

# NORTHWESTERN *Banker*

MARCH  
1942



19,000 Pennies for Defense Bonds  
See page 28



## THE TREND OF BANK LOANS

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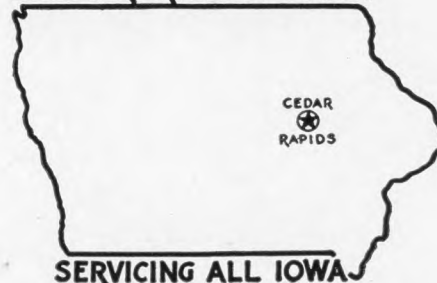


## UNITED STATES

We, the banks of the Great Mid-West, have a continuing responsibility. We have gone forward constantly in the straight path of safe, conservative banking, aiding production from farm and factory. As a result, we have never been in better position to aid our National Government.

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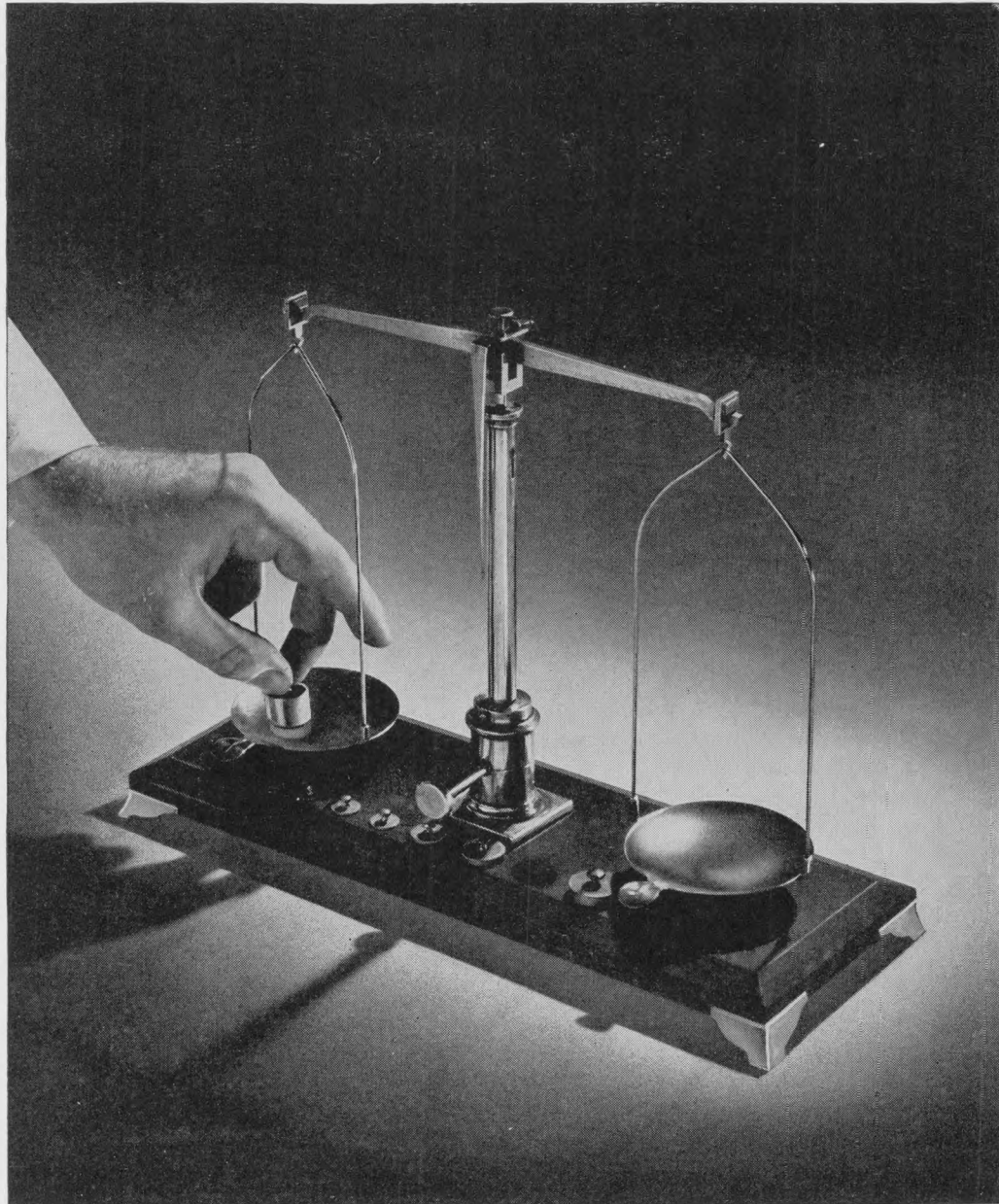
**Cedar Rapids Iowa**

Member Federal Deposit Insurance Corporation



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# AN OUNCE OF PREVENTION

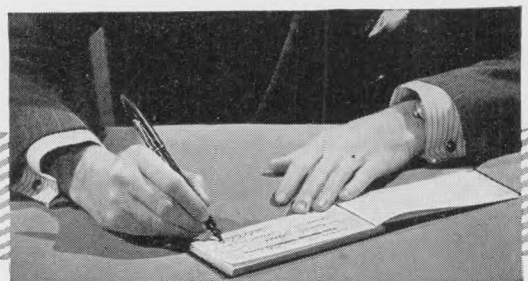


The oft-quoted phrase, "An ounce of prevention," puts emphasis on the incalculable value of precaution. And the phrase has never lost its meaning. In everyday business its practicality applies in a thousand ways. Use of La Monte Safety Papers is a striking example, for they offer the "ounce of prevention" that protects against forgery or alteration of checks and other negotiable documents. No estimate

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# A WAR MESSAGE to ALL EMPLOYERS

★ From the United States Treasury Department ★

WINNING THIS WAR is going to take the mightiest effort America has ever made—in men, in materials, and in money! Every dollar, every dime that is not urgently needed for the civilian necessities of food, clothing, and shelter, must, if we are to secure final Victory, be put into the war effort.

An important part of the billions required to produce the planes, tanks, ships, and guns our Army and Navy need must come from the sale of Defense Bonds. Only by regular, week by week, pay-day by pay-day investment of the American people can this be done.

This is the American way to win. This is the way to preserve our democratic way of life.

Facing these facts, your Government needs, urgently, your cooperation with your employees in *immediately* enrolling them in a

## PAY-ROLL SAVINGS PLAN

The Pay-Roll Savings Plan is simple and efficient. It provides, simply, for regular purchases by your employees of United States Defense Bonds through systematic—yet voluntary—pay-roll allotments. All you do is hold the total funds collected from these pay-roll allotments in a separate account and deliver a Defense Bond to the employee each time his allotments accumulate to an amount sufficient to purchase a Bond.

The Pay-Roll Savings Plan has the approval of the American Federation of Labor, the Congress for Industrial Organization, and the Railroad Brotherhoods. It is now in effect in several thousand companies varying in number of employees from 3 to over 10,000.

In sending the coupon below, you are under no obligation, other than your own interest in the future of your country, to install the Plan after you have given it your

consideration. You will receive—1, a booklet describing how the Plan works; 2, samples of free literature furnished to companies installing the Plan; 3, a sample employee Pay-Roll Savings authorization card; and 4, the name of your State Defense Bond administrator who can supply experienced aid in setting up the Plan.

**To get full facts, send the coupon below—today! Or write, Treasury Department, Section B, 709 Twelfth St., NW., Washington, D. C.**

## HOW THE PAY-ROLL SAVINGS PLAN HELPS YOUR COUNTRY

- 1** It provides immediate cash now to produce the finest, deadliest fighting equipment an Army and Navy ever needed to win.
- 2** It gives every American wage earner the opportunity for financial participation in National Defense.
- 3** By storing up wages, it will reduce the current demand for consumer goods while they are scarce, thus retarding inflation.
- 4** It reduces the percentage of Defense financing that must be placed with banks, thus putting our emergency financing on a sounder basis.
- 5** It builds a reserve buying power for the post-war purchase of civilian goods to keep our factories running after the war.
- 6** It helps your employees provide for their future.

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NUMBER OF EMPLOYEES . . . . .



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**U. S. Defense BONDS ★ STAMPS**

This space is a contribution to NATIONAL DEFENSE by NORTHWESTERN BANKER

Northwestern Banker March 1942

GPO 16-25943-1 Form No. DSS-BP-2



# THE HOME INSURANCE COMPANY

## NEW YORK



STATEMENT • DECEMBER 31, 1941

### Admitted Assets

Cash in Banks and Trust Companies . . . . .	\$ 24,287,805.05
Bonds and Stocks . . . . .	85,493,204.48
First Mortgage Loans . . . . .	365,492.00
Real Estate . . . . .	3,841,678.13
Premiums uncollected, less than 90 days due . . . . .	8,257,964.53
Reinsurance Recoverable on Paid Losses . . . . .	1,512,109.67
Other Admitted Assets . . . . .	218,518.25
	<u>\$123,976,772.11</u>

### Liabilities

Capital Stock . . . . .	\$15,000,000.00
Reserve for Unearned Premiums . . . . .	59,351,273.00
Reserve for Losses . . . . .	9,658,743.00
Reserve for Taxes . . . . .	2,350,000.00
Reserve for Miscellaneous Accounts . . . . .	667,419.82
Funds Held under Reinsurance Treaties . . . . .	127,883.25
Reserve to Adjust Security Valuations . . . . .	531,600.00*
NET SURPLUS . . . . .	<u>36,289,853.04</u>
	<u>\$123,976,772.11</u>

\*Represents the difference between total values carried in Assets for all Bonds and Stocks owned on basis prescribed by National Association of Insurance Commissioners and total values based on December 31, 1941 actual market quotations.

Securities carried at \$3,126,823.00 and cash \$50,000.00 in the above Statement are deposited as required by law.

### Directors

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**“You Cover All of the News of Importance  
in the Entire Northwest Area”**

This is how *valuable* and *time-saving* the executive officer of a Chicago bank considers the

**NORTHWESTERN BANKER**

“Mr. Clifford De Puy, Publisher  
The Northwestern Banker  
Des Moines, Iowa

Dear Cliff:

“I just received all of the recent issues of the various bank publications and decided to review them. I started with one other publication and then I read the *Northwestern Banker*. After reading this month’s issue, I concluded it wasn’t necessary to look over any of the others, because *you covered all of the news of importance throughout this entire northwest area*. You have, therefore, saved me a lot of time.

“We have always appreciated the interest that your publication has evidenced toward our bank and its officers.

“With cordial regards, I am

Sincerely yours,  
Executive Officer  
of a Chicago Bank

---

*This is only one of MANY LETTERS received each month from NORTHWESTERN BANKER advertisers and subscribers who appreciate the fine editorial and news service of the “Oldest Financial Publication West Of The Mississippi River.”*

MARCH  
1942

# NORTHWESTERN *Banker* DES MOINES

FORTY-SEVENTH YEAR

NUMBER 656

Oldest Financial Journal West of the Mississippi River

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#### CONVENTION CALENDAR

Central States Conference—Chicago,  
March 16-17, Palmer House  
ABA Executive Council Spring Meeting—The Homestead, Hot Springs,  
Virginia, April 19-22.  
Association Reserve City Bankers—  
White Sulpher Springs, April 25  
Mid-Continent Conference, Bank Audi-  
tors—Kansas City, May 21-23  
American Institute of Banking—New  
Orleans, June 8-12.  
Financial Advertisers Association—  
Chicago, October 19-21  
ABA Annual Convention—Book-Cadil-  
lac Hotel, Detroit, September 22-Oc-  
tober 1.

#### STATE MEETINGS

Missouri Annual Convention—Joplin,  
May 11-13  
Indiana Annual Convention—Indian-  
apolis, May 13-14  
Illinois Annual Convention—St. Louis,  
May 20-22.  
South Dakota Annual Convention—  
Cataract Hotel, Sioux Falls, June  
3-5.  
Wisconsin Annual Convention—Mil-  
waukee, June 16-18  
Montana Annual Convention—Yellow-  
stone National Park, June 18-20  
North Dakota Annual Convention—  
Dickinson, June 12-13  
Iowa Annual Convention—Des Moines,  
September 6-9

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## Across the Desk From the Publisher

### Chartered Banking Needs to Build Strong Foundation Now

If chartered banking is to survive the post-war period it needs to be built on a very strong foundation **Now**. This idea was emphasized before the Georgia Bankers convention recently by Robert M. Hanes, president of the Wachovia Bank and Trust Company of Winston-Salem, North Carolina.

Mr. Hanes said that economic planners and New Dealers are having a field day with all of their rules, regulations and bureaus which they are now establishing, but the question is, how many of these rules and regulations and how many of these centralized bureaus will be released when the war is over.

That will depend to a certain extent on just how chartered banking comes through the war period and how it is able to take care of the situation when the war is over.

As Mr. Hanes puts it:

**"It will be a great tragedy for the American system of chartered banking if we fail at this time to build up a great reserve of banking strength and stability undergirded by broad public understanding, approval and support. We shall be in great need of these factors in the post-war period. The exigencies of war are providing the excuse for unprecedented controls, regulation, bureaucracy, centralization of power and federalization of government. The economic planners are having a field day! It remains to be seen to what extent these controls and this centralization will be eliminated when the war is over. Few of the emergency powers granted in the early**

**'30s have been repealed. The cries for Government banking have been quieted temporarily, but when the post-war economic storm begins to blow, these voices will rise again in all their raucous clamor. Then chartered banking will need a strong foundation of soundness and public confidence. If we fail to build that kind of foundation now, it will then be too late!"**

So now the question of soundness and public confidence and good will are assets which every banker must help to build in order that the foundation of chartered banking may be strong enough to withstand whatever storms may arise when the war is over.

### A Printing Press In the Treasury

In the War Powers Bill now before Congress there is a provision for purchases of United States securities direct from the Treasury by the Federal Reserve Open Market Committee.

The A. B. A. has already given its approval to this part of the bill, but there are many bankers who are opposing it.

Recently, Orval W. Adams, former president of the American Bankers Association, and executive vice president of the Utah State National Bank of Salt Lake City, said:

**"In my opinion, no more dangerously inflationary proposal could have been made, no greater threat to the savings and earning power of the people have been offered.**

**"The proposal should have been labeled 'An Act to Set Up a Printing Press in the Treasury.'"**



At the present time the Federal Reserve Open Market Committee bids for government securities in the open market with everyone else, but if this proposal goes through, this feature would be eliminated and the Treasury would sell its securities **direct to the Federal Reserve Banks** without this stabilizing influence.

As Mr. Adams points out, this would be the same as establishing a "printing press in the Treasury," and that would be unsound and unwise..

### Let's Fight For Freedom Not Profits

If the United States is to do its part and help win the war it must fight for freedom and not for profits.

This principle applies to business men—it applies to farmers—it applies to laboring men.

In a recent address before the New York state bankers conference Marriner S. Eccles, chairman of the Federal Reserve board, emphasized this point when he said,

**"If this war is going to be fought on the basis of what we are going to get out of it instead of what we are going to put into it, we are going to lose.**

**"Business men who have most at stake must do the most. They must not expect to pass on the burden to some one else who is less able to bear it and who has far less to lose than we have."**

While it is true, as Mr. Eccles points out, that the business men have the most at stake and must do the most, this likewise applies to union labor which should also do its part.

In a recent house naval committee report they pointed out that net assets of 117 unions now amount to \$82,594,000 or an increase of over \$10,679,000 or 14.85 per cent for the 18 months from October 1, 1939 through March 1, 1941.

These funds, like the assets of any corporation, should be subject to the same proportional taxation, and this committee report says—"These vast tax exempt funds reposing in the treasuries of labor organizations, many of which by strikes and work stoppages have delayed and in instances even obstructed the defense program, present a problem which the committee feels should well be considered by the congress."

So whatever the problems of maladjustments or particular situations may be within any group, we say let's fight for freedom and not for profits until this War is won.

If the War is lost, there will be no profits for anyone and if the War is won there will be a chance for profits for all.

### For What Are We Buying Defense Bonds?

With America at war, we are buying defense stamps for just one purpose, to defend

America and to win the war.

Every patriotic American is going to give every dime and every dollar he can to make victory assured and to have it consummated in the shortest possible time.

But does the money which we are paying for defense bonds have to be used to—

1. Pay night club dancers \$4,600 a year to teach children aesthetic dancing. (Now resigned.)
2. Pay Congressmen and Senators pensions. (Now repealed.)
3. Pay 711 full time and 25,000 part time employees of the Agricultural Department publicity bureau to send out news articles costing \$11,000,000.

It's high time that the authorities in Washington cut out the non-essential expenditures, the useless extravagance, the petty politics and get down to the hard realities of winning this war, rather than hiring night club dancers or paying pensions to professional politicians.

C. S. Young, president of the Federal Reserve Bank of Chicago, in a recent statement said:

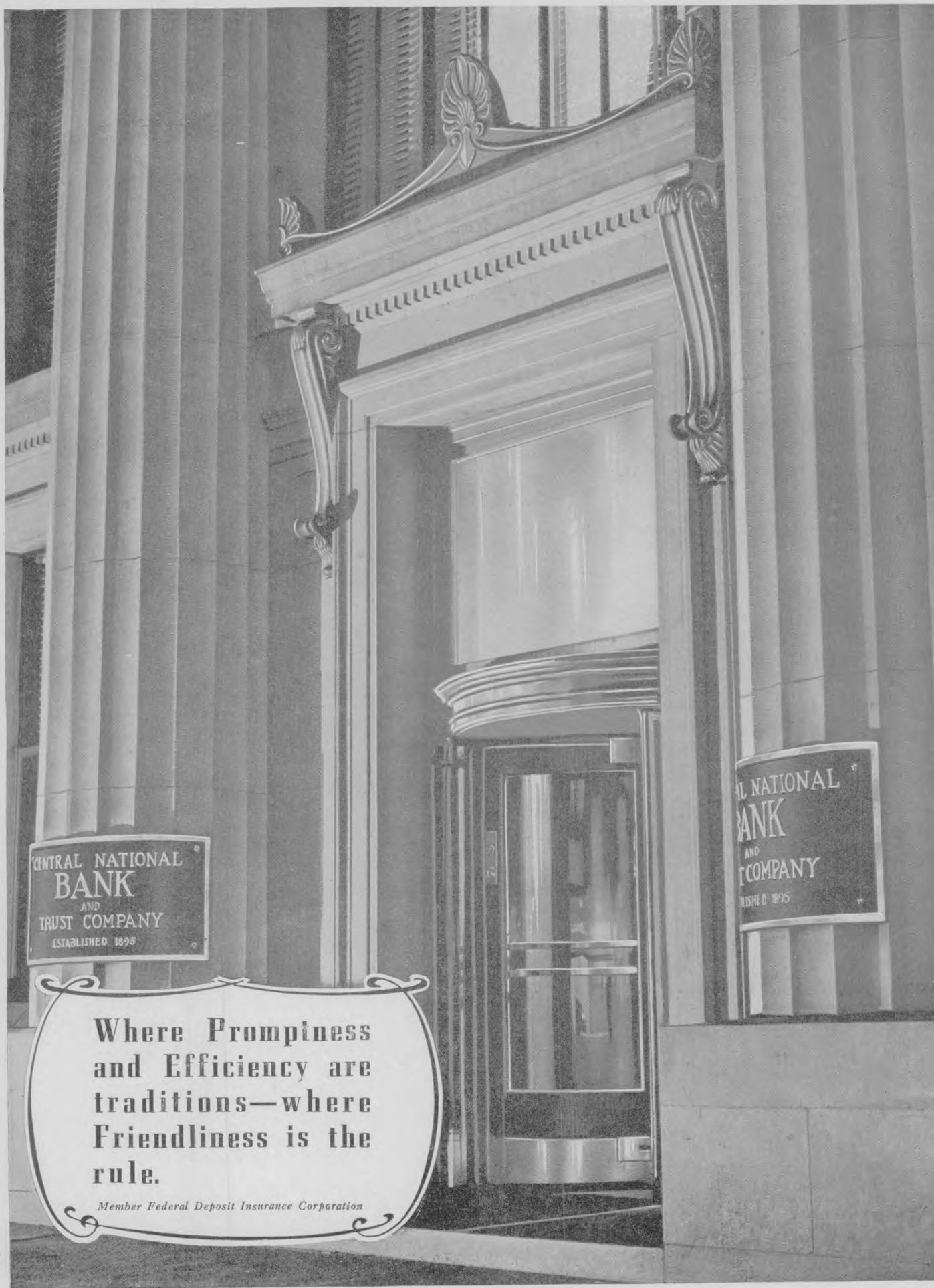
*"Estimated defense expenditures for the fiscal year ended June 30, 1942 are \$23,996 million. In the first seven months of the fiscal year 1942, from July, 1941, through January, 1942, defense expenditures have amounted to \$10,315 million. On this basis, estimated war expenditures for the remaining five months of the fiscal year 1942 are \$13,682 million, or \$2,736 million per month.*

*"Sales of defense savings bonds in February and March may not be so large as in January, because many purchasers of savings bonds in large amounts bought in January the maximum amounts which they are allowed to purchase in any one calendar year.*

*"As war expenditures rise, renewed effort must be made to divert current income, through voluntary payroll savings plans, into the purchase of defense savings bonds.*

If, as President Young points out, the purchase of defense savings bonds must be increased to much higher levels in order to check inflation, then let us have an example set by our own government which will inspire confidence.

*Clifford DePuy*



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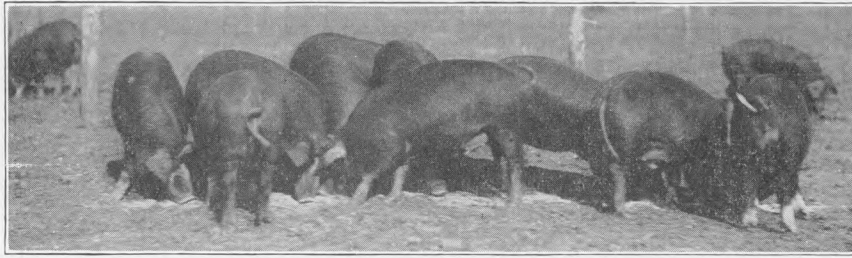
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ESTABLISHED 1895

Where Promptness  
and Efficiency are  
traditions—where  
Friendliness is the  
rule.  
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*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 March 1942*



“Farmers should base their plans on the longer-run outlook—buy nothing, even livestock, only if it can be paid for during the period war prices are likely to be in effect.”

# Things the Farmer Can Do to *Defeat Inflation*

By O. B. Jesness

*Chief Division of Agricultural  
Economics, University of Minnesota*

*Bankers who heard Mr. Jesness make this talk at the recent Minnesota Bankers Conference, stood up and cheered when he finished his remarks.*

controls can be set up to hold inflation in check.

## What the Farmer Can Do

The individual farmer can do little or nothing to prevent inflation, or the subsequent depression from occurring. He can, however, manage his affairs so as to protect himself from some of the consequences of inflation, if one occurs. Perhaps he is a tenant and would like to buy a farm. Perhaps he is an owner who feels that he would be better off by adding to his holdings. Shall he buy land? The answer is yes and no. Yes, if careful calculation of future income from the land at prices likely to prevail when more normal conditions return, will be sufficient to warrant paying the price asked; if he has sufficient down payment so unexpected reverses will not find him out on a limb; if he has the ability to operate the land as an owner. No, if the land is priced on inflated commodity prices; if the land is not worth the price asked; if it will involve him too heavily in debt.

Should he build, or make major improvements, when prices are up? Priorities have answered a substantial part of this in the negative. Repairs necessary to maintain and protect the property always are in order. As far as the home is concerned, the farm home, like the city dwelling, is mainly a form of consumption, and the important question is what one can afford. There is no real satisfaction in building a house for which one finds himself unable to pay. Out buildings are part of the production plant, and the question to be asked in their case

(Turn to page 18, please)

WHAT is there about wars which tends to produce a situation of rising prices generally referred to as inflation? The answer to this becomes clear if we only stop long enough to see what war does to the nation's economy. Modern wars are not hand-to-hand struggles between bands of men who subsist on whatever they can find in the countryside. War has become highly mechanized. For every man in the armed forces there must be several men providing him with tools and equipment of warfare. Factories have to shift from producing goods for the consumer to producing goods for sale to the government. But because the government pays for the materials and labor thus used, the spending power in the hands of consumers is not merely maintained, but actually increased, because of increased activity to provide war needs. Increased buying power appears in the market at the very time supplies of many goods available to the consumer are reduced. If such a situation is left to its own devices, the result is a bidding up of prices, or what we call inflation.

Specifically, what are the farmer's interests in controlling inflation? Being human, a rise in the prices he is paid is not unwelcome. But his costs go up as well, and past experience tells him that some of these costs later on, display considerable reluctance in accompanying farm prices in the downswing, after the spree is over. A rise in prices invites capitalization into higher land values, with the result that a major inflation brings a speculative boom in land. Here again, the upswing produces exhilaration. Un-

fortunately, it also produces something quite undesirable in the form of heavier and heavier farm mortgage indebtedness. Take a look at what the last world war period did to farm debt. In 1910, farmers were carrying a total of some three billion dollars of mortgage debt. The speculative spree of war days brought a peak of 10 billions by 1923. While land values are back around the 1910 level or even below in some cases, the debt at present totals over six billion. No, thank you! Agriculture has no suppressed desire to repeat that experience. The effect on the general property tax supplies another illustration of how a war inflation may saddle farmers with a considerable increase in the expense side, which continues in spite of reduced income. Extreme war prices also may invite unsound expansion of agriculture into areas which will present difficult problems of adjustment in the future, when market demands are off.

What can be done about it? Let us approach the answer to that question from two angles: one, what the farmer can do as an individual; two, what con-

# The Trend of Bank Loans

1. Are They Decreasing or Increasing?
2. What New Sources for Loans Are Bankers Developing?

THE following survey was made by THE NORTHWESTERN BANKER to find out "The Trends of Bank Loans". We asked two questions: 1. Are loans going up or down and why? 2. What new sources of loans are you developing in your community for your bank? We believe that NORTHWESTERN BANKER readers will be interested in the replies found in this article and hope the information will be helpful to them.

**John Carlander, President**  
The State Bank of Faribault,  
Minnesota

"With respect to the trend of our bank loans we find that they have decreased in total a shade more than 3 per cent since January 1st, 1942.

"We were quite alarmed over the amount of liquidation that came in immediately following the close of the past year, but since then we have been able to place a few new loans. From all appearances we will be obliged to look to our farmer customers for new loans and we are about to inaugurate a vigorous newspaper campaign appealing to the farmers and offering our assistance in financing them through the growing season.

"In addition to this we are broadening our personal loan services as most of our contracts will be paid during the current year."

**C. J. Hess, Cashier**  
Carroll County State Bank,  
Carroll, Iowa

"1. Our volume of total loans is steadily decreasing. Consist principally of farmer volume, and at present they seem to have plenty of cash.

"2. Very little new sources of loans, if any, for reason that this is not a war industry location."

**J. V. Webster, Vice President**  
First National Bank,  
Chadron, Nebraska

"Our loans have remained about steady for past five months. Substantial increase up to September 1, 1941 over prior year which was due to fairly good crop season and CCC grain loans. No particularly new source of loans here."

**Oscar A. Otto, Vice President**  
Whitney Loan & Trust Company,  
Atlantic, Iowa

"Regarding your survey on the

trend of "Bank Loans," will state that our loans are remaining about steady.

"We are not developing any new type of outlet for loans at the present time, inasmuch as we feel that we should remain in a very liquid position and be ready to subscribe our limit to the various Government issues as they will be offered to the banks from time to time in the future."

**J. Arthur Cunningham, President**  
First National Bank,  
Williston, North Dakota

"There are no war industries near us, consequently there will be no war loans. Our deposits are holding up, and after the splendid crop last year we expect we will have a hard time throughout the year holding our loans at last year's level, since car, truck, and auto supply loans will not be called for and few tractor sales, etc.

"We expect no gain anywhere along the line, and will be satisfied if we can maintain our 1941 record."

**John N. Thomson, Vice President and Cashier**  
The Bank of Centerville,  
South Dakota

"Our loans were substantially reduced during the past two or three months, mostly from hog proceeds and some from corn sales or loans under the Commodity Credit Corporation loan plan.

"We have not tried to find replacement or new loans, excepting that we have taken all sealed grain Commodity Credit Corporation loans that we could get, so that now a little over 20 per cent of our total loan account consists of such paper.

"We are exceedingly fortunate in having more cattle on feed in our territory than in other vicinities, giving us a constant loan turnover of choice loans, even though the rate is

lower than the normal farm rate, servicing costs are lower, so that the net return is very good."

**W. K. Bramwell, President**  
Hardin County Savings Bank,  
Eldora, Iowa

"Our loans are slightly higher than they were a year ago at this time, but not much. This is occasioned by the fact that it takes more money to handle livestock loans, which is our chief outlet for money, but on the other hand the price of livestock is so good that many of our borrowers have made such a profit in the last few years that they don't use borrowed money to finance their cattle.

"It has always been the policy of this bank to make any sound loans in this community regardless of the type of the security. Real estate, both town and country, all kinds of livestock loans, machinery and equipment loans, automobile and household appliance loans. However, there is nothing new about any of these sources in this institution. We take good care of our community." THE END.

## Salary Deduction Plan

Harvey D. Gibson, president of Manufacturers Trust Company, New York City, announced recently that the entire regular active organization of Manufacturers Trust Company, consisting of all directors, 317 officers and 2,932 staff members, has agreed to participate in the salary savings plan sponsored by the bank for the purchase of Series E defense bonds. Each of the directors has agreed to accept all or part of his director's fees in this manner, and every officer and employe has signed an agreement with the bank directing that some portion of his or her salary be paid in defense bonds.

Northwestern Banker March 1942

# NEWS AND VIEWS

## OF THE BANKING WORLD

By Clifford DePuy

R. M. EVANS, administrator of the R. A. A., has been nominated by President Roosevelt as a member of the Federal Reserve Board to succeed **Chester C. Davis**. Mr. Evans' term as a member of the Board will last until February 1, 1954, or 12 years, and the salary is \$15,000.

Mr. Evans' home is in Laurens, Iowa, he was born 52 years ago at Cedar Rapids, Iowa, and studied civil engineering at Iowa State College, and was foreign representative of the Allied Machinery Company in Australia.

**Charles C. Rieger**, manager of the bond department of Jamieson & Company, Minneapolis, was master of ceremonies at the Tenth Anniversary meeting of the "**Minnesota Schneitzelbank**" last month, and a delightful and as always enjoyable time "was had" by all those who attended.

In the letter of invitation it said in part:

"Lieber Herr Schneitzelbanker:

"Yourself, personally, iss cordially invitationed to our TENTH ANNIVERSARY, vich vill be celebrationd mit pomp, beauty and splendor, bei de Covert Wagon, commencing sharply at one minute after DREE until continuing undil 7:29 PX.

"De main ting, however, is to say—Dot dis Old Vorltd now so troubled, ve must sticken togedder, vile so many young men are away und here is do blace to posolutuley und absitively git your battery re-charged to carry on.

"Die Kommittee,

Herr **Karl Rieger**, Haupt Schneitzler  
Herr **Frederich Schlichting**, Vice  
Haupt Schneitzler

Herr **Yacob Kunz**, Official GKF

Herr **Albert Hechtmann**, Kassen  
Fuehrer"

**W. G. Edens** of the Terminal National Bank of Chicago has had the **Edens Parkway** named after him.

This is because Mr. Edens was the first man in Illinois to get interested in concrete roads and modern highways, according to **George A. Quinlan**, superintendent of highways in Cook county, Illinois.

In a recent letter to the NORTHWESTERN BANKER from Colonel Edens, he said:

"In New Orleans on my 78th birth-

day, **Rudolph Hecht**, **Fred Ellsworth**, **Bruce Baird**, all former Chicago bankers, and **Dale Graham**, former St. Louis banker, headed a group of other New Orleans bankers in giving a luncheon for me at the St. Charles Hotel. That evening my Brotherhood friends gave a dinner for me in the old French quarters. Their cake was nearly as big as a dinky railroad caboose and bore all the 78 candles. **Harry Wilkinson**, 83 years old, for the first time in many years, stayed downtown for the mid-winter dinner of the Illinois Bankers Association where we were seat mates."

In the annual report of the **Chrysler Corporation** it is interesting to note that the amount of taxes paid the government per share amounted to \$6.17 more than the dividends per share. The figures are as follows:

Taxes per share	\$15.39
Dividends per share	9.22
<b>Increase in taxes per share</b>	<b>\$ 6.17</b>

The total dividends paid amounted to \$40,000,000 in round numbers, and the total taxes paid the government were over \$66,000,000.

With more and more effort being put on our production of planes, and with a greater need for a superior air force than ever, it is interesting to remember that the Nazis have some **1,250,000 men in the "Luftwaffe"**. The R. A. F. includes a million. The United States Army announced that its goal was an air force of **2,000,000, the biggest in the world**. Half that number, the army hoped, would be mustered during 1942. The Japs, in pre-Pearl Harbor estimates, had 5,500 pilots.

With a 2,000,000-man air force, the Army will have ground crews for its share of the 185,000 new planes U. S. factories expect to make by the end of 1943, plus 150,000 new pilots.

**Guy W. Cooke**, assistant cashier of the First National Bank in Chicago, has been doing a fine job in helping to advertise and sell defense bonds for his bank.

Since June of last year, the First National Bank of Chicago has promoted the sale of Defense Savings Bonds by a complete showing of 24-

sheet posters on the boards of the city, with very satisfactory results. Recently the Chicago post office was furnished three of the posters for display—one at each end of the block-long lobby in the new post office, and one in the old building, still in use as an annex. Since regulations would not permit the advertising of any bank in the post office, the General Outdoor Advertising Company altered the posters, eliminating the bank's name by inserting the line, "Help Win the War", and adding the postmaster's name, **Ernest J. Kruetgen**.

**Paul L. Hardesty**, assistant manager of the Insurance Department of the Chamber of Commerce of the United States, in a recent letter to us said, "You have a fine editorial page in the NORTHWESTERN BANKER and the subject matter you sponsor over your name is much to the point. Strange rumblings are heard these days of things that are contemplated and being planned for the days to come. It may be that these are all right and what should be, but our Country's business needs more unity of thought and alertness to be sure that we are not led astray."

**Andrew Price**, president of the National Bank of Commerce in Seattle has been receiving the congratulations of many of his friends and customers since the bank has completed the extensive enlargement modernization of its main office building.

The building is five stories in height and all four of the floors are devoted to business of the bank, except the fifth floor which is occupied by the Seattle offices of the Federal Reserve Bank of San Francisco.

The National Bank of Commerce of Seattle was established 52 years ago and now has resources in excess of \$135,000,000.

**Fred D. Cummings** of the Drovers National Bank in Chicago, and well known to bankers throughout the middle west, has enlisted in the Navy and is already preparing to "jab the Japs" and help to exterminate any other of Hitlers henchmen.

Fred's many friends will certainly wish him all the luck in the world and a safe return. Incidentally, Fred is a nephew of **William C. Cummings**, president of the Drovers National Bank.

It is estimated that **1,000,000 loans will be made before March 15th** for people who have to borrow to pay income taxes.

Of the 10,800,000 who paid federal income taxes last year, nearly **700,000 borrowed money to do it**. This, of (Turn to page 63, please)

Northwestern Banker March 1942

# How We Use Our Bank Advertising to Help Our Customers *Save and Succeed*

By E. W. Rossiter

President, Bank of Hartington, Hartington, Nebraska

One of the most interesting and original bank advertisers in the country is E. W. Rossiter, president of the Bank of Hartington, Nebraska, and the author of this article. He uses his bank advertising to tell a real up-to-date story which he thinks will be helpful to his customers, his community, and his bank. That he has succeeded in all three endeavors is proven by the fact that, while he lives in a community of only 1,800 population, his bank has a capital stock of \$25,000.00, has Surplus and Undivided Profits of \$30,000.00, and Deposits of over \$711,000.00. We asked Mr. Rossiter to write this article for the NORTHWESTERN BANKER, believing that it would be a real inspiration to our readers and give them some new advertising ideas which they also could use in their own localities.—*Editor's Note.*

IT HAS been our practice to prepare our own ads and letters and tie them in with the things that are happening. Now and then, (when we get lazy) we use some mats from a firm who do a pretty good job, too.

An ad, "You Can Read the Handwriting on the Wall," was used in September 1941. The week it came out, we left for Chicago and the A. B. A. convention. We continued east on our trip and returned some two weeks later. In the meantime, a news item had gotten into the daily press and we were astonished to find a stack of letters on our desk commenting on the ad and asking for reprints. Frankly, we hadn't realized we had said anything that would interest any one outside our own community. But, on second thought, and from the letters which came to us, we realized that people all over the nation were thinking the same thoughts.

In a part of this advertisement we said:

"Make no mistake about it, you can now read the handwriting on the wall, so we say **GET OUT OF DEBT.**"

"Now, there is only one way to keep our community safe from disaster. That is to face the facts. Nearly every one must use some credit. But, use it **WISELY.** Be cautious in making debt. Be certain you can repay what you borrow within a comparatively short period of months. **DO NOT SPECULATE.** Speculation leads to trouble, oftentimes, ruin.

"Helping our customers to get their affairs on a safe basis—**TO PUT THEIR HOUSE IN ORDER**' before

## W A R

Not in 1942  
Not next Thanksgiving.  
WAR IS HERE TODAY—NOW!!!

The Japs played a dirty trick.  
They sneaked up on us—  
Caught us with our—  
Caught us by surprise.

Well—  
What did our Admirals and Generals  
Expect from the Japs?  
Did they figure Emperor Hirohito  
Should have whispered  
In their respective official ears  
Last Saturday night—  
"We are going to make  
A surprise attack Sunday morning  
While you're still in bed  
And nobody on watch."

No, that isn't the way  
War comes.  
And it isn't the way  
The next depression will come.

Will you be caught by surprise—  
Then?  
Will you have "put your house  
In order?"  
Will you have paid  
Your debts?  
Will you be ready for  
Whatever happens?

Or, will you get caught  
By surprise—  
And use the Japs  
As an alibi?  
Or the government?  
Or the banker?

## Bank of Hartington

Hartington, Nebraska  
E. W. ROSSITER, President

The above advertisement of the Bank of Hartington appeared in the local newspaper the week following the attack on Pearl Harbor.

the crash comes—is foremost in our plans.

"In that connection, we are going to expect the utmost cooperation on the part of borrowers to make the most of their opportunity to 'GET OUT OF DEBT' in the next few months. The customer who can not 'READ THE HAND WRITING ON THE WALL' and recognize the wisdom of this advice isn't a customer any bank can serve safely in these times."

We have two good weekly newspapers. We use both of them. Sometimes, we think too few banks give their newspapers the patronage they should. While we are the only bank in our town—county seat—1,800 population—we think our advertising expenditure is the best money we spend.

The week of the attack on Pearl Harbor, we published the advertisement entitled "War" and which is reproduced with this article.

In presenting our statement at the end of the year, we also made this comment in our local newspaper ads:

"Our bank is here to serve. But, we urge you to be cautious about making debt. **GETTING INTO DEBT IS EASY. THE BIG 'TRICK' IS TO GET OUT—**once you get in. Our experience equips us to help you. However, we can do a much better job for you if you will advise with us before you go in. In any event, in these times, be very sure you can repay what you borrow in a comparatively few months. **THE ONLY THING 'CERTAIN' ABOUT THE FUTURE IS THE 'UNCERTAINTY' OF EVERYTHING.**

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# Can the Drawee Bank *Recover*

## From Collecting Bank on Forged Check?

**A**N EMPLOYEE of a hardware concern in North Dakota presented a negotiable instrument to a bank in that state. The instrument was payable to the hardware concern and the employe sought to endorse it on behalf of his employer and obtain certain funds thereon. Was the simple fact that the instrument was in the possession of the employe sufficient justification for the bank to treat with the employe as though he was authorized to endorse it?

**No. The mere possession of a negotiable instrument by an employe of the payee gives rise to no presumption that the employe is authorized to endorse it on behalf of the payee.**

Maxwell forged the payee's name to a check in North Dakota and cashed it at a bank there. The bank collected on the check from the bank on which it was drawn. Neither bank knew of the forgery and their actions regarding it were all in the usual course of business. Shortly thereafter the forgery was discovered and the drawee bank sought to recover from the collecting bank. Could it, as a general proposition, do so?

**Yes. Generally, a bank on which a check, cashed by another bank on a forged endorsement of the payee's name, is drawn may recover from the collecting bank the money paid on the check in the due course of business.**

Through clerical error a twenty payment life insurance policy was issued to Jones in Nebraska which provided for too great a cash settlement at the end of twenty years. When Jones sought to claim the amount provided in the policy the insurance company sought to have the instrument reformed on the ground that a mutual mistake had occurred with reference thereto. Could it do so?

**Yes. Where, through clerical error, a twenty payment life insurance policy provides for too great a cash settlement at the end of twenty years, the mistake is a mutual mistake in legal contemplation and the insurer is entitled to reformation of the policy if the reformation is sought as soon as**

### These and Other Timely Legal Questions Are Answered

By the  
**LEGAL DEPARTMENT**

**recovery is attempted by the insured of the greater amount.**

A South Dakota bank foreclosed on a mortgage it held on a farm there. The owner of the farm obtained three extensions of the redemption period. He sought a fourth extension but at the hearing thereon it developed that, during the previous periods granted in which to redeem, the mortgage indebtedness had steadily mounted; that such indebtedness exceeded the value of the property; and that the mortgagor's chances of redeeming were wholly conjectural. Should the fourth extension be granted?

**No. According to a recent South Dakota supreme court decision an order granting a fourth extension to redeem from a mortgage foreclosure sale is not warranted where, during the years previously granted in which to redeem, the mortgage indebtedness had steadily mounted and at the time of the hearing on the extension exceeded the value of the property, and the mortgagor's chance of redeeming was wholly conjectural.**

An Iowa banker and his brother owned jointly a farm in that state. They appointed an agent to secure a tenant and otherwise deal with it. One of the brothers died. Did the authority of the agent terminate?

**Yes. The death of one of two or more joint principals terminates the authority of an agent.**

Suppose, in the preceding question, that the two brothers, in appointing the agent, had specifically provided that, if one died, the agent would continue to represent the other. In such circumstances would the authority of the agent continue insofar as the survivor was concerned?

**Yes. An agent who has been authorized by two principals, one of**

**whom dies, continues to be authorized to act for the survivor if the authorization of the survivor so provides.**

Stone and Snow opened adjoining farms in Iowa. By mutual acquiescence they treated with a certain line as the boundary for over ten years. It was not the line fixed by government survey. Was the line dealt with by them as the true line binding on each of them?

**Yes. A boundary line between adjoining lands in Iowa mutually acquiesced in by adjoining land owners for ten years becomes the true boundary, notwithstanding it is not the line fixed by government survey.**

A Minnesota banker was injured in an automobile accident in that state as a result of the negligence of another. The insurance carrier for the negligent party settled with the banker for his injuries and the banker gave a release therefor. It subsequently developed that the banker has sustained a material brain injury that no one knew had occurred when the release was given. The release did not provide that it included unknown injuries and it was not intended that it do so. Could the banker recover for the brain injury?

**Yes. Where a release is given for personal injuries in Minnesota and subsequently a material unknown injury develops, it is not to be taken as covering such injury unless the parties agreeing thereon expressly and intentionally settle for unknown injuries.**

A Nebraska banker was appointed the trustee of a trust estate in that state in circumstances where no specific provisions were made in any written or other agreement regarding his compensation and there were no statutory schedules controlling as to his compensation. When the trust was wound up, the trustee presented a bill for his services. Was the burden of proof on him to show they were reasonable and proper?

**Yes. The allowance of compensation for services performed by a trustee for the benefit of a trust estate is**  
(Turn to page 41, please)



# How South Dakota Bankers Make Better Farms and Farmers

**A**TTAINMENT of the goal set by the Food for Victory Program means that farmers of the nation have a job on their hands. Food is essential not only for the armed forces and defense production of this nation, but also for our Allies, and we are sure that the farmers of the nation will tackle this problem and solve it, as they did in the last war.

The farmers of South Dakota staged a splendid recovery from the dark days of 1934 when drought almost put them out of business. They have learned to take advantage of improved methods in agriculture during the past few years aided by the State College and the coordinating Extension Service. Increased interest and attendance at meetings of such organizations as Livestock Improvement Associations and Crop Improvement Associations have been noted. The State Livestock Committee, which meets at least once a year, bringing together the various cattle breeding associations for unified effort, has had a wholesome effect on the situation. The Greater South Dakota Association, assisted by the agricultural agents of the railroads, the Extension Service, the meat packers, the South Dakota Bankers Association and others have all assisted in starting a movement for improved pastures and the growing of sorghums for feed and seed, the latter being a drought and grasshopper resistant plant for use as feed and fodder.

The statistics for the year 1941 on South Dakota cash income from farm marketings are not available yet, but the figures given below for the first eleven months of 1941 emphasize the recovery made by the South Dakota farmer.

Government figures show that sales

By R. M. De Puy  
Vice President and Manager  
Northwest Security National Bank  
Brookings, S. D.

Chairman Agricultural Committee  
South Dakota Bankers Association  
Brookings



R. M. DE PUY

of farm products have risen from December 15, 1941 to January 15, 1942 six points, making farm sale prices equal to one hundred two per cent of parity. Now, the difficult problem with regard to farm production is to create the necessary increase for war demands, and at the same time guard against a sharp recession after the war is over, a situation which threw agriculture into the depths of despair after the first World War. Therefore our Commit-

tee has advocated better quality stock, which could be improved by better sires, even though used with grade females. Better feeding methods also would create increased production without the addition of more animals. Better pasture programs would make pastures available earlier in the spring and later in the fall, thus creating a lower cost of production. And last, but not least, greater production of sorghums, both grain and fodder, thus insuring against possible dry years, as this plant is very drought resistant.

The Agricultural Committee of the South Dakota Bankers Association has taken an active part in fostering the programs listed above, and rejoice with the farmer in the progress he has made to date.

Many other activities are on the program of the Agricultural Committee. The committee, by the way, consists of eight bankers and is assisted by sixty-one county key bankers, one from each county having one or more banks. This arrangement gives the committee and the Association direct contact with the County Agent and farmers of each county.

The bankers of the State take an active part in 4-H Club and Future Farmers of America activities. Most banks finance these young people in sow, lamb, ewe and beef projects, usually at reduced interest rates.

We also endeavor to have the key banker a member of the Land Use Planning Committee in each county to assist and keep in touch with its activities.

We advocate increased poultry and turkey raising under the supervision of experts.

Weed control is an important activity as is grasshopper control, both being in our 1941-1942 program.

Drought resistant crops, mentioned earlier, is another project.

Better breed sires. This is a pet project of mine. A good registered sire even with grade cows will increase the first year's offspring \$10.00 or more in value. By continuing to use good registered sires the herd can be built up to an astonishing degree. This is true of all farm animals. We advocate an annual Registered Sire Sale and Exchange Day, at which the farmer

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## SOUTH DAKOTA CASH INCOME FROM FARM MARKETINGS January to November, Inclusive

	1937	1938	1939	1940	1941
Crops	\$ 17,960,000	\$ 19,973,000	\$ 20,764,000	\$ 30,278,000	\$ 43,925,000
Livestock and LS Products	58,729,000	61,178,000	70,589,000	87,544,000	113,741,000
Total	\$ 76,689,000	\$ 81,151,000	\$ 91,353,000	\$117,822,000	\$157,666,000
Govt. Payments	14,916,000	15,297,000	18,991,000	18,355,000	8,434,000
TOTALS	\$ 91,605,000	\$ 96,448,000	\$110,344,000	\$136,177,000	\$166,100,000

(Please note that Government Payments are diminishing as conditions improve.)

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# Would Freeze Branch Banking

**A**P. DRUMMOND, Bonifay, Florida, is the new president of the Independent Bankers Association. He was advanced to that post from the first vice presidency at the twelfth annual convention in St. Paul last month.

Succeeding the Floridan as first vice president is C. P. Sommerstad of the First National Bank of Waseca, Minnesota. Elected to Mr. Sommerstad's former post of second vice president was W. L. Gregory of the Plaza Bank, St. Louis.

Harry Lee of the Bank of Long Prairie, Minnesota, and Ben DuBois, Sauk Centre, Minnesota, were re-elected treasurer and secretary, respectively.

Elected to the executive council were George Herreid, Deep River, Minnesota; V. E. Mikkelson, president of Fidelity State Bank, Minneapolis, and C. F. Dabelstein, Rochester, Minnesota.

The association went on record in favor of passage of the Patman bill freezing branch banking and urged passage of the Reed bill making a 48-hour week legal under the Fair Labor Standards Act during the war emergency. Support was pledged to the national administration as well.

Speaking at the annual banquet closing the convention, Rep. Alber A. Gore of Tennessee, member of the



A. P. DRUMMOND

house banking committee, urged passage of the war powers bill in congress to forestall soaring interest rates and possibilities of inflation.

"This bill," he explained, "would permit the Federal Reserve System to purchase government securities directly from the Treasury. The Federal Open Market Committee then could buy the Treasury's offerings without commission to the dealer when there was a weak demand on the market.

"When the market became stronger, the Reserve system could release its holdings. Thus the market could be stabilized at an interest rate agreed upon and maintained by the Reserve Board and the Secretary of the Treasury. I do not fear this—I welcome it."

One of the highlights of the convention was the roaring applause given Tswen-ling Tsui, first secretary of the Chinese embassy in Washington, when he concluded his address with:

"Down with the totalitarian powers and to hell with Japan!"

He told the independent bankers the United States has followed an impartial policy of fair play in the Far East—which made us a friend of China and an enemy of Japan.

"The United States should not be too easily discouraged if victories do not come fast at first," he advised. "China fought three years before she began to win."

Otto Bremer, chairman of the board of American National Bank, St. Paul, was host to the bankers at a Dutch lunch and entertainment program the opening evening.

There were no other first-day meetings, while the second day's program did not start until afternoon in order to conflict as little as possible with the Minnesota Bankers Conference, then in session at the University of Minnesota.

## THE FARMER CAN DEFEAT INFLATION

(Continued from page 12)

is whether or not they will pay for themselves. Buildings to take care only of extra war production had best be temporary and inexpensive. Most farmers will do well to save extra income, and wait for more opportune times to build. Meanwhile, they can let the government use their extra funds, by keeping them in defense bonds.

Priorities affect machinery also. But labor shortage and need for increased production make purchase of some machinery, where available, important. Can it be paid for during the period war prices are likely to be in effect? The same point may be made with respect to the purchase of livestock. Farmers should base their plans on the longer-run outlook.

In short, a period of inflation is a good time for farmers to get out of, or to reduce debt. It is a poor time

to assume any debt which will not be paid off before prices sag. The individual farmer can do considerable in the way of trimming his sails to inflation, and thereby strengthen greatly his ability to weather the storms, which are likely to follow. Bankers can be of material aid to farmers in their efforts to do this. It may mean that bankers will not make all the loans they might possibly provide. But bankers are more concerned with the longer-run welfare of their farmer customers, than they are about immediate profits.

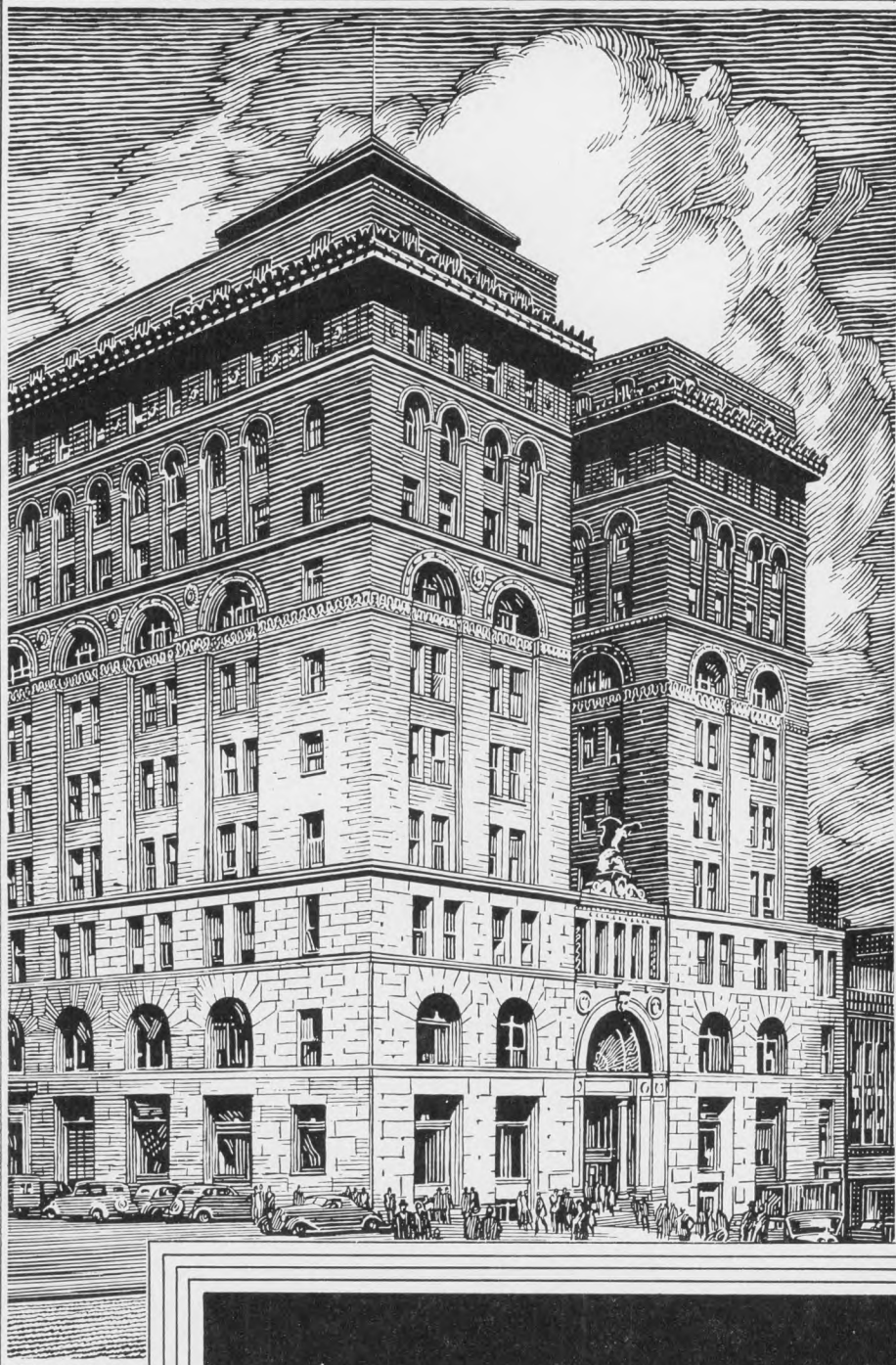
### Control of Inflation

The second aspect of our subject takes us into the more general field of control of inflation. Debates and arguments over the recently enacted price control legislation are still fresh in mind. Farmers probably do not appreciate fully the questions raised in the minds of many non-farm people over the stand taken by some, who were presumed to speak for the farmers. There also is room for doubting

whether some of the farm leadership were fully aware of similar questions in the minds of many farmers. One might also speculate on whether organized labor appreciates in full the state of mind of farm people.

One thing which seems rather evident, is that a considerable share of our population does not as yet fully grasp what a war such the present, really involves. There is still more than a little of the belief that war presents a grand opportunity to get rich. On the surface war does appear to create prosperity. It stimulates employment and production. Its demands strengthen prices. It causes the national income as measured in dollars to rise. What is seen less distinctly, if at all, is that war is destructive. That war, instead of creating prosperity, demands sacrifices. That war reduces our means to satisfy our wants and thereby reduces our level of living. That war is expensive, and that its costs in terms of money,

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MEMBER  
FEDERAL  
DEPOSIT  
INSURANCE  
CORPORATION

# The Omaha National Bank

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Some of the many floral tributes on display in the lobby of the Continental National Bank upon the occasion of the formal opening of its newly remodeled quarters.

# Open House at the Continental

Continental National Bank, Lincoln, Nebraska, Completely Remodels Building and Banking Quarters

OFFICERS and directors of the remodeled Continental National Bank of Lincoln held "open house" last month, at which several thousand Lincoln friends as well as bankers and business men from many other cities obtained a view of one of the most beautiful and modern banking homes in the country. From morning until late at night, President T. B. Strain and the entire congenial staff of officers, employees and directors acted as hosts to the vast crowd which thronged their remodeled quarters.

The bank was a mass of floral tributes from all over the country. Flowers for the ladies and cigars for the men were passed out in great quantities. At noon and again in the evening the local KFAB-KFOR radio station broadcast from the bank lobby, describing the new quarters and interviewing a great many of the visitors. The day was especially dedicated to the sale of Defense Bonds and Stamps in cooperation with the Lincoln and Lancaster Company Defense Bond sales committee.

Lincoln has every reason to be proud

of the Continental's remodeled quarters. They are beautiful and modern in every respect. Much additional room has been achieved in various ways.

Office quarters, the office of the president, and the conference room have been moved to the rear of the main lobby. This was accomplished by changing the building elevator entrance from the center to the rear of the building. Additional rooms have also been made for the bookkeeping, the remittance, the proof, the analysis, and machine departments on the second floor. In the main banking lobby, new low marble and walnut cages have been installed. The safety deposit vault has been enlarged by the addition of 500 safety deposit boxes, giving the vault a capacity of more than 2,000 boxes and chests.

In the personal loan department beyond the offices' quarters, new walnut fixtures have been installed. An attractive lobby connects the main bank lobby and the personal loan department.

The bank has accomplished wonders

in lighting effects from a streamlined system of indirect lighting which is a combination of incandescent and fluorescent lights. The lighting effect is further enhanced through extensive window space.

The bank has eight large display windows, very wide and quite deep. These are to be used for attractive displays, and the officers have already worked out a number of unusual displays to be used with constant changes.

Walls of the main banking room are of walnut flexwood. The conference room is of oak flexwood, and the president's office is finished in mahogany flexwood. The bank has fifteen cages, plus a statement counter, and is completely air conditioned throughout. All paying and receiving cages are at the right of the entrance to the main bank lobby, and on the left side are cages for statements, notes, drafts, and collections and savings departments. The ceiling is acoustically treated, so that noise of any kind is at a minimum.

On the outside, the upper floors of the Continental Building are of Bed-

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ABOVE—The officers' quarters in the newly remodeled Continental National Bank of Lincoln, Nebraska.

CENTER—A view in the lobby of the Continental, showing the new low-type cages, and at the ceiling the system of indirect lighting, which is a combination of incandescent and fluorescent illumination.

BELOW—T. B. Strain, president of the Continental, in his private office. The finish here is of mahogany flexwood, the same as used in other sections of the banking quarters.

ford stone with black granite for the first floor. This makes a very pleasing contrast. The front doors are of new bronze and are quite impressive.

The Continental National Bank is now in its thirty-third year and has taken its place as one of the most progressive banking institutions in the middle west. Total resources from its last statement are \$14,437,710.17, with deposits of \$13,370,225.30. The bank has a capital and surplus of \$800,000, which includes a recent \$50,000 common stock dividend, and loans and discounts have reached an impressive total of more than \$5,000,000.

A striking feature of the set-up of the Continental National is the youth of its energetic official staff, although the average experience of its officers is more than twenty years each. Officers include: President, T. B. Strain; vice presidents, Edward A. Becker, W. S. Battey, Fred S. Aldrich, and J. O. Peck; vice president and trust officer, Howard Hadley; cashier, C. W. Battey; assistant cashiers, Elmer De Kay and H. E. Leinberger, and assistant trust officer, A. W. Griffin.

The board of directors includes T. B. Strain, W. W. Rutney, H. J. Amen, Harry K. Grainger, M. V. Beghtol, E. A. Becker and C. W. Battey.

In honor of the formal opening, the Continental National Bank published and distributed a very attractive 20 page souvenir booklet in three colors, which pictures and describes their remodeled bank in every phase and in every department.

### Let Examiners Be Drafted

Bank examiners should take their chances in the draft. They should not be granted special exemption despite their long years of special training. This is not the time to grant favors, say an overwhelming number of bankers of America in a poll of opinion on the perplexing subject of exemption for these men who play such a large part in the supervision of American banks.





The pictures above were taken at the recent meetings of Groups One and Eleven at **Sioux City** and **Burlington**. In Sioux City, from left to right, were **Ralph M. Watson**, president Northwest Security National Bank, Sioux Falls; **John Haas**, Northern Trust Company, Chicago; and **Carl Fredricksen**, president Live Stock National Bank, Sioux City. The center picture was taken in Burlington. Those pictured are grouped behind the large table beautifully decorated and loaded with good things to be served at the buffet supper. At the right is **A. J. Bertelsen** and **M. C. Eidsmoe**, both of Sioux City. Mr. Bertelsen is cashier of the Morningside Savings Bank and chairman of Group One; Mr. Eidsmoe is president of the Woodbury County Savings Bank and president of the Sioux City Clearing House Association.

# Said and Seen at *Sioux City* and *Burlington*

Groups One and Eleven of Iowa Bankers Association Hold  
Annual Meetings

## Sioux City

By **CLIFFORD DE PUY**  
Publisher

THE meeting of Group 1 of the Iowa Bankers Association in Sioux City last month was the **biggest meeting of its kind** in the history of that well-known city, as 552 registered. In 1941, 507 registered, and in 1940, 369.

This year the registration was divided as follows: 351 men, 201 women, and from Nebraska 41, South Dakota 24, and Minnesota 4.

The Resolutions Committee was composed of the following gentlemen: **C. L. Fredricksen**, president, Live Stock National Bank, Sioux City, Iowa, chairman; **H. W. Bush**, cashier, Farmers Savings Bank, Pierson, Iowa; **C. L. Schneider**, president, Security State Bank, Sheldon, Iowa; **J. A. Cook**, cashier, Le Mars Savings Bank, Le Mars, Iowa; **C. A. Slife**, cashier, Farmers State Bank, Hawarden, Iowa. This committee brought in eleven resolutions the more important of which included the following:

"We urge that the banks and bankers of this group cooperate to their

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fullest extent in the sale of defense bonds and stamps.

"The government discontinue any unnecessary competition in our field until the emergency has passed, as there may be need at that time for increased emergency help for business and labor.

"We recommend that the Iowa Bankers Association do what they can to have the wage and hour law held in abeyance until 6 months after the end of the war.

"We again urge extreme caution in the making of sound loans and developing a sound investment policy, keeping in mind that there will be an aftermath to this present period.

"We protest any effort to federalize the unemployment compensation act of the various states that would destroy the principle of 'merit rating' as contained in our respective state unemployment laws."

**Miss Nellie Melheim** of the Akron Savings Bank won first place in the adding machine contest which was held under the auspices of the Junior Bankers organization. **Miss Mildred Barb** of the Valley State Bank won second place. **J. O. Whealon** of the

(Turn to page 60, please)

## Burlington

By **HENRY H. HAYNES**  
Editor

WHETHER they rode their bicycles, as suggested by **Ed Ebersole** in his "Proclamation," or whether they came by train or automobile or on foot, two hundred and thirty bankers and members of their families journeyed to Burlington on February 23 to attend the annual meeting of **Group Eleven** of the Iowa Bankers Association. In 1941 the registration totaled one hundred ninety-six—an increase of thirty-four at the meeting this year.

Two candidates for the presidency of the Iowa Bankers Association attended the Burlington meeting—**V. W. Johnson**, president of the First National Bank, Cedar Falls, and **B. A. Gronstal**, president of the Council Bluffs Savings Bank. They both sat at the head table at the annual luncheon and both made short talks—not political speeches, however. Mr. Gronstal went on from Burlington to St. Louis, where he visited the oldest of his five sons who is stationed at Jeffer-

(Turn to page 24, please)



# NEW 1942 IOWA - NEBRASKA BANK DIRECTORY

Published by the NORTHWESTERN BANKER  
Des Moines

The new 1942 edition of the Iowa-Nebraska Bank Directory will be ready soon. In it you'll find the most complete and latest information on Iowa and Nebraska banks, including personnel, capital, surplus, deposits, loans and discounts, bond holdings, correspondent banks and other valuable data.

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Bank \_\_\_\_\_

Officer \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

## AT BURLINGTON

(Continued from page 22)

son Barracks. Another son will soon be called into the service, and another has just registered.

The much-heralded **Burlington Tea Party**, held the evening of February 22, was indeed a gala affair, and was sponsored by the banks of Burlington and **Hanna, Kramer & Company**. While the beverages served were somewhat the color of tea, the resemblance ended there. Following the generous consumption of tea, which was on a scale to gladden the heart of any Chinaman and give sclerosis of

the liver to the Japs, a delicious buffet supper was served. Bedtime was anywhere from then on until the luncheon on Monday, depending on the inclination of the bedee.

While it can't be said that the city of Burlington revolves around the huge Government munitions plant located there, the latter nevertheless exerts a noticeable influence on the economic activities of the community. Some ten thousand are employed at the arms plant, many of them being paid from \$60 to \$150 per week, and for many of these workers this is more money than they thought was in the world—and they spend it accordingly.

A worker and his family, probably on WPA a few months ago, is now paying \$75 to \$100 per month rent for a home in which to live, is glad to do it, and is king of all he surveys. Patrolling the big bridge leading into Illinois are men in uniform drawing their \$21 per month—we wonder what they think about as they watch the cars of the munitions plant workers roll by.

In his address to members of Group Eleven, **Arthur Donhowe**, president of the Iowa Bankers Association, said that while Iowa banks were in better shape than ever before in their history, they were probably wondering what the future would bring. Banks are going to be tested again, Mr. Donhowe said, much the same as they were tested following the last war, and he cautioned his listeners to be ready for whatever might come.

"Build up your earnings and keep your capital structure intact," was the advice **M. W. Ellis**, Iowa superintendent of banking, gave to bankers of Group Eleven. He suggested an increase in service income and a decrease in interest paid on deposits, urging the application of a reasonable and adequate service charge in all departments of the bank.

**M. W. Fodor**, European correspondent of a Chicago daily newspaper, having spent twenty-two years on the Continent prior to and during the present war, talked on the topic, "When Gangsters Cooperate." Highlighted, his remarks were—you can't deal with gangsters on an honest basis, and the Axis powers are all gangsters—the French army lost partly because it was always on the defensive instead of the offensive—this war will be decided in Europe, not in the Pacific, because Hitler is the strongest and best fortified—in a few weeks the Russians will be attacking Japan—the next three months are the most critical for the United States, our morale must be maintained because the better our morale the sooner the war will be over—all-out effort now is what counts.

(Turn to page 62, please)

### Special Announcement to...

**PRESIDENTS -  
VICE-PRESIDENTS -  
CASHIERS -**

A new, special agency contract FOR BANKERS ONLY has been worked out to help you.

You have a very definite responsibility to your customers. Life insurance has never meant as much to the average individual as *right now*. He is entitled to your counsel about life insurance, and this special bankers contract makes such counseling *worth your while*. You will be pleased at what it consists of. *Exceedingly liberal* commission and *renewals*—worth while publicity—all *guaranteed* direct by a *mutual* legal reserve company, *forty* years old, of exceptional financial standing. *Exceedingly low rates*, ages zero to 65, including the *special* policies your customers *need* at this time—mortgage coverage, retirement income, juvenile, etc.

WRITE US IMMEDIATELY

## GUARANTEE MUTUAL LIFE CO.

ORGANIZED — 1901

A. B. OLSON, *Agency Vice-President*

OMAHA, NEBRASKA

## 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



# How Banker Agents Can Get More Prospects

OUR objective is financial security. The fact that so many men have become successful is due to no accident. It indicates clearly that they formed certain work habits that assisted them greatly in eventually reaching their goal.

Successful men have carefully worked out a plan of procedure. Unsuccessful men often follow a method that past habit dictates. It must be remembered that unless an agent is conscious of forming proper work habits he is quite likely, unconsciously, to be forming habits that retard rather than improve his possibilities for success.

It is only logical that attention be given to a planned procedure that will complement his present habits. The agent's time must be conserved. His degree of success will depend upon how well his time is spent. If his habits are constructive it naturally follows that he will enjoy great success. If his habits are not constructive, his problems increase and the probability of success diminishes.

Much has been said and written about prospecting, about the approach, methods and suggestions regarding the interview. Ideas that have real value. The important thing, however, is not so much a question of what to do, but a clear, simple explanation of how one should go about doing it. Too much is taken for granted as to the ability of many of us to put ideas into action.

I feel certain that those of you who have given time and study toward improving the work habits of men will agree that the more simplified the process the greater the possibility of its being adopted and used successfully.

The first step in the sales process is to locate desirable prospects. It is agreed that even a good salesman will fail in our business if he calls upon poor prospects. If the foundation of the successful sale is based upon the right type of prospect, it is logical that we give careful thought to methods that will assure us the right type of people to contact. I am confident that a major problem of so many agents—that of prospecting—can be overcome if a daily, planned method is employed

By Robert E. Shay

Manager  
Bankers Life Company of Iowa  
Minneapolis



ROBERT E. SHAY

with regularity. Prospecting should not be spasmodic but should be a daily, consistent effort. If prospecting is so important, just what are you doing in the way of a daily, planned procedure that is making your job easier? It is surprising how effectively one can prospect with little additional time required if a definite planned procedure is employed.

As a suggestion, the first method of daily prospecting is the replacement method in your daily calls. Whenever your prospect is in an office with a group of other people, select someone

among that group that you feel you would like to know. If, after talking to your prospect, you find that you cannot arrange an appointment with him, make an effort to replace him with the party selected. If you thought you knew this party, it would be a most natural thing to say: "By the way, what's that man's name? He looks familiar to me." We have kept a record as to the number of prospects that are derived from this source and we are averaging three out of every ten calls. Needless to say, business is resulting from this particular source of prospecting. It requires little time and little effort. The idea isn't new, is it? Every agent who has been in our business for any length of time knows of the replacement method. Just what are you doing about it?

Another lucrative source of securing prospects is the interview. Let's briefly analyze a logical process of prospecting that can be employed in your daily interviews. Success, for the average agent, requires a minimum of two interviews a day. Obviously one of two things take place. The prospect buys, or he doesn't buy. Let's assume, for example, that the prospect is sold. Just what prospecting sequence do you employ? We follow this method: When the application is signed, ask for references. In asking for references explain to your prospect that you are interested in being of service to him not only today but in the future; that your office has found that on occasion policyholders leave the community and overlook notifying your office of their new address. For that reason, "we desire the names of three acquaintances, men of about your own age, so that should such a situation ever arise we will be in a position to contact you and render you the service you are entitled to." I might mention that we have, on occasions, rendered better service to our policyholders by checking through their acquaintances in similar situations. There is no problem in securing three prospects through references, if this method is employed.

Secondly: Check the medical examination for brothers and sisters. If your prospect has a brother or a sister

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of insurable age, inquire about them when you deliver the policy. Some excellent leads are derived through this method.

Third: After the policy is in force, drive for prospects. Careful thought should be given as to just what to say in order that names can be secured upon delivery of the policy. If your prospect appears to be a type that would prefer not to cooperate with you, visit with him for a few minutes. You could inquire as to how much golf he plays—who he plays golf with, etc. Little time is required but profitable results can be obtained if you are constantly conscious of prospecting.

Let's assume now that you did not make a sale. If your interview has been conducted in an intelligent manner your prospect profited in talking to you. On many occasions conditions are such that he should not buy. Place yourself in his position and if you feel that he should not own what you are presenting to him, tell him so. Welcome the opportunity of advising your prospect not to purchase, if you feel that his financial position doesn't warrant an additional outlay of money. Only recently I was called by one of the men in my office to discuss a method of settlement on a \$5,000 application for insurance. In talking to the

prospect I discovered that he now owned \$7,500 of insurance, that he was making \$110 per month and that he was the sole support of his mother and younger sister. It was my opinion that he was doing a grand job and owned as much life insurance as he could carry. I frankly told him so. The agent was amazed. The prospect was relieved. I drove for prospects. From this source eighty-seven names were received. Two sales have already resulted, and more are on the way. The \$5,000 lost sale paid real dividends. Everybody profited. On many occasions no apparent reason can be seen for a prospect not acting. If, after you have exhausted all possibilities for a sale and it is quite obvious to you that he is no prospect, make sure that the time spent is valuable to you. He has profited by talking to you. You are entitled to some remuneration for your time. Hence, you stand to lose nothing in driving for prospects.

A third suggestion regarding a definite prospecting plan is the center of influence method. We all use this method of prospecting, but how definite are we in its use? The average agent will run short of prospects. He will then devote a great deal of time in contacting centers. He is out of production for a period, his morale is

low, and he loses effectiveness in closing. In having a definite plan he eliminates one of his major problems. We require that two centers be contacted every week. Prepare in advance a list of leading questions that will assist your center in giving names. Explain to your center just how his name will be used. For example, you could say: "This is what I will say to any man that you suggest to me: 'I was talking to a mutual friend of ours, Mr. Center, the other day and during my conversation with him he mentioned your name. He didn't tell me that you were a prospect for life insurance, but he spoke of you in such a way that I wanted to make your acquaintance.' That wouldn't embarrass you, would it, Mr. Center?"

We have discussed only the first step in the sales process—daily prospecting. You will agree that I have told you nothing new. It isn't so much a question of how much knowledge you have but of how well your knowledge is being employed. A planned procedure is the end of confusion. Let's plan for financial security!—**THE END.**

### Purchase Control of National Reserve Life

Holmes Meade of Topeka, Kansas, and S. H. Witmer, H. O. Chapman, W. J. Harris and The Policyholders National Life Insurance Company, all of Sioux Falls, South Dakota, have purchased the interest of Mr. and Mrs. A. A. McFall and the Moore Estate in The National Reserve Life Insurance Company of Topeka. Mr. Meade will remain in his capacity as president of the company, and the same conservative management will continue as in the past.

The officers of the company, elected at a special meeting of the board of directors, are: Holmes Mead, president; S. H. Witmer, vice president; C. E. Kline, vice president; H. O. Chapman, secretary-treasurer; M. B. McCaig, assistant secretary; W. J. Harris, assistant treasurer and actuary; J. L. Russell, supervisor of agents; R. E. Nelson, manager farm and loan department; J. M. Barkes, manager National Reserve Building.

The National Reserve Life Insurance Company is one of the strongest insurance companies in the west, and on December 31, 1941, had a capital of \$550,000, surplus \$814,372, total resources of \$4,666,440.90.

As one of Kansas' outstanding insurance institutions, Topeka and Kansas people will be glad to learn that it is to retain its personnel and office force and will continue as a Kansas

## CENTRAL SURETY AND INSURANCE CORPORATION

R. E. McGINNIS, *President*

HOME OFFICE, KANSAS CITY, MISSOURI

*December 31, 1941*

Capital . . . . .	\$1,000,000.00
Surplus . . . . .	\$2,369,914.69
Reserves . . . . .	\$6,228,385.42
Total Admitted Assets . . . . .	\$9,598,300.11

#### PROGRESS DURING 1941

Net Premiums Written . . . . .	\$6,397,945.15
Increase in Net Premiums Written . . . . .	1,142,499.04
Increase in Total Admitted Assets . . . . .	1,120,747.96
Increase in Total Reserves . . . . .	972,760.38
Increase in Surplus . . . . .	147,987.58

*Casualty • Fidelity • Surety*

company. H. C. Chapman, secretary-treasurer, has already established his residence in Topeka.

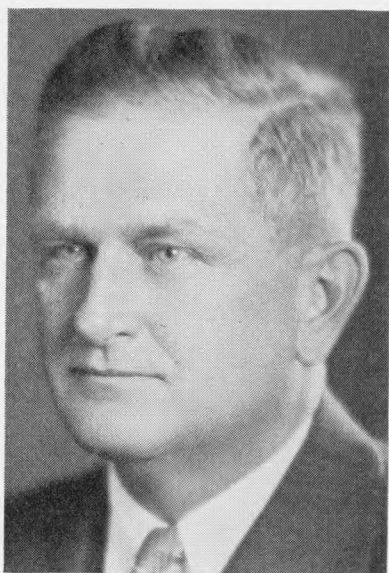
### Guarantee Mutual Statement

The Guarantee Mutual Life Company of Omaha has published its 40th annual statement as of January 1, 1942, showing insurance in force of \$147,920,495. This is a gain in force of more than 8½ million dollars during the past year. Admitted assets increased to \$27,379,448, a gain of \$2,141,011.

Surplus funds above all liability now total almost \$3,000,000.

### Reinhold Named Vice President

The Philadelphia National Bank announces that a leave of absence has been granted by the bank to **O. Howard Wolfe**, vice president and cashier, at the request of the Philadelphia Ordnance District of the United States Army. Mr. Wolfe will be engaged in civilian work in connection with the



MILTON D. REINHOLD

activities of the Philadelphia ordnance district.

Mr. Wolfe has resigned as cashier of the bank, and **Milton D. Reinhold**, vice president of the bank, was appointed cashier, with the title vice president and cashier.

Mr. Wolfe will supervise the general administration of the district office of the Army Ordnance Department which has charge of negotiation, execution, inspection and acceptance of all ordnance supplies in the region extending laterally from Harrisburg to Trenton and southward to the Georgia state line.

Mr. Wolfe during the first World War served as chief secretary of the

bureau of personnel of the Y. M. C. A. with the American Expeditionary Forces. His banking work began in 1899, when he entered the Bryn Mawr National Bank after attending high school. At the age of 17, in 1899, he began with the Philadelphia National Bank, where he continued until 1911, when he became the first secretary of the Clearing House Section of the American Bankers Association, serving until 1915, when he returned to the Philadelphia National Bank, where he became an assistant cashier in 1915 and cashier in 1917. Following his war work, he returned to the bank in 1919 as cashier. In 1926 he was elected vice president of the A. B. A.

Clearing House Section, and president in 1927, to which office he was re-elected in 1928.

His chief banking educational work in recent years has been as an instructor in commercial banking at the Graduate School of Banking of the American Bankers Association at Rutgers University, ever since its founding, in which he was a leading factor, seven years ago. He has also been active in local Chapter and national American Institute of Banking work, and is a member of the extension committee of the Financial Advertisers Association, in charge of development of publicity and good-will work on behalf of banking.

## Investigate the Possibilities of a Western Mutual Contract



Legal Reserve

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Field Service to Help

You Close the Business

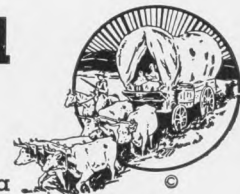


Write for Western Mutual's Agency Proposition

## Western Mutual Fire Insurance Co.

9th and Grand

Des Moines, Iowa



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

## 150 Pounds of Pennies

(See cover photo)

Six years of religiously saving all the pennies he received during the course of a day finally brought its reward to Vincent Lumetta, proprietor of Vincent's Fruit Stand in St. Louis. For Vincent had the big thrill of walking proudly into the bond department of Mississippi Valley Trust Company and announced to J. F. Quigg, manager, that he possessed approximately 19,000 pennies which he wanted to invest in United States

## HOW TO PLAN YOUR LIFE INSURANCE IN TIME OF WAR

**I**F you now have enough life insurance protection to keep your family on its feet financially in event of your death, we do not urge you to buy more at this time but recommend that you put the money you would normally invest in additional insurance into Defense Bonds.

If your family is not so protected, it is your duty to your nation as well as to your dependents to do your best to insure against their becoming a burden on others already carrying their full share of war's burden. There is only one way to do this—through life insurance.

However, under today's conditions we suggest you approach the purchase of life insurance differently than in normal times. Of course the policy you buy should still fit your needs, and by no means should you disturb your present insurance. But in general, as between so-called "investment" policies with high premiums and high accumulations, and low-premium policies with lower accumulations, stressing *life-long protection against death*, we recommend the latter to today's buyer.

Put the difference into Defense Bonds. Your Government has first call on your current savings, and offers you a fair interest return.

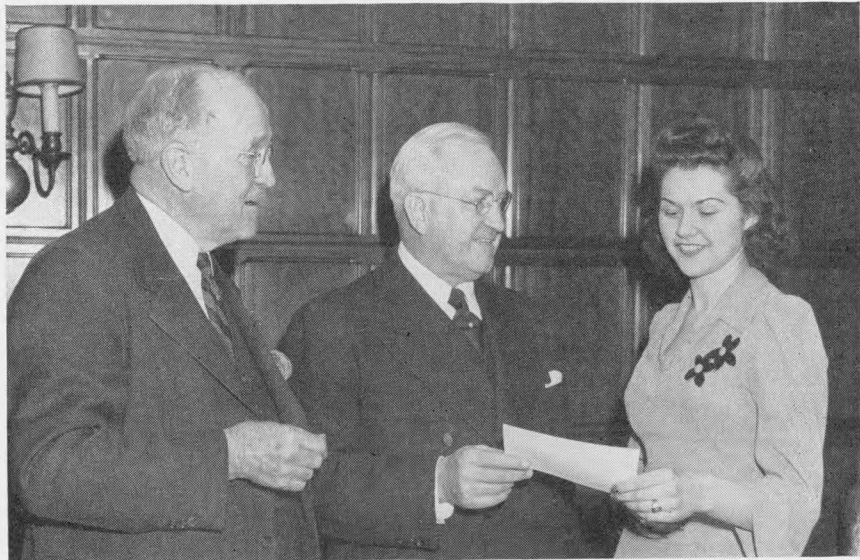
Several forms of insurance provide life-long protection with a minimum of investment. Your NWNL agent will be glad to explain them, without obligation. He has an extra incentive to give you sound, unbiased counsel; he is paid primarily not for his new sales but for the *quality of his service* to policyholders, as indicated by their persistence in keeping in force the insurance he has sold them.

**NORTHWESTERN  
National LIFE**  
INSURANCE COMPANY

O. J. Arnold, Pres. Minneapolis, Minn.

Northwestern Banker March 1942

## Over the Top for Defense



Here are the oldest and youngest employees of Manufacturers Trust Company (in length of service) being congratulated by Harvey D. Gibson, president of the bank, after signing up for the purchase of Defense Bonds under the bank's Payroll Savings Plan. Left to right: Richard N. Cotter, Assistant Secretary, who has been with the bank 62 years; Harvey D. Gibson, president; Miss Ella Klerk, page girl, who joined the bank's staff on February 9, 1942. All of the bank's 3,249 officers and employees signed up under this Payroll Savings Plan for a total of over \$350,000 in Defense Bonds.

defense bonds. "I am not a citizen—yet—but I want to do right by the country", Vincent said. Bank guards were sent to his stand to collect the 150 pounds of pennies, and the tremendous task of counting the coins was turned over to the bank's counting machine.

A native of Sicily, Vincent has been in this country for 35 years and, appro-

priately enough, on the President's birthday, January 30th, he experienced an even bigger thrill, because on that day he became a citizen of the United States. Vincent says it was "the happiest moment of his life."

Those pennies that were left over after his purchase of the defense bonds Vincent donated to the Infantile Paralysis Fund.

## Service Sells Insurance...

Agents and their policyholders like the manner in which Allied Mutual gives same-day attention to all insurance matters.

Particularly pleasing is the prompt, fair, considerate service policyholders receive at claim time. It builds friends and builds business.



**ALLIED MUTUAL  
CASUALTY COMPANY**

Harold S. Evans, President

Hubbell Bldg.

Des Moines, Iowa

# Governments Still the Best Bet

"There Were Two Bright Spots in February—Continued Russian Success and Increased War Productivity at Home"



JAMES H. CLARKE

In the darkest days since Dunkirk, there were but two bright spots in February—continued Russian successes and increased war productivity at home. MacArthur's brilliant stand in Bataan, the Navy raids on the Marshall and Gilbert Islands, the exploits of American pilots in the Far East were thrilling—and the newspapers headlined them day after day—but the cold truth was that the Japanese gained all their principal objectives, except in the Philippines, and are making further advances as we write this.

The week ended February 14th piled one disaster upon another. The Nipponese captured Singapore without too much difficulty—and while reports vary, it is possible that as many as sixty thousand United Nation's troops fell also. The former French liner Normandie caught fire in New York harbor and rolled over on its side—to lie there until it is righted and repaired. A severe loss to us at a time when continued submarine sinkings weaken our forces at sea. And as if to cap it all—three German battleships escaped Brest, sailed through the narrow channel between England and France to home ports. And there were many other bits of adverse news—even a shelling of California—to test the markets for both bonds and stocks. The investor, indeed, faces uncertainties such as have not confronted him before in over twenty years.

Under conditions outlined above, it is only natural to expect stocks to go lower—and they did. But not badly—and the volume of trading in the markets was at all times small. On the first trading day of the month the Dow-Jones average for industrial stocks stood at 109.11—and on the last trading day at 106.79—a drop of only 2.32 points. There were wider, swings, of course. On Friday, the twentieth, the market hit 105.10—off over four points from earlier in the month, at the lowest point for the averages since 1938. The volume of shares traded at

## The Month's Market Maneuvers Prepared for The Northwestern Banker

By James H. Clarke

Assistant Vice President  
American National Bank & Trust Co.  
Chicago

all times remained small—on the tenth 640,000 exchanged hands, which was the high for the month. On the seventeenth, when the market broke almost two points, only 390,000 shares traded. In short, despite lower prices, there was little liquidation. And once again railroad stocks—which are carried in their own average group, as distinguished from the industrials which we have been discussing—did well. Dropped less than three-quarters of a point during the month.

There were twenty-two days of trading in February—a short month with two holidays—and strangely enough the market scored advances on thirteen days and declines on nine. But the days of weakness recorded the sharper losses. As we write this article on March second the market is again weak—too much news today about the invasion of Java.

Let's take a look at the bond market. The most important event from the banker's standpoint was the offering on Friday the thirteenth of a billion and a half United States Treasury 2½s due June 15, 1955—with an optional call date in 1952. Bankers had been looking for a split issue—that is, part in a five year note and the balance in a medium term bond—but the Treasury upset calculations with its offering of just a bond. The pricing of the issue was also somewhat unique. Compared with bonds already outstanding the new issue was worth about a half-point over par—or possibly a bit more—not enough anyway to encourage the "riders" who purchase only for a quick turn in the market. As a result the issue was over-subscribed only slightly more than three times—and subscribers received a thirty-two per cent allotment. Most of the banks

held their bonds and in an absence of selling the market moved up to present prices around 100.22. As long as the 2s of 1955/51 are supported around par for a two per cent yield—the new 2½s should be able to hold present levels. In short, your cue on the 2½s is the market action of the 2s of 1955/51. Watch that.

Longer term Governments were easier in February. The long taxable 2½s of 1972/67 were off about 11/32s while the parity tax free 2½s of 1965/60 sold down more than a point. Even in the medium term classification such as the 2½s of 1952/50, there were declines of better than three quarters of a point. With the Government apparently committed to a policy of financing the war at a cost of no higher than 2½%, it is not expected that prices will get out of hand—despite the huge amount of financing to come.

Practically all classes of bonds declined during the month—although the rails, aided by fine earnings, were pretty well able to hold their price levels. After the close of the market today—Monday, March second, the granting of an increase of freight rates was announced. This should also help. Municipals moved up and down during the month, influenced by war news, but also by the sharp controversy over their tax status. Municipal bonds as a whole have proved the weakest in this year's markets, long term governments next—utilities have declined a bit, but the bonds with the greatest stigma attached—the rails—have pretty well held their own.

Of the new corporate issues offered this year—Alabama Power Co. 3½s of 1972 have made the best record—still selling well above the offering price. Most of the rest, however, are either selling below their offering prices or are still in syndicate. It is likely that with numerous Government issues coming into the market this year—and with financing the war the important thing, that corporate and municipal issues will be few.

During the next two or three months the tax bill will vie with the war news for attention. It as apparent that taxes

Northwestern Banker March 1942

for the next fiscal year will be sharply higher—both for corporations and individuals—and those who do not start preparing for them early will be shocked when the payment date arrives. What kind of a tax bill will emerge in June is hard to guess. Probably there will be no sales tax, but maybe there will be a with-holding tax at the source as the Government wishes not only to get revenues but to curtail buying. With higher taxes and sales of Defense Bonds it seems that the Government is in a good position to siphon off money which might be used for other purposes. With

corporations working on war orders almost exclusively, it is probable that profits will not be large—or if they are the taxes will cut them down.

Under these conditions it is difficult to get very optimistic over common stock prices. As to the bond market—which will be largely dictated henceforth by those who control our money policies—the best bet appears to be—Governments.

### Accounts Increase

During 1941 members of the Twin City Federal Savings and Loan Association increased their accounts with that association over \$3,300,000. Roy W. Larsen, vice president of the association, states that so far as they have been able to ascertain, this is the largest increase in members' accounts on the part of any Federal savings and loan association in the United States during 1941.

Total assets of the company are now almost \$16,000,000. The association's current dividend rate is three per cent, which rate has been paid continuously since 1936. The association has paid regular semi-annual dividends since its organization in 1923.

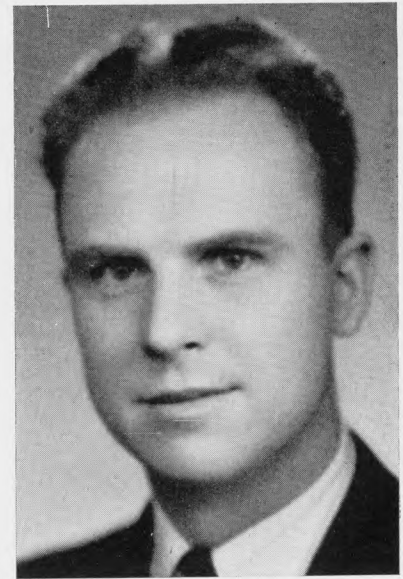
### Named Cashier

The directors of the Stock Yards National Bank, St. Paul, have named J. G. McGarraugh cashier of that institution, and have elected him to the board to fill the vacancy caused by the recent resignation of John M. Kane.

Mr. McGarraugh entered the employ of the bank five years ago and has served as assistant cashier for the past three years. He came to South St. Paul from Brookings, South Dakota,

where he was assistant manager of the Brookings branch of the Northwest Security National Bank of Sioux Falls, South Dakota.

He entered the banking business after graduating from the University



J. G. MCGARRAUGH

of Minnesota, and before locating at Brookings he was employed by banks at Dupree, Rapid City and Sioux Falls.

His father, Mr. G. A. McGarraugh, is vice president of the First National Bank of The Black Hills at Sturgis, South Dakota.

### Bolsters Future Earnings

According to the United States Check Book Company, Omaha, many midwestern bankers are planning to install the company's "PAYC" (Pay-

## 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

## Out-of-Town Banks

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

## CITY NATIONAL BANK

AND TRUST COMPANY of Chicago

208 SOUTH LA SALLE STREET

(Member Federal Deposit Insurance Corporation)

As-You-Check) **no - minimum - balance** checking account system in order to bolster future earnings. Because of the national emergency, many anticipate a drop in income from some of the usual sources. These far-sighted bankers believe the "PAYC" plan will bring customers into the bank who are not taking full advantage of their bank's facilities. By reaching out for this majority group they will insure a better potential income as well as create a fine public regard for their position in the community.

According to the check book firm, the "PAYC" system is a public-minded service which demonstrates very positively that the bank is thinking in terms of the customer's needs and interests. The plan instills a confidence in the minds of customers because it facilitates a more efficient handling of the community's financial problems.

Over 100 midwestern banks have installed the "PAYC" checking method, report its originators.

### Lobby Display

A six-foot "silver" coin illuminated with a Victory "V" is part of a spectacular display in the lobby of The Northern Trust Company in Chicago. The span of the "V" is made of plate glass on which appears a defense bond message of cut-out letters. On both sides of the display are American flags. The staffs of these flags are socketed in the base of the exhibit from which



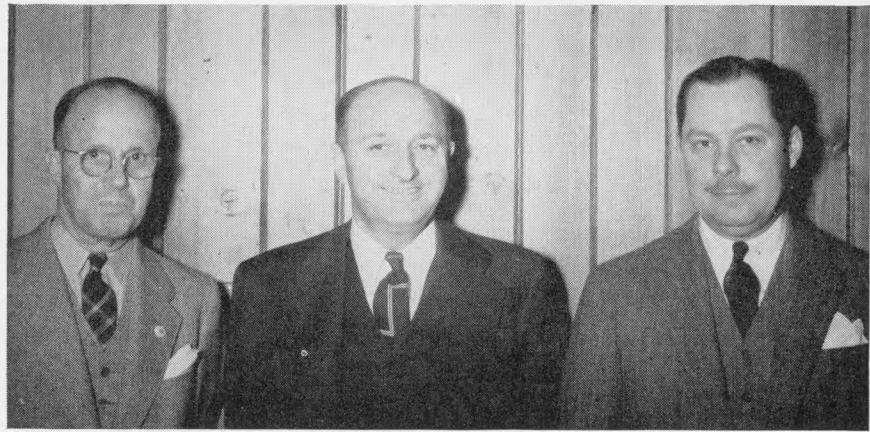
horizontal fans provide enough flow to keep the flags in restrained motion.

The lobby display is also distinguished by posters from World War I, by the bank's World War II service flag carrying 40 stars, and by large and striking signs over the entrances to the lobby. The latter are air-brushed to give a sculptured effect.

### To Finance Victory

First war-time gathering of representatives of the investment securities business was held in Chicago recently,

## Iowa Investment Bankers Elect



FOWLER - WESTPHAL - DEARTH

**Harry Westphal**, manager of the bond department of the Iowa-Des Moines National Bank, was named president of the Iowa Investment Bankers Association at the 1942 annual meeting of the organization in Des Moines. Other officers elected were **Floyd Duncan**, Vieth, Duncan & Wood, Davenport, first vice president; **M. D. Dearth**, Murdoch, Dearth & White, Des Moines, second vice president; **Charles Marcellus**, McGuire, Welch & Company, Des Moines, secretary; and **Sherman Fowler**, assistant vice president Iowa-Des Moines National Bank, treasurer.

Pictured above, from left to right, are Mr. Fowler, Mr. Westphal, and Mr. Dearth.

and the climax of the program was a forum on "Financing Victory and the Part that the Investment Securities Business Can Play in the Job." Announcement of the program was made by John S. Loomis, president of The Illinois Company of Chicago, and chairman of the Central States Group of the Investment Bankers Association of America, under whose auspices the meeting, the Seventh Annual Con-

ference of the Central States Group, was held.

The "Financing Victory" session was held on the second day, when the entire afternoon was devoted to the subject. Officials of the Treasury Department and of the Treasury's Defense Staff from Washington and Chicago were scheduled to participate with representatives of the nation's securities selling business in a thor-

## BONDS

*Public Utility*

*Industrial*

*Railroad*

*Municipal*

## A.C. ALLYN AND COMPANY

Incorporated

100 West Monroe Street, Chicago

<b>New York</b>	<b>Milwaukee</b>	<b>Omaha</b>	<b>Boston</b>
<b>Representatives:</b>	<b>Waterloo</b>	<b>Des Moines</b>	<b>Cedar Rapids</b>

Northwestern Banker March 1942

ough discussion of means whereby that business can perform its maximum part in promoting the sales of securities to finance the war.

### Promotions

Following the annual meeting of the Board of Directors of Mercantile-Commerce Bank and Trust Company, W. L. Hemingway, president, announced the following appointments among the bank's staff of employees:

Louis G. La Barge was appointed assistant sales manager of the bond department and Clarence F. Blewer

was made assistant manager. La Barge, who recently celebrated his fiftieth year in the banking business, has been associated with Mercantile-Commerce since 1920. Blewer, who had previously been associated with financial houses in Chicago, has been with the bond department of Mercantile-Commerce since 1935. Edwin H. Bosse, Jr., who entered the bank as a clerk in 1934, was appointed assistant statistician and Richard J. Weidert, associated with the bank's trust department since 1928, was appointed assistant trust officer.

### To Bancorporation

It has been announced by J. F. Ringland, president of the Stock Yards National Bank, that John M. Kane, cashier of that institution, will join the official staff of the Northwest Bancorporation in Minneapolis. His new duties will be of a supervisory nature.

Mr. Kane joined the staff of the Stock Yards National Bank in June,



JOHN M. KANE

1922. He was made an assistant cashier in January, 1936, and was elected to the position of cashier and director in January, 1941. During his association with the Stock Yards National Bank he has been very active in civic and local affairs. He is also well known in banking circles in this section. He is president of the Minnesota Safe Deposit Association, and has participated actively in the affairs of the American Institute of Banking section of the American Bankers Association, having served as president of the St. Paul Chapter in 1935-1936. He is an alumnus of the Graduate School of Banking at Rutgers University.

#### And Feed 'Em, Too?

"I married the seventh son of a seventh son."

"That's lucky."

"It's not lucky for me. My husband wants to carry on the family tradition."

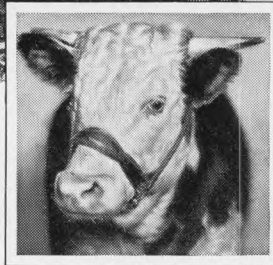
#### On the Spot

A farmer was losing his temper trying to drive two mules into a field, when the parson came by.

"You are just the man I want to see," said the farmer. "Tell me, reverend, how did Noah get these critters into the ark?"



**MEAT** can be  
counted on!



**M**EAT PACKING is one of America's greatest industries. And the meat capital of the nation is Chicago.

Chicago's packing plants have an annual output which is by far the greatest of any city in the world.

The Continental Illinois National Bank and Trust Company is proud to signalize the achievements of another great industry—one which is ready to serve the nation alike in time of peace and in time of war.

**Continental Illinois**  
**National Bank and Trust Company**

**OF CHICAGO**

Member Federal Deposit Insurance Corporation

Northwestern Banker March 1942





O. G. JONES  
President  
Red Wing

## MINNESOTA NEWS



WILLIAM DUNCAN, Jr.  
Secretary  
Minneapolis

### Sanborn State Bank

"We had a very satisfactory year," says W. D. Yaeger, cashier, Sanborn State Bank, Sanborn, Minnesota, "paying a 10 per cent dividend, increased surplus to \$25,000 equal to capital stock, with undivided profits at \$13,000 and special reserve at \$2,000.

"Also contributed enough to the trust to pay this out 100 per cent.

"Deposits increased \$25,000 and loans \$35,000."

### Remodeling

"We are just completing the remodeling of our banking room," writes B. W. Lloyd, cashier, Citizens State Bank of Fulda. "We have modernized our tellers' cages, added an additional consultation room, have changed and enlarged our space for officers' desks and have installed fluorescent lights throughout the bank.

"We feel that this change will facilitate the work, which is heavy particularly with the additional work of assisting with Selective Service Questionnaires and Appeal Affidavits and with the handling of Defense Bonds."

### Finished Good Year

"Nineteen forty-one was a very good year for our bank," says A. H. Jansen, vice president of the First National Bank, Pipestone. "We increased our surplus fund from \$100,000 to \$200,000 and have \$77,000 left in undivided profits and \$25,000 in special reserve. Our capital stock is \$75,000. Have also remodeled our fixtures by cutting them down and taking out the brass wickets. This is much appreciated by our customers and ourselves as well. We have a clear view of our bank lobby from every angle.

"Our deposits have gone over the \$2,000,000 mark. Many of our good chattel secured loans are being liquidated and new loans are scarce. Our bank has made installment loans on automobiles for many years and this profitable business is also shrinking and will be pretty well eliminated within the next 18 months. New farm ma-

chinery can not be purchased as freely as heretofore and tractor loans will also be fewer from now on. They also have proved to be good loans. Our bank has cooperated with the implement dealers in purchasing their customers' notes and we have found the business to be profitable because the farmer absolutely needs his tractor and must see that it is paid for."

### Dies in Winona

Samuel L. Prentiss, 79, prominent in banking and active in several institutions in Winona for many years, died of pneumonia recently.

He served as president of the Deposit Bank of Winona before it merged with the First National Bank in 1927 and had been president of the northern corporation since 1928.

### Open New Quarters

The Farmers and Mechanics Savings Bank of Minneapolis opened its new banking quarters recently at Sixth and Marquette Avenue.

For the past 50 years it has been located at 115 South Fourth Street, and during this time not only have deposits increased from \$5,000,000 to \$68,000,000, but also the banking operations have steadily expanded.

The Farmers and Mechanics Savings Bank is the only mutual savings bank in Minnesota. It was founded in 1874 when Minneapolis had a population of only 30,000 and, like the city, the bank has enjoyed a steady growth ever since. Its assets now amount to nearly \$74,000. Henry S. Kingman is its president, and Thomas F. Wallace is chairman of the board of trustees, and the other officers are:

Cavour S. Langdon, Alfred F. Pillsbury and John Crosby, vice presidents; George G. Cowie, secretary; Herman J. Landquist, John L. Larson, P. D. Esau and John de Laittre, assistant secretaries; Albert H. Crosby, treasurer; A. W. Geggie, W. A. Kramer, R. L. Davidson, H. J. Arnott and Lowry S. Moore, assistant treasurers, and Samuel P. Martin, auditor.

### Promoted

Donald Nordlie, son of Mr. and Mrs. O. G. Nordlie of Litchfield, who entered the State Bank of Litchfield last September as a bookkeeper, has been promoted to the position of teller.

### To Mankato

Leonard Kallestad, assistant cashier of the First and Farmers National Bank, Blue Earth, has accepted a position as auditor of the First National Bank of Mankato. This is an advancement, since the Mankato bank is one of the largest in the southern part of the state. He took over this new position February 15th. A native of Elmore, Kallestad has been a resident of Blue Earth most of his life and has been associated with the bank there for 14 years.

### Limits Raised

The Security State Bank of Glencoe is now in the process of raising its deposit limit from \$60,000 to \$1,000,000. When the bank first opened its doors to the public, \$600,000 was set up in the original articles.

The bank's business has grown so much that it has become necessary to enlarge its corporate set-up. According to State Banking Laws, a bank is permitted 25 times the total of its surplus and capital stock.

Last December the bank raised its surplus to \$20,000, with the capital stock remaining at \$25,000. During the past quarter, it increased its total deposits \$14,000.

### Cashier Resigns

Ed. Losensky, employed as cashier of the State Bank of Mahtowa, has resigned his position.

Chas. Peterson of Mora has been engaged to fill the position for the time being.

Miss Faye Hecker will continue in her position as assistant cashier.

### Ulen

Stockholders of the Northwestern State Bank of Ulen held their annual meeting recently, electing Ed Hekman president for the coming year. Victor Hanson, vice president; A. J. Andersen, cashier, and Arthur J. Andersen, Jr., assistant cashier, were other officers named by the group.

### Lake Park

Officers and directors of the Lake Park State Bank have been re-elected. They are O. B. Rusness, president; Henry Torgerson, vice president; Melvin A. Rogness, cashier, and Paul Twedten, assistant cashier.

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## Accepts New Position

M. E. Lageson, who has been employed in Minnesota banks since 1920, has joined the staff of the Austin State Bank as a teller.

Mr. Lageson, who has worked for the past three years in the Hastings National Bank at Hastings, took up his new duties in Austin last month. His banking experience includes employment in two Bancorporation banks in this area. From 1920 to 1926 he was employed at the Bank of Ellendale.

From there he went to the Owatonna Security Bank and Trust Company at Owatonna where he was employed for seven years.

## Remodelling Completed

Its quarters remodeled and refurnished, the First National Bank of Virginia rates as the most modern institution of its kind on the Iron Range and probably in the whole northern Minnesota section north of Duluth.

The bank has formally announced

the completion of a \$15,000 remodeling program that enlarged its business and working quarters and modernized its facilities to add convenience for patrons carrying on business transactions at the institution.

## Red Lake Falls

At the annual meeting of the Red Lake County State Bank of Red Lake Falls all officers were re-elected. They are J. L. Pete, president; John J. Asiala, first vice president; Joseph F. Skala, second vice president; Walter Johnson, cashier; R. W. Perras, assistant cashier; Armand Benoit, assistant cashier; Joyce Phalen, teller, and Ione Helm, bookkeeper.

## To Increase Capital

It was decided to increase the capital stock of the State Bank of Lucan to \$25,000 and officials were instructed to take the necessary steps at the annual meeting of stockholders of the organization recently.

The increased volume of business and the earnings of the institution were reported as very satisfactory and present directors were re-elected for 1942. W. H. Zimmerman is president, H. W. Jefferson, Jr., vice president and Anton Kramer, cashier of the organization.

## Zumbrota

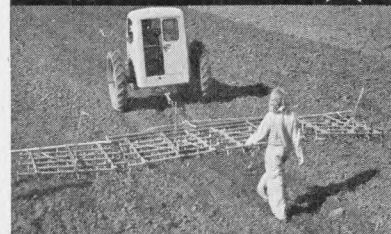
The annual meeting of the stockholders of the Farmers Security State Bank of Zumbrota was held recently with a good representation of the stockholders present. Senator A. J. Rockne presided.

The financial report shows this has been a good year with deposits totaling about a million dollars.

The following were elected directors who will meet later to organize: Senator A. J. Rockne, C. K. Clementson, J. N. Banitt, O. M. Nordvold, J. E. Kors-ten, H. G. Hoven, Baldwin Reppe.

## Cashier at New Bank

John Dragavon, assistant cashier at the First National Bank of Ely, has been appointed cashier of the newly organized Tower State Bank. Mr. Dragavon has been connected with the Ely bank since 1934.



The products of seed and soil have always been essential to the sustaining of human life. . . . In the present Defense emergency Minneapolis-Moline Modern Farm Machines are helping to keep this essential flow of food and fibre uninterrupted. . . . But the call is for increased production on ALL farms; and here the local banker and MM Dealer have a contribution to make. By extending "credit" to deserving farmers for more MM machines where needed, the farm hands being withdrawn for Defense can be replaced and yet production stepped up to maximum. . . . The MM line of tractors and machines is one of the most complete and most modern in the world. By putting more of this power to work you will not only be helping Uncle Sam but helping yourself and stimulating business for your entire community. . . . To those who do not need new Machines this year we suggest that you encourage them to keep their machines in good repair and buy needed parts early.

Invest in  
Defense  
Savings  
Bonds  
and  
Stamps

"Keep 'em  
Flying!"



**MINNEAPOLIS - MOLINE**  
POWER IMPLEMENT COMPANY MINNEAPOLIS  
MINNESOTA, U. S. A.

## Bank Stocks . . Bank Positions

Positions available in middle-western states for men and women with banking experience as cashiers, assistant cashiers, tellers, bookkeepers, and stenographers.

Minority and controlling interests in banks sold confidentially.

W. R. OLSON CO., Fergus Falls, Minn.

# TWIN CITY NEWS



**G**EORGE W. P. HEFFELFINGER, Minneapolis, vice president of F. H. Peavey & Company, was elected a director of First Bank Stock Corporation at the annual meeting of stockholders in Minneapolis.

At the directors' meeting which followed, all officers were re-elected, while **A. R. Moorhead** was named assistant treasurer, and a dividend of 30 cents a share was voted.

The dividend will be payable April 1st to stockholders of record March 16th. The corporation's thirty-fourth dividend, it amounts to approximately \$865,000.

Stockholders approved reduction in the bank holding company's issued capital from \$30,000,000 to \$29,000,000 by retiring 100,000 shares of capital stock previously purchased and held in the treasury.

In his report to stockholders, **C. T. Jaffray**, chairman, pointed out First Bank has operated through one of the

By James M. Sutherland

*Special Correspondent*

most trying periods in the history of American banking.

Net operating earnings of the corporation, its banks and active affiliates from 1930 through 1941 totaled \$41,458,000, and average of \$1.14 per share annually, he said. Since its organization in 1929 it has paid \$19,800,000 in dividends, exclusive of the one just voted.

"Since 1934 the building and fixture accounts of our affiliated banks have been reduced from \$10,000,000 to \$6,000,000," he said. "In the same period the banks have accumulated a substantial appreciation in their bond accounts in which government bonds in the aggregate are today carried on their books at less than par value."

Other officers reelected, beside Mr. Jaffray, are **A. H. Kennedy**, president; **R. C. Lilly** and **L. E. Wakefield**, vice presidents; **H. W. Martin**, treasurer; **L. B. Hogue**, secretary; **M. A. Cooley**, assistant treasurer, and **L. O. Fredell**, assistant secretary.

All directors of **Northwest Bancorporation** were reelected at the thirteenth annual meeting in Minneapolis.

In other actions, the stockholders approved purchase of supplemental retirement annuities by affiliated banks, amended the certificate of incorporation to give directors authority to adopt or amend retirement plans and to approve retirement plans of affiliated institutions, and amended by-laws to provide for indemnification of directors in certain cases.

Directors will meet later to elect officers.

Several Minnesota bankers were elected officers and trustees of the Minneapolis Foundation, a non-profit

organization administering bequests for charitable purposes.

**Henry V. Bruchholz**, vice president and secretary of First National Bank & Trust Company, was elected treasurer, while **Leonard A. Von Eschen**, also of First National, was named secretary and assistant treasurer.

Mr. Bruchholz, **Stuart W. Wells** and **A. E. Wilson** were among trustees re-elected, while bankers named to the executive committee included **C. R. Chaney**, **Robert W. Webb** and **H. D. Thrall**, along with Mr. Bruchholz.

Put an "Inc." after the name of the **Twin City Bond Traders Club**. For the organization has completed incorporation under Minnesota law, it was announced at the annual mid-winter party in Minneapolis. (See next page)

## 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

## YOU ARE A SELECT RISK

This makes it possible for you to secure high grade insurance at about half the usual cost. Thousands of bankers all over the country carry our accident and health insurance. You are a better citizen with your income protected. Insurance paid up to Sept. 15th for only \$2.00. Write for literature and applications.

## Minnesota Commercial Men's Association

2550 Pillsbury Ave.  
Minneapolis, Minn.

Northwestern Banker March 1942

Federal Reserve Bank of Minneapolis has made several promotions affecting junior officers, according to announcement by **John N. Peyton**, president.

**A. W. Mills**, auditor, was made cashier and secretary. **Harold C. Core**, assistant cashier, was named personnel officer. Two new assistant vice presidents are **Otis R. Preston**, former assistant cashier, and **Harold G. McConnell**, manager of the discount department.

**Earl B. Larson**, manager of the fiscal agency department and **Walter Turner**,

manager of the check collection department, now are assistant cashiers. **Milford E. Lysen**, planner, was made operating research officer and **Orthen W. Ohnstad**, manager of the audit department, was named auditor.

After more than a year as head of the Minneapolis office of the division of contract distribution, now under the war production board, **H. C. Timberlake** has returned to his former post as statistician at Minneapolis Federal Reserve Bank. Timberlake was placed in charge of the contract distribution

work here when it was first set up in the reserve bank late in 1940. Successor is **W. R. Stephens**, local auto dealer.

New chief examiner of the Minneapolis Clearinghouse is **C. A. Knudson**. He succeeds **William J. Regan**, retired. Both joined the clearinghouse in 1915.

A committee representing all phases of the investment securities business in Minnesota has been announced by **Arthur D. Reynolds**, state administrator, and **O. J. Arnold**, state chairman, of the Minnesota Defense Savings staff.

The committee will arrange active participation of the entire industry in sale of defense bonds. Members are: **Henry D. Thrall**, president of Thrall West Co., Minneapolis, designated defense bond contact man for the investment securities business in the state; **Charles C. Cook** of Greenman & Cook, St. Paul, and **George E. Ostrom**, Northern National Bank, Duluth.

The committee was named jointly by the Investment Bankers Association of America, National Association of Securities Dealers, Inc., and the Association of Stock Exchange Firms.

More than 200 persons attended the fourth annual **Minnesota Bankers Conference** at the University of Minnesota Center for Continuation study. Co-sponsors were the university, the Minnesota Bankers Association and the state department of banking.

Courses in the three-day meeting included: recent economic trends, agriculture, securities, bank operations, consumer credit, post-war economy and a round table on income tax procedure.

**Laurence R. Lunden**, assistant comptroller of the university, was general chairman, as in previous years.

**Cyril B. Upham**, assistant comptroller of the currency, **R. O. Jones**, assistant vice president of the Union Trust Company, Pittsburgh, **John J. Driscoll, Jr.**, Philadelphia, and **Dr. Charles C. Fichtner**, chief of the division of regional economy, U. S. bureau of foreign and domestic commerce, were out-of-town lecturers. Other speakers were local bankers, government officials and university faculty members.

The investment firm of **Merrill, Lynch, Pierce, Fenner & Beane** has moved from its former location at 704 Marquette Avenue, Minneapolis, to new larger quarters on the second floor of Rand Tower.



*"The Bank at the Yards"*

## "All-Out" Service

All-out correspondent service is the rule at the Livestock National Bank in Sioux City. If your items cover livestock, hay or grain, our location in the Stock Yards insures the quickest of service.

And—if it's a down-town item, remember, we can serve you equally well ANYWHERE in the Sioux City area.

### 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  
James L. Smith, Auditor

### DIRECTORS

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

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

### D. S. Elliott Dies

Douglas S. Elliott, 47, attorney and a member of the board of directors of the Northwest Security National Bank of Sioux Falls, died recently.

During the first World War he served in the air corps as an aerial observer and was overseas one year.

### Economist Speaks at Meeting

George Anderson, Brookings, extension economist, and John Noonan, Codrington county extension agent, were the speakers at the annual Farm meeting of the Farmers and Merchants Bank of Watertown.

Several hundred farmers attended the meeting, which opened with a lunch at noon.

### Directors Meet

The February meeting of the directors of the Bank of Kimball was held at Kimball with the following directors in attendance: Lloyd Cronholm, Ipswich; L. M. Larsen, Wessington Springs; Mrs. J. H. Drips, Gann Valley, and R. A. Johnson, Kimball. Ben Jones of Ipswich, one of the stockholders, also attended the meeting.

### To Install "PAYC"

"PAYC" (Pay-As-You-Check) service for no-minimum-balance checking accounts will soon be installed by the Roberts County National Bank of Sisseton, South Dakota, according to an announcement recently made by the United States Check Book Company, Omaha.

Officers of the Roberts County National Bank are J. L. Caldwell, president; A. W. Powell, vice president and cashier, and F. H. Kouba and M. L. Ambers, assistant cashiers.

Free literature and complete information regarding the profit-building and good will features of the "PAYC" checking plan will be sent to all bankers who write, says the Check Book firm.

### Increased Bank Clearings

For the 29th consecutive month, Aberdeen bank clearings during January showed a substantial increase over the same period in 1942, figures compiled by Clayton Walker for the Aberdeen Clearing House Association, disclosed recently.

January clearings this year were \$4,759,073.71, a gain of \$76,791.53 over \$3,682,282.18, which was the January total in 1941.

At the same time, figures released by the Minneapolis Federal Reserve Bank showed January business activity in Aberdeen showed a 24 per cent gain over the same month a year ago as reflected in the city's bank debit volume.

The dollar volume of bank debits reported by the local banks amounted to \$6,895,000, best volume for any January since 1921. Bank debit volume reported for the state showed an average gain of 34 per cent.

### South Dakota Cooperates

At the close of business December 31, 1941, only seven states had qualified all their banks as issuing agents for United States Defense Savings Bonds Series "E," announces South Dakota Superintendent of Banks Erling Haugo, deriving his information from a recent letter of E. W. Sloan, executive director of the defense savings staff of the United States treasury department.

South Dakota is the only one of the six states in the ninth Federal Reserve District which has its banks qualified 100 per cent in the bond program, Haugo advised.

### Bank Debts Increased

Bank debits in Watertown rose approximately \$133,000 during January as compared to January, 1941, according to a compilation of figures from both banks released recently.

Total debits during the month were \$4,257,000; a year ago the same month they were \$4,124,000, and for December, 1941, \$5,900,000.

### Celebrate 40th Anniversary

The Dakota State Bank of Tripp celebrated its 40th anniversary last month, having been opened for active business on February 1, 1902. It was organized October 16, 1901, by James F. Toy, president of the Toy National Bank of Sioux City, Iowa, and G. N. Sweetser and Henry Klatt, Jr., of Tripp.

In 1906 Mr. Toy sold his interest to Mr. Klatt, who served as president until his death in 1928. His wife, Mrs. Emma May Klatt, assumed the presidency and his son, L. Roy, who became cashier in 1913, continued in this capacity.

The officers are: E. M. Klatt, president; Oscar Brosz, vice president; L. Roy Klatt, cashier; Chris Schmidt, assistant cashier, and K. G. Klatt, assistant cashier.

Directors are: E. M. Klatt, L. Roy Klatt, K. G. Klatt, M. W. Craig (Mrs. John H.) and Oscar Brosz.

### Bank Officers Chosen

As a recent meeting of the stockholders of the Security Bank and Trust Company of Madison, business of the year was reviewed and officers chosen. Leonard Palm was promoted to a position as assistant cashier. Officers now include A. D. Parker, president; James A. Robson, vice president; E. J. Dirksen, cashier; F. H. Elbert, G. L. Scully and Leonard Palm, assistant cashiers.

The directors are A. D. Parker, Oscar A. Olson, E. J. Dirksen, James A. Robson and John Engebretson.

### New Banking Hours

The two Vermillion banks now will open at 10:00 a. m. and close at 3:00 p. m., Monday through Saturday.

This change in banking hours has been made necessary in order to comply with the federal wage and hour law, according to bank officials. Under this law the employes in banking institutions are on a 40-hour week basis.

### BETTER FARMS AND FARMERS

(Continued from page 17)

who cannot use his sire longer, or who has raised sires for sale, can, after the committee has passed on its qualifications, bring it in for exchange or sale. The business men in each county assist the Livestock Improvement Association in defraying the expense of the sale and exchange day.

Another Committee project is: "A few sheep on every farm."

Experience is the best teacher in in-

*Northwestern Banker March 1942*

creased feeding and livestock raising. Consequently we suggest growing into these new projects rather than jumping in deeply with the possibility of losing everything.

We also have campaigned for the use of more lard to some extent, and would go further if the product were more standardized.

Please do not get the idea that we ask each banker to tackle all of these projects. But we do ask him to pick

out those projects which are best adapted to his particular community,

Another point is to get the farmer to keep a set of books, and a number of banks furnish such books to farmers free of charge.

The United States Department of Agriculture is urging both rural and urban gardens. With the possibility of rail transportation being given over to defense work, and commercial truck gardening being curtailed by the fact

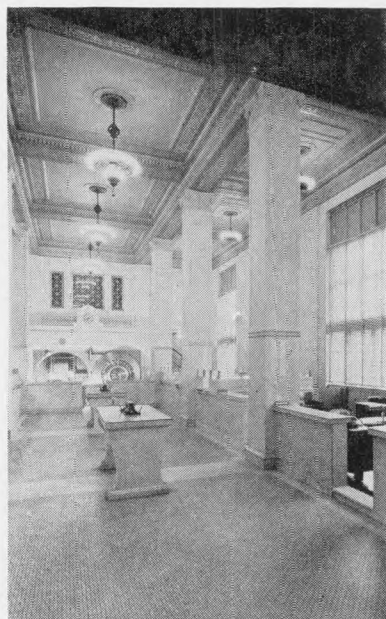
that some Japanese gardeners have been taken into custody as aliens, more and better gardens in this agricultural state are very desirable. We shall cooperate in this program.

Our members assemble the statistics on banker-farmer activities by means of an agricultural record card and at the close of the year we send them a yellow summary sheet on which the information is consolidated and sent in to the Agricultural Credit Department of the American Bankers Association. Thus, a very complete record is available at the end of each year. During the past two years, South Dakota banks reported they loaned funds for the purchase of 3,443 registered bulls, 1,080 registered cows, 3,811 registered calves, 159,681 grade cattle, 1,354 registered boars, and sows, 31,389 hogs, 6,937 registered rams and ewes, 167,053 grade sheep. This is a four hundred per cent increase over that reported the previous two years.

In cooperation with South Dakota State College officials on December 8 and 9, 1941, our Committee conducted its first "Agricultural Credit School" which, considering the fact that the Pearl Harbor incident occurred the day before, was very well attended. Fifty-two were registered at the meeting and all to whom we talked seemed to think it should be continued as an annual affair. Among the subjects discussed were: "The Agricultural Credit Situation in South Dakota"; "The Farm Credit Administration and Its Place in the Credit Field"; a discussion of livestock raising and proper feeding by members of the agronomy and animal husbandry departments; "Re-Discount Facilities of the Federal Reserve Bank with Respect to Farm Paper"; "How to Get More Good Agricultural Loans," a panel discussion and "Agricultural Credit Data and Credit Files." A farm man and woman each gave their views of the credit problem as seen by them. Also, among the features of the meeting were tours of various agricultural experiment projects of the College and a report on the results of the selenium (alkali poisoning) investigation. In a talk on "What's Ahead," A. G. Brown, manager of the American Bankers Association Agricultural Credit Department, gave a splendid summary of the meeting and offered a number of timely suggestions to bankers and other credit men.

I am sure that our farmers will do their share during the present emergency and am confident that the banks in the agricultural areas will extend every effort to cooperate. Our motto now is "Produce for VICTORY."

## Sioux Falls Bank Remodels



The National Bank of South Dakota in Sioux Falls recently completed extensive remodeling and redecorating of the space devoted to its banking quarters. The view at the left shows the lobby of the bank, looking toward the safe-keeping department at the rear.

The picture below illustrates a part of the officers' quarters, and several of the tellers' cages. Note the new low-type counters, and the narrow wickets for customer service. The large windows in the picture face toward the south.

Officers of the bank are: President, **W. E. Stevens**; vice president, **T. S. Harkinson**; cashier, **F. J. Cinkle**; assistant cashier, **Ole H. Bondhus**.



Northwestern Banker March 1942



J. I. HEGGE  
President  
Hillsboro

# NORTH DAKOTA NEWS



C. C. WATTAM  
Secretary  
Fargo

## 25th Anniversary

The Farmers State Bank of Richardson has renewed the term of its corporate existence expiring March 6, 1942, for another 25 year period, and increased its capital stock to \$20,000.

On December 18, 1933, the total resources of this bank were only \$90,700.99. There has been a remarkable growth of the business of the bank since then so that a total of \$512,239.88 was reached on November 18, 1941, or an increase of 564 per cent during the eight year period.

During this same period the bank has never missed a dividend for its stockholders, and at the same time increased its capital structure from \$18,836.24 in 1933 to \$35,326.53 at the close of 1941. The bank building (original cost about \$25,000) is now carried at \$5,000, furniture and fixtures has been written down to \$1 and other real estate has been practically eliminated. The fixtures of the bank were remodeled in 1941 to the modern low streamlined type and other improvements made in banking rooms.

Officers and directors of the bank are: Fred Born, president; Lee Hoff, vice president; Aug. Koesel, vice president; Michael Hoerner, director; I. E. Giedt, cashier; P. M. Burger, assistant cashier; Catherine Niehaus, assistant cashier, and Fred Birdsall, director.

## State Convention

The North Dakota Bankers Association annual convention will be held at Dickinson, North Dakota, on Friday and Saturday, June 12th and 13th. Dickinson and slope bankers generally will cooperate to make this an outstanding meeting and they ask that bankers from other parts of North Dakota take this opportunity of renewing their acquaintance with the slope country and its abundant supply of natural resources. Mark your calendars for June 12th and 13th.

## Banker Retires

C. W. Clow of Cavalier retired recently as president of the Merchants

and Farmers Bank, after 26 years of continued service with the institution. R. W. Blaine was elected president at the annual meeting.

## January Debits

Minot's bank debits totaled \$6,325,000 in January, an increase of 54 per cent over January, 1941, the Federal Reserve Bank, Minneapolis, reported.

The volume was the best reported for any January since 1930.

For North Dakota, bank debits in the month of January were 41 per cent ahead of a year ago, while in the Ninth Federal Reserve District, the average gain for January was 30 per cent.

Since bank debits for the most part are checks drawn by depositors against their bank accounts in payment for goods, services and debts, bank debit volume for a locality is considered a good indicator of general business activity.

## Fargo Meeting

Directors of G. N. D. A., meeting in Fargo recently, declared for all-out efforts on the part of the association in the Victory program.

G. N. D. A. offered personnel and facilities to the war program, food for freedom, increased livestock production, pure seed grain distribution.

"The committee urged that the agricultural department accelerate its work to aid production for victory and efforts be continued to develop the state's natural resources and to urge their use in national defense," says B. E. Groom, secretary and chairman of the agricultural committee.

The committee voted to hold the annual winter meeting of the association at Grand Forks; to participate with the Pacific Northwest Tourist Association in the promotion of travel; to continue cooperation with local civic and development organizations, to aid in defense undertakings and in the development of water conservation, irrigation and to aid in planning the building of a great reservoir of work projects to cushion after the war unemployment.

## Banking Problems Discussed

Some 90 southwestern North Dakota bankers, in a recent meeting, heard discussions of everyday banking problems, feeder loans, installment buying, wage and hour provisions, control of foreign funds, bank sales of United States defense bonds, and the state banking convention.

Site of the meeting, last of a series of such meetings held in North Dakota, was the Lewis and Clark Hotel dining room in Mandan.

Hans Fischer, Washburn banker, presided at the session.

Speakers on the program included L. A. Hill, regional director of the wage and hours division of the department of labor, who spoke on wage and hour provisions.

R. M. Barry, of the Merchants National Bank and Trust Company of Fargo, who spoke on everyday banking problems.

George May, also of the Merchants National Bank and Trust of Fargo, who spoke on feeder loans to livestock raisers.

R. D. Baker, of the Federal Reserve Bank of Minneapolis, who spoke on the regulations of the new installment buying laws.

George Rockwell, Federal Reserve Bank of Minneapolis, who spoke on the control of foreign funds now frozen in this country.

John A. Graham, state bank examiner, who urged all banks to qualify for the handling of United States defense bonds:

J. O. Milsten, vice president of the North Dakota Bankers Association, who spoke on the state bankers convention, and C. C. Wattam, secretary of the association, who also talked on association business and problems.

## District Bankers Meeting

R. H. Butterwick of Fargo was elected president of the southeastern district of the North Dakota Bankers Association at a recent dinner meeting held at the Rudolf Hotel in Valley City. About 115 were in attendance, including representatives from banking firms in the Twin Cities and Duluth.

G. A. Klefstad of Forman was named vice president, and R. M. Hougen of Valley City, re-elected secretary and treasurer. Butterwick succeeds B. A. Helland of Arthur, who was elected to the state executive committee. Sharpe Pruetz of Kulm was named on the state nominating committee.

Speakers were L. A. Hill, R. D. Baker and George Rockwell, all of Minneapolis; George May, S. H. Finger and State Secretary C. C. Wattam, all of Fargo; and J. I. Hegge of Hillsboro, president of the state association.

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## Cashier Passes Away

Edward W. Mueller, 59, cashier of the National Bank of Jamestown, and widely known for his activities with the Stutsman County Fair Board and the Elks Lodge, died suddenly following a heart attack which struck while he was at his desk.

## Hecla Banker Dead

J. H. Kissinger, about 54, cashier of the Hecla Bank, died recently in Min-

neapolis following an illness of two years. He had been in Minneapolis during most of that period.

Mr. Kissinger had been associated with the Hecla Bank for 30 years and at the time of his death was a director as well as cashier.

## Becomes Banker

Newman Olson, principal of the Buhl high school for the last five years, resigned recently to enter the banking

business in Osakis, Minnesota, where his father-in-law controls a bank.

Olson came from Virginia where he was high school teacher of sociology and was honored with a life membership in the Junior Chamber of Commerce for outstanding work.

Mr. Olson was selected as Buhl's outstanding citizen in 1941.

## Callahan Made President

L. E. Callahan of Munich was elected president of the northeastern group of the North Dakota Bankers Association at a recent dinner meeting.

He succeeds H. M. Nash of Hatton. F. C. Gustafson of Grand Forks was elected secretary. Speakers at the dinner were J. I. Hegge of Hillsboro, state association president; C. C. Wattam of Fargo, secretary, and L. A. Hill, R. D. Baker and George Rockwell of Minneapolis.

## BANK ADVERTISING

(Continued from page 15)

"Get out of debt" says Marriner S. Eccles, Governor of the Federal Reserve Board.

"The time to prepare for a squeeze is before it hits us," according to Leo T. Crowley, Chairman of the Federal Deposit Insurance Corporation.

"Get debts in shape to ride out a storm" says another authority.

**"GET OUT OF DEBT—AVOID THE SQUEEZE—AND YOU'LL RIDE OUT THE STORM."**

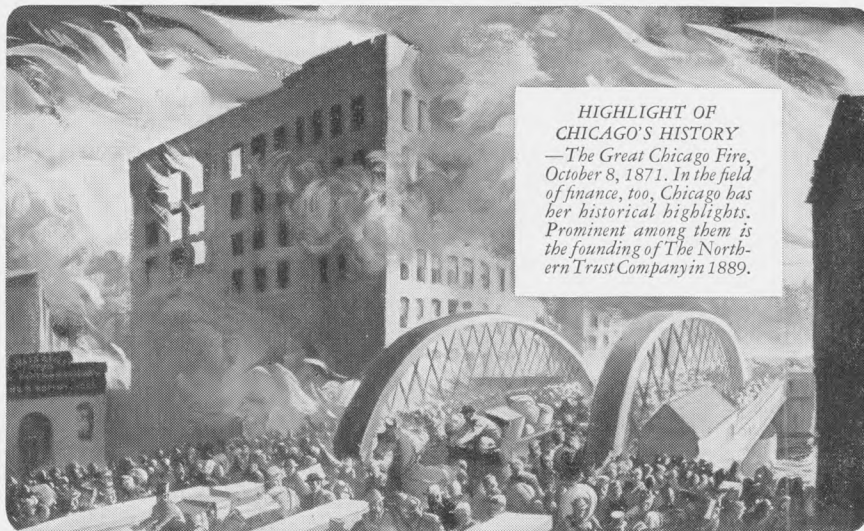
Also, we use stickers which we can paste on letterheads and envelopes, and recently we sent out one which caused such a favorable impression with the Treasury Department that they wrote us a letter of commendation, and this sticker which is run in red and blue ink on white paper to give it the red, white, and blue colors is as follows:

**EAT IT UP  
WEAR IT OUT  
MAKE IT DO!**

**You'll Need What You Save  
To pay debts—To buy Defense Bonds**

By discussing every day personal problems in our advertisements, we believe we have created more interest both in the ads themselves and in our bank than we otherwise would have done.

Just let a girl see a big handsome lifeguard and she wants him for a buoy friend.



## HERE FRIENDLINESS GIVES ADDED VALUE TO A CORRESPONDENT CONNECTION

Each out-of-town bank which selects The Northern Trust Company is shortly aware of two important advantages. First, there is the wealth of up-to-the-minute information on banking and trust matters available here. Second, there is the personnel—friendly, helpful and thoroughly

trained in modern banking methods. From routine check collections to seasoned investment counsel, each correspondent finds here efficient cooperation in meeting his problems. He is assisted in achieving that completeness of service his customers value so highly. Inquiries are invited.

# THE NORTHERN TRUST COMPANY

50 SOUTH LA SALLE STREET, CHICAGO

Member Federal Deposit Insurance Corporation

★

Northwestern Banker March 1942

★



## LEGAL DEPARTMENT

(Continued from page 16)

a matter in which the burden of proof rests on the trustee. Under the facts outlined in the question, proceedings regarding compensation are addressed to the sound discretion of the court involved and it may make or withhold allowances as the particular circumstances require.

Farrell owned and lived in his home. He subsequently moved therefrom and had the place torn down to save taxes. In paying his federal income tax he sought to deduct the value of the building in determining his taxable income. Could he do this?

**No.** The purchase, the construction, the tearing down, or the sale of a home normally represents a personal, family, or living expense which is not deductible as attempted by Farrell. A normal situation prevailed and Farrell must be governed accordingly.

## THE FARMER CAN DEFEAT INFLATION

(Continued from page 18)

materials, and men, must be paid. A point often overlooked, is that regardless of whether war is paid for while it is going on, or is carried on by borrowed funds, the costs in terms of manpower, materials, and resources come from past or current production. These costs cannot be postponed.

One difficulty in obtaining adequate price control is that each group still has its eyes set on getting as great an advantage as any other group. There would be no reason for questioning this watchfulness if it took the form of each group's exerting pressure to keep others from gaining undue advantage. Watchfulness of this sort is desirable. Such an attitude would insist that considerations of general welfare always have first place. Unfortunately, the easier path to follow is that of seeking offsetting advantages. Instead of insisting that there is to be no "gravy," the emphasis is on getting a share of it. Labor justifies demands for higher rates of pay on the grounds that profits are up and the worker is entitled to his share. The farmers then say, if wages are going up, farm prices, which represent their labor returns, should go up as well, and that if wages are not to be controlled, prices should not be. If these demands in turn are granted, labor may be expected back for more because cost of living is up, and then the spiral of inflation is on its merry way. Up and up it goes; where it stops, nobody knows.

(Turn to page 64, please)

**"RED TAPE"** is frequently the bottleneck which throttles activity in time of emergency.

One of the outstanding characteristics of our American independent banking system is the speed and efficiency with which it has served industry and commerce and is now prepared to meet the exacting needs of war-time economy. We offer our facilities if you think we can help you.

... THE ...

## PHILADELPHIA NATIONAL BANK

ORGANIZED 1803

PHILADELPHIA, PA.

Capital, Surplus and Undivided Profits  
**\$46,000,000**

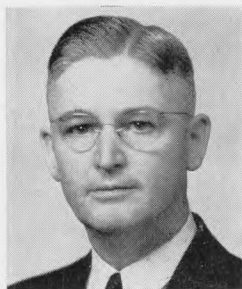
*Member of Federal Deposit Insurance Corporation*



*The*  
**UNITED STATES**  
*National BANK of Omaha*

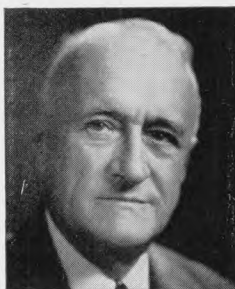
MEMBER F.D.I.C.

ESTABLISHED 1856



O. A. RILEY  
President

## NEBRASKA NEWS



WM. B. HUGHES  
Secretary  
Omaha

### Association Meets

The spring meeting of the Southeast Nebraska Regional Clearinghouse Association was held in Fairbury last month. There was an attendance of 67 bankers. Following the dinner the following appeared on the program:

District Judge C. B. Ellis gave a talk "Looking Ahead," an analysis of the war situation.

O. P. Cordill, assistant cashier, Omaha Branch, Federal Reserve Bank, addressed the group on "Consumer Credit-Regulation."

E. C. Austin, cashier of the Beatrice National Bank, and president of the Southeast Nebraska Regional Clearinghouse Association, presided.

### Annual Meeting

At the annual meeting of the Adams State Bank of Adams, the following officers were elected by the directors: Henry Gramann, Sr., president; Henry Gramann, Jr., cashier; and Chris Hennies, chairman of the board.

Mr. Gramann, Sr., was formerly cashier of the bank, and Mr. Gramann, Jr., was formerly assistant cashier. Mr. Hennies was formerly president of the bank.

### Changes in Personnel

Recently L. J. Kozeny was made an assistant cashier and Harlan W. Trumble was made a director of the Packers National Bank of Omaha.

### Allen Credit Association

At the annual meeting of the Allen Cooperative Credit Association of Allen, Nebraska, all officers were re-elected. W. R. Ellis, president; Millard M. Martin, secretary-treasurer, and W. T. Connell as a member of the board of directors, all of them have been in the same positions since the association was organized in 1934.

The Allen Association recently purchased its brick office building—which building was formerly the home of the Allen State Bank until its liquidation in 1929. The Allen Association has the

unique position of having paid a 5 per cent dividend to all member-depositors each year since organization and in addition has built up a very satisfactory reserve.

Millard M. Martin, secretary-treasurer of the Allen Association, was guest speaker at a special meeting of the North Loup Nebraska Cooperative Credit Association. His subject was "Getting the Most Out of Cooperation."

### New Bookkeeper

Mildred Kuhl is the new bookkeeper and stenographer at the Plainview State Bank, Plainview, Nebraska, having taken the position formerly held by Jan B. Curtiss, who recently resigned.

### State Bank of Liberty

Everett M. Barr, president of the State Bank of Liberty, recently sold one truck load of hogs and received a check for \$2,521 in payment for the load. He has on hand 60 brood sows to farrow soon.

T. J. Poague, cashier of the bank, recently purchased 289 acres of level land along the north edge of Marshall county in Kansas for a consideration of \$14,000. Mr. Poague and the loan company are joint owners.

Herman Bachenberg, vice president of the bank, has on feed 110 heavy steers and 250 other cattle to grass this season. He usually carries around 450 cattle, but due to the high price of cattle this winter, he did not lay in his usual supply. He plans to wait for a dry spell and lay them in next summer.

### Annual Meeting

We have received the following letter from C. J. Mortensen, president of the Nebraska State Bank or Ord:

"At our bank's annual meeting E. R. Fafeita was made vice president as well as cashier, and R. J. Cronk and Miss Alberta Flynn were elected assistant cashiers.

"The deposits are well up over the half million mark and demands for

loans continue in good shape, so that loans are more than 60 per cent of the deposits."

### Bank Shows Increases

At the recent annual meeting of the Security State Bank of Edgar, the following officers were elected: J. L. Scroggin, president; E. E. Hedgcock, cashier, and Paul Stewart, assistant cashier.

This bank was organized in July, 1935, with a capital of \$15,000 and surplus of \$3,000. In spite of the fact that the section of the country served by the Edgar bank has had no crops since 1934 until last year, when there was a fair crop, the bank has shown a steady increase, and the December 31, 1941, report showed capital of \$15,000, surplus of \$10,000, and undivided profits of \$5,994.34. During this period \$700 has been charged off the bank building, and \$600 off furniture and fixtures. A dividend of 5 per cent was paid in 1941.

### Officers Re-elected

The Plattsmouth State Bank has held its annual meeting at which the officers of the bank were named. All of the old officers were re-elected to their posts. The officers are as follows:

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

The board of directors of the bank comprise the above officers and Henry Horn, long time member of the official board.

The bank reports a very excellent year and a large volume of business transacted.

### Hold Annual Meeting

All officers were re-elected during the annual meeting of the State Bank of Alexandria. Officers include Luther Bonham, president; Merle L. Cory, vice president; J. J. Rothmeier, cashier, and Nellie M. Moore, assistant cashier. Other directors are Herman E. Jennings, John Backer and George Apking. The bank reported a good year's business.

### Whitman Bank Sold

Purchase of the First State Bank of Whitman has been announced by the Abbott interests of Alliance. C. J., Hannah E. and Leland Abbott announced the purchase which brings to seven the number of western Nebraska banks controlled by the group.

O. J. King, cashier, and Robert Taylor, assistant cashier, will operate the bank temporarily. Mr. King said his health was one factor inducing him to

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sell. He and Mrs. King will move to a mountain state this spring.

### Bank Holds Annual Banquet

The Plattsmouth State Bank held its fifth successive annual banquet in the American Legion Building at Plattsmouth last month, entertaining some 241 farmers and farm owners, patrons of the bank. The evening's program was in charge of H. A. Schneider, president of the bank, who was ably assisted by Carl Schneider and E. W. Burdic, vice presidents, and Frank A. Cloidt, cashier.

The Hon. S. R. McKelvie, governor of Nebraska in the days after the first World War, was the first speaker of the evening, and he discussed his experiences as governor and some of his later experiences, particularly in farming and cattle raising.

Willard Waldo, county agricultural agent, also greeted the members of the party. Short speeches were also given by George Holmes, president of the First National Bank of Lincoln; Samuel Waugh, executive vice president of the First Trust Company of Lincoln; Carl Ganz, cashier of the Farmers &

Merchants Bank of Alvo, and Bruce McCulloch, editor of the Journal-Stockman of South Omaha.

### Fieldman for Land Bank

Felix Jelinek of Center has been selected as fieldman for the Federal Land Bank and will be stationed in Hartington. He succeeds Roy L. King, who will return to FSA work in Madison county.

Mr. Jelinek has been serving as deputy county treasurer in Knox county, and previous to that was auto clerk there. He has had considerable banking experience throughout the state. Mr. Jelinek took over his new duties following Mr. King's resignation two weeks ago.

### Sells Bank Stock

Harry Robertson, who for 12 years has served the people of Eagle as cashier of the Bank of Eagle, sold his bank stock to George Unruh recently. The people of Eagle greatly appreciate the services Mr. Robertson has rendered them and are sorry to have him leave.

### New Assistant Cashier

A. L. McDannel, former deputy clerk of Adams county's district court, recently began his duties as assistant cashier at the City National Bank of Hastings.

### Entertain County Association

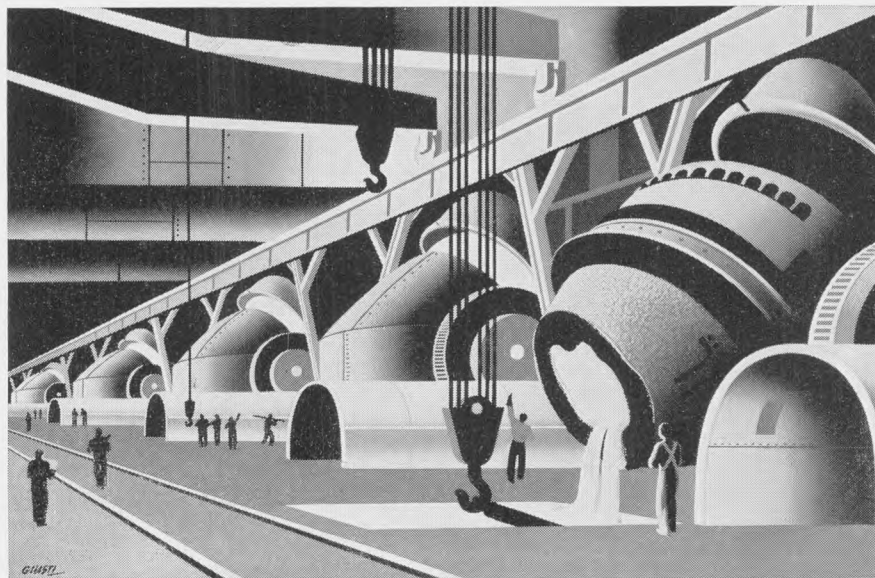
Members of the National Bank of Neligh were hosts at a dinner last month to the bankers of Antelope county at the Nehoco Hotel in Neligh.

After the dinner, the organization held a business meeting, the new war time law being one of the main topics discussed. They voted to work according to the new law for the present.

Election of officers was also held. Mr. Leonard Hales of Brunswick was elected president, a position which H. D. Miller, cashier of the Citizens State Bank of Clearwater, has held for the past five years. George Krum of Neligh was elected secretary.

### Observes 50th Anniversary

E. C. Yont, president and cashier of the Bank of Brock, observed his fiftieth anniversary of service with that bank last month. In spite of his many years of service and advanced age, Mr. Yont is still active at the bank.



## THE DOUBLE LOAD OF BUSINESS

**G**ONE are the uncertainties of 1941. Our nation's course has been set and its full-time duty is now all-out production for victory. Dislocation of our normal economy is the necessary price which we gladly pay for the ability to defend our freedom. But business has a double load in maintaining both military production and basic civilian requirements.

The American National Bank considers it a privilege and a duty to cooperate fully with Chicago business in meeting these unusual conditions. 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 March 1942

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



## Omaha Clearings

**LEO T. MURPHY**, manager of Allied Mills, Inc., of Omaha, was one of two directors elected by the Livestock National Bank of South Omaha at the annual directors' meeting. The other is **L. S. Burk** of Chicago, investment man.

Mr. Murphy is a director of the Omaha Chamber of Commerce, a member of the Omaha Athletic Club, has been an Omahan 11 years.

With **W. P. Adkins** as chairman of the board and **Alvin E. Johnson** as president, other officers and directors were re-elected.

State and local representatives of the defense savings staff and a group of Omahans interested in the sale of bonds and stamps presented a Defense Bonds for Victory radio program over Station KOIL.

**W. Dale Clark**, president of the Omaha National Bank, one of the speakers, said:

"Our experience in the last war taught us that we did not fully appreciate the danger to follow, commonly described as inflation. There is one simple and effective check upon this financial ailment, namely savings through the medium of defense bonds and stamps."

**J. F. McDermott**, vice president of the First National Bank of Omaha and state chairman of the Nebraska defense savings committee, read a message from Governor Dwight Griswold.

Directors of the Omaha district, farm credit administration, closed their four-day annual meeting by re-electing seven officers of the Omaha Federal Land Bank and postponing action on the position of Land Bank President **Charles McCumsey** and Vice Presidents **A. Kopperud** and **H. E. Baird**.

Mr. McCumsey has been land bank president since May, 1936, when he was promoted from executive vice

president. Before that he was with the Omaha Federal Intermediate Credit Bank and before coming to Omaha was a rancher and banker in western South Dakota.

Mr. Kopperud, in charge of the loan service department, has been active in the Land and Intermediate Credit Banks for 20 years, coming from Lake Preston, South Dakota.

Baird, who has been with the Land Bank for nearly 20 years, is head of the new loan department.

The Farm Credit Board re-elected all officers of three other affiliated agencies, the Intermediate Credit Bank, Production Credit Corporation and Omaha Bank for Co-Operatives, and renamed **L. W. Powers** as general agent and general counsel of the farm credit administration.

Re-elected land bank officers were **George M. Fuller**, treasurer; **M. E. Welsh, Jr.**, secretary; **Leo E. Manion**, **Frank O. Osborn** and **Bert Waddell**, vice presidents; **O. K. Pettengill**, assistant treasurer, and **Wayne E. Smith**, assistant secretary.

Present officials of the Omaha bank are eminently satisfactory to the secretary-treasurers of the various local farm loan associations in the four states in the Omaha bank's area, according to **Andrew Hedman** of Webster, South Dakota.

Hedman is president of the Association of Secretary-Treasurers.

"Certainly the relations between the secretary-treasurers and the land bank officials have been friendly, cooperative and satisfactory," said Hedman.

In western Nebraska, more than 350 members of the Scottsbluff and Gering farm loan associations went on record by resolution bitterly opposing any attempt by "bureaucratic influences" to oust McCumsey.

After a strong denunciation by **A. N. Mathers**, Gering banker-farmer and association member, against what he

termed efforts of Washington to take land bank control from the stockholders, the resolution was approved without a dissenting vote.

The resolution commended Senator Hugh Butler and Representative Harry Coffee for their demand for a full investigation of the actions and influences attempting to disrupt the organization.

**W. B. Millard, Jr.**, vice president of the Omaha National Bank, and new King of Ak-Sar-Ben, was elected chairman of the board of directors of the Metropolitan Utilities District of Omaha for 1942, at the annual reorganization meeting. He succeeds Dr. Willard Quigley.

**Allan Tukey**, oldest member of the board in point of service, was chosen vice chairman, position held by Mr. Millard last year.

**A. L. Coad**, president of the Packers National Bank of South Omaha, was elected president of the Omaha Clearing House Association at the annual meeting. Other officers are: **W. Dale Clark**, president of the Omaha National Bank, vice president, and **William B. Hughes**, re-elected secretary-manager.

Named to the clearing house committee were **Mr. Clark**, chairman; **T. L. Davis**, president, First National; **H. M. Bushnell**, president, United States National; **W. A. Sawtell**, president, Stock Yards National; **Alvin E. Johnson**, president, Live Stock National, and Mr. Coad.

Omaha chapter of the American Institute of Banking recently debated the Minneapolis chapter on "Resolved: That the Several States Should Adopt Compulsory Automobile Liability Insurance," at the Omaha chapter rooms in the Omaha National Bank Building. **Ruth Gale** and **Mariner Clark** were Minneapolis speakers; **Lester Souba** and **Fred Cateron** spoke for Omaha.

The Occidental Building and Loan Association of Omaha has purchased \$50,000 worth of Defense Bonds, the maximum amount permitted by the Treasury Department in any one year, President **Ford E. Hovey** announced at the annual stockholders' meeting.

Mr. Hovey reported the association ended the year with more than a million dollars in cash and liquid bonds in its treasury, and that the number and amount of real estate loans made during the past year increased over the previous year.

Re-elected officers were Mr. Hovey, president; John T. Brownlee, W. R. McFarland and George T. Morton, vice presidents; H. O. Miller, secretary, and D. H. Knott, treasurer.

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 • NEBRASKA NEWS •
 

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**Lawrence Brinker and Company**, Omaha investment bankers, announce the addition to their staff of **Lane M. Axtell**.

Mr. Axtell is a native of Omaha and was educated at Central High School and later attended the University of Arizona. He had been with **Burns, Potter & Company** since 1930.

**Gordon D. Taft**, formerly associated with Lawrence Brinker and Company, Omaha investment bankers, has gone to Washington, where he has accepted a government position.

**Robert H. Hall**, vice president of the North Side Bank of Omaha, has been named an Ak-Sar-Ben councillor. Mr. Hall is aid to Governor J. E. Davidson.

War activity pushed Omaha business in January far ahead of January, 1941, Chamber of Commerce business indicators showed.

Grain receipts were 237.6 per cent over last January; building permits, 112.9; bank clearings, 31.1; bank debits, 24.2; livestock receipts, 39.7.

**W. B. T. Belt**, 71, who rose from a collector to president of the Northwest-

ern Bell Telephone company, died recently in an Omaha hospital.

He retired in 1936, after serving the industry nearly 48 years. After his retirement he continued as chairman and then as a member of the telephone company's board of directors and as a member of the board's executive committee.

For the last several years Mr. Belt had been president of the National Security Fire Insurance Company of Omaha. He also had been chairman of the board of directors of the United States National Bank of Omaha.

Born in Richmond, Virginia, he came to Omaha with his parents in 1884.

**Kirkpatrick-Pettis Company** of Omaha was notified it was the first investment banking house in the Tenth Federal Reserve District to qualify to sell Defense Bonds under a new method devised for investment bankers. Under the plan, the company deposits collateral with the Federal Reserve Bank and has bonds on hand to sell to customers.

### Annual Meeting at Elgin

The stockholders of the Bank of Elgin held their annual meeting recently, at which time directors were

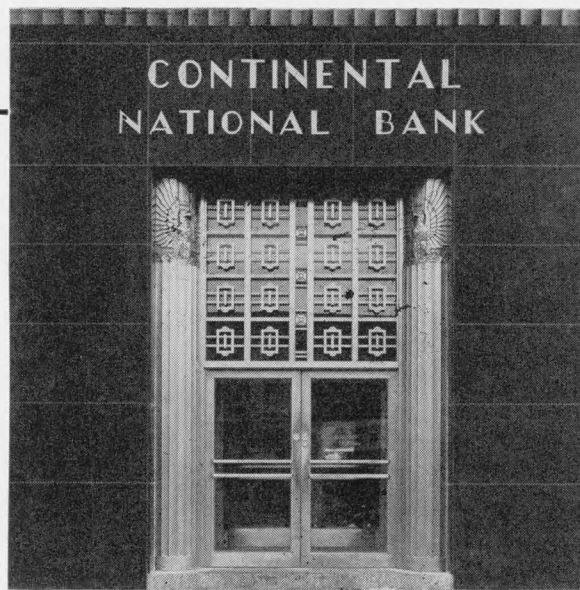
elected. Those elected are F. X. Fritz, Charles H. Kelsey, Lyle E. Jackson, H. L. Carlson and George A. Wright. Stockholders expressed satisfaction at the very substantial progress the institution is making. The Bank of Elgin opened for business a little over six years ago and now has resources over \$200,000.

The directors met immediately following the stockholders meeting and elected the following officers: George A. Wright, president; F. X. Fritz, vice president, and Estella L. Link, cashier. The regular dividend was declared and \$200 added to surplus.

During the past year the bank has increased its capital from \$12,000 to \$14,000 and its surplus from \$2,500 to \$3,000 to take care of the increased volume of business.

### Madison

J. J. DeLay was renamed president of the Bank of Madison at the annual meeting of stockholders held recently. Others elected were R. H. Freudenburg, vice president; G. C. Benning, cashier, and Alden Jones, assistant cashier. Directors are E. J. Moyer, O V. Scheer and Dr. H. R. Palmateer.



Several thousand friends and clients came in last month to see us on the day of our informal "open house." Among them were a great many out-of-town banker friends.

To all of you we say, "Thanks, Sincerely," for your visit. This is YOUR bank. Our service is YOUR service, and our growth is the result of YOUR patronage.

## CONTINENTAL NATIONAL BANK OF LINCOLN

*Member, Federal Deposit Insurance Corporation*



## Lincoln Locals

NEBRASKA'S 285 state banks began the new year with a bright 1941 record behind them, **Wade R. Martin**, state director of banking, reported.

For the first time in 20 years state banks last year suffered not one forced closing and in addition these improvement factors were cited by Martin:

An increase of nearly \$8,000,000 in loans over December 31, 1940.

A gain of \$8,985,182 in deposits.

United States government bond holdings, which rose to \$13,951,305, an increase of \$1,214,128.

A drop of \$70,273, to \$91,057, in land holdings.

A gain of \$435,625 in surplus, undivided profits and reserve.

Repayment of \$185,824 in RFC loans made to the banks in less favorable days.

Martin declared the banks made "very great strides" in 1941, and he attributed the improvement to better business and crop conditions through the state.

The increase in loans made, he said, indicates that farmers are borrowing money to expand livestock holdings. Loans outstanding totaled \$47,397,869 on December 31, 1941, against \$39,448,339 on December 31, 1940.

Total assets rose from \$89,525,065 to \$99,040,764 at the end of 1941, with outstanding loans and \$32,102,454 in cash the largest items.

Deposits climbed from \$77,092,644 to \$86,050,826 at the close of 1941 business.

The entire personnel of the Union Bank of College View have signed up 100 per cent participation in the purchase of Defense Bonds and Stamps under the payroll deduction plan, **W. E. Barkley**, president, and **C. H. Wear**, cashier, announced.

**Bob Bailey** has accepted a position in the National Bank of Commerce, Lincoln.

He had been with a branch of the Bank of America at Long Beach, California, for the past three months.

Eight \$1,000 bonds stolen in a \$46,000 Grand Island, Nebraska, bank robbery nine years ago have been recovered.

FBI Director **J. Edgar Hoover** said the bonds were recovered with the arrest of George Shuman, alias George Simons, 58, of Buffalo, at Chicago on February 11th. Hoover said Shuman acknowledged he knew the bonds were stolen when he pledged them as security for loans at Buffalo and Syracuse banks.

The Grand Island robbery occurred October 13, 1932, at the Nebraska National Bank when five men brandishing submachine guns and pistols held 15 employes and customers at bay, forced three women bank employes to accompany them as shields and escaped in a car bearing stolen Lancaster county license plates.

The bank failed to reopen after the 1932 moratorium but depositors have been paid 88½ per cent of their claims.

### Retires From Active Service

In order that he may devote more time to the city light plant as general manager and to his other business interests, **J. Rex Henry** has relinquished active service in the Fremont National Bank where he is a vice president, director and member of the finance committee, it was announced last month.

Mr. Henry plans to retain his bank positions for the present but will not be at a desk in the bank. He plans to spend more time at the light plant and at the Fremont Foundry and Machine Company, of which he is president.

Mr. Henry has served as vice president of the bank since 1933, and is also a director of the Fremont Hotel Company and the Fremont Stockyards and Land Company.

### Nebraska City

Richard P. Kimmel was elected to the board of directors of the Otoe County National Bank at Nebraska City at an annual meeting recently. Other officers and board members re-elected were John Stocker, president; H. F. Meyer, vice president; H. H. Teten, cashier; Floyd Cole, assistant cashier; Morton Steinhart, Meyer, Stocker and H. J. Stocker, board members.

Nebraska City National Bank re-elected all officers. They are: W. S. Wilson, president; William Kropp, vice president; Otto Schneider, cashier; George Slack, assistant cashier; Kropp, Schneider, Wilson, Karl Nelson, John M. Dierks, and Robert Wilson, board members.

### Norfolk

All directors of the DeLay National Bank of Norfolk were re-elected recently at the stockholders' annual meeting. They are:

**J. J. DeLay**, president; Otto Beckenhauer, A. J. Betzold, W. O. Eichelberger, W. G. Flint, Dr. A. E. Gadbois, H. F. Thenhaus, Paul Zutz, Bernard M. DeLay, all of Norfolk, and A. R. Olson, Beresford, S. D. The directors will meet in the near future to elect officers.

President DeLay gave a report on the bank's business in 1941, in which the institution operated at a substantial profit.

### To Receive County Funds

At a statutory meeting of the county commissioners held recently at Red Cloud, Commissioner D. C. Bell was elected as chairman of the board for the year 1942. Among other matters acted upon by the board was the designation of the Commercial Bank of Blue Hill and the Peoples-Webster County Bank of Red Cloud as depositories for county funds.

### North Platte

The annual meeting of the First National Bank of North Platte was held recently in the bank, with a stockholders meeting being held first, and the election of the board of directors.

The directors elected to the bank are the following: Ray C. Langford, Keith Neville, W. R. Maloney, E. H. Evans and W. H. Munger. Following the election of the directors an election of officers was held. All of last year's officers were re-elected. Following are the officers who were re-elected: Keith Neville, president; R. C. Langford, executive vice president; W. R. Maloney, vice president; W. H.

*Northwestern Banker March 1942*

Munger, cashier, and Robert Crawford, assistant cashier.

A. C. Hill who was formerly employed at the bank in Paxton is now employed by the First National Bank as bookkeeper.

At a meeting of the stockholders and directors of the McDonald State Bank of North Platte recently, W. H. McDonald was elected chairman of the board and G. J. Taylor was elected president.

Other officers include: L. B. Dick, vice president; J. Y. Castle, cashier; H. W. Arp, assistant cashier; Mattie F. Ralston, assistant cashier; John Barton was elevated to assistant cashier and George W. Taylor was retained as assistant cashier notwithstanding the fact he is in the U. S. Army at present. Virgil Graham was named auditor. Directors are W. H. and J. B. McDonald, Dick, G. J. Taylor and Castle.

### O'Neill

The stockholders of the O'Neill National Bank held their annual meeting in the banking rooms recently and elected the following board of directors: Charles E. Abbott, Julius D. Cronin, Emma Dickinson Weekes, E. F. Quinn and F. N. Cronin.

At a meeting of the directors the following officers were elected: Presi-

dent, Emma Dickinson Weekes; vice president, F. N. Cronin; cashier, E. F. Quinn; assistant cashier, J. B. Grady.

### Murphy Elected Director

Leo T. Murphy, manager of Allied Mills, Inc., was one of two directors elected by the Livestock National Bank of Omaha, at the annual directors' meeting recently. The other is L. S. Burk of Chicago, investment man.

Murphy is a director of the chamber of commerce, a member of the Athletic Club, has been an Omahan 11 years.

With W. P. Adkins as chairman of the board and Alvin E. Johnson as president, other officers and directors were re-elected.

### Remodel Interior

To better accommodate customers and to provide more working space for employes, the interior of the Farmers National Bank in Central City is being remodeled. Workmen are rearranging the interior and adding a new counter and grillwork so that employes will have another window from which to work. The interior will also be redecorated.

### Scottsbluff

All directors of the Scottsbluff Na-

tional Bank were re-elected at the organization's annual stockholders meeting. The officers for 1942, selected at the following directors' meeting, are H. H. Ostenberg, president; W. J. Stafford, vice president; J. L. Witters, cashier; A. A. Hulse, assistant cashier; R. K. Patrick, assistant cashier, and B. L. Kelley, assistant cashier.

The regular dividend was declared at the meeting and the annual report showed the growth of the organization during the past year.

### Bayard

H. H. Ostenberg was elected president of the First National Bank of Bayard at its annual meeting recently. Other officers include J. A. Stockwell, vice president; C. W. Foster, vice president; H. D. Silsby, cashier, and T. W. Van Deusen, assistant cashier.

The yearly report showed deposits of \$461,000, an increase of \$58,000, and loans of \$320,000.

### Shelton

The annual stockholders meeting and the meeting of the directors of the First State Bank of Shelton, were held recently. The year 1941 was a profitable one for the bank. All of the officers of the bank were re-elected. They are L. J. Hallas, president; A. J. Hallas, vice president; L. F. Haug, cashier; H. R. Conroy, assistant cashier; F. C. Klein, director, and H. G. Wellensiek, director.

### Syracuse

The annual meeting of the stockholders of the First National Bank of Syracuse was held recently. Officers and directors were elected.

The officers are: E. A. Duff, Nebraska City, president; J. R. Mueller, vice president; E. A. Pratt, cashier, and Chas. W. Andrews, assistant cashier.

Directors are E. A. Duff, Ed C. Metzger, J. R. Mueller, E. A. Pratt, and Charles W. Andrews.

### Tekamah

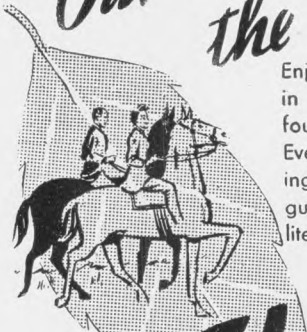
All officers of the First National Bank of Tekamah were re-elected at the annual meeting and election held recently.

Officers are: Robert I. Stout, president; D. W. Greenleaf, vice president; H. J. Wragge, cashier; Lee Loerch, assistant cashier.

Directors are: Robert I. Stout, D. W. Greenleaf, H. J. Wragge, Orville Chatt, Clyde Grothe, Fred Morehouse and Lloyd Palmer.



Out Where  
the REST Begins



Enjoy relaxation and build up health in the rejuvenating mineral waters found here at America's greatest spa. Every thrilling outdoor activity is waiting to be enjoyed now by Elms Hotel guests. Write today for descriptive literature.

EXCELSIOR  
SPRINGS

MISSOURI

ELMS  
HOTEL

FAR MORE  
TO OFFER  
BUT FAR FROM  
BEING EXPENSIVE

Northwestern Banker March 1942



## Wahoo

The Wahoo State Bank held their annual meeting recently and elected the following officers and directors: J. G. Hohl, president; Albert Havel, vice president; Clarence Hohl, cashier; Raymond Hohl, assistant cashier. Directors: J. G. Hohl, Albert Havel, J. F. Lauvetz and W. T. Pickett.

## Weeping Water

The two Weeping Water banks re-elected their officers and directors in meetings held recently. At the Nebraska State Bank, Archie M. Crozier was elected assistant cashier, as an addition to the official list.

## New Assistant Cashier

O. F. Myer of Brazelton, Kansas, is the new assistant cashier at the Dawson Bank. Mr. Meyer is an experienced banker, having been in the bank at Brazelton for a number of years.

## West Point

The stockholders of the Farmers' and Merchants' National Bank of West Point, enjoyed a dinner recently in the social rooms over the bank preceding their annual business meeting and election of directors. All former directors were re-elected and they are Dr. G. J. Collins, Gerhard Stalp, J. A. Jerman, W. T. Knievel and Earl Reppert.

The directors also met and organized and elected officers for the ensuing year. G. J. Collins was elected president; Gerhard Stalp, vice president; W. T. Knievel, cashier; Miss Dorothy Reppert, assistant cashier, and W. R. Kerkow, assistant cashier.

## Public Relations Program

The Stephens National Bank, Fremont, is doing an excellent job of public relations among its customers and friends in Fremont and vicinity. In a recent letter from William N. Mitten, president, he mentions four projects which the institution has sponsored.

Publicity was given to a copy of a resolution adopted by employes and officers of the bank in the forming of a Defense Stamp and Bond Club. While voluntary on the part of the bank staff, membership is 100 per cent.

It's good business to let customers know the bank staff practices what it preaches.

Farmers in the vicinity of Fremont received a letter from the Stephens National calling attention to a record book distributed by the bank, suitable for recording itemized statements of income and expense.

The Fremont High School, Midland College and the Fremont Public Library were sent copies of the book "Banking Studies," with the suggestion that the latter would prove valuable for reference purposes.

Construction of an ordnance plant is getting under way in Saunders county, near Fremont, and at its own expense the Stephens National investigated the many problems which would arise with the tremendous influx of labor when construction begins. The report was prepared in printed form, and copies distributed to business and professional men and women and others who might be interested.

It is bank public relations activities such as the above which make for successful bank operation in any community.

## Gardner Elected President

Ed Gardner of Nebraska City's Farmers Bank was elected president of Otoe

County Bankers Association at their Palmyra meeting recently. Cooper Butt, First National of Unadilla, was named secretary-treasurer.

Victor Goerke, American Bank of Burr, retiring president, was in charge. After a program which consisted of quiz entertainment, for which prizes of various types were given, the women guests went to the home of Mr. and Mrs. C. A. Sweet, Jr., of the Bank of Palmyra, and the men conducted a business session during which many problems, including income tax returns, defense bond sales and other matters, were discussed.

## Grand Island

An annual report showing that the bank had a very successful year, with deposits and loans at new high peaks, featured the annual meeting of the shareholders at the Commercial National Bank of Grand Island recently.

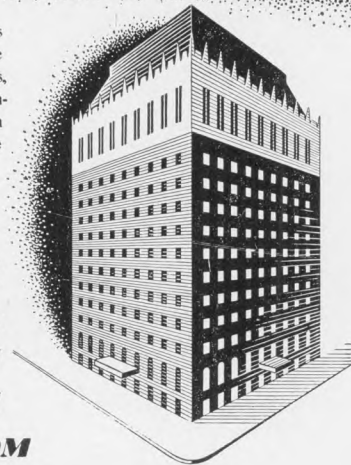
Directors, re-elected at the shareholders' meeting, re-elected all officers at the meeting of the board which followed.

David Kaufmann is president; Ed. Huwaldt, executive vice president; Vernon Rice, cashier, and Leslie Belford, assistant cashier. E. W. Augustine and W. E. Clayton, with Kaufmann, Huwaldt and Rice, constitute the board of directors.

## Forecast For Tomorrow

The Fontenelle today establishes the standard of hotel excellence for 1951. The new guest rooms, smart lobbies and beautiful dining rooms reflect this modern trend. Hotel Fontenelle is the address of satisfaction.

**THREE**  
**RESTAURANTS**  
\* \* \*  
**BOMBAY-BLACK**  
**MIRROR ROOM**  
**AMBER ROOM**  
**KING COLE ROOM**



# Hotel FONTENELLE

**OMAHA'S**

**WELCOME TO  
THE WORLD**

## **BANKS** Bought and Sold

Confidentially and with becoming dignity  
**BANK EMPLOYEES PLACED.**

**37 Years Satisfactory Service.**

**THE CHARLES E. WALTERS CO.**  
OMAHA, NEBRASKA

*We Invite You To...*

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Feeder Loans Through Us**

**We Are Interested in All Loans for  
Defense Purposes**

**LIVE STOCK NATIONAL BANK**

**Omaha, Nebraska**

**Resources Over \$21,000,000.00**

*(Member Federal Deposit Insurance Corporation)*



A. T. DONHOWE  
President

## IOWA NEWS



FRANK WARNER  
Secretary  
Des Moines

### Tenth Birthday

On May 12, 1942, the Wayland State Bank of Wayland, Iowa, will observe its tenth birthday. The Wayland State Bank first opened its doors at a time when banks all around it were closing theirs in the country wide recession.

The Wayland State serves a thrifty farming community in the southern part of Iowa's great turkey raising district.

The bank's growth has been steady, and during its ten years it has increased its capital structure \$35,000, and paid regular dividends to its stockholders.

The officers of the bank are as follows: J. R. McKirahan, president; A. B. Magdefrau, vice president; Melvin G. Roth, cashier, and A. A. Jackson, assistant cashier.

### Baby Month

It was "baby month" in February at the Grundy National Bank, Grundy Center, Iowa, according to Wesley T. Hecht, president, who wrote the NORTH-WESTERN BANKER:

"We wish to announce the birth of a daughter (Norma Jean Neesen), to Thomas J. Neesen (cashier), and wife on February 4, 1942, also the birth of a son (Charles William Stock), to Henry W. Stock (assistant cashier), and wife on February 12, 1942."

Congratulations!

### Joins U. S. Army

Harlan Chamberlain of Luana succeeded Keith Overbeck as assistant cashier of the Luana Savings Bank of Luana, Iowa, recently, as Mr. Overbeck entered training in the U. S. Army.

### Iowa Trust and Savings

According to Charles J. Spies, president and cashier of the Iowa Trust & Savings Bank of Emmetsburg, Iowa:

"S. P. Boies, assistant cashier, has resigned, and K. A. Reeves was made assistant cashier.

"We have remodeled our fixtures,

making them low type, and have enlarged the bank work room. We now have seven windows instead of four as formerly."

### Black Out Wage Hour Law

"I think the Wage and Hour Law should be blacked out for the duration of the war," says J. A. Erickson, cashier of the Farmers Savings Bank of Clermont, Iowa, "at least for the small banks, who now are being asked to sell bonds, work on Red Cross drives, and make out income taxes, questionnaires and other papers for the boys going into the army and navy, and a host of other work which we are expected to do and are glad to do; but it cannot be done in 40 hours per week.

"J. F. Miller, president of our bank, is the chairman for Fayette County Defense Savings Bond Drive—quota \$2,000,000.

"At the annual meeting the following officers were elected: J. F. Miller, president; Louise Miller and E. Lyngaas, vice presidents; J. A. Erickson, cashier; and J. F. Brorby, assistant cashier, to take the place of H. B. Greenley who, after more than 20 years of service in this bank, resigned as of March 1, 1942."

### Bryant Attends M. P. B. C.

Charles Bryant, president of the Des Moines Morris Plan Company, attended the Western Morris Plan Bankers Convention at Oklahoma City recently, where he addressed the convention on the subject "Probable Effect of Government War Time Financing on Morris Plan Savings Accounts."

Mr. Bryant also had the proud experience of seeing his son receive "his wings" at Brooks Field, San Antonio, Texas. He is a first lieutenant in Aerial Observation, now attached to the 113th Cavalry, Brownwood, Texas.

### Twenty-three Years Old

The Peoples Trust and Savings Bank of Indianola, Iowa, was 23 years old last month.

"On the 26th day of February, 1919,

this bank opened for business," says W. N. Grant, vice president, "and at the close of the first day's business we had on deposit \$104,000. At this time our deposits are above the \$2,000,000 mark. We have had a steady growth with all the usual reverses that have taken place in this span of time and under past banking conditions and regulations.

"The officers of this institution have held to sound banking and the serving of an agricultural community and business interests of this town and county. Of the original organizers there are but three active stockholders left in the organization: William Buxton, Jr., president; W. N. Grant, vice president; and I. E. Stone, stockholder, of this city."

### Elected Vice President

A. W. Lee was elected vice president of the First National Bank of Stuart, Iowa, at the annual meeting held recently.

Frank Eckhardt is president of the bank, and C. L. Beech is cashier. The bank has deposits of over \$477,000.

### Celebrates 50th Anniversary

The Fidelity Savings Bank of Marshalltown celebrated its 50th anniversary on March 4, 1942.

Organized in 1892, with Geo. F. Kirby and H. J. Howe as president and cashier, respectively, it has continued an uninterrupted existence to date, with no mergers or reorganizations.

The bank started with a capital of \$30,000, and this has been increased to \$100,000, with surplus and profits of \$217,000 and deposits of \$4,673,000. The present officers are: Roy R. Bradbury, president; Melvin C. Berkley, vice president; A. T. Davis, cashier, and E. H. Nyce and E. J. Paul, assistant cashiers.

### "PAYC" Plan Installation

Another mid-western bank to install the profit-getting and good-will-building "PAYC" no-minimum-balance Checking Account System is the Exchange State Bank of Exira, Iowa.

According to the United States Check Book Company, originators of the plan, this installation is more evidence that the "Pay-As-You-Check" idea is practical for banks in the smaller towns, as well as those in larger cities. Exira has a population of about 1,000.

Officers of the Exchange State Bank are John Delahoyde, president; C. K. Cullings, vice president; R. M. Andersen, cashier, and Kathryn Cannon, assistant cashier.

Northwestern Banker March 1942

# SERVING THE PUBLIC

## Through Our Personal Loan and Mortgage Department



That broader service to the public broadens banking opportunities is demonstrated by these two departments of the Bankers Trust.

Our Mortgage Department has historical significance in the fact that the Bankers Trust handled FHA loan No. 1 in Iowa. Today's volume of such loans is about \$5,000,000, augmented by a lesser but substantial volume of conventional, uninsured mortgage loans.

More recent in origin, our Personal Loan Department further demonstrates the value to a bank of these services to the public. Since its inception, 11,500 loans have been serviced by this department, with 2,800 loans currently active.

Our experience in these departments has also been a source of direct, practical service to correspondents whom we serve. Numerous instances could be cited of assistance given correspondent banks in setting up similar departments. Out-of-town bankers have in some cases, spent entire days personally checking our procedure and forms for their own guidance.

The Bankers Trust Company did not have departments like these in December, 1917, when resources were only \$2,600,000. But during our twenty-five years of service under the same leadership as at the beginning, as they have come into existence and have developed, such departmentalized services have played an important part in the ten-fold growth of resources to more than \$26,000,000.

We would gladly place the facilities of these and other departments at the disposal of more banking friends in Iowa.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



# BANKERS TRUST

# IT TAKES PEOPLE TO BUILD A BANK



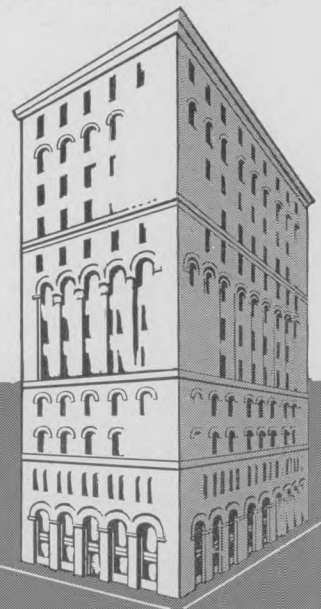
General view of our Personal Loan Department showing Mr. Moeckly and staff of assistants.



G. A. Moeckly, Assistant Cashier and Manager Personal Loan Department.



K. L. DeBolt, Assistant Cashier and Manager Mortgage Department



# COMPANY

6th and Locust  
Des Moines

### Employed at New Bank

Miss Lucy Martin, formerly associated with the First National Bank in Fairfield, Iowa, has become associated with the Iowa State Bank, Des Moines, Iowa, after having served about twelve years in the banking business at Leon and Fairfield, Iowa.

Miss Martin, in associating herself with this new city bank, feels it offers an opportunity for the broadening of her experience in the banking field.

### Deposits Show Increase

H. W. VanderLinden, cashier of the

Farmers Savings Bank of Leighton, Iowa, writes to us as follows:

"We wish to report a large increase in deposits the last year. We also added \$2,500 to our surplus, increased our undivided profits account and paid a 6 per cent dividend on our common stock of \$25,000."

### Prominent Man Dies

John W. Gard, vice president and director of the Early Savings Bank, Early, Iowa, died last month after a very short illness.

In addition to his executive position

at the bank, Mr. Gard was also president of the Early Farmers Elevator Company, vice president of the Iowa Automatic Gas Company of Early, a member of the Early Town Council, and president of the Early Rifle Club.

Mr. Gard succeeded his father as an officer of the bank in 1934. He was 46 years old at the time of his death, and was survived by his widow, a son and two daughters.

### County Bankers Meet

Fifty attended the recent meeting of the Cedar County Bankers Association which was held at the Hotel Tipton in Tipton.

The meeting was in charge of J. G. Engel, cashier of the Bennett State Bank.

William B. Anderson of West Branch, head of the County Civilian Defense, spoke to the group about his work in that capacity, and J. M. Hutchison, Davenport, talked on the sale of United States Defense Bonds. Henry B. Walters, president of the Tipton State Bank, also spoke on the sale of Defense Bonds.

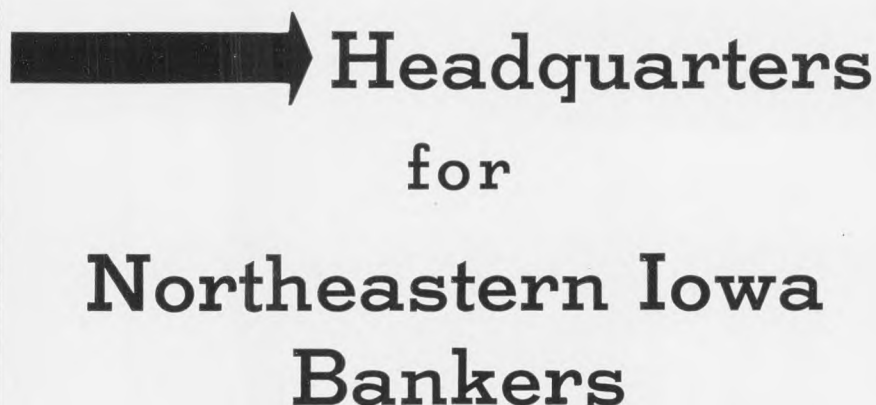
There were several other talks, including a speech on "Indexing and Filing Chattel Mortgages," by Carl Mather, Tipton, and a talk by Frank Pearson, cashier of the First State Bank of West Branch, on "Bi-County and Inter-County Meetings."

### Correction

We wish to call to the attention of our readers an error which occurred in listing the year-end figures for the First National Bank, Dubuque, in the February issue of the NORTHWESTERN BANKER. Under "Bonds and Securities" the amount was published as \$1,121,491. This figure represents only the United States securities. The First National has in addition other securities amounting to \$5,532,749. The figures as published should have read \$6,654,240.

### Doing Their Part

Bankers and investment dealers are certainly doing their part in aiding the sale of Defense Bonds and Stamps throughout Iowa. Many of them are serving as county chairmen in their respective communities, among them being Frank Williams in Johnson



# Headquarters for Northeastern Iowa Bankers

Modern, efficient  
facilities mean the  
prompt handling  
of all your North-  
eastern Iowa busi-  
ness.

We invite your  
account—and will  
appreciate the  
opportunity of  
serving you.

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Member—Federal Reserve System  
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YOUR STATE BANKERS ASSOCIATION  
OFFICIAL SAFE, VAULT AND  
TIMELOCK EXPERTS  
**F. E. DAVENPORT & CO.**  
OMAHA

county, J. E. King in Monroe, and L. H. Ryan in Wapello.

### Increases Surplus Account

At a recent meeting of the board of directors of the DeWitt Bank & Trust Company, DeWitt, Iowa, a resolution was adopted transferring \$25,000 from undivided profits account to surplus. The capital structure now is:

Capital, \$25,000; surplus, \$50,000; undivided profits, \$20,000.

Deposits are in excess of \$1,200,000. The bank opened for business June 30, 1934. Approximate figures then were as follows:

Capital, \$25,000; surplus, \$5,000; undivided profits, \$3,000; deposits, \$168,000.

Present officers are:

President, G. M. Smith; vice presidents, W. H. Walker and C. H. Arthur; cashier, J. Yvo Floerchinger; assistant cashier, A. F. Deke, and trust officer, Paul Siegmund.

### Called to Navy

The officers and entire board of directors entertained at a dinner at Hotel Turner on behalf of Richard J. Hammon, assistant cashier of the Iowa State Bank & Trust Company, of Fairfield, Iowa, who has enlisted in the United States Navy and will shortly be called to duty. Mr. Hammon has been with this bank 16 years. An appropriate gift was given to Mr. Hammon at the close of the dinner by President R. D. Hunt.

### Annual Meeting Held

The annual meeting of the stockholders of the Randolph State Bank was held recently and all officers and directors were re-elected.

The bank paid the usual 5 per cent dividend, depreciated the bank building and voted to retire the balance of \$3,000 in preferred stock held by the RFC.

Deposits increased nearly \$100,000 in 1941.

### B. J. Hansen Retires

L. B. Madson, cashier of the Citizens State Bank of Wyoming, Iowa, has announced as follows:

"At our last directors' meeting in February, Mr. B. J. Hansen resigned as president, due to old age and inability to attend regular meetings.

"At this same meeting Mr. Chris A. Hansen was elected president to fill the vacancy."

### Veteran Banker Dies

J. H. Howell, president of the Secu-

rity Savings Bank of Eagle Grove since its organization in 1899, died recently at the age of 82 years. Dr. T. J. O'Toole, vice president for the past 30 years, was elected president at the last regular meeting. Mrs. J. H. Howell, widow of the deceased, was elected director to fill the vacancy on the board of directors.

### Annual Meeting Held

At the annual meeting of the shareholders of the Renwick Savings Bank of Renwick, Iowa, the following directors were elected: M. Babler, S. C.

Maurer, Edw. Oppedahl, Conrad Elmer, W. F. Rich and D. J. Christenson. The directors elected the following officers: M. Babler, president; D. J. Christenson, vice president and cashier, and Fritz Britt, assistant cashier. Miss Eloise Packard was appointed bookkeeper.

During the year the bank paid its usual cash dividends, and there was an increase in deposits of \$80,000.

Mr. Babler fills the vacancy in the office of president caused by the recent death of C. B. Smeltzer of Ft. Dodge, Iowa.

There Are

**NO PRIORITIES**

on

**PERFORMANCE**

The demands of the war program have had their effect in many ways on your business contacts and on your daily lives. But in the midst of change one thing at least remains constant and unaffected—the quality of service you may expect from

**MISSISSIPPI VALLEY TRUST COMPANY**  
ST. LOUIS

Member Federal Deposit  
Insurance Corporation



87 Years  
of Banking Experience

Northwestern Banker March 1942

## Stockholders Meeting

At the regular stockholders meeting of the State Savings Bank of Baxter, Iowa, the following directors were elected: William Krueger, Calvin Noah, Otto Sanderman, M. J. Kettenhofen, U. Bucklin, George R. Geise and Ralph M. Butler.

The board organized by electing the following: Ralph M. Butler, chairman of the board, executive vice president and cashier; M. J. Kettenhofen, president, and W. L. Phillips, assistant cashier.

William Krueger, who has served the bank more than 30 years as director, vice president, and later as president, declined the office of president and director, owing to poor health and personal business, and the board appointed Dr. James McKenzie, long time resident of Baxter, as director to fill the vacancy.

## Send Newspaper Free

The City State Bank of Ogden, Iowa, is sending the local newspaper free to all the boys inducted into the service,

providing proper application is made by them or their parents to assure proper addresses of the boys at all times.

## New Hampton

J. N. Hess, of the staff of the First National Bank, New Hampton, has been named president of the New Hampton Chamber of Commerce. Mr. Hess announced plans for the complete reorganization of the chamber. His ideas were enthusiastically received by the largest group ever to attend a meeting of the New Hampton Chamber of Commerce. Mr. Hess is the youngest president in the history of the organization.

Matthias Kennedy, president of the First National Bank, New Hampton, recently returned from the Clinic at Rochester, Minnesota, where he underwent a serious operation. He is recovering in good shape and expects to be back on the job shortly.

## Photograph Farm Activities

"About a year ago we purchased a moving camera outfit and have taken a considerable number of pictures of local farming activities from planting time to harvest, including chores and farm bureau meetings, as well as pictures of bank activities," says C. W. Anderson, vice president and cashier of the City State Bank of Madrid, Iowa. "We have had opportunities to show these pictures to local country P. T. A. meetings, Farm Bureau meetings, farmers' threshing settle-up meetings, family reunions, etc., and have found it an excellent good will builder for the bank. To date we have reached about 750 people in and around our community. It also gave an added touch to our stockholders annual meeting.

"Our deposits have increased 14 per cent over a year ago, and loans increased 27 per cent. Clearings have reached an all time high with us while activity showed a 17 per cent gain.

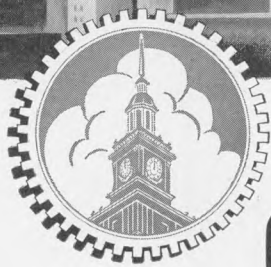
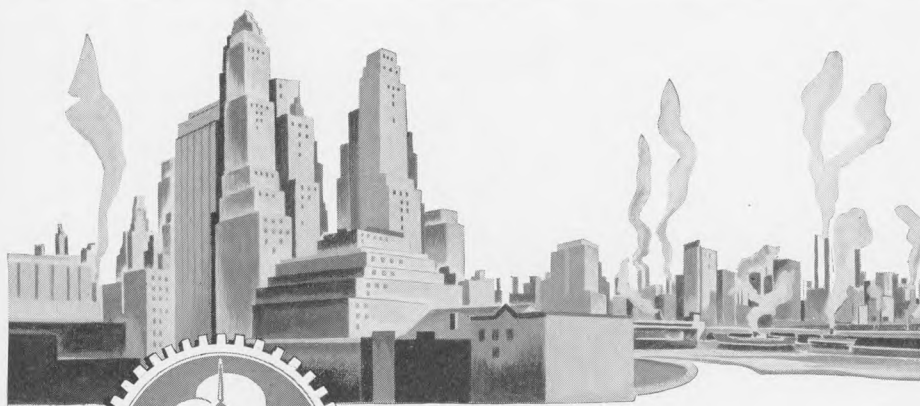
"We are selling a considerable number of Defense Bonds."

## Celebrate 50th Anniversary

W. E. Wiemer, cashier of the State Bank of Ledyard, Iowa, announces that 1942 will mark the fiftieth year of continued service to its community for the Ledyard institution.

## Visits South and West

E. H. Klisart, cashier of the Citizens State Bank of Iowa Falls, accompanied by Mrs. Klisart, is taking a trip



# CLOSE TO BOTH INDUSTRY AND AGRICULTURE

Located in the heart of the Union Stock Yards and Chicago's great Central Manufacturing District, this 74 year old bank has developed facilities through serving both farmer and manufacturer that make it exceptionally qualified to act as Chicago correspondent for middle western bankers.

# LIVE STOCK NATIONAL BANK OF CHICAGO

Established 1868

UNION STOCK YARDS

Member Federal Deposit Insurance Corporation

Northwestern Banker March 1942



through the south and west. Mr. and Mrs. Klisart expect to be gone about a month.

### Wellsburg Banker Dead

J. J. Ludemann, vice president of the Peoples State Bank of Wellsburg, died last month at the Deaconess hospital at Marshalltown following a short illness. He had gone to Rochester in November for a check-up, but apparently they were unable to help him.

G. H. Geerdes, cashier of the bank, writes as follows:

"This leaves a place hard for us to fill in the bank here, as we were getting along just fine."

### Annual Meeting

Will A. Lane, president of the Security Savings Bank of Marshalltown, Iowa, writes as follows:

"At the annual meeting of the stockholders of this bank, a stock dividend of 50 per cent was voted. This brings our capital to \$75,000. Cash stands at \$1,000,000, government and municipal bonds at \$526,000, and deposits at \$2,292,000. Will A. Lane, president, and C. E. Orr, cashier, were re-elected for the ensuing year."

### Member Federal Reserve

Hugh C. McCleery, cashier of the Peoples Savings Bank of Laurel, Iowa, announces that his bank became a member of the Federal Reserve System last month.

The Peoples Savings Bank was organized in June, 1909, with a capital of \$10,000. It now has capital, surplus and undivided profits of over \$40,000, and deposits of \$330,000.

C. W. Buhrow, who has been a member of the board of the bank since its organization, is still active. The present officers are as follows: C. E. Buhrow, president; C. W. Buhrow, vice president; Hugh G. McCleery, cashier; Thomas L. Laverty, director; and T. C. Sheek, director.

### County Association Meets

The Pocahontas County Bankers association met at the Pocahontas State Bank recently and elected the following officers for the year 1942; president, V. H. Reid, Palmer State Bank, Palmer; vice president, Alfred Miller, Commercial State Bank, Pocahontas; secretary-treasurer, Edmund Carmody, Pocahontas State Bank, Pocahontas.

### Bank President Deceased

R. E. Courson, 56, president of the Pocahontas State Bank at Pocahontas,

died recently at the Methodist Hospital in Des Moines. Mr. Courson, whose home was at Belmond, had been a member of the board of directors since the organization of the bank in 1926 and during the past year he has been president of this institution.

### Association Elects Officers

At the annual meeting of the Lee County Bankers Association at Fort Madison, at which 40 members represented the Lee county banks in the association, R. J. McCleary, vice president and cashier at the Security State Bank at Keokuk, was re-elected president.

Other officers elected were Harry T. Edwards, cashier of the Farmers' Saving Bank at Wever, vice president; and Roy G. Weddington, assistant cashier of the Lee County Savings Bank at Fort Madison, secretary-treasurer.

### New Officers

New officers of Ladies of the Des Moines Bankers' club are Mesdames John DeJong, president; Raymond G.

Miller, first vice president; G. A. Frampton, second vice president; William Ellison, recording secretary; George L. Nissly, corresponding secretary; P. B. Harrison, treasurer, and Harold J. Howe, auditor.

### Independence

The annual meeting of stockholders of the Farmer's State Savings Bank of Independence was held at the bank recently. All officers and directors of the bank were unanimously re-elected as follows: President, E. F. Sorg; vice president, E. E. Everett; cashier, C. L. Fiester; assistant cashier, P. E. Sorg; directors, John L. Cherny, J. B. Elliott, E. E. Elliott, W. E. Glenny, F. A. Kirsch, Rudolph Leytze, Sr., C. V. Rosenberger, B. B. Sells and E. F. Sorg.

The directors also met for transaction of business. Preferred class B stock of the bank was retired, leaving only the common stock of \$100,000. The entire personnel of the bank and its branch offices was rehired.

## Defense Bond Department



The Waterloo Savings Bank, Waterloo, Iowa, has set up a separate department in the bank for the sale of United States Defense Bonds. A picture of their Defense Bond Department just inside the front door of the bank lobby is shown above.

As evidence of the efforts of Waterloo to promote the sale of Defense Bonds, R. W. Waite, Vice President of the Waterloo Savings, points out that from December 7, 1941 to February 18, 1942, more than \$700,000 of Defense Bonds were sold in the city of Waterloo alone.

The separate department which has been set up in the Waterloo Savings Bank is for the sole purpose of selling United States Bonds. The Department is in charge of one person who has full charge, her duty being to see that the bank has the necessary bonds of all series on hand. She also has charge of sales and the making of all reports and remittances. This department in the Waterloo Savings Bank has been so busy that it has been found necessary to get extra help at times.



J. A. SARAZEN

## IOWA NEWS FROM HERE AND THERE

By J. A. Sarazen, Associate Editor

DEPOSITS are recording an all time high in many banks—reserve center banks are going higher daily. For instance, at the **Merchants National Bank**, Cedar Rapids, we are informed deposits have increased more than \$5,000,000 since the first of the year, bringing the total amount of deposits to over \$50,000,000.

These increases, in the main, reflect the better prices being received in this agricultural territory. Some of it bankers say is money being redeposited which was withdrawn before the first of the year for tax purposes. Even the smaller banks report heavy sales of defense savings bonds. No disturbing amount seems to be coming out of the customers' accounts to pay for them. Several bankers reported

that they knew many of these bonds are being paid for with money withdrawn from safe deposit boxes. Bank deposits will now level off, theorize several bankers, and give various reasons for their opinion. Loan volume trend generally is downward and the majority of bankers do not feel that earnings will be as good this year as last year. More consideration is being given to reducing interest rates further and bringing antiquated schedule of service charges up to date.

Let's take a look at the deposit increase in Burlington banks for the year 1941, over there where the big defense plant is located. The **Burlington Savings Bank** finished the year with deposits of \$5,203,170, an increase

for the year of \$1,385,152. The **Farmers & Merchants Savings Bank** finished the year with deposits of \$3,528,366, an increase of \$1,096,731. The **National Bank of Burlington** finished the year with deposits of \$4,719,588 for an increase of \$1,330,885, a total deposit increase for all three banks of \$3,816,768. Oddly enough, the increase is almost exactly the deposit figures of Burlington's largest bank for the year-end of 1940. A slight increase in loan volume was recorded.

The **National Bank of Waterloo** now has surplus of \$250,000, which equals the capital. \$50,000 was recently moved to the surplus from undivided profits. Deposits in this bank increased over two million during the past year.

**E. A. Madill**, employe of the **Farmers Savings Bank**, Jesup, since 1936, was made assistant cashier at the annual meeting. Interest rates here were reduced from two to one per cent the first of the year.

**R. T. Remer**, president North Linn Savings Bank, Center Point, spent a few weeks in the hospital at Rochester, Minnesota, the early part of February and, although he is now back home, he expects to slow down some until his health is recovered.

**S. S. Killinger**, director State Savings Bank, Carson, passed away recently at the age of 78.

**W. W. McRory**, president of The Citizens State Bank, Oakland, informs us that in the middle of February the total deposits of his bank were \$917,054.86 and that total footings are \$1,004,745.83.

This is the first time since 1926 that the bank reached these totals. In 1926 there were time certificates of \$594,795.11 bearing five per cent interest, as against time certificates at this time of \$206,278.09 bearing not to exceed two per cent, some at one and one-half per cent.

**H. W. Sizer**, formerly teller, Lisbon Bank & Trust Co., was elected assistant cashier at the bank's annual meeting. A reduction was made in interest rates from two per cent to one per cent on savings and certificates of deposit.

**Geo. C. Swiler**, president, Burlington Savings Bank, left February 23d for Fort Worth, Texas, where he will va-

**Experienced Banker:** City and Country bank, livestock and farming experience can accept position on short notice. Write E. O. c/o Northwestern Banker.

From CLINTON, IOWA, U. S. A., AROUND THE WORLD

GO



*Fly-swatters*  
from

**LUBBERS & BELL MFG. COMPANY**

Since 1912, Lubbers & Bell Mfg. Company have been making one product, and making it so well that they have become one of Iowa's big "Little Businesses".

During that 30 years they have been valued customers of the

**CITY**  **NATIONAL BANK**  
FIFTH AVENUE  
SOUTH-226-  
CLINTON, IOWA  
*of Clinton, Iowa*  
Member Federal Reserve  
System and Federal Deposit  
Insurance Corporation

cation for a month. **F. J. Riling**, director of this bank and the West Burlington bank, passed away recently.

The Mediapolis Savings Bank, which opened for business less than one and one-half years ago, already has deposits in excess of \$600,000. **R. A. Daedlow**, cashier, formerly managed an office at Nichols and **T. R. Richardson**, assistant cashier, formerly managed an office at Mediapolis.

The First Trust & Savings Bank, Cedar Rapids, is publishing a little folder which is mailed each month to customers and friends. It was started last fall and deals in particular with activities of the people on the south side, the territory which the bank serves. **F. J. Dvorak**, cashier, says that it is proving an excellent medium in acquainting people with the various services which the bank has to offer.

The **First National Bank**, Logan, paid the balance of its preferred stock in full February 1st.

**Robert Shannon** is now cashier of the Whitney Loan & Trust Co., Atlantic. Mr. Shannon has been an employe of the bank in various capacities for the last eleven years and was recently elevated from the position of assistant cashier to cashier. Surplus here has been increased to equal the capital, which is \$50,000.

Trust certificates have been paid in full at the **Atlantic State Bank**. Earnings were not pledged and final payment was made possible by taking \$42,000 from undivided profits. The full amount of the final payment was \$68,000.

This year marks the 50th anniversary of the **Farmers Trust & Savings Bank**, Earling. The bank has never had a stock assessment. Deposits are \$450,000, the highest since 1928.

The **Security State Bank**, Independence, which opened for business October 4, 1941, reports footings as of February 20th of \$400,000. The interior of their home, which was the old Commercial State Bank, has been completely remodeled.

### **Banks Sold or Bought!**

quietly, quickly and in a personal manner

**JAY A. WELCH**  
BANK BROKER  
Haddam, Kansas

"35 Years Practical Banking Experience"

At the annual meeting of the Farmers Savings Bank, Wever, **Edward Reichelt**, formerly vice president, was made president. He succeeds **E. Lachmann**, who was made honorary chairman. **Alex Foggy** was made vice president. Marjorie Burk was recently added to the personnel as bookkeeper.

**Wm. M. Hoaglin**, local business man, was elected to the board of directors of the Henry County Savings Bank, Mt. Pleasant, at the annual meeting of the bank.

**G. M. Van Ausdall**, for many years president of the Iowa State Bank, New London, has resigned on account of poor health. **Elmer Wright**, formerly vice president, was elected president. **Frank Walz** is the new vice president.

An abnormal increase in deposits was made by the **Danville State Savings Bank** during the past year. Deposits increased from \$295,500 to \$522,807. This bank is in the defense area. Loans increased \$35,000.



## **"Complete" Service**

The First National Bank in Sioux City is a Key bank in a Key city. It is also your Key to COMPLETE correspondent service in Sioux City.

By "COMPLETE" we mean just that, for we are thoroughly equipped to handle all Sioux City business, including commercial, grain, hay, and livestock items. Try First National service!

**V** Buy  
United States  
Defense Bonds  
at this Bank

A. G. Sam, President

J. P. Hainer, Vice President	J. R. Graning, Assistant Cashier
Fritz Fritzon, 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**

At the annual meeting of the National Bank & Trust Co. of Chariton, **E. L. Gookin**, formerly cashier, was made vice president. M. J. Grogan was made executive vice president. **B. R. Van Dyke** was stepped up to cashier. A. R. Hass, assistant cashier, and employe of the bank for 26 years, retired as an active officer and remains as a director. He will look after his own interests which includes his farms. Elected assistant cashiers were **J. L. Harding**, **J. A. Kumm** and **Helen Selk.**

**F. W. Allen**, assistant cashier, Muscatine Bank & Trust Co., has been given a leave of absence and has been made a captain in the United States Army and is located at Fort Snelling, Minnesota.

**Ralph Hudachek**, employe of the Lone Tree Savings Bank, will join the State Banking Department effective March 9th. He will be succeeded by **Albert Musser.**

**Harold Brenneman** and **Mildred Sommers** are new employees at the Kalona Savings Bank.

Extensive remodeling of the **Hills Bank & Trust Co.** is under way. The bank will have a new front and the interior completely remodeled. Two large glass brick windows are being installed, composition board ceilings added, new low type counters will take the place of the high grill work, and many other improvements.

## AT SIOUX CITY

(Continued from page 22)

Farmers State Bank at Marcus was third, and **Miss Dorothy Hill** of the Rock Rapids State Bank was fourth.

And speaking of the **Junior Bankers**, their annual convention will be held in Des Moines June 6th, 7th, and 8th, 1942.

**Mrs. A. G. Sam**, the very popular and charming wife of the president of the First National Bank in Sioux City, was not in attendance at the meeting as she was taking care of her 81 year old mother who has been sick for some time.

**Carl L. Fredricksen**, president of the Live Stock National Bank of Sioux City, told us a "true story" of a customer of theirs, who was asked to get a draft signed by an "officer", and who walked right out into the street to find a policeman to ask him if he would sign the draft. Of course, the policeman, knowing nothing about it, brought the gentleman back into the bank, and the draft was properly executed by an **officer of the bank.**

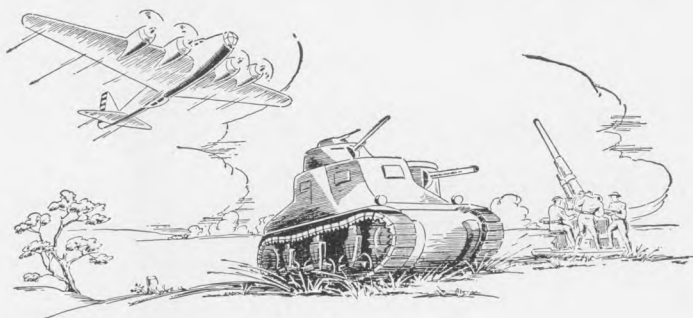
**Ralph M. Watson**, president of the Northwest Security National Bank of Sioux Falls, South Dakota, whose bank has deposits of over \$13,691,000, was in attendance in the meeting of Group 1. Incidentally, Ralph is also potentate of El Riad Temple of Sioux Falls.

Inasmuch as the Shriners will have their circus at the Coliseum at Sioux Falls March 9 to 14, Ralph is now being called "**P. T.**", these being the initials of the well-known showman, **P. T. Barnum.**

**LeRoy A. Listug**, executive vice president, and **H. W. Bartling**, manager of the field service of the F. H. A. Division, of the Central National Bank in Chicago, were both in attendance at the Sioux City meeting.

These gentlemen have just completed a swing around the circle, call-

# BANK LOANS *for* WAR PRODUCTION



As are the banks throughout America, Mercantile-Commerce is aiding our industrial War effort by extending credit to worthy concerns engaged in Defense activities.

The unprecedented increase in the tempo of industrial production, the change-over from consumer goods to those of the material of War, has necessitated emergency financing in a great many cases. It is the duty of American banking to assist American industry in its drive to Victory wherever such is possible.

To our many correspondents and to out-of-town banks throughout the Nation, we offer our credit facilities whenever local demands exceed your own loan limits.

## MERCANTILE-COMMERCE

Bank and Trust Company

SAINT LOUIS

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

ing on bankers and discussing their problems with them.

Mr. Listug is an expert on service charge plans for banks, and has helped many institutions to increase their revenue from this method.

The Central National Bank in Chicago is a very rapidly growing institution, as its deposits were only \$300,000 on October 15, 1936, and at the last call, they were over \$20,772,000, which is certainly a very excellent record.

There is probably no better "dialect" story-teller in Sioux City than **A. G. Sam**, president of the First National Bank. He is an artist in this line.

**A. J. Bartelsen**, cashier of the Morningside Savings Bank of Sioux City, and president of Group 1, was a most able and efficient presiding officer and kept the meeting running smoothly and quickly all afternoon.

**M. C. Eidsmoe**, president of the Woodbury Savings Bank of Sioux City, and president of the Sioux City Clearing House Association, gave the address of welcome and made everybody feel at home. This was ably responded to by **Albert H. Meyer**, president of the First National Bank of Paullina.

**A. T. Donhowe**, vice president of the Central National Bank and Trust Company of Des Moines and president of the Iowa Bankers Association, brought out four points in his remarks, when he said:

"1. Remember 1932—it may come again—so tell your customers to pay all their debts now.

"2. Suggest that your farmers repair their equipment.

"3. Buy United States Defense Bonds.

"4. Do not allow your customers to make new debts unless they have the resources to pay for them.

"Bankers must help to guard against inflation by doing everything they can to assist in the sale of United States Defense Bonds."

**Melvin W. Ellis**, superintendent of banking, gave a very short but effective speech, and emphasized that "we should streamline ourselves for war economy."

He pointed out that the Iowa bond quota for 1942 is \$180,000,000, or \$15,000,000 a month.

He said that Iowa banks are sound and made money last year, and he emphasized to all banks to "keep 'em out of debt", and to reduce interest on time deposits and increase service charges.

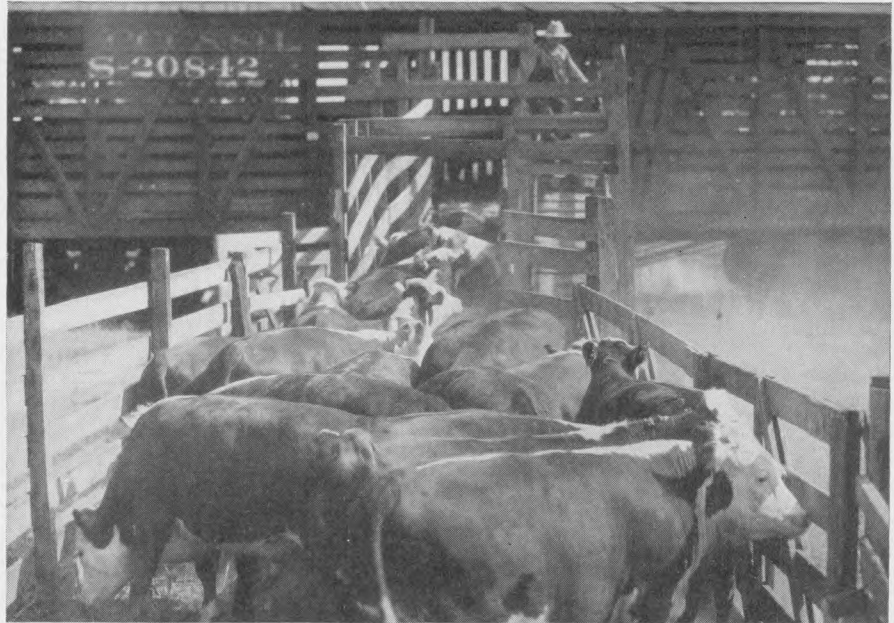
When someone asked **W. G. C. Bagley**, treasurer of the State of Iowa, what his "address" was, he said it was the State House, Des Moines, and he hoped that it would remain so for another two years.

Mr. Bagley said that the gas tax in Iowa for 1941 was \$18,200,000, and seven and one-half million dollars greater than 3 years ago.

**B. A. Gronstal**, president of the

Council Bluffs Savings Bank, and candidate for president of the Iowa Bankers Association next year, spoke of the duty which every banker has to block or freeze funds coming into the bank from aliens or enemies of the United States. He emphasized that no matter how small the amount may be, foreign funds should be frozen at once.

**Vincent F. Harrington**, Congressman from the 8th district of Iowa, said that



### These Three Drovers Services

Are Always Available to Live Stock Shippers

#### THROUGH LOCAL BANKS

1. Collection And Transmission of Funds
2. Sound Loans On Live Stock
3. Credit Information On Firms Located Anywhere in the United States

Today, more than ever, live stock producers need up-to-the-minute banking service. War conditions are forcing broad changes in normal ways of doing things. The officers of the Drovers are in close touch with these changes right here in the live stock capital of the world. They bring seasoned experience plus close associations to every financial transaction affecting the live stock industry.

*Your Inquiry Regarding the Advantages of Drovers Service for Your Bank is Invited*

*LIVE STOCK ON U. S. FARMS	
<b>CATTLE</b> .....	74,607,000
Value each, Jan. 1942	\$55.13
Value each, Jan. 1941	\$43.26
<b>SHEEP</b> .....	55,979,000
Value each, Jan. 1942	\$ 8.62
Value each, Jan. 1941	\$ 6.73
<b>HOGS</b> .....	60,526,000
Value each, Jan. 1942	\$15.64
Value each, Jan. 1941	\$ 8.34
<b>CHICKENS</b> ....	473,933,000
Value each, Jan. 1942	\$83.02
Value each, Jan. 1941	\$65.04
<b>TURKEYS</b> .....	7,710,000
Value each, Jan. 1942	\$ 3.08
Value each, Jan. 1941	\$ 2.26

\*Source: U.S.D.A.

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

Members, Federal Deposit Insurance Corporation

Northwestern Banker March 1942

**Get EXTRA REVENUE  
-Sell Money Orders  
to Regular Purchasers!**



FREE Samples  
Sent on Request!

● The term *money order* is well established in the minds of the general public. That's why millions of postal money orders are sold each year.

You can get this extra revenue for your bank by selling bank money orders to regular purchasers in your locality. Bank money orders are easy to handle; quickly identified; low in cost.

See your "U. S." representative or write today for free samples and prices.

**UNITED STATES  
CHECK BOOK COMPANY**

In Omaha Since 1916

**ACOUSTICS  
AND  
FLOORING  
FOR BANKS**

Write for Free Estimates

**H·B·BUCKHAM  
AND  
COMPANY  
DES MOINES**

bankers were closer to their respective communities than all of the economists and statisticians in the United States.

He said that we will win the war, no matter what the cost or sacrifice may be.

He believes that South America is rich in natural resources, but that these resources need to be developed, and this is our real opportunity. He also believes that Spanish, Portuguese and French should be made required subjects in all of our high schools and colleges.

South America and aviation are the two fields we must develop after the war. With 2,000,000 pilots which we will have when the war is over, he believes that every community will have its own airport, and that this will be a real opportunity for America.

**Hugh O'Neill, Jr.**, of the installment credit department of the Federal Reserve Bank of Chicago, pointed out that a war economy means two things; first, expenditures for war, and, second, a reduction of supplies for civilian goods.

He also said that, as we reduce the supply of goods, we must control the demand for those goods. Increased taxes help to reduce inflation, and taxes will be higher as the war progresses. The sale of Defense Bonds by the payroll allotment plan is being pushed by the Federal Reserve Banks.

**Frank Warner**, secretary of the Iowa Bankers Association, said that, "**Mel Ellis** is a natural for the office of Superintendent of Banks, and he and **Ralph Bunce**, Deputy Superintendent of Banks, are doing a fine job."

Frank also pointed out that the Iowa Bankers Association is trying to exempt banks from the Wage and Hour Law during the war by having the law amended to that effect.

Safe-keeping of Defense Bonds, Mr. Warner pointed out, is an ever-increasing problem, and customers are going to rent more safety deposit boxes than ever before, and banks also may be asked to keep bonds for safety without charge in a few cases.

There are 44 federal agencies, Mr. Warner said, that are now in partnership with the banks in the United States, and they should be reduced and not be increased.

The sale of Defense Bonds is also a public relations job, as well as a patriotic duty, according to Mr. Warner.

There were two secretaries who did much to make this the finest meeting of its kind, and one was **R. E. Brown**, cashier of the Security National Bank of Sioux City, and secretary of the Sioux City Clearing House Association, and the other one was **G. E. Wilson**, vice president of the Cherokee State Bank at Cherokee, and secretary of Group 1. Both did a fine job.—**THE END.**

## AT BURLINGTON

(Continued from page 24)

Among resolutions adopted by bankers of Group Eleven were the following:

"We urge that the banks and bankers of this group cooperate to their fullest extent in the sale of defense bonds and stamps.

"We protest any effort to federalize the unemployment compensation act of the various states that would destroy the principle of 'Merit Rating' as contained in our respective state unemployment compensation laws.

"We suggest that banks begin analyzing the rates of interest that they may be paying on time deposits to see if there should be any adjustment of such rates.

"We suggest that banks caution all purchasers of defense savings bonds and stamps to use great care in the safe keeping of such securities.

"We express the hope that the federal government will see to it that banks shall be able to purchase all necessary supplies and equipment without the necessity of obtaining priority ratings.

"We recommend that the Iowa Bankers Association do what they can to have the wage and hour law in its application to banks be held in abeyance until six months following the close of the war.

"We again urge extreme caution in the making of sound loans and developing a sound investment policy, keeping in mind that there will be an aftermath to this present period."

### Tough Luck

She—So you met your wife at a night club? My, that must have been romantic.

He—Huh! It was disastrous. She thought I was working at the office.

*Wessling Services*

Counsel on Bank Public Relations

D. R. WESSLING, PRESIDENT

20th year planning advertising programs for banks and trust companies. Member Financial Advertisers Association.

*Des Moines, Iowa*

## NEWS AND VIEWS

(Continued from page 14)

course will mean additional business for the personal loan department of many banks. According to the best estimates, last year banks, through their personal loan departments, made 114,000 tax loans averaging \$200.

**LeRoy A. Listug, Jr.**, whose father is executive vice president of the Central National Bank in Chicago, is a flying cadet at Goodfellow Field, San Angelo, Texas. Cadet Listug graduated from Kenyon College Gambier, Ohio, in June, 1941, and is a member of the Delta Tau Delta fraternity.

**Warren Ferguson**, well-known investment banker of Ottumwa, was chairman of the membership committee last year of the Iowa Investment Bankers Association, and, in making his report he said that at the beginning of the year there were 49 members, and now there are 46 members, or a loss of 3, and he figured that if future chairmen of the membership committee were just as "good" as he had been, the association would last 15 years.

**J. H. "Jim" Pullman**, vice president of the Fremont County Savings Bank of Sidney, Iowa, is a great booster for the annual rodeo which takes place in his town. In fact, Jim says it's better than anything Cheyenne ever put on.

Incidentally, Jim knows something about the banking business, too, because his institution has a capital stock of \$25,000, and surplus and undivided profits of \$53,000, which puts it in the **honor roll class**. The bank's deposits are \$632,000.

**Merrill Anderson** of the Merrill Anderson Advertising Agency of New York was recently elected president of the New York Financial Advertisers Association and succeeds **Dudley L. Parsons**, Public Relations Manager of the New York Trust Company.

**William Huckel** of the Chase National Bank was elected secretary and **George E. Kirby**, assistant secretary of the Green Point Savings Bank, was elected treasurer.

**I. G. McQueen**, cashier of the Farmers State Bank of Ridgeway, Iowa, has a son, **Robert McQueen**, 16 years of age, who has just graduated from the Ridgeway High School. Robert is a "crack shot" with a pistol, and holds the world's record for civilian center fire gallery 50 yard record, and the national match court civilian record.

Robert's 50 yard slow fire record was one point over armed services over the same court.

## Thrift "Enlisted" to Win the War

By Robert Lindquist

Advertising and Publicity Officer  
American National Bank and Trust Company of Chicago

THE practice of thrift, looked down upon as old-fashioned during the boom days of the 20's and the disillusionment of the 30's, is having a new popularity with the coming of the war period. The American public, looking back upon its practices of recent years, is appalled by the wastefulness of what had proudly been called the highest standard of living in the world. Faced with the necessity of "pulling in its belt"—of doing without many things formerly considered essential—the public never before has been more receptive and more in need of learning the simple rules of thrift.

This presents both an obligation and an opportunity to the banks, who first taught the American people to be savers. The time is here to repeat these lessons, which are unknown to most of the younger generation and forgotten by the older. As a contribution in this direction, the American National Bank and Trust Company of Chicago has prepared for distribution to its customers a folder entitled: "**Thrift—A Vital Part of Winning the War.**" This folder is not just an appeal to

buy defense bonds or open savings accounts but a broad treatise on the importance of practicing thrift not only in money savings but in other ways.

The difference between wastefulness and thrift in civilian life may mean the difference between life and death for some boy on the fighting fronts. It might even mean the difference between success or stalemate in decisive battles. Thrift can shorten the war. Waste will definitely cause its prolongation.

The primary expression of thrift as a means of helping to win the war is saving money, buying Defense Savings Bonds and Stamps. The public can and will be expected to do its part mightily on the Defense Savings front. But all savings will help. The savings that go into insurance companies, into banks, will go into United States Government bonds or into loans and investments in industries vital to the war effort. More people need to save more. That is the short and simple message that needs to be preached to win the war.



The above picture shows a Defense Bond window display of the American National Bank and Trust Company of Chicago. Included in the display are some British and Free French posters, and also scale models of various American fighting equipment including airplanes, war ships, tanks and artillery pieces.

Northwestern Banker March 1942

Mr. McQueen certainly can be delighted that he has such a "crack shot" in the family.

**L. R. Bassett**, cashier, Nevada National Bank, Nevada, Iowa, has made a very fine record with his bank, which was started 8 years ago and now has deposits of \$1,346,495, a capital of \$50,000, and surplus of \$67,000.

## MERCHANTS MUTUAL BONDING COMPANY

Incorporated 1933

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A progressive company with experienced, conservative management. We are proud of our hundred and fifty bank agents in Iowa.

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**E. O. FENTON**, Director

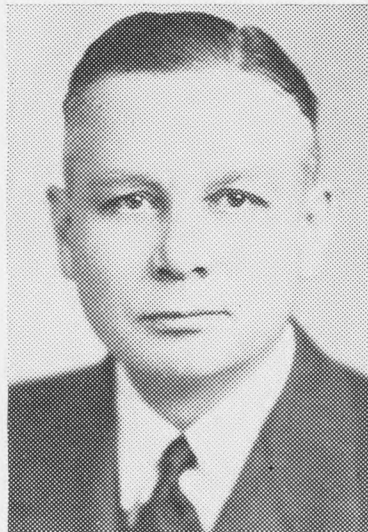
**American Institute of Business**  
DES MOINES  
10th and Grand Tel. 4-4221

In a recent letter to the NORTHWESTERN BANKER he said, "We feel quite proud of our institution, believing that we have grown in keeping with the banking institutions throughout the state, having more than doubled our investment account since starting some eight years ago, and have always paid about 10 per cent dividends each year.

"I might say we are heartily backing the bond sale campaign and I believe Story county has equaled the state record, also the Red Cross has gone over practically two to one for the east half of the county."—THE END.

### Joins Kosek & Company

Ernest Kosek, of Ernest Kosek & Company, of Cedar Rapids, Iowa, announces the association of Lud Prastka as a representative of his firm. Lud Prastka was associated with the



LUD PRASTKA

Rude Auto company for the last eighteen years as a salesman. He will be engaged as a representative of this firm contacting banks, insurance companies and individuals in Eastern Iowa.

### THE FARMER CAN DEFEAT INFLATION

(Continued from page 41)

Would it not be better for labor to demand that war profits be held rigidly in line by appropriate taxes rather than to condone these profits by asking for a share in them? Would it not be better for farmers to insist that labor not be granted unwarranted privileges than to ask for offsetting benefits for themselves through higher parity figures and higher ceilings.

In short, do we not need to face these problems from the standpoint of national welfare? The point I am seeking to stress is not that of dividing the country-labor against employer, farmers against labor, and so on, but that all groups should find unity of

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purpose and interest by thinking and acting in terms of general welfare. "United we stand, divided we fall" is as true today as ever.

**Price Ceilings**

One attitude seems to be that if price ceilings are fixed they should be high ones. One encounters also the view that these limits should represent floors as well as ceilings, that is that programs to raise prices to them should be undertaken. Price ceilings should be recognized as upper limits beyond which prices should not go rather than as marks to which they should be raised. A fact which seems hard to realize by some is that war is destructive and as such demands sacrifices instead of creating prosperity. It is difficult to see how a democracy can succeed unless general welfare is placed higher than group interest. Men need to think more about how they can aid the country than about what they can get out of others in times such as this. My contact with farmers satisfies me that the rank and file of farm people stand ready to accept this view and to contribute their share on this basis.

Fortunately, price control is not the only means of checking inflation. Because war inflation results from a situation of increased spending power in the hands of consumers at the very time that the supply of many goods available to them is curtailed, the threat of inflation may be reduced by finding other outlets for the excess funds. Since the government is the major buyer of goods and services in war times, it has need for these funds. It gets them by levying taxes and selling bonds to individuals which they pay for out of their incomes.

This war has to be paid for, and the larger share of the costs paid while the war is on, the smaller the burden of debt carried over into the post-war. There is, therefore, a dual argument for stepping up federal taxes very decidedly at this time: one, to pay war costs; the second, to check inflation.

Taxes are never popular, but they represent sacrifices which must be made. Those who are inclined to grumble about them should spend some time in reflecting over the greater sacrifices which others are making in order that they and their children may retain the freedoms which are part of our democratic heritage.

Bonds bought out of current income will have the same effect as taxes in checking inflation. However, the attitude that buying a 10-cent savings

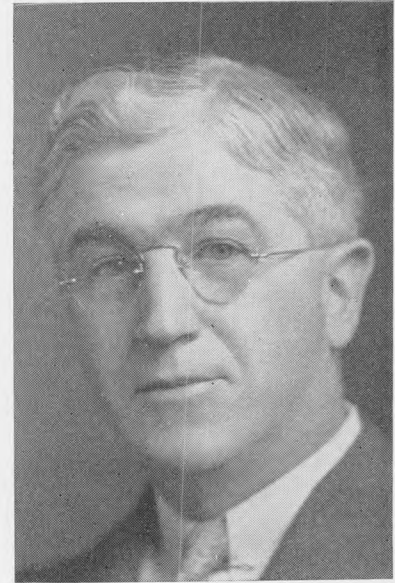
stamp now and then will do the trick is most unrealistic. A fifty billion war budget calls for more substantial participation than that. We probably will soon be spending about half of our national income for war purposes. That gives us some idea of what the duty of each of us must be.

Meeting war needs and checking inflation are leading government officials and Congress to give serious consideration to raising taxes very decidedly, to provide for more prompt collection, and to the adoption of some form of deferred payment or enforced savings. The objectives are in the interests of the country and its people. It is our duty as citizens to do our part.—THE END.

**Iowa Chairman**

LaVerne M. Barlow, Des Moines, resident manager of Goodbody & Co., has been appointed chairman of the Iowa district committee of the Association of Stock Exchange Firms.

Springer H Brooks, St. Paul, one of 30 members of the board of governors of the organization in the United States, made the appointment. The district under Brooks, of which Iowa



L. M. BARLOW

is a part, includes Minnesota, North Dakota and South Dakota.

**Snappy**

Lawyer (to gorgeous witness)—Answer me, yes or no!

Witness—My, you're a fast worker, aren't you?

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# IN THE DIRECTORS' ROOM

## *Hurry Up*

Wife: "Just suppose we wives should go out on strike?"

Husband: "Go right ahead. I've got a peach of a strikebreaker in mind."

## *C. O. D.*

"Do Englishmen understand American slang?"

"Some of them. Why do you ask?"

"My daughter is to be married to an earl and he has just cabled me to come across."

## *Why, Santa!*

A few weeks before Christmas a mother took her young son down to see the window displays in the big city. That evening some friends dropped into the family home. Bobby seemed a bit bashful and reserved, and of course the visitors tried to draw him into conversation.

"Well, Bobby, did you see the big stores?" the visitors asked.

Bobby nodded.

"Did you like them?" brought another affirmative nod.

"And did you see Santa Claus?" the visitor persisted. Another nod.

"Did he say anything to you?"

Bobby indicated that he had had some words with Santa.

"Well, what did he say? I'm sure it was nice," continued the questioner.

"Huh," snorted Bobby. "He said, 'Get the' hell off'n that bicycle!'"

## *Haven't We All?*

Plantation Owner: "How is it, Mose, that you're always so cheerful in spite of your troubles?"

Mose: "Well, suh, I'll tell yo'. I's jest learned to cooperate wid de inevitable."

## *Not That Drunk*

"As I understand the case," said his honor, "you and your husband had a drunken altercation and you were kicked in the ensuing rumpus."

"No, sah, Jedge," replied Mandy. "Ah was kicked in de stummick."

## *An Eye Full*

"My husband gets up in time for the health exercises on the radio every morning."

"I didn't know he took 'em."

"He desn't but the girl in the apartment across the court does."

*Northwestern Banker March 1942*



## *Different Governor*

A man tells of a friend who, some years ago, started out with a wagon load of freight to supply an Indiana agency outpost. He had an Indian guide and a bottle of busthead liquor. They agreed to continue working on the bottle just as long as either could give the correct response to the inquiry: "What did the Governor of North Carolina say to the Governor of South Carolina?" After a while the Indian fell asleep; the driver, feeling the need of another drink, tried to arouse him. After pulling and shaking for a while, the guide opened one eye. The question was popped quickly before the big chief dropped back into his alcoholic snooze.

"Me Governor of Utah," solemnly announced the Indian, "me no talk."

## *A Hot One*

Farmer (to urban visitor): "And next I'm goin' to show you how we shock the corn."

City woman (to impatient husband): "Wait a minute, John, I'd like to listen to this!"

## *Who Cares?*

Mrs. Straphanger: "Madam, you are standing on my foot."

Miss Ditto: "I beg your pardon, I thought it belong to the man sitting down."

## *Curve Ahead*

"They say that to be a success in Hollywood, a girl has to memorize her lines."

"You're wrong; she has to develop her lines."

## *Just About*

Speaker: "Now, ladies and gentlemen, I want to tax your memory."

Voice in Audience: "Great grief! Has it come to that?"

## *How True*

"My wife had a dream last night, and thought she married a millionaire."

"You're fortunate. Mine thinks that in the daytime."

## *Name, Please*

She—But why should a big strong looking man like you be begging for food?

Tramp—Madam, this is the only profession I know of where a gentleman like me can speak to a charming woman like you without an introduction.

## *For Defense*

Customer—My goodness, eggs are high!

Grocer—Sure, part of national defense program.

Customer—How?

Grocer—All the hens are making shells.

## *Risky*

"Pal, will you loan me three dollars? I want to catch a train."

"Nothing doing! I don't like these touch and go affairs."

## *Needs Practice*

Papa—Now, daughter! I simply won't have that new boy friend of yours kissing you like that!

Daughter—Oh, give him a chance, father! He'll learn!

## *Why Not?*

"I hear that your son left college because of poor eyesight."

"Yeh, he mistook the dean of women for a co-ed!"

## *Wrong Again*

Jones—You can't believe a thing you read in the newspapers.

Smith—Why do you say that?

Jones—Well, one of them interviewed my wife and reported that she had nothing to say!

## *That Gone Feeling*

He—When I kiss a girl, she remembers it.

She—Huh! When I kiss a man, he never remembers a thing!

## *Good Name*

"Have they named the new baby next door?"

"Sure—they call it Weatherstrip because it kept it's father out of the draft."

"Whenever my hubby and I get into a battle, his snoopy sister patches things up."

"The old sew-and-sew!"

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