Madison.

Group III at Mitchell (attendance 78).

President—P. V. Olson, manager, Chamberlain Branch, Northwest Security National Bank of Sioux Falls, Chamberlain.

Vice President—G. W. Toft, assistant cashier, Commercial Trust & Savings Bank, Mitchell.

Secretary-Treasurer—Paul F. Scheurenbrand, assistant cashier, Mitchell National Bank, Mitchell.

Nineteen Forty-two meeting at Mitchell.

Group IV at Watertown (attendance 109).

President—A. T. Hagen, president, First State Bank, Claremont.

Vice President—A. G. Berger, vice president and cashier, Deuel County National Bank, Clear Lake.

Secretary-Treasurer—J. A. Anderson, president, First State Bank, Pierpont.

Nineteen Forty-two meeting at Aberdeen.

L. A. Lohr, cashier, First National Bank & Trust Company, Lake Norden, was nominated member of the executive council to succeed F. A. Olson of Toronto whose term expires after adjournment of the 1942 convention.

Group V at Huron (attendance 79).

President—M. J. Twiss, cashier, Security State Bank, Doland.

Vice President—C. P. Swift, executive vice president, Citizens State Bank, Arlington.

Secretary-Treasurer—John G. Brauch, Jr., assistant manager, Huron Branch, National Bank of South Dakota, Huron.

Meetings always at Huron.

Group VI at Mobridge (attendance 87).

President—H. C. Gross, cashier, Bowdle State Bank, Bowdle.

Vice President—M. J. Schirber, cashier, Dewey County Bank, Timber Lake.

Secretary-Treasurer—J. D. Leshner, cashier, Citizens Bank of Mobridge, Mobridge.

Meeting always at Mobridge.

Group VII at Lead (attendance 81).

President—C. O. Gorder, manager, Deadwood Branch, First National Bank of the Black Hills, Deadwood.

Vice President—Thomas L. Seppala, executive vice president and cashier, Southern Hills Bank, Edgemont.

Secretary-Treasurer—Charles E. Pendo, cashier, Miners & Merchants Savings Bank, Lead.

Nineteen Forty-two meeting place to be decided upon by the officers.

C. J. Poshusta, vice president and cashier, Underwood State Bank, New Underwood, was nominated member of the executive council to succeed Harold J. Walker of Sturgis whose term expires after adjournment of the 1942 convention.

Convenient stub register for filing record of transaction.



200 imprinted checks
and gold-stamped leather
cover, \$1.25.

CUT YOUR CHECK COST

and please your customers . . .

by making this great value in personalized checks available to them: 200 checks on National Safety Paper—printed with customer's name and numbered—plus attractive genuine leather cover (with first orders) gold-stamped with his name—all for \$1.25. Write for complete details.

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CLEVELAND

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CHECK PRINTERS, INC.

Lithographers and Printers

CHICAGO
KANSAS CITY
ST. PAUL



J. I. HEGGE
President
Hillsboro

NORTH DAKOTA NEWS



C. C. WATTAM
Secretary
Fargo

New Branch Opened

Affiliated with the American State Bank at Williston, the Grenora Exchange was opened recently to serve Grenora business establishments. John S. Sorenson is manager of the exchange and Bertha M. Sorenson is assistant.

In addition to cashing checks, Sorenson said, the exchange will handle rentals, insurance and collections.

Resigns Position

Miss Ruth Newsome, assistant cashier of the Security National Bank of Edgeley for the past 14 years, has resigned and at present is visiting friends in Aberdeen. Lawrence Trenchbeath of Neche, N. D., will fill the position left vacant by Miss Newsome.

Fargo Business Good

Riding on the crest of a wave that has carried the volume of business in Fargo to record heights for several months, trade continues at this high level, according to latest figures on bank debits presented by the Minneapolis Federal Reserve Bank.

Fargo bank debits in October reached \$32,496,000 compared with \$28,307,000 in October last year, an increase of 15 per cent. For the year, since January 1st, the debits at Fargo have been \$245,239,000 compared with \$208,110,000 in the same period last year, a gain of 18 per cent.

Indicative of the comparative increase over former years, is the fact that last year was also a record period for bank debits in this city.

The Minneapolis bank comments that the October debits in Fargo were at the highest level recorded for any October in the more than 20 years that it has been compiling these records.

All of North Dakota and the entire ninth district, which includes the Dakotas, Montana, Minnesota and parts of Wisconsin and Michigan, also record high volumes of bank debits, which are considered an accurate barometer as to the volume of money changing hands by check.

Group Officers

Below are the names of officers elected at the recent North Dakota group meetings:

Southeast Group—President, R. H. Butterwick, Fargo; vice president, G. A. Klefstad, Forman; secretary-treasurer, R. M. Hougen, Valley City; member state executive council, B. A. Heland, Arthur; member state nominating committee, Sharpe Pruetz, Kulm.

Northeast Group—President, L. E. Callahan, Munich; vice president, O. C. Stusrud, Mayville; secretary-treasurer, F. C. Gustafson, Grand Forks; member state executive council, O. H. Lundquist, Adams; member state nominating committee, C. I. Erstad, Maddock.

Northwest Group—President, C. P. Kjelstrup, Minot; vice president, O. N. Stenehjem, Watford City; secretary-treasurer, H. C. Dahl, Minot; member state executive council and member of state nominating committee, H. T. Holtz, Garrison.

Southwest Group—President, H. C. Bowers, Regent; vice president, F. B. Heath, Bismarck; secretary, P. J. Edkins, Beach; treasurer, I. E. Giedt, Richardton; member state executive council, H. A. Fischer, Washburn; member state nominating committee, J. F. McEntee, New England.

Attendance at these meetings broke all records for the past ten years, and indicated the desire for evening meetings, which will enable junior officers and employees to attend and participate. Attendance at Valley City, 110; Grand Forks, 112; Minot, 65; Mandan, 100. The snowstorm and slippery roads, despite additional attraction of school teachers convention in session at Minot, reduced the attendance at that point.

Bank Makes Record

The Farmers & Merchants Bank of Beach recently made what is really an impressive record, and an outstanding tribute to the fine service they have rendered to this area. In a statement prepared by P. J. Edkins, cashier, as

of November 6, 1941, footings for this bank totaled \$1,003,532.51.

This is the first time in the history of the bank, and the first time in the history of this county, that any bank has reached a total of that amount. Deposits alone in the bank are \$942,972.64.

The Farmers & Merchants Bank recently observed its 34th anniversary.

Former Banker Dies

L. A. Tavis, a pioneer active throughout his life in the development of western North Dakota, died at his home in Bismarck last month.

For a number of years Mr. Tavis was associated with the H. R. Lyon banking interests, and during that time he served as a director of the First National Bank of Mandan and manager of its branch banks in western North Dakota.

A.I.B. Meeting

The annual meeting of the Fargo chapter of the American Institute of Banking was held in Fargo last month. Some 120 bank employees attended.

R. H. Butterfield, cashier of the Dakota National Bank of Fargo, was master of ceremonies.

The principal speaker was Fred J. Conklin of Bismarck, vice president and general manager of the Provident Life Insurance Company. Other speakers, all of Fargo, were as follows: Fred A. Irish, president, First National Bank and Trust Company; William Stern, president, Dakota National Bank; Frank R. Scott, president, Merchants National Bank; E. L. Shaw, president, Fargo National Bank; H. H. Woledge, president, Fargo Savings and Loan Association; L. E. Smith, cashier, Fargo National Bank, and A. O. McLellan, assistant trust officer, Merchants National Bank.

Sixtieth Birthday

The First National Bank of Mandan, organized by H. R. Lyon in the days when Dakota territory was undergoing a slow transformation from a vast territory where the buffalo roamed to a large scale checker board of farms and ranches, celebrated its sixtieth birthday last month.

The First National now has nearly \$2,000,000 in deposits.

J. R. Madsen, who came to the bank in 1934 as assistant cashier, now heads the institution, and is ably assisted by a staff of fourteen, including A. R. Weinhandl, vice president; A. E. Lubke, cashier; R. J. Hess, A. J. Fix, R. L. Dietrich, A. I. Theisen, Grace Farr, C. A. Thorkelson, Connor Cuskelly, Audrey Claffin, Math A. Gross, Ava Jane Nelson and Florence Stordahl.

Northwestern Banker December 1941



We Buy Eligible CORN LOANS

Prompt Service to Banks



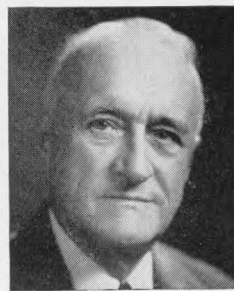
The
UNITED STATES
National BANK of Omaha

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



O. A. RILEY
President

NEBRASKA NEWS



WM. B. HUGHES
Secretary
Omaha

Changes at O'Neill

Guy James, who has been manager of the O'Neill Livestock Commission Company for some time, has left his position there to accept a position as assistant cashier of the American National Bank of Creighton.

Veteran Banker Dies

Stephen John Weekes, president of the O'Neill National Bank, passed away at his home in that city last month after an illness of about four months of a heart ailment.

Mr. Weekes was well known in Nebraska banking circles, and his passing will be regretted by his many friends throughout the state.

Trade Indices Good

South Omaha business men recently surveyed their trade indices and found them good.

A. L. Coad, president of the Packers National Bank, noted increased purchasing on the part of farmers in the trade territory. Alvin Johnson, president of the Live Stock National Bank, said the concern's loans had increased 60 per cent over last year due not only to South Omaha activity but throughout the trade territory as well. L. O. Barr, general manager of Swift & Company, said the increase in packing house industry will be maintained for the next several months with the hog run just getting under way.

South Omaha's increased commercial activity, business men said, stems from a 10 per cent increase in employment in packing plants, upping of wages, home building activity and Fort Crook bomber plant construction employment.

William Hoppe Deceased

William Hoppe, 58, long-time merchant of Bloomfield and a director in the Farmers and Merchants State Bank of that city, collapsed and died from a heart attack in his grocery store last month.

He was credited with being one of the men who helped keep the town's

only bank operating during drought and depression years.

Savings and Loan Merger

Plans are now in consideration for the transfer of the assets of the Beatrice Building & Loan Association, which has served its community for thirty-seven years, to the State Savings and Loan Association.

If the plans go through, the transfer is to be made January 1, 1942. On that date all stockholders of the Beatrice Building & Loan Association will have an equal number of shares in State Savings and Loan Association, with accumulated dues and dividends. Such shares, however, will not be subject to withdrawal for a period of one year, except at the option of the State Savings and Loan Association.

Present officers of the Beatrice Building and Loan Association are: B. H. Buckman, vice president; F. H. Graf, secretary-treasurer, and H. E. Sackett and B. H. Buckman as directors. The vacancy on the board caused by the death of Dr. C. P. Fall, president, has not been filled.

Accepts Bank Position

Wayne Lanman has accepted a position in the Bank of Wood River and began his new duties last month.

Observes 40th Anniversary

The Chambers State Bank celebrated the fortieth year of continuous service to its community last month.

The bank, which was founded by the late Edward Adams, has shown a steady growth since the first deposit of \$160 was made by John Duncan.

It is interesting to note that the reserves and liabilities, which were \$7,285.30 on its opening day, have increased to \$230,130.95.

Attends Des Moines Meeting

C. L. Bishop, cashier of the Bartlett State Bank, Bartlett, Nebraska, was in Des Moines recently attending an agency meeting of the Home Mutual

Fire Insurance Company, whose home office is in the latter city. Mr. Bishop has an insurance general agency in his bank, and the Home Mutual is one of the companies represented. He exceeded his October quota in a production contest, which permitted him and his wife to attend the Des Moines meeting with all expenses paid.

November was the 40th anniversary month of the Home Mutual, it having been organized in 1901 by H. J. Rowe, now president of the company.

Bank Cashier Dies

G. I. Pfeiffer, postmaster at Arlington, and for twenty-two years cashier of the First National Bank at Arlington, passed away at Excelsior Springs, Missouri, recently.

Accepts New Position

Miss Emmajoe Newby of Humboldt, Nebraska, who has been employed in the Fairchilds Clay Products plant, has accepted a position with the Fairbury State Bank, taking the place of Miss Phyllis Jaeger who has accepted a position at Washington, D. C.

Conference Set

The twenty-third Mid-Winter Trust Conference of the Trust Division of the American Bankers Association will be held in New York City on February 3, 4, and 5, 1942, it is announced by Richard G. Stockton, President of the A. B. A. Trust Division, who is vice president and senior trust officer of the Wachovia Bank and Trust Company, Winston-Salem, North Carolina. The annual banquet, which will bring the conference to a close, will be held on the evening of Thursday, February 5. Both conference and banquet will be held at The Waldorf-Astoria.

Business Courtesy

Emphasizing the value of business courtesy during the hurried days of defense production, The Todd Company of Rochester, N. Y., manufacturers of checks and checkwriting equipment, have published an article in their weekly house organ urging all employees to extend all possible consideration to suppliers, customers, and their own associates. Besides appearing in The Todd Sales Bulletin, Todd Company house organ, the article was reprinted and distributed to plant employees.

"Current conditions," the article states, "have created an admirable opportunity for suppliers and salesmen to increase good-will. When stiff and unexpected demands for supplies are made, vendors should take every opportunity first to meet those demands,

Northwestern Banker December 1941

and in default of that, to explain as fully and courteously as possible why they cannot be met. Buyers, conscious of current conditions, will remember their efforts with gratitude and appreciation."

Indicating that suppliers who deal with customers and prospects as courteously as possible will be the first to gain favorable attention when the defense bubble bursts, the article is felt to reflect the attitude of most forward-looking businessmen today. A limited number of reprints are still available

and will be sent to anyone who submits a request for them, company officials stated.

C. I. T. Vice President

Harry Weiss, who has resigned as president and director of National Bond and Investment Company, Chicago, has been elected a vice president of C. I. T. Corporation. C. I. T., the largest independent sales finance in the country, has executive offices in New York, Chicago, and San Fran-

cisco, and branch offices in more than 250 principal cities throughout the United States. Mr. Weiss began his career in the finance business twenty years ago as manager of the insurance division of National Bond and Investment Company, and in recent years has devoted the major portion of his time to new business and branch office development. His headquarters will be at the Chicago offices of C. I. T. at 333 North Michigan Avenue.

New Director

W. Ross McCain, president and director of the Aetna Insurance Company of Hartford, Connecticut, has been elected a director of the Chemical Bank & Trust Company of New York. Mr. McCain is also president and director of the World Fire & Ma-



*Friendly Christmas Greetings
and
Good Wishes for the New Year*

MEMBERS, FEDERAL DEPOSIT INSURANCE CORPORATION

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



W. ROSS MCCAIN

rine and the Century Indemnity Companies of Hartford, Connecticut, and the Piedmont Fire Insurance Company of Charlotte, N. C. He is chairman of the board of directors of the Standard Insurance Company of N. Y., the Standard Surety & Casualty Company of N. Y.; and a director of the Connecticut Mutual Life Insurance Company and the First National Bank of Hartford. He is a trustee of the Mechanics Savings Bank, Hartford.

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



Omaha Clearings

NEW king of Ak-Sar-Ben, Omaha's mythical domain, is **W. B. "Bob" Millard, Jr.**, executive vice president of the Omaha National Bank.

He was crowned, with his consort, Alice Meyer, daughter of Mr. and Mrs. C. Louis Meyer, at elaborate coronation ceremonies in Omaha's Ak-Sar-Ben coliseum.

Though he is called "Bob" by most everybody in Omaha, Mr. Millard's real name is Willard Barrows Millard. At 41, he is one of the youngest rulers ever to serve Quivera. He's a native of the realm and his father, before him, also was vice president of the Omaha National Bank. His grandfather was the late Senator Joseph H. Millard, president of the Omaha National and one of Omaha's pioneer citizens.

"Bob" was graduated from Yale university in 1924 with a bachelor of philosophy degree. His wife, who died several years ago, was Ak-Sar-Ben queen in 1921.

He started his banking career as a clerk in the mail room of the Omaha National. He has been associated with the bank 17 years.

Here are some of his likes and dislikes:

He is always in a hurry, a stickler for being on time every place he goes.

He likes to drive a car but isn't mechanical.

He doesn't like winter sports or horse-back riding but he plays golf in a "business men's foursome."

He used to play quite a lot of tennis but hasn't touched a racquet in two years.

In his Yale days, he was in a champion golf group, and later, in an inter-city match at Kansas City, he made a hole-in-one.

He is extremely modest, friendly and his conversation is vivid and apt to be punctuated by a little chuckle.

He's always doing little kindnesses

for friends and strangers.

He doesn't like movies, isn't musical, but he likes symphonic music. When in New York, he goes to the theater only if there's nothing else to do.

Thus far this year, the **Federal Land Bank of Omaha** and the Federal Farm Mortgage corporation have approved sale of 4,093 farms in Nebraska, South Dakota, Iowa and Wyoming, out of a total of 8,778 farms owned by the government last January 1, Leo Manion, land bank vice president, told secretary-treasurers of farm loan associations from four states at a recent meeting in Omaha.

He said 90 per cent of the sales were in Nebraska and South Dakota. More than 400 farms were sold in Iowa, leaving only about 75 for sale in that state. Of the total sales, 80 per cent were to tenants and owner-operators.

The land bank, he said, neither wants nor anticipates any runaway land boom, but does feel a healthy advance is at hand.

A. G. Black, of Washington, governor of the farm credit administration, told the secretary-treasurers that it might be a good idea for them occasionally to stick their feet up on their desks and forget the "mechanics" of their jobs.

Oscar Heline, farmer near Marcus, Iowa, has been elected a member of the farm credit board at Omaha by farm co-operatives in Iowa, Nebraska, South Dakota and Wyoming. He will take office January 1. His term is for three years.

His election was announced by L. W. Powers, general agent of the farm credit administration at Omaha, as the result of balloting by co-operative associations owning stock in the Omaha Bank for Co-Operatives.

Last March 13, **La Vonne Moyer** of Omaha, quit her job at the Omaha National Bank and went to California with her parents, Mr. and Mrs. Klemme Moyer, who were moving there because her father was offered a better job on the coast.

Eighteen days later, she started as a showgirl in Earl Carroll's theater-restaurant, without any previous training in dancing or singing.

This fall, she came back to Omaha as one of the girls who have specialty numbers in the Earl Carroll "Vanities."

All this recalls that 22 months ago she visited Hollywood for the first time, when she was chosen Omaha's "Miss Seventeen." But she came home from that trip to finish her course at South High school.

More than 1,000 depositors in Christmas savings clubs of seven Omaha banks saved more than \$470,000 during the past year.

Amount of deposits and number of members were slightly larger than a year ago.

Club depositors in uptown banks received their checks the week of Nov. 17 and South Omaha depositors November 26. Banks having clubs this year included the **United States National, Live Stock National, Omaha National, First National, South Omaha Savings, Packers National, North Side Bank.**

South Omaha business men surveyed their trade indices recently and found them good.

A. L. Coad, president of the Packers National Bank, noted increased farmer purchasing power.

Alvin E. Johnson, president of the Live Stock National, said the concern's loans had increased 60 per cent over last year.

Packing plants reported a 10 per cent increase in employment.

J. F. McDermott, vice president of the First National Bank of Omaha, addressed a recent meeting of the Omaha unit of the American Balloon Corps Veterans, at the Omaha Elks club.

Bennett S. Martin of the First Trust Company of Lincoln has been nominated a member of the district committee of the National Association of Securities Dealers, Inc., to succeed A. C. Potter of Burns, Potter & Company, Omaha investment bankers.

Mr. and Mrs. A. C. Potter celebrated two Thanksgiving days this year.

They were in New York City with
Northwestern Banker December 1941

their son, Anthony Boalt, who attends Millbrook school in Dutchess county, for the New York Thanksgiving November 20, and then returned home in time for the Nebraska Thanksgiving November 27.

Miss Letitia J. Lydon, clerk at the Federal Land Bank of Omaha, and her parents, Mr. and Mrs. John P. Lydon, of Dexter, Iowa, were overjoyed when word came recently that Lieut. Leonard C. Lydon, the son of the family, one of three army flyers whose ships crashed in the Mt. Whitney region of the High Sierras near Fresno, California, was safe. They had kept a constant vigil at the radio for word of him.

Lydon parachuted from his plane and later was able to attract the attention of searchers by signals, after he and another Iowa flier, who also crashed, had found the same shelter in an uninhabited hunting shack.

Masons Honor Banker

Robert I. Stout, president of the First National Bank of Tekamah, is one of six Nebraskans who were elected 33rd degree Masons at the biennial meeting of the Supreme Council of the Ancient and Accepted Scottish Rite of Free Masonry being held in Washington.

Thirteen Nebraskans were elected to receive the decoration of Knight Commander of the Court of Honor.

Investiture ceremonies for the recipients of the high Masonic honors will be held in Lincoln and Omaha on dates to be announced later.



Lincoln Locals

TWENTY employees of the **National Bank of Commerce** honored Miss Adelaide Burke at the Lindell Hotel recently. Miss Darlene Lutz, Mrs. W. M. McGuire, and Miss Mary Ann McDonald were hostesses. Miss Burke is soon to be married.

Lincoln bank clearings were up in October. The total for October, 1941, was \$13,761,215. In October a year ago clearings totaled \$12,259,306. The September, 1941, clearings were also slightly exceeded in October. The September volume was \$13,727,372.

For the first 10 months of 1941 Lincoln bank clearings have aggregated \$127,574,204. For the first 10 months of 1940 the total was \$123,975,095.

Assistant Attorney General Robert A. Nelson has ruled a small loan corporation cannot hire agents to seek

loan clients in any town or city other than that in which the corporation is located and licensed.

The opinion was requested by State Banking Director **Wade R. Martin** who said that many corporations now holding small loan licenses were doing business in various parts of the state through agents.

Nelson held such practices are violations of the small loan law passed by the last legislature. The loan bill, he said, requires a company hold a license in every town or city in which it operates.

Bennett S. Martin of the First Trust Company, Lincoln, was recently nominated a member of the district committee of the National Association of Securities Dealers, Inc. He succeeds **A. C. Potter** of Burns, Potter & Co., Omaha. Membership embraces dealers in Illinois, Indiana, Iowa, Michigan, Nebraska and Wisconsin.

Orval Lloyd Skinner, 29, Winnebago, last month pleaded guilty to the \$1,300 armed robbery of the Home State Bank at Louisville, April 23 and was sentenced by Federal District Judge J. A. Donohue to 15 years in Leavenworth penitentiary.

Skinner, now serving a 20-year sentence at Leavenworth for the attempted robbery April 2d of the Saline State Bank at Wilber, will begin the 15-year sentence at the end of his present term.

The young bank robber, wanted in Iowa on other bank holdup charges, pleaded guilty to the Wilber robbery before Judge T. C. Munger last May 17th. At that time, Munger refused to consider the Louisville indictment because of a technicality.

Skinner escaped from the Louisville bank after a running gun battle. He later was arrested at St. Louis, Missouri, and calmly admitted both the Wilber and Louisville robberies along with several Iowa stickups.



"Holiday Greetings"

The Continental National Bank's officers and employees extend warmest Holiday Greetings to all our many clients and friends.

The
CONTINENTAL NATIONAL
BANK
of
LINCOLN

Member Federal Deposit Insurance Corporation

BRIEF NEBRASKA NEWS

By Paul W. School, Associate Editor

VISITORS from all over Nebraska gathered in Aurora last month to urge the development of pump irrigation. **Dr. George E. Condra**, state geologist, and many other experts from the state university explained the great underground water supply of Nebraska and said that thousands of additional irrigation wells can safely be developed.

Frank Edgerton of Aurora, president of the First National Bank, presided at the meeting which lasted all day. Mr. Edgerton is also president of the Hamilton County Farms Co. which has been a pioneer in pump irrigation, having five great pumps working in dry weather. Many farmers told of splendid increase in production by use of ground water.

Senator Hugh A. Butler and Governor Dwight Griswold sponsored the meeting.

Seward, Nebraska, was a city of much activity on November 19th to 29th, inclusive. The Cattle National Bank sponsored a corn show for the tillers of the soil. There were numerous trophies presented as prizes for the farmers having the best exhibits of corn raised in the vicinity of Seward. The Cattle National Bank also presented many cash prizes. **A. C. Beck**, cashier of the Cattle National Bank for many years, was in complete charge of the corn show. He is backed by the very able president of the bank, **Robert T. Cattle**. Mr. Cattle has been president of the Cattle National Bank since 1911, and Mr. Beck has been his cashier since 1929.

A small-loan license was granted by the State Banking Department to the Harlan County Bank of Alma. Banking Superintendent **Wade Martin** said 15 state banks and three national banks now hold licenses. **Warren B. Fowler** is cashier of this bank.

The Goehner State Bank has just finished the redecoration of the entire bank, both inside and out. New fluorescent light fixtures were installed.

M. Madison, is the executive vice president in charge of this bank and

January 1st, he will celebrate his twenty-fifth anniversary with the institution. During this 25 years Mr. Madison has weathered all storms and has gradually increased his business in his bank. Mr. Madison's daughter, **Velma M. Madison**, is a graduate of the Wesley University of Lincoln, Nebraska, and has been cashier of the bank for over 12 years.

On March 1st, next, **Louis D. Otto**, president of the First National Bank, Hampton, will celebrate his twenty-seventh birthday as an officer. He says that he expects 1942 to be one of the best years for all concerned in his territory that they have experienced in the last ten years. His bank has been in operation since 1884, but was nationalized in 1906. **F. H. Cox** has been the cashier of this bank since 1930.

The State Bank of Palmer, Nebraska, has a new cashier. **J. H. Itsen** was selected to succeed **O. C. Wright** as cashier. Mr. Itsen has had many years of experience in the financial world.

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.



He spent ten years as an officer in the Bank of Glendale, Nebraska, and the past six years has been connected with a financial establishment at Hastings. He has a wife and one daughter, 13 years of age. **Boyd Herre** was elected to serve as assistant cashier some time ago, and was promoted from teller.

Moves to Sidney

D. W. Reynolds, assistant cashier of the American National Bank of Creighton, has recently resigned his position to accept one as cashier of the American National Bank of Sidney.

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.



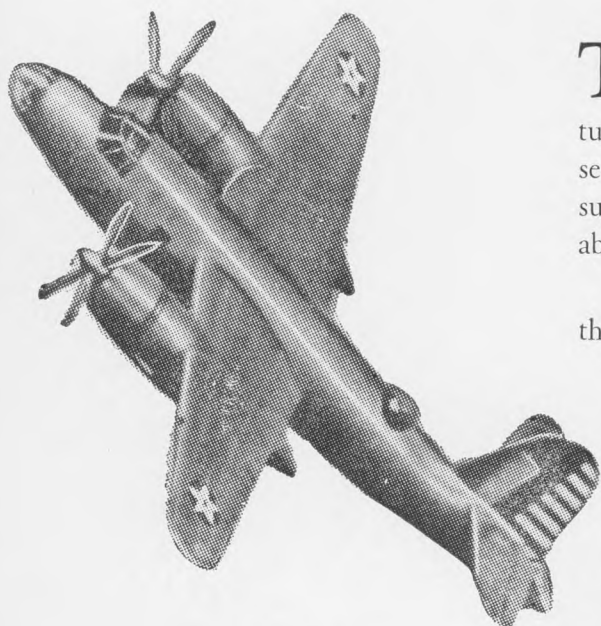
Resources over \$175,000,000

ESTABLISHED 1908

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NEW YORK CLEARING HOUSE ASSOCIATION
FEDERAL DEPOSIT INSURANCE CORPORATION

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

The Bank in the Heart of the Defense Area's Natural Business District



1941

Capital - - \$ 1,313,549.27
Loans - - - 10,241,333.24
Deposits - - 16,600,338.10



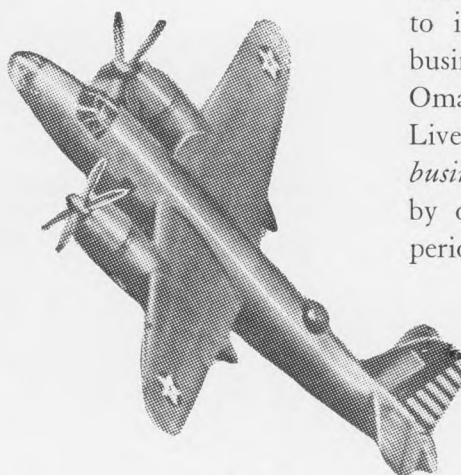
We Congratulate

Mr. Glenn L. Martin and
 his associates on the Glenn
 L. Martin-Nebraska Co.
 aircraft factory.

THE LIVE STOCK NATIONAL BANK is strategically located to serve the needs of the great National Defense and Agricultural enterprises already here and still to come. Frankly, we'd like to see more defense industries (as well as the many sub-contractors and suppliers necessary to keep them going) locate in this naturally suitable area. We stand ready to lend them our financial aid and advice.

The role that credit and the allied banking functions play in this new defense setup is extremely important. Business men are faced with the need of finding the answers to questions they have never before encountered.

In this situation, the co-operation of a *business-minded* bank can be of immense value to industrialists. That many business executives in the Omaha area look upon the Live Stock National Bank as a *business-minded* bank is shown by our steady growth over a period of many years.



1933

Capital - - \$ 616,038.60
Loans - - - 1,660,388.45
Deposits - - 4,986,823.44



1907

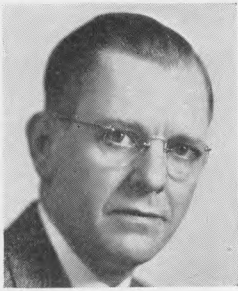
Capital - - \$100,000.00
Loans - - 62,164.35
Deposits - 81,123.50

The Live Stock National Bank

OMAHA

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker December 1941



A. T. DONHOWE
President

IOWA NEWS



FRANK WARNER
Secretary
Des Moines

G. O. P. State Chairman

Fred B. Gilbert of State Center, Iowa, recently was elected chairman of the Iowa Republican state central committee at a meeting in Hotel Savery in Des Moines.

Election of Gilbert, the third district committeeman, was unanimous on the first ballot, according to R. E. Hill, Oxford Junction, Iowa, committee secretary.

Gilbert, 52, a banker, lawyer, legionnaire and former state representative from Marshall County, is the third Republican state chairman in a year.

Gilbert came to the committee in 1939, when James H. Milroy of Vinton, former state chairman, resigned.

He was Marshall County Republican chairman for six years. He is president of the Central State Bank in State Center.

Hudson Banker Dies

B. S. Strayer, president of the Hudson State Bank since 1933, and well-known farm seed grower, died at his country home two miles north of Hudson last month as a result of a blood stream infection and heart ailment.

Megorden Elected President

At the Allamakee County Bankers Association meeting held recently C. H. Megorden, cashier of the Waukon State Bank, was elected president; Moritz Kerndt, Lansing, vice president, and Clarence Hoth, Postville, secretary-treasurer, for the ensuing year.

Banker Beaten and Robbed

Owen Shadle, president of the Pleasantville State Bank, was recently robbed and fatally beaten near his home in Pleasantville.

Two Pleasantville youths of 15 and 17 have admitted the robbery and slaying of the banker.

Prominent Man Dies

Clifford V. Gregory, 58, widely known agricultural editor and director

of the Chicago Federal Reserve Bank, died at the Iowa Methodist Hospital in Des Moines last month following an emergency appendectomy.

Mr. Gregory, associate publisher of *Wallaces' Farmer and Iowa Homestead*, was widely known in banking circles throughout Iowa, and his many friends mourn his passing.

Heads Banking Group

The Iowa Mortgage Bankers Association recently elected C. L. Roe, Sioux City, president to succeed Earl Linn, Des Moines.

Fred Quiner, Des Moines, was chosen vice president, and Orville Gore, Des Moines, was named secretary-treasurer.

John W. Leavitt, Cedar Falls, was re-elected to the board of governors, new members of which are W. W. Beal, Waterloo; John McGill, Des Moines, and Linn.

Speakers at the convention were T. J. Nolan, state director of the federal housing administration; Rodney Selby, executive secretary of the Iowa industrial and defense commission, and James K. Turner of Queal Lumber Co.

Speakers at a luncheon meeting included Carl Adams, manager of the farm loan department of Equitable Life Insurance Co. of Iowa; Robert H. Bush, general counsel for the Federal Home Loan Bank; Orville Garrett, assistant vice president of the Iowa-Des Moines National Bank; Leonard Wolf, of the architectural engineering department of Iowa State College, Ames, and Harry D. Bruner, Bankers Life Co.

Re-elected Director

Frank D. Williams, executive vice president and cashier of the First Capital National Bank of Iowa City, Iowa, has been re-elected by member banks of Group 3 as a class A director of the Federal Reserve Bank of Chicago.

Nicholas H. Noyes, Indianapolis, was re-elected by member banks in

Group 2 as a class B director. Each will serve for three years beginning January 1, 1942.

Accepts New Position

Miss Pauline Deutler has accepted a position with the Onawa State Bank. Miss Deutler has been employed for the last two years in the bank at Lennox, South Dakota. She is a sister of Mrs. Lucille Yocum, who accepted the position of bookkeeper in the Onawa State Bank a number of months ago.

New Director Elected

Harry T. Huff has been elected a director of the State Bank of Fort Dodge, filling the vacancy on the board created by the death of C. B. Smeltzer. Mr. Huff is cashier of the bank.

Other members of the board of directors are: Fred L. Loomis, Walter L. Casteel, C. W. Gadd, Floyd Rich, Donald Vincent, W. S. Merryman, John Haire and John C. Brown.

New Officers Elected

At the monthly meeting of the board of directors of the Peoples Trust and Savings Bank of Indianola, Gerald Beymer, Indianola, and Guy Risinger, Milo, were elected assistant cashiers.

Mr. Beymer worked part time two summers while attending Simpson College and entered the bank after his graduation from Simpson in June, 1938.

Mr. Risinger has been manager of the branch office at Milo since it was opened in November, 1938. Mr. Risinger will remain at Milo.

Limit Size of Loans

Remembering the aftermath of the last land boom which left many farmers with a mortgage on the farm which was too large to pay off which resulted in heavy losses for financial institutions, bankers in Scott County are determined to do their part in preventing another such boom, according to P. A. Dietz, president of the Walcott Trust and Savings Bank at Walcott.

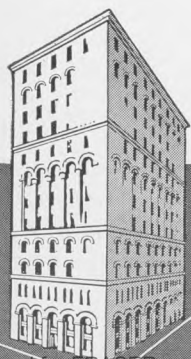
"The Walcott bank is limiting loans on land to \$75 an acre," Dietz said last week, "which we hope will make it more difficult for a boom to get under way." According to Dietz the sum of \$75 an acre will be the maximum amount that can be borrowed, regardless of the location of the farm or the amount of improvements on the place. Increasing farm prices, which are one of the causes of a land boom getting under way, will not affect the limit on loans.

Northwestern Banker December 1941

The holiday season provides a welcome opportunity to look above the problems-of-the-moment, and focus our attention on pleasant things. To us here at the Bankers Trust, our contacts with other banks are a particular source of pleasure. And so--to everyone on your staff, from everyone on our staff--

★ “Merry Christmas” ★

★



Member Federal Deposit Insurance Corporation

BANKERS TRUST



COMPANY

6th and Locust
Des Moines



New Cashier

M. T. McEvoy, Jr., has been named cashier of the Mondamin Savings Bank to succeed Ralph Mills who resigned to accept a position with the Bank of America at Los Angeles.

Wins 4-H Contest

Loren Munns of the Rock Rapids Livestock 4-H club has been named the winner of the International contest sponsored by the Rock Rapids State Bank in cooperation with the extension service.

As winner, Loren received a trip to the International Livestock Show with expenses paid by the bank.

Bank President Dies

Albert L. Hemming, 80, president of the First State Bank of Thornton, died recently at a Hampton hospital of the infirmities of old age.

Retires from Active Duty

C. J. Adam, who has served the Clayton County State Bank of Guttenberg for thirty years, first as cashier

and later as president, has retired from active duty.

Physicians have advised Mr. Adam that the rigorous Iowa winters are a peril to his health, and he will probably find it necessary to spend a portion of the year in a milder climate.

Mr. Adam will continue as a director and president of the bank, and will interest himself in its general policies.

Wendell Stanley, who has been assistant cashier of the Citizens Savings Bank of Gilman for the past several years, has entered the employ of the Clayton County State Bank.



Your Eyes and Ears in Sioux City

Mere routine efficiency in handling your correspondent account is not the end of First National Bank service. We also place at your disposal the "Eyes and Ears" of our officers and employees who know your Sioux City problems from years of experience in handling them.

We welcome each opportunity for friendly discussion of mutual problems. Let us serve as your "Eyes and Ears" in Sioux City!

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**

Goes to Hartley

Edwin E. Popp, for the past year and a half with the Farmers Savings Bank of Remsen, resigned his position recently and has accepted a post with the Security State Bank in Hartley, Iowa. Along with his banking work Mr. Popp will be the Hartley agent for the Bankers Life Insurance Co. of Nebraska.

Elwood Elected Director

At a meeting of the board of directors of the Farmers Trust and Savings Bank of Williamsburg, last month, R. A. Elwood was named a director to fill the vacancy on the board caused by the death of John Haack.

Other directors of the bank are W. F. Harris, president; O. E. Jones, cashier; O. G. Jones and George Maas.

County Bankers Meet

The Clayton County Bankers Association met in Edgewood recently and were entertained at a banquet in the K. P. hall. Fifty attended and enjoyed the three-course dinner. A group of school children put on an entertainment of music, vocal and instrumental. The speaker of the evening was Attorney Thomas Tracy of Manchester.

Adopt "PAYC" Plan

The Security Trust and Savings Bank of Storm Lake announced last month a new checking account service called the "PAYC" Pay-As-You-Check plan. It is a new service designed for those who desire the convenience of a checking account without maintaining a minimum balance, the only requirement being a deposit sufficient to cover checks written. There are no monthly service fees or activity charges on these accounts.

Goes to California

Dale Schroeder of Rudd, who has been employed at the Rockford First

State Bank since December 26, 1935, and for about two and a half years has been assistant cashier, has resigned to accept a position as teller with the Bank of America in California.

Directors Elected

Stockholders of the Maynard Savings Bank have elected the following directors: John Meyer, L. D. Rowley, F. H. Schmidt, E. H. Stewart, A. L. Evans, Otto Schmitt and Gene Creamer. Officers named by the directors were: John Meyer, president; L. D. Rowley, vice president; L. H. Bueneke, cashier; Paul A. Harrison, assistant cashier.

Prominent Man Dies

Harry S. Howard, 85, widely known banker, died in Oskaloosa recently after a long illness.

Mr. Howard was named cashier on the old Farmers and Traders Savings Bank here in 1878 and resigned in 1883 to become vice president of the Mahaska County State Bank. He was made president in 1927, an office which he held until he resigned in 1932.

Honor Retiring Officer

W. E. Terry, assistant cashier of the First National Bank of Denison, was honored recently when the officials and employees of the bank gave a dinner in the private dining room of the Hotel Denison. Mr. Terry retired recently after 26 years of continuous service in the bank.

Floyd E. Page, in presenting Mr. Terry with an easy chair, spoke of Mr. Terry's faithful service to the bank and the bank's customers, told how week in and week out Mr. Terry was always to be found at his desk, ever tempered in his usual disposition and courteous manner, and wished for him continued health and comfort.

Correction

E. E. Wiemer, cashier of the Citizens National Bank, Boone, feels that in justice to a few other banks in the United States that are selling defense bonds, correction should be made of a statement regarding such sales made by his institution, appearing in the November issue of THE NORTHWESTERN BANKER. We said there that the

Citizens National Bank "has sold three times as many defense bonds as any other bank in the country." Mr. Wiemer made the statement that his bank sales of defense bonds were "three times as large as the average bank of our size in the country." Writing us about the above, Mr. Wiemer says "Our bond sales continue to be satisfactory."

Jeffries Named Director

M. F. Jeffries, well-known Fort Dodge business man, has been ap-

pointed a director of the Fort Dodge National Bank to succeed H. O. Baldwin, it was announced recently.

Mr. Jeffries operates the grocery bearing his name, and has been active in many civic and community efforts.

Other members of the bank's board of directors are Frank C. Moeller, Mayor W. E. Cadwell, L. L. Pfaff, B. J. Price, George Schnurr and E. H. Zuerer.

Mr. Moeller is president of the institution; Mr. Schnurr, vice president; Mr. Zueller, cashier, and W. H. Weiss, assistant cashier.



CLOSE TO BOTH

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Northwestern Banker December 1941

Christmas Display in Clinton



Pictured above is one of the most unique Christmas lighting displays in the middle west which is to be seen each Christmas at the residence of **Mr. and Mrs. Frank J. Iten** at Clinton, Iowa.

The beauty of this display can only be appreciated through seeing it. It requires the labor of many electricians and carpenters just to prepare it, and thousands of electric light bulbs are necessary to maintain it.

The display is in effect from December 21 through January 1, and is viewed each year by thousands of people throughout the middle west. So far as is known, there is no other display like it in the United States.

The display carries out the true spirit of Christmas, including the birth of Christ, the Era of Christianity, and our annual reverence toward the Savior. It is arranged in sequence, beginning with the star in the East, and the various color schemes and the animated moving displays combined with Christmas carols from the home blend into the grand finale.

The city of Clinton joins with Mr. and Mrs. Iten again this year, extending to all an invitation to visit Clinton and see this impressive display.



Help the Defense Program
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1941 CHRISTMAS GIFTS
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IT is important this year, more than ever before, to receive full value for Christmas "gift dollars." Purchase gifts possessing genuine usefulness in home or office. See your "U.S." representative or write for free copy of our gift suggestion booklet!

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OMAHA, NEBRASKA

Holst Heads Association

N. C. Holst, president of Onslow Savings Bank, was elected president of the Jones County Bankers Association at a recent dinner meeting held at Anamosa. He succeeds Charles M. Luett of Monticello.

Other officers elected include: L. B. Madson, cashier of Citizens State Bank of Wyoming, vice president; Melvin Ingwersen, assistant cashier of Onslow Savings Bank, treasurer, and Leonard J. Wegman, vice president of Citizens Savings Bank of Anamosa, secretary. Farmers Savings Bank of Martelle was host to the association at the meeting.

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Insurance Corp.*

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Winfield W. Scott, *Vice President*
J. R. Astley, *Cashier*
Edward P. Kautzky, *Assistant Vice President*
Frank M. Thompson, *Assistant Cashier*



Northwestern Banker December 1941

Buys Bond Issue

The Emmet County State Bank of Estherville recently bought a \$28,000 bond issue to be used in financing a new airport at Estherville. The bank, one of 11 bidders, offered 1 per cent plus \$25 premium. The bonds mature in 10 years.

Fifty Years Old

Early last month the Schaller Savings Bank celebrated the fiftieth anniversary of the organization of the institution. For fifty years the bank served the city of Schaller and surrounding community, without change of name or reorganization. The length of service and positions of those on the bank staff are as follows: C. W. Brimhall, president; G. F. Chandler, vice president; Otis Hudson, cashier;

Wm. J. Carey, assistant cashier, their years of continuous service with the bank: 39, 39, 28 and 23, respectively.

Longest in continuous service was Chas. W. Brimhall—43 years—who died September 11th, this year.

Quarterly Increase

H. Donald Campbell, president of The Chase National Bank, has announced that the bank has adopted a plan for the payment of supplemental compensation for the quarter-year commencing October 1, 1941, to all officers and employees of the Bank in the continental United States receiving an annual salary of \$6,000 or less, for the purpose of assisting them in meeting the increased living costs.

This supplemental payment is to be computed at the rate of 6 per cent on the first \$1,000 of annual salary and

4 per cent on the next \$1,200, which will mean that for the quarter-year the additional payment will be at the rate of 6 per cent on the first \$450 of salary for the quarter and 4 per cent on the next \$300, and will be payable immediately after the expiration of the quarter.

This arrangement is not a continuing commitment, but the situation will be reviewed from time to time.

On A. B. A. Committee

John C. Wright, vice president and cashier of the American National Bank and Trust Company of Chicago, has been appointed a member of the Economic Policy Commission of the American Bankers Association for a three year term. The Economic Policy Commission is one of the senior commit-



JOHN C. WRIGHT

tees of the Association and serves in an advisory capacity to the bankers' group in matters of economic and monetary policy. W. Randolph Burgess, vice chairman of the board, National City Bank of New York, is chairman of the commission.

Investment Banker Dies

Frank Filip, 66, active in Cedar Rapids banking and fraternal circles for two decades, died recently after a heart attack at his home in Cedar Rapids.

Once a bank messenger boy, he rose to the position of cashier of the Security Savings Bank and later became a vice president of the Cedar Rapids National Bank. At his death, he was head of the Frank Filip and Company investment firm.

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Counsel on Bank Public Relations

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Des Moines, Iowa

A. B. A. at Detroit

The 1942 convention of the American Bankers Association will be held at Detroit, Michigan, it is announced by Henry W. Koenke, president of the Association, who is president of the Security Bank at Ponca City, Oklahoma. The dates are September 27 to October 1.

Christmas Savings

The First National Bank in St. Louis will mail checks totaling \$510,571.00 to 10,719 members of its Christmas Savings Club this year. This is again the largest club in the history of the bank, with 11 per cent more members and 16 per cent more deposits than in 1940.

Bank Orchestra

The bank orchestra of The First National Bank of Chicago celebrated its tenth anniversary on November 19 with a concert on the main floor of the bank.

During the decade the orchestra has given 275 concerts, with an aggregate attendance estimated at more than a quarter of a million people. When organized, the orchestra hardly merited the name, since it was composed largely of harmonicas, banjos, guitars, and percussion instruments. Its development has been gradual, until the present instrumentation is that of a balanced orchestra with a full complement of strings, woodwinds, and brasses, and numbers forty men.

During its career the orchestra has played for churches, hospitals, veterans' and civic organizations, and for schools. It has never played for a dance nor upon any occasion when professional musicians would have been employed. The orchestra has never received a fee or other compensation for its performances, nor do any of the musicians receive compensation for their services as such. All are regular employees of the bank.

Among the repeat performances are six at the Edward Hines Memorial Hospital, five at the annual Christmas party for orphans, arranged by The Church Club of Chicago, five at the North Chicago Veterans' Hospital, four at the Elgin State Hospital, and four at the Century of Progress. The orchestra has also played twice at the Northwestern University and the University of Chicago. Most of the other concerts have been for schools and churches.

Chauncey M. Weaver has been manager of the organization since its in-

ception and the director during most of the period. John Altenburg is now director, and Jack Wegener is commentator.

Defense Poster

A twenty-four sheet poster in colors for outdoor displays for the use of banks and other financial institutions in connection with their sale of United States Defense Savings Bonds and Stamps, is available for distribution, according to announcement by L. W. Trester, who has charge of the Outdoor Display Section of the Defense Savings Staff, Treasury Department.

This merchandising effort aims at further and continued coordination on the part of the financial institutions and the Treasury Department in the sale of Defense Savings Bonds and Stamps, and comes as a result of the expressed desire of the financial institutions to dovetail their advertising campaigns with Treasury Department objectives.

Miniatures of the posters, in colors, have been sent to approximately 12,000 banks, savings and loan associations, insurance companies and other

financial institutions announcing the availability of the posters and describing the procedure by which they may be obtained.

Mr. Trester, who is donating his services, is assistant to the president of the General Outdoor Advertising Company, Inc. The design of the poster was provided by the Mass Marketing Institute, of Chicago.

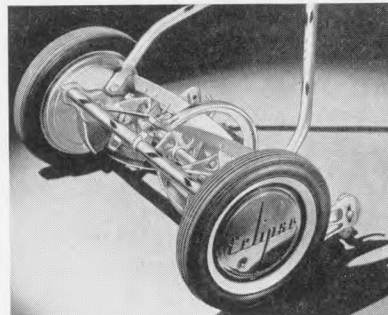
Drop in Consumer Credit

Preliminary statistics showing a drop of at least 25 per cent in consumer credit loans by banks for instalment financing of durable goods indicate that no further contraction in terms for these loans should be ordered by the Federal Reserve Board under Regulation W at this time, it was asserted recently by Walter B. French, deputy manager of the American Bankers Association, in an address before a state-wide consumer credit conference held by Ohio banks.

Figures submitted by 200 banks in all parts of the country to the A. B. A.'s Consumer Credit Department, Mr. French declared, "indicate that the reduction for the month of September

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THEY BANK WITH



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compared with the previous September last year is substantial—about 25

per cent of the total volume, and more, for instalment financing of durable goods.

"These figures may be inadequate, but all the indices we have available point to a substantial reduction—enough so that no further contraction should be made in terms permitted under Regulation W until sufficient time has elapsed to gauge accurately how far present regulations have affected volume," he asserted.

"While it is recognized that in times of national emergency many sacrifices are necessary for the common good, we believe it is important that no regulations be issued that would work an undue hardship on either lender or borrower. Instalment lending is now a definite part of our economy and hundreds of thousands of consumers have become accustomed to using some form of consumer credit periodically to supply their needs in goods and services.

"Too great a contraction at any time would operate primarily against those of small income," Mr. French asserted. "The regulations issued thus far by the Federal Reserve Board appear to be fair and should result in no undue hardship to either borrowers or lenders, and yet, in the light of current terms, the regulations do represent definite curtailment.

"Bankers have always recognized the principle that it is more desirable to get out of debt than into it. As a matter of fact, a few short years ago, we were criticized severely for adhering to that principle. It is a gospel we have been preaching to the consumer for years. The banker knows that this philosophy is more important today than ever. It is a definite part of our defense effort. We must keep it in mind every minute of our business day, not only in connection with consumer credit, but also in connection with every loan we make. This is a time of emergency; it is a time of liberal lending for defense needs and conservative lending for all other purposes. However, money must be made available for those who need it.

"An erroneous impression is prevalent in some sections of the country that should be corrected. Many bankers report that the people in their communities are of the opinion that Regulation W eliminates instalment credit; others are hesitant about asking for needed financial relief because they think it is unpatriotic. No one need suffer because of the requirements of Regulation W. Its provisions are now such that the credit

needs of the average consumer can be well taken care of," he declared.

"The most important factor in the defense program is durable goods and the most effective way of saving needed material is to limit production, which is already being done. But the goods that are made available should be offered to consumers on a payment basis that is within the means of the greatest number, not only those in the high income brackets."

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New Enlarged Booklet

A new edition of "Financing the Modern Way," is released by Douglas-Guardian. The former edition had extensive circulation among banks, manufacturers and distributors. It served as a textbook on field warehousing, not only in many banks, but in colleges with commercial courses delving into the practical as well as theoretical aspects of finance. The new issue of "Financing the Modern Way" is larger and more complete, with over 35 illustrations, mostly of field warehouseable inventory of various kinds. Among the subjects covered in the 48-page pocket size book are: List of commodities suitable for field warehousing, what field warehousing is and how it operates, typical illustrations of field warehousing, what bankers and industrialists say of this modern aid to financing, typical example of field warehousing cited in the experience of a packer of canned goods; subsidiary warehousing, a practical example of a field warehousing receipt; court decisions on the validity of field warehousing; uniform warehouse receipts act; legal limits on warehouse loans by states.

FDIC Report

Resources of the 584 insured commercial banks in the state of Iowa totaled \$811,947,000 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 \$738,263,000. Demand deposits of the latest call date amounted to \$501,074,000 and time deposits totaled \$237,189,000.

Loans and discounts of the reporting banks amounted to \$347,710,000, an increase of \$7,129,000 over the June 29, 1940, total.

Direct and guaranteed obligations of the United States government listed by the Iowa banks amounted to \$110,395,000 on June 30, 1941. Other securities totaled \$81,321,000.

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.

Pass the Chili, Billy

She: "What were you doing after the accident?"

He: "Scraping up an acquaintance."

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holiday parties
you're going to!

Second Floor

FRANKEL'S

IN THE DIRECTORS' ROOM

Passed Out

One: "I'd like to buy a brassiere."
Other: "What bust?"
One: "Nuthin', it just wore out."

A Last Report

A farmer near Corning, Kansas, whose son was an applicant for a position under the government, but who had been repeatedly turned down, said:

"Well, it's hard luck, but John has missed that civil-service examination again. It looks like they just won't have him."

"What was the trouble?"

"Well, he was short on spellin' and geography, and missed purty fur in mathematics."

"What is he going to do about it?"

"I dunno. Times is mighty hard, and I reckon he'll have to go back to teachin' school for a livin'."

Toddler's Menu

"How are you feeling today?" asked the doctor.

"Not at all well."

"Humph! Did you take the medicine I prescribed for you?"

"Yes."

"Ah, yes—and the diet? I think I told you to eat only such food as could be easily digested by a three-year-old child. Did you follow my instructions?"

"Yes, doctor. I ate two handfuls of mud, a piece of orange peel, a shoe button, and a couple of cigarette ends!"

We Wonder, Too

"Daddy, may I ask you a question?"

"Yes, son, but it must be a short one."

"If a doctor is doctoring a doctor does the doctor doing the doctoring have to doctor the doctor the way the doctor being doctored wants to be doctored, or does the doctor doctoring the doctor, doctor the doctor the way he usually doctors?"

Irony

"My wife ran off with the butler."

"What a shame that is!"

"I'm satisfied. Furthermore, my house burnt down and I haven't any insurance."

"Too bad."

"I'm satisfied; and to cap everything off business is so bad I'm going bankrupt, but I'm satisfied."

"How is that possible with all your misfortunes?"

"I smoke Chesterfields."



A Diplomat

Two colored men were discussing things in general. One was telling how he'd just got a job as a Pullman porter and that his conductor had told him he must treat the passengers with tact.

"What am dis here tact stuff?" he wanted to know.

"Let me enlighten your intellect, brothah," said the other and wiser darkie. "Once Ah was workin' up at de Waldawf hotel. One day Ah was cleanin' up and happens to open a bathroom door and dere was a lady sittin' in de tub.

"Ah shuts de door quick and Ah says 'Beg yo' pahdon, suh!'"

"Well, dat 'beg yo' pahdon' was jes politeness, but de 'suh'—dat was tact."

Viewpoint

He had taken pains, when he applied for work, to assure the farmer that he never got tired. When his new employer went to the field where he had put the man at work, he found him lolling on his back under a tree.

"What does this mean?" asked the farmer. "I thought you were a man who never got tired?"

"I don't," said the hired man, calmly. "This doesn't tire me."

Literally True

Gentleman (to friend with gout): "Your pain might be worse. You should bear it with Christian resignation."

Friend: "I can assure you I'm not kicking."

Not So Crazy

Once upon a time two men were crossing a large field. When they were right in the middle of the field, a big bull came charging toward them.

One of the men found a tree and climbed it as rapidly as possible. The other couldn't get to the tree in time, but, seeing a large, sociable-looking hole in the ground, he jumped into it.

The bull pretty nearly got him as he went down, but just missed him and jumped over the hole. The man came up again like a jack-in-the-box, the bull gave a snort and a jump at

him. Down went the man and over went the bull, up came the man and back came the bull, till the man up in the tree got excited and called down: "You crazy fool, why don't you stay in that hole? You'll get that bull so mad he'll keep us here all summer."

"Crazy fool yourself," yelled the man below, "there's a bear in that hole!"

They All Were

A minister preached a sermon on the duty of wives.

"There is, alas, a woman in this congregation who is often guilty of disobedience to her husband. To make an example of her, I will fling my book at her head."

He lifted up his book and instantly every married woman ducked.

Blastic Surgery

She: "Do you think that plastic surgery would improve my features?"

He: "No."

She: "Then what do you suggest?"

He: "Blasting."

Hard to Please

A farmer had a son at college. At the end of the first year the son came home in high feather. He stood second in his class.

"Second?" said the father. "Second! Why didn't you stand first? What do you go to college for?"

The young man returned for his second year, determined to win first place. At the end of the year he returned home and announced his success.

The father looked at him for a few minutes in silence, then shrugged his shoulders, and said: "At the head of the class, eh? Well, it can't be much of a college, after all."

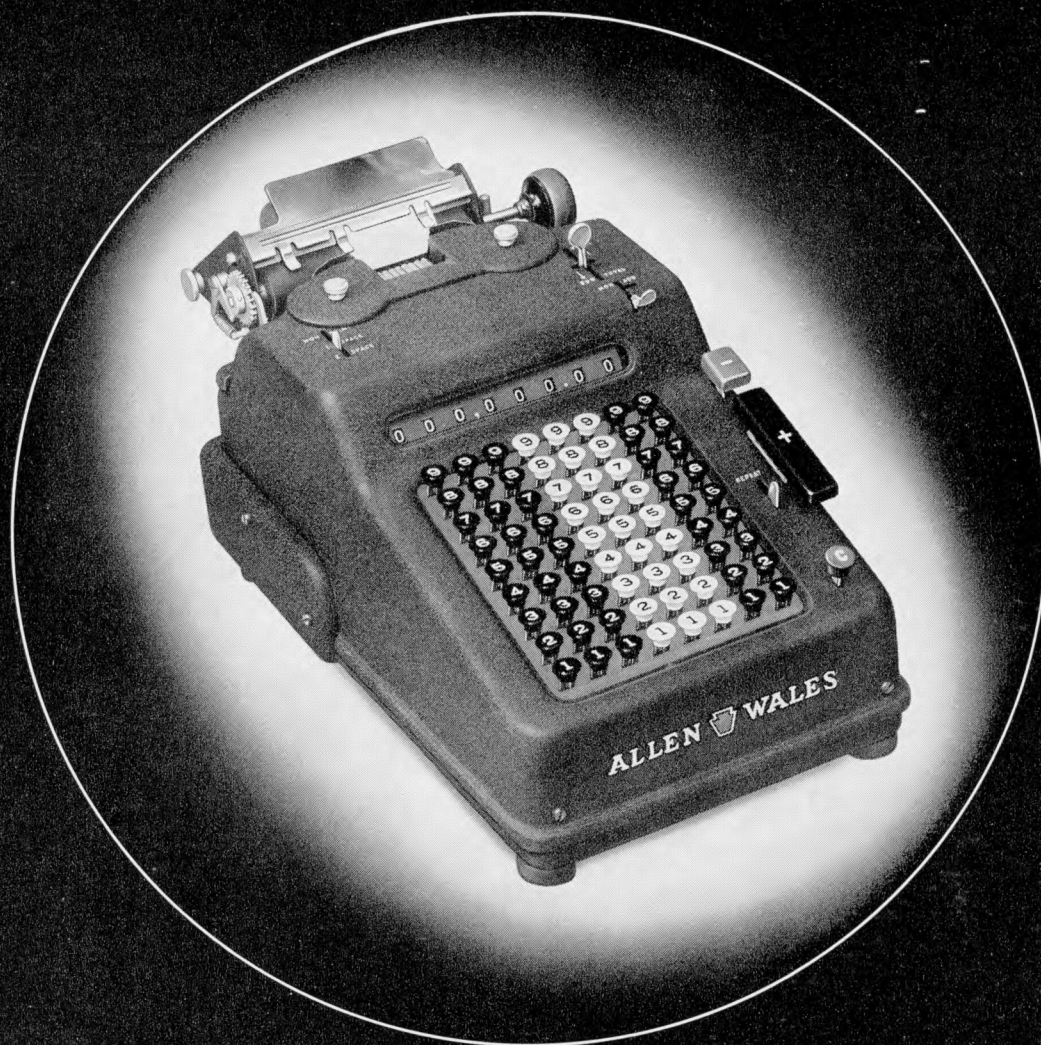
The Test

An American film producer was selecting a chief for his scenario staff. The producer insisted that the successful applicant must be a college graduate. He looked with favor upon one applicant, and asked if he had had a college education. The answer was in the affirmative.

"Show me your diploma," demanded the producer.

The applicant tried to explain that it was not customary for college graduates to carry diplomas around with them.

"Well, then," demanded the producer, "say me a big word."



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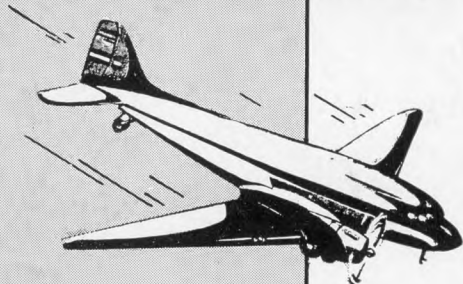
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