

# NORTHWESTERN

# Banker

NOVEMBER

1942



W. L. HEMINGWAY  
President, Mercantile-Commerce Bank & Trust Co., St. Louis  
President, American Bankers Association



"THERE IS NO PLACE LIKE NEBRASKA"

Page 12

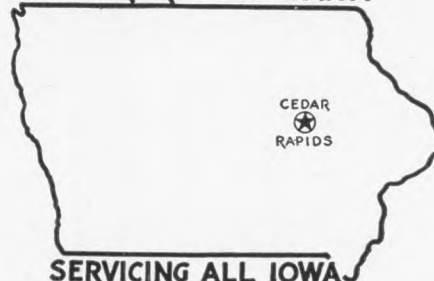


## Correspondent Factors

At this bank is available complete correspondent service to banks in Iowa and the middle west, including central location, size, age, experience, organization, facilities and contacts.

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# MERCHANTS NATIONAL BANK

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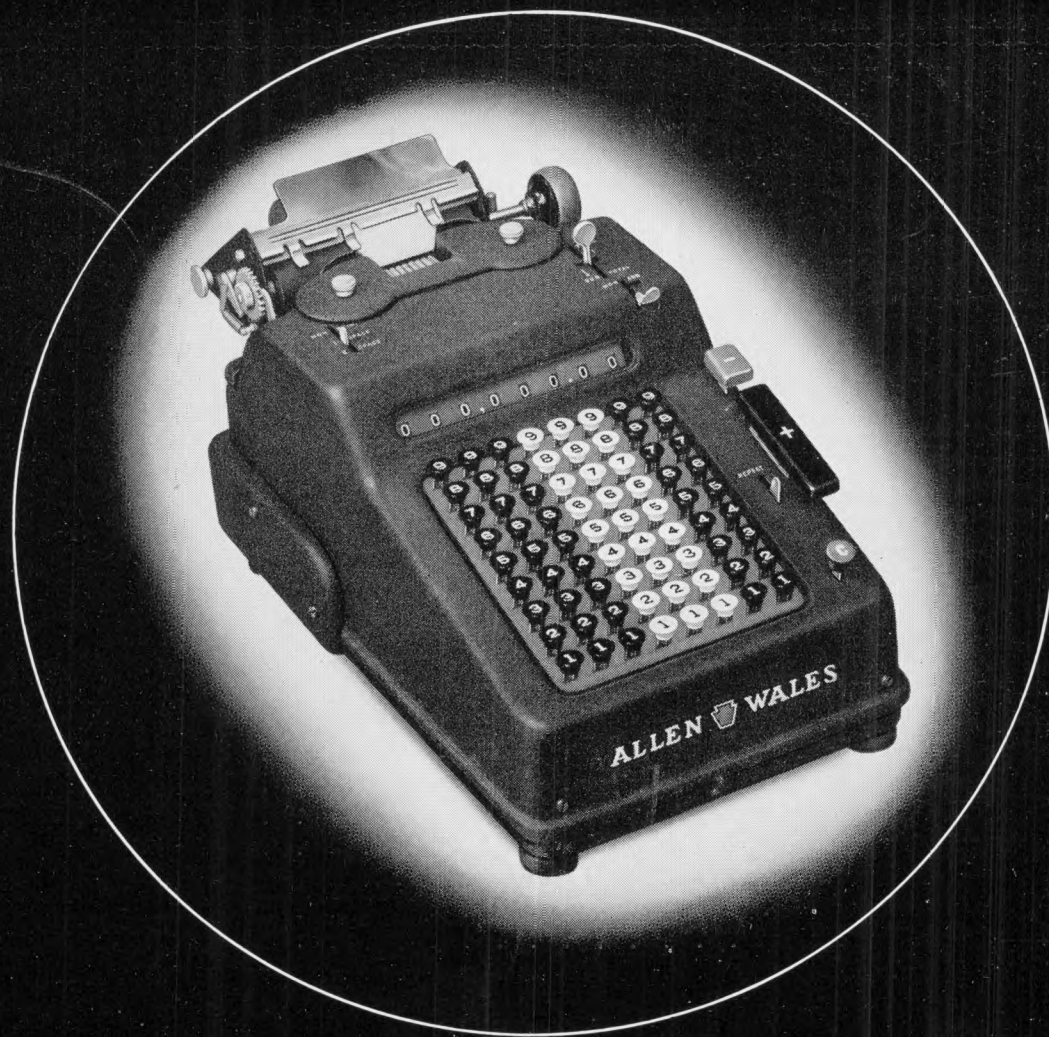
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**Cedar Rapids Iowa**

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• Today, all the resources of the Allen Wales Adding Machine Corporation are turned to the manufacture of vital war supplies for our country. When Victory comes, we will resume making Allen Wales Adding Machines which our friends tell us are the world's best.

In the meantime, you can best help yourself and us by keeping your Allen Wales Adding Machines in perfect running condition. We suggest that you investigate our Annual Maintenance Service by calling the nearest of our 400 agencies, or write to the Home Office.

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*Statement of Condition, September 30, 1942*

## RESOURCES

CASH AND DUE FROM BANKS . . . . .	\$ 945,679,425.33
U. S. GOVERNMENT OBLIGATIONS, DIRECT AND FULLY GUARANTEED . . . . .	1,796,736,207.54
STATE AND MUNICIPAL SECURITIES . . . . .	106,509,821.68
STOCK OF FEDERAL RESERVE BANK . . . . .	6,016,200.00
OTHER SECURITIES . . . . .	170,401,433.52
LOANS, DISCOUNTS AND BANKERS' ACCEPTANCES. . . . .	808,539,599.99
BANKING HOUSES . . . . .	36,961,100.19
OTHER REAL ESTATE . . . . .	6,321,222.33
MORTGAGES . . . . .	7,812,896.55
CUSTOMERS' ACCEPTANCE LIABILITY . . . . .	2,485,821.00
OTHER ASSETS . . . . .	12,492,223.56
	<u>\$3,899,955,951.69</u>

## LIABILITIES

CAPITAL FUNDS:	
CAPITAL STOCK . . . . .	\$100,270,000.00
SURPLUS. . . . .	100,270,000.00
UNDIVIDED PROFITS . . . . .	44,108,907.24
	\$ 244,648,907.24
RESERVE FOR CONTINGENCIES . . . . .	11,991,067.86
RESERVE FOR TAXES, INTEREST, ETC. . . . .	3,787,860.82
DEPOSITS . . . . .	3,628,465,592.68
ACCEPTANCES OUTSTANDING . . . . .	\$ 6,658,649.09
LESS AMOUNT IN PORTFOLIO . . . . .	3,763,257.91
	2,895,391.18
LIABILITY AS ENDORSER ON ACCEPTANCES AND FOREIGN BILLS . . . . .	410,346.47
OTHER LIABILITIES . . . . .	7,756,785.44
	<u>\$3,899,955,951.69</u>

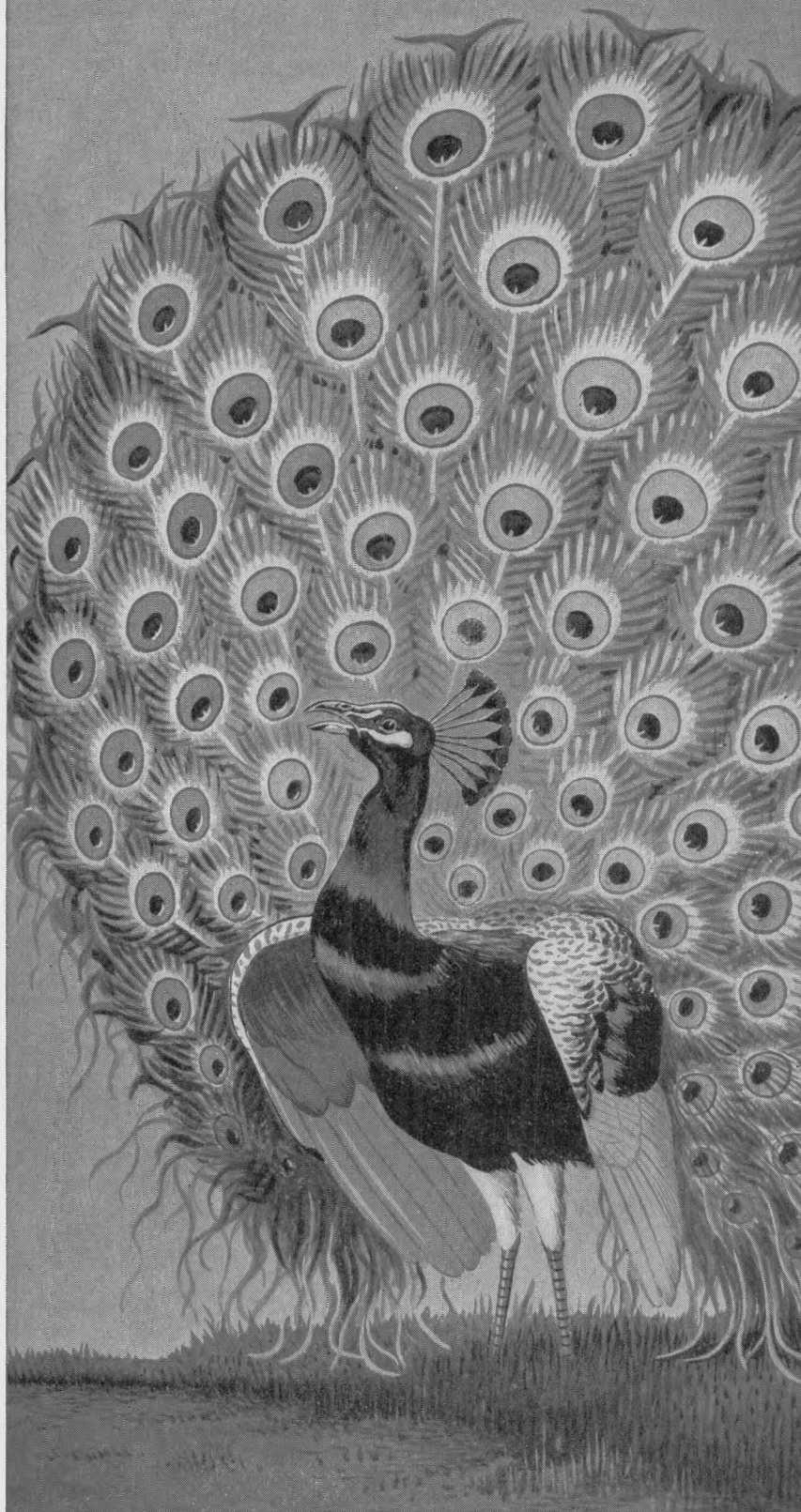
United States Government and other securities carried at \$428,916,892.50 are pledged to secure public and trust deposits and for other purposes as required or permitted by law.

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Do your checks reflect the character, efficiency and dignity of your business? Are they distinctively yours—as is the trade mark you've made nationally known through your advertising? » » Many progressive banks and corporations are conscious of the added value of checks designed to supplement their public relations programs. Their trade marks are made a part of their check paper itself—using for that purpose LaMonte Safety Paper. » » By this means they also assure the safe transmission of funds. For LaMonte Safety Papers—invented by George LaMonte in 1871—safeguard checks against counterfeiting and fraudulent alteration. » » Banks, of course, are particularly aware of the necessity for protecting funds in transit. And, consequently, more than 75% of the nation's largest banks specify LaMonte Safety Paper for their checks. » » Have you thought of having your trade mark or special design made part of your check paper? The lithographer or printer who makes your checks has samples of LaMonte Safety Papers illustrating how this is done for other leading concerns.

*Give Uncle Sam Your  
Check for WAR BONDS!*



**LA MONTE** *Safety* **PAPER**

**GEORGE LA MONTE & SON**  
Nutley New Jersey





# THE HELL THAT SEARED ENGLAND BURNS AMERICA NOW!

Hell from the skies over England, so brutal that it once drove that great nation almost to the breaking point, has nonetheless succeeded in taking only 45,871 British lives from the beginning of the war to August 31, 1942.

*In those same three years, right here in America, approximately 30,000 deaths have occurred from fire!*

Think of it! Here, as yet, are no screaming bombs, no dreaded roar of enemy plane motors, but deaths from fire alone, as real and as painful as those caused by air raids, total two-thirds of the bomb toll in England.

Further — at this crucial point in our struggle for existence these are in many cases as costly in man-power and machine-power as are the losses from plane-dropped high explosive and incendiary missiles.

Here's a way in which America's citizen army can cut this sabotage — and how you can help!

## JUST BE CAREFUL ABOUT FIRES!

Make it your job to see to it that every preventable fire *is* prevented. Every time you see a danger spot, report it to the proper authorities if you cannot eliminate it yourself.

For many years the Home fleet of insurance companies has helped to reduce fire loss by elimination of many fire hazards through experience, research and continuous inspections. But now, more than ever, America needs the help not only of those whose business it is to deal with fire losses, but also of every citizen and home owner — for *no fire loss today is measurable in dollars*. Preventing fires is part of winning the war and *that's a job for all of us*.

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NEW YORK

FIRE • AUTOMOBILE • MARINE INSURANCE

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

NOVEMBER  
1942

# NORTHWESTERN *Banker* DES MOINES

FORTY-SEVENTH YEAR

NUMBER 664

Oldest Financial Journal West of the Mississippi River

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### CONVENTION CALENDAR

#### STATE MEETINGS

Nebraska Bankers Convention—Omaha,  
Hotel Fontanelle—November 11-12.

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## Across the Desk From the Publisher

### How to Control Our "Newly Created Money"

In speaking before the Iowa Bankers convention, Dr. Irving Fisher, professor of economics, emeritus, of Yale University, discussed wartime inflation and taxation and emphasized that inflation was not caused by either the public or the banks buying government bonds out of savings, but it is only when the government is spending *newly created money*.

Therefore, the job which we face in America is how to control our newly created money.

As Mr. Fisher puts it, **"If what the government spends were obtained from private individuals curtailing their spending by the same amount, the government spending could not be called inflationary, the government would then be merely spending what, without the war, the people would have been spending. In other words, it is not mere spending as such which makes inflation but it is governmental spending of newly created money."**

Basically, Dr. Fisher believes that inflation is only going to be controlled if we have less spending and more saving rather than the creating of "new money," sometimes referred to as "invisible greenbacks."

Commenting on this subject, Dr. Fisher says: "There are two ways in which the income of the people of the United States can go to the United States government for the purpose of helping the war effort. One is through taxes and the other through loans out of savings, either voluntary or forced. In my own opinion, the Treasury is overstressing taxes. *We must untax savings* or else we run the risk by taxing them of *killing the goose that lays the golden egg*, for savings mean future

income. The Treasury has proposed a spending tax in addition to the present income taxes."

We quite agree that the "*untaxing of savings*" is very important at this time.

America has been built on the individual initiative and individual savings and if we do kill the goose that lays the golden egg, as has been mentioned, the future of this country will not be as bright as we hope it will be after this conflict is over.

In the meantime, we must control our "newly created money" if we are to prevent inflation and at the same time we must make it worthwhile and desirable to save rather than to spend.

### Reduction of Interest Rates on Savings and CD's Recommended

William N. Mitten, president of the Stephens National Bank, of Fremont, Nebraska, was much interested in our survey showing "What Banks Are Doing to Increase Their Income" and believes that the reduction of interest rates on savings and CD's which stood No. 1 on our list is a desirable and proper procedure.

In referring to what his own bank has done, Mr. Mitten wrote the NORTHWESTERN BANKER as follows:

"The comments by bankers about 'What They Are Doing to Increase Their Income' in your October issue are very interesting. An exchange of ideas on such a subject to me is most worthwhile. As one of the regular readers of your fine NORTHWESTERN BANKER, may I say thank you for your efforts in behalf of the bankers in this section.

"It appears that a reduction in interest on



savings and time money gets the 'nod' over all other suggestions. This sounds like good reasoning to me, especially so since we made a change in our interest paid six months ago. We had been paying 2 per cent annually on all amounts up to \$1,000 on savings deposits, and 2 per cent on the first \$1,000 and 1 per cent on all amounts above \$1,000 on time deposits. Effective April 1st we reduced the interest on savings to 2 per cent on the first \$500 and no interest above this amount, and 2 per cent on the first \$500 and 1 per cent on all amounts above that on time money, and would accept amounts up to \$100 per month in our Savings Department.

"We changed this after an analysis of our accounts revealed that the regular saver no longer existed, but that our savings accounts were more or less investment accounts for our depositors. Why, then, should we accept this kind of money at 2 per cent when we could get only 1/2 to 1 per cent on short-term Government bonds? This seemed like poor business to us. Then, too, we felt this type of depositor should be encouraged to buy War Bonds.

"What were the results of the change in our rate? Savings deposits increased about \$50,000. We have sold over \$216,000 of War Bonds, most of which has been withdrawn from our checking and savings accounts. Savings in interest paid is about \$1,000 from the figure paid six months ago, even with the increase of deposits of \$50,000. The question now in my own mind is—should we make a further reduction?

"Have you ever made a survey of the banks in this section of the country as to just what interest they are allowing on savings and time money? I think that you will find that the rate varies in most banks—at least this was the information that we had when we made inquiry from several banks in Nebraska about our size the time we were discussing a change in our rate.

"Don't you believe that it would be of interest to your NORTHWESTERN BANKER readers and that the majority of the bankers from whom you made the inquiry as to how to increase their income, would be interested to know what other banks of their size are paying? Couldn't you set this up in different categories—that is, banks with about the same size communities and the same deposits?

"I know that I should be very interested in the results of such a survey. It is my firm belief that it would be shocking to you, and a surprise to all banks to see the variations.

"I think that we are in the same position as

most banks—deposits are on the uptrend, and loans are on the downtrend."

We might say for Mr. Mitten's benefit that the NORTHWESTERN BANKER has on various occasions made surveys on interest rates charged on savings and time deposits by bankers in various sections of the country and will be happy to do so again in the near future.

### Uniform Service Charges Needed And Desirable

It is our belief that some kind of fair and adequate charges are certainly more desirable than none at all and if uniform charges such as those recently suggested by Melvin W. Ellis, superintendent of the Department of Banking for Iowa, are adopted we believe it will be helpful to the banks, to their customers, and will establish a certain uniformity which is a point in its favor.

The service charges suggested by Superintendent Ellis and approved by the State Banking Board are shown on page 62 of this issue of the NORTHWESTERN BANKER.

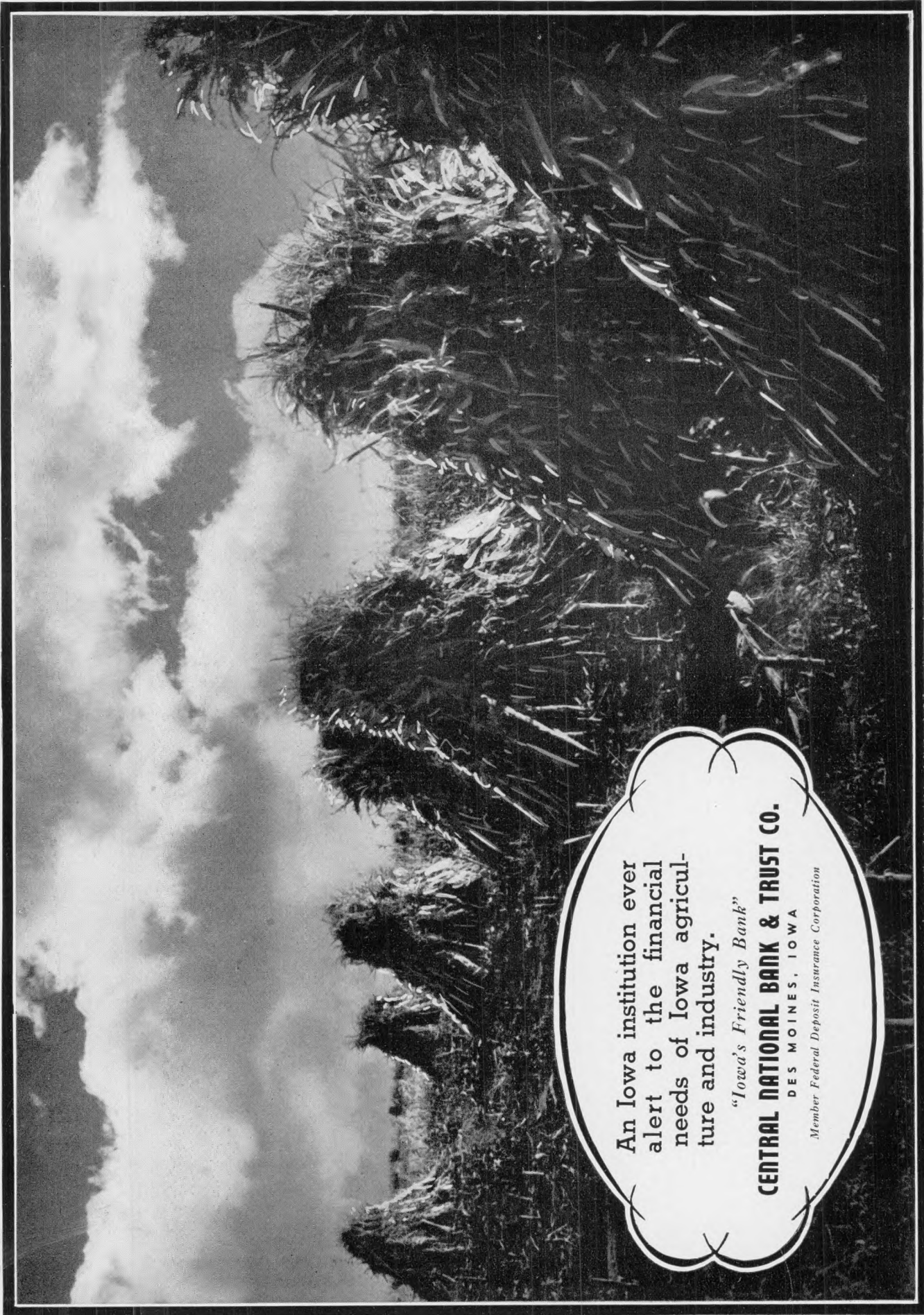
The NORTHWESTERN BANKER has been informed that these rates have been "attacked" by an organization outside the state which makes a business of installing service charge programs for banks and realized that if a uniform plan is put into operation in Iowa and other states that it will deprive them of a certain amount of business.

In a recent letter of theirs to banks in this state, the president of this company says: "It is encouraging that Iowa bankers should have become probably the first state-wide group to recognize the need for joint action in establishing a uniform service charge program to meet developing wartime banking necessity. It is unfortunate, however, that the Banking Board's schedule is so thoroughly inadequate for the job to be done."

We do not know what this outside firm suggests in the way of service charges because none are mentioned and none provided in their broadside so their arguments are not very sound nor substantial.

We do know that Superintendent Ellis has one thought in mind and that is to help the banks of Iowa increase their income through fair and uniform service charges, and therefore we believe that his program is worth considering and should be adopted.

*Clifford DePuy*



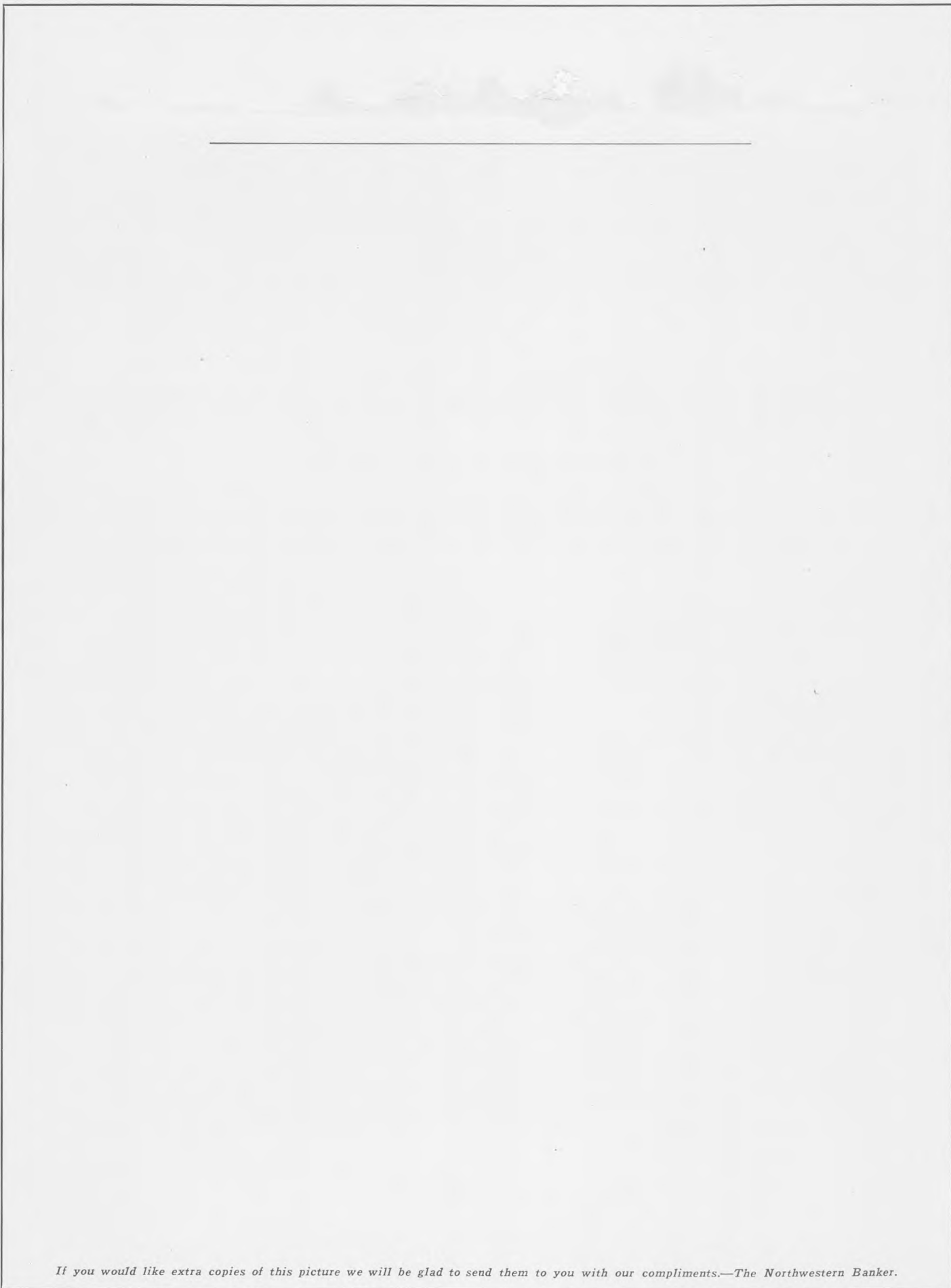
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alert to the financial  
needs of Iowa agricul-  
ture and industry.

*"Iowa's Friendly Bank"*

**CENTRAL NATIONAL BANK & TRUST CO.**

DES MOINES, IOWA

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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.*



Hogs plus corn plus good prices equal prosperity for the farmer, and this year Nebraska farmers, and bankers, are going to make up for some lean years

## "There Is No Place Like Nebraska"

### A Northwestern Banker Survey

Bankers From All Sections of the Cornhusker State, Reporting on Business and Agricultural Prospects, All Sing the Song of Good Prices, Plenty, and Prosperity

NEBRASKA bankers, replying to a NORTHWESTERN BANKER survey just made on general business and agricultural conditions in the state, are highly optimistic as to the economic picture for the coming fall and winter. Many sections of Nebraska are harvesting the best crops in the past ten-year period, according to replies received, and the entire state is enjoying prosperity and prospects far in excess of anything experienced during recent seasons. Feed will be plentiful, livestock is on farms in considerable numbers, farmers are well pleased with prices and are feeling fine. The only shadow cast on the scene is that of a feared labor shortage to help get the bumper crop into bin and crib. This shortage is being overcome in one locality, however, by closing the high school for a two-week period and putting the youngsters to husking corn and otherwise aiding in the harvesting of crops.

The following are the reports which the bankers send in:

#### "Future Prospects Favorable"

**L. W. ROSS**

*Vice President*

*The National Bank of Norfolk*

We are happy to be able to advise that, generally speaking, the corn crop in this territory is the largest in many years. In fact, some farmers who have

resided here for a lifetime say that they never have raised a better crop. This combined with the fact that hogs and cattle are commanding very favorable prices is conducive to a general good feeling among our farmers.

It would appear that prices on all farm products should remain relatively high during the next few months, and it would, therefore, seem that the future prospects of the agricultural picture would be favorable.

Bank deposits are mounting, but the demand for loans is hardly keeping pace.

#### "General Picture Looks Good"

*First National Bank, Chadron*

Our territory is enjoying the result of the best crop season in the past thirteen years. This means something to a territory that has been experiencing continued drought conditions, as well as depression conditions. Our small grain crops have been very satisfactory, although the freeze two or three weeks ago will cause a considerable amount of soft corn. Our pasture land has come back in an astonishing manner, and a plentiful supply of pasture is available.

Naturally, our farmers are feeling very good. Prices for their products are providing revenue to make it possible for them to pay their operating

expenses, and liquidate a substantial portion of accumulated debts. However, it will take another good season or two before our farmers are out of the woods, because accumulated debts over the past ten or twelve years cannot be liquidated in one season, although a number of our farmers and stockmen will be in comfortable circumstances at the end of the current season.

The general agricultural picture looks good. It has been very dry for the past sixty days, but we have a reserve supply of moisture in the ground and unless we go back into another drought period, we should have a good crop season next year.

The greatest difficulty is that of securing adequate help to get the work done. This will probably cause a large number of our farmers and stockmen to restrict operations both in farming and livestock to a point they can take care of themselves without depending on hired help. The draft is calling so many of our young men that it looks like the old men, women and children are going to have to do the work for the duration.

Retail business in our community has been very good since indications of a good crop season were in sight. However, we are not very optimistic about this continuing much after the first of the year, because operations are going to be very restricted regard-

## "There Is No Place Like Nebraska"

less of what kind of season we have the next year. We are in a war, and although a large number of our people do not yet realize that, we believe they will realize it before another season is out. We are recommending to all our people that they keep this in mind in making plans and commitments that might endanger their business later on. We want our territory to produce the maximum without taking undue chances that might have an adverse effect on the soundness of their business.

### "Best in Ten Years"

**C. V. EVANS**

*Cashier*

*Citizens State Bank, Arapahoe*

The effects of war are beginning to be noticed in this community, but the crops are the best in ten years and the farmers are feeling good. There should be an increase in feeding during the next few months and, of course, the job of harvesting will be much larger than we have had for some time. Loans in the bank are going down, but our income seems to be holding steady, although prospects are for a decrease in this also.

### "Banking Is Very Good"

**E. H. CHITTENDEN**

*Cashier*

*Farmers Bank of Clatonia*

Most lines of business that can procure goods to sell are doing all right, but, as is the case everywhere, so many things are off the market. Banking is very good and we are kept busy, as in addition to bank work we are selling government bonds, looking after home defense and other war activities, all of which we are glad to do.

We have a good all round crop, the best crop of corn we have had for ten years, but the cribs will hold it on account of the small acreage caused by the AAA program forced on our farmers, most of whom would have had double the acreage if they could have farmed as they desired, and would have had fewer obnoxious weeds, and would have had corn to help tide them over for years that crops are not so good.

The farmers are feeling very good as far as crops are concerned and with fair prices. However, they do not feel so good about the future, as many will have to curtail their operations on account of the shortage of farm

help. However, not a whole lot of complaint, as they know the war must be won, but also feel that to do this grain and meat will be needed. Personally, I feel that the farm help should be given some consideration as the army must be furnished with food. I feel this way even though we have two sons with the rank of Captains in the army. However, we are not in position to know all about things and hope those in charge are doing the right things and will continue to do them.

Fall-sown wheat is in excellent condition, and we have ample moisture so the agricultural picture from that standpoint looks very good.

usual as they have to compete with the local and neighboring government projects where laborers can get much higher wages than the farmers can afford to pay.

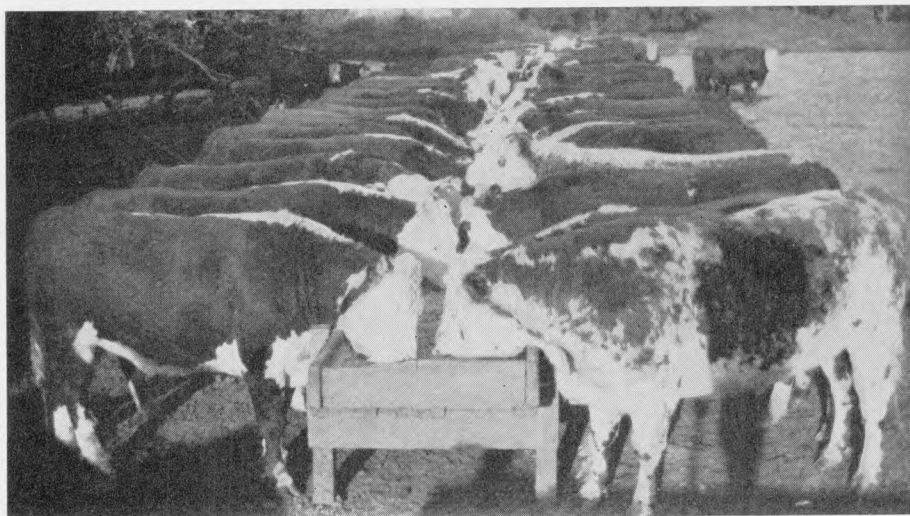
### "Business to Be Excellent"

**C. J. MORTENSEN**

*President*

*Nebraska State Bank, Ord*

Business is bound to be excellent, since we have a fair corn crop which will go 20 bushels to the acre on the dry farming land, and around 60 bushels to the acre in the irrigated section. It is the best corn crop in the last nine years, and will probably amount to



Nebraska farms have plenty of corn to feed plenty of cattle, and they are going to feed these cattle until they are fat

### "Lot of Money Coming In"

**J. L. WITTERS**

*Cashier*

*Scottsbluff National Bank*

Business has been exceptionally good here all fall and the prospects are that it will be during the winter months. Practically all the farmers are getting good yields from their crops, prices are good and there should be a lot of money come in when they are marketed.

This valley raises a lot of potatoes, beans, sugar beets and alfalfa. Most of the potatoes are being held for a later market, also some of the beans. The sugar beet harvest has started and it is a little early to tell how they will yield, but the prospects are good. The biggest handicap they have is a shortage of farm labor and the harvest will probably take much longer than usual. The costs are also much higher than

more in the aggregate than the total corn raised in all those years. Our farmers are feeling good, but of course are short of help, which will slow up the corn picking. There is a large supply of hogs on hand and the feed lots are well stocked, or will be within a few weeks.

I think that banks should not take the PCA competition too seriously, but work along with farmers and help them with the problems of running their business. In the last 90 days our loans have increased 43 per cent, mostly for livestock feeders. Our loans stand now at 61 per cent of deposits.

### "Never More Favorable"

**J. O. PECK**

*Vice President*

*Continental National Bank, Lincoln*

With the exception of a very small area in and around the central section of Nebraska, general agricultural con-

*Northwestern Banker November 1942*

## "There Is No Place Like Nebraska"

ditions have never been more favorable than at the present time. This year the farmers are beginning quite early to pick a fine crop of corn. Their reason for starting their picking so soon has been brought on chiefly on account of the shortage of labor due to many boys being drafted into the armed services. With all types of livestock prices being so favorable one can easily understand why those connected with agriculture feel so elated, and almost without exception, the proceeds from the sale of livestock and other farm commodities are being used to reduce farm indebtedness. This naturally brings about a healthy condition in the community; however, at the same time this condition reduces income of banks and causes the banks over the state considerable worry as to how this reduced income might be replaced from some other source of revenue.

In the sandhill country many of the ranchers are reducing their herds to a point whereby it will be possible

now stationed. Many of the officers occupy homes outside of the Base, and while this does not cause any shortage of desirable properties available for civilian use, it does bring about a condition whereby most all of our desirable homes are rented, and we do not notice any particular movement from this area by our people to other defense areas where high wages are being paid.

The moisture condition throughout the state is very favorable and the fall wheat has been planted on time and looks fine. One of the pleasant surprises which one cannot help but notice while driving over the state is the fine way in which pastures have come back after so many years of droughts. The farmers are gradually increasing their livestock to a point where many sections of the state are fully rehabilitated with livestock. I would say that general conditions in this state are above normal but the trend of future conditions will depend entirely on war developments.

cern. As to future prospects, it would appear that crop and price conditions have taken the background as much depends on how many farm boys will be taken before next May. As to the agricultural picture, it is now the best in years with future prospects summed up to "if, when and how much."

### "Business Exceptionally Good"

**J. G. EDLOFF**

*Cashier*

*Stephens National Bank, Fremont*

Business is exceptionally good now, and prospects for the future are just as bright. We have had one of the best crop years in this section, if not THE best, experienced in many, many years. Our farmers are feeling fine, except for the shortage of labor, and some worry over ceiling prices. Our farmers are getting out of debt. Every effort will be made to harvest a bumper corn crop, which when done will put farmers in excellent condition. There is plenty of feed for livestock, and the fall wheat here looks fine.

### "Small Grain Crop Satisfactory"

**L. W. TITUS**

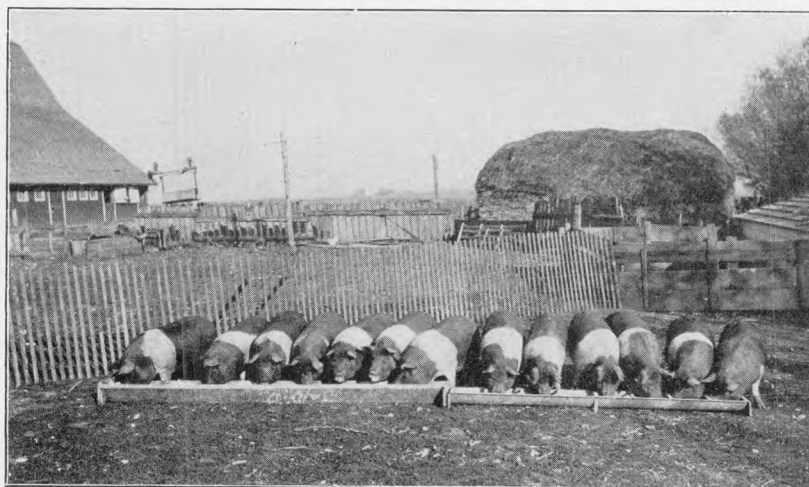
*Vice President and Cashier  
First National Bank, Holdrege*

The small grain crop in this section of the country was very satisfactory. Believe we had better than average wheat crop and very good oats. The farmers are very well satisfied with this crop. Our corn crop is better than average, but possibly 20 per cent of it has been hurt by the freeze and although we are going to get a very good yield, there will be considerable soft corn in it.

The main question confronting the farmers at this time is whether or not to purchase cattle at the present prices to which they may feed this soft corn. They have the feeling, however, that prices will remain satisfactory for the duration of the war, regardless of price fixing and what not, and it is probable that quite a few cattle will be fed in this locality.

We feel that for the benefit of the farmers, they should be encouraged to feed some but not to get too far from home, as there will undoubtedly be a reaction to these prices when the present situation is over.

(Turn to page 27, please)



Porkers like these, with their noses in the trough, gladden the heart of every farmer, especially when the trough is full of feed, and there is plenty more to keep it full

for them to care for their livestock without too much trouble. This reduction is disturbing and the shortage of beef is bound to become more acute if the practice is followed throughout the grazing countries.

Our principal industry in this state being agriculture, and conditions being so favorable to this industry, business is considerably above normal. In our immediate territory, business activity has been accelerated on account of the fact that Lincoln has immediately adjacent to it a large Air Base where there are several thousand soldiers

### "Farmers Pleased With Prices"

**BEN B. McNAIR**

*Vice President and Cashier  
Columbus Bank, Columbus*

We have the best corn crop in several years and the farmers are more than pleased with the prices they are receiving for all stock and commodities.

However, the curtailment of some of the necessities in the farming line seems to be the most immediate con-

# Bankers Discuss Current Financial Problems at Iowa Convention

Highlights of the Fifty-sixth Annual Meeting Held Last Month in Des Moines

**A** **ARTHUR T. DONHOWE**, vice president of the Central National Bank and Trust Company of Des Moines and retiring president of the Iowa Bankers Association, is to be congratulated on finishing a very fine year during very difficult times.

In his annual address Mr. Donhowe pointed out that bank customers instead of leaving their money on deposits should use it to purchase war bonds and he expressed his views on this subject by saying:

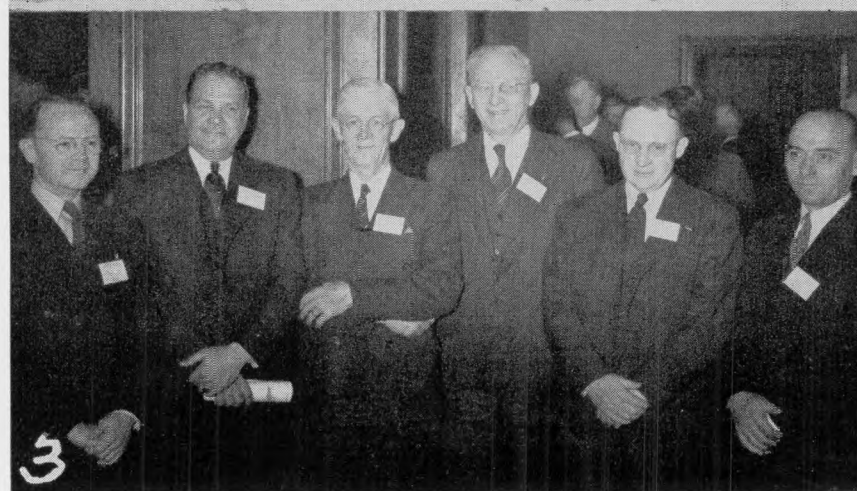
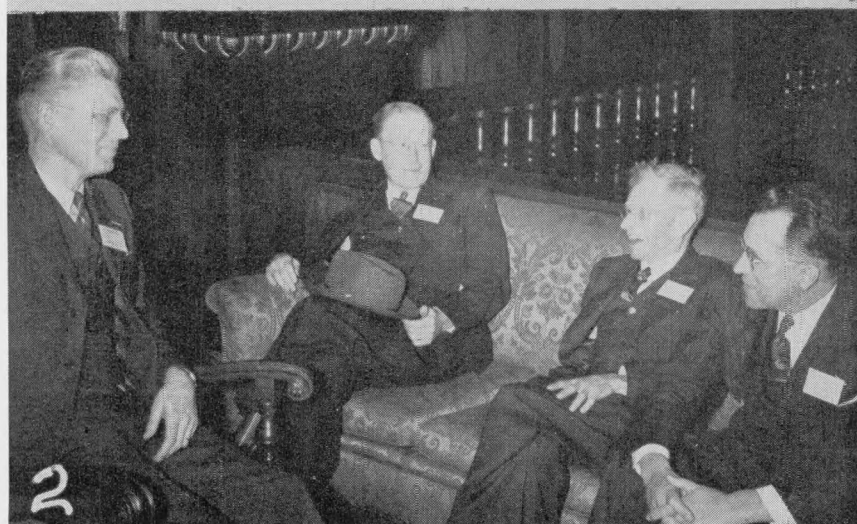
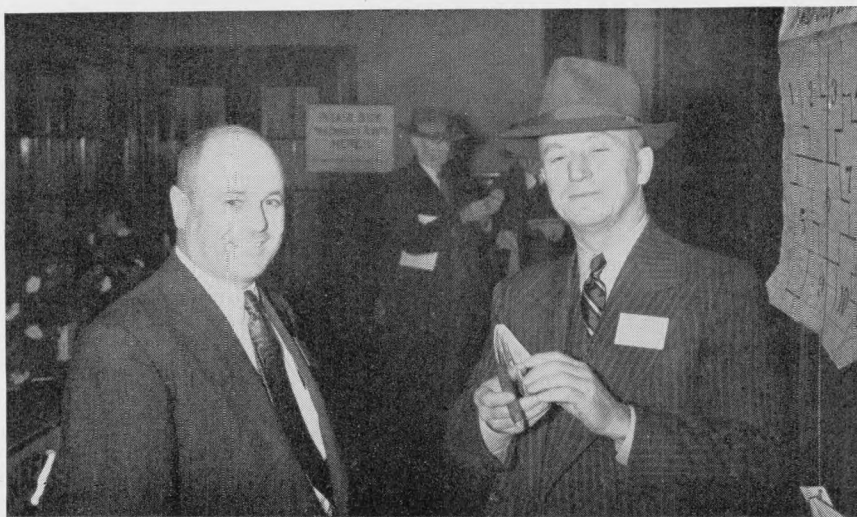
**"Far too great a percentage of the government debt can easily find its way too soon into banking institutions. Bank deposits are increasing rapidly. In order to help avoid the evils of inflation it might be well that we had no further increase in total deposits and that we from now on encourage our customers to buy War Savings Bonds in place of increasing their deposit accounts with us."**

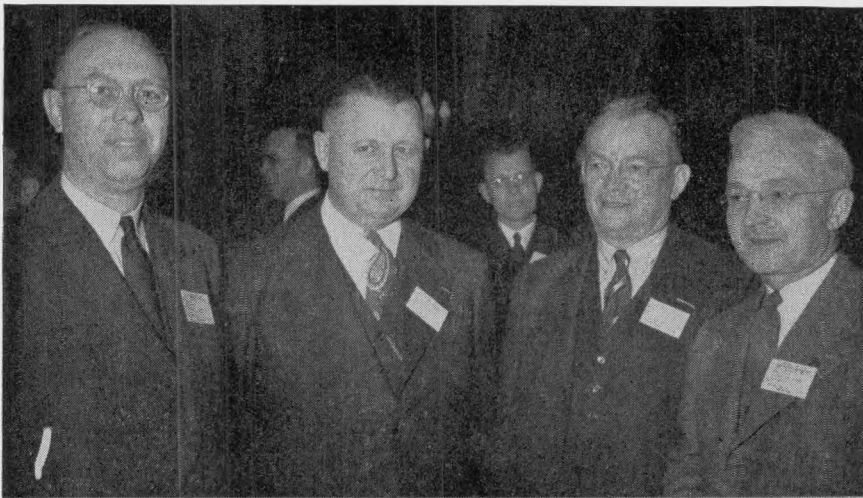
The election of A. B. A. officers included the following: Executive Councilman, **V. P. Cullen**, executive vice president National Bank of Burlington; nominating committeeman, **V. W. Johnson**, president First National Bank, Cedar Falls; alternate nominating committeeman, **R. O. Byerrum**, executive vice president First Trust & Savings Bank, Davenport, vice

AT THE IOWA CONVENTION—Reading from left to right, 1—**R. H. Griffin**, president Odebolt State Bank; and **Bob Goethe**, president Charles E. Walters Company, Omaha.

2—**Robert J. Tank**, cashier Central Trust & Savings Bank, Eldridge; **R. S. Kirkpatrick**, president West Liberty State Bank; **Henry Hansen**, president Liberty Trust & Savings Bank, Durant; and **Arnold M. Sindt**, cashier Walcott Trust & Savings Bank.

3—**H. Lee Huston**, cashier Columbus National Bank, Columbus Junction; **R. J. McCleary**, vice president and cashier Security State Bank, Keokuk; **G. H. Geerdes**, president Peoples Savings Bank, Wellsburg; **Albert H. Meyer**, president First National Bank, Paullina; **E. F. Fitzgerald**, cashier State Savings Bank, Hornick; and **E. T. Peterson**, executive vice president Primghar Savings Bank.





president national bank division, **A. G. Sam**, president First National Bank, Sioux City; vice president savings bank division, **Clay W. Stafford**, president Ames Trust & Savings Bank, Ames; vice president state bank division, **Boyd F. Jordan**, assistant cashier Muscatine Bank & Trust Company, Muscatine; vice president trust division, **George F. Miller**, vice president and trust officer Merchants National Bank, Cedar Rapids.

Attendance at the joint dinner and annual meeting of the Iowa Association of Bank Auditors and Comptrollers and the Iowa Junior Bankers Association far exceeded expectations, with more than 200 seeking a place at tables set for only 155. But everyone was eventually supplied with food and the program went off with snap and precision. New officers of Iowa Junior Bankers are **Alvin Renass**, president, auditor, Decorah State Bank; **R. G. Lexvold**, vice president, assistant cashier, Farmers Trust & Savings Bank, Spencer, and **L. A. Rodenbaugh, Jr.**, secretary, assistant cashier, Iowa State Bank, Des Moines.

The secretary of Iowa Bank Auditors reported a membership of 64 during the past year, with the quarterly meetings of the organization well attended. **C. R. Colton**, cashier of the Fidelity Savings Bank, Ottumwa, was named president, to succeed **E. H. Ketelsen**, Davenport Bank & Trust Company. **E. B. Wilkinson**, Iowa City, was elected vice president, and **Don C. Witt**, assistant cashier, First National Bank, Oelwein, becomes secretary and treasurer.

An interesting talk on the loan value of chattel mortgages was given by **John F. O'Neill**, cashier of the First Trust & Savings Bank, Armstrong. He called chattel or barnyard loans among the best in any bank, and said

AT THE IOWA CONVENTION—Reading from left to right, 1—**G. L. Hill**, cashier Lisbon Bank & Trust Company; **J. S. Zdychnec**, cashier Randolph State Bank; **John Carville**, cashier Mechanicsville Trust & Savings Bank; **Charles E. Watts**, cashier Commercial State Bank, Pcoahontas.

2—**Herbert L. Horton**, president Des Moines Clearing House Association, and president Iowa-Des Moines National Bank; **Miss Helen K. Collins**, The State Bank, Fort Dodge; and **Marvin R. Selden**, vice president Merchants National Bank, Cedar Rapids.

3—**John McWhirter**, assistant cashier State Bank of Allison; and **L. H. Jurgemeyer**, Iowa Bank Examiner, Waverly.

4—**P. G. Folvay**, cashier Benton County Savings Bank, Norway; **M. C. Erusha**, cashier Farmers Savings Bank, Walford; and **C. H. Barron**, cashier State Bank of Vinton.



that over a period of years such loans have been collectible at 2½ to 1 as compared to other types of loans. They are sound, liquid and save a small loss ratio and contribute to the welfare of the community, he said.

When the Iowa bankers, who have been active in banking in the state for 50 years or more, were called to take a bow at the annual banquet the following four men who have been in business 50 years or longer, responded. They included these well known and successful gentlemen: **Guy M. Butts**, president Exchange State Bank, Wesley (58 years of banking); **G. O. Vanderveer**, cashier State Bank of Waverly (56 years of banking); **R. C. Carpenter**, president State Bank of Fayette (55 years of banking); and **George W. Richter**, vice president Capital City State Bank, Des Moines (51 years of banking).

Incidentally, **George Richter** was born on the southwest corner of East 5th and Locust streets where the Capital City State Bank is now located. George's father ran a grocery store on the corner before the bank was built. George started sweeping out the bank at 17 years of age.

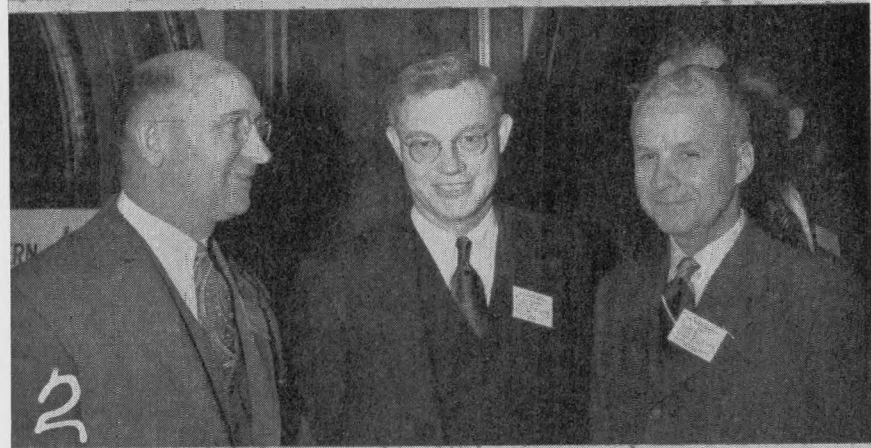
**F. R. De Cou**, cashier of the First National Bank of Woodbine, placed the name of **B. A. Gronstal**, president of the Council Bluffs Savings Bank, in nomination as president of the Iowa Bankers Association. Mr. De Cou told how Mr. Gronstal began in the banking business 37 years ago at Estherville and then went from there to Spirit Lake and then with the State Banking Department for four years,  
(Turn to page 55, please)

AT THE IOWA CONVENTION—Reading from left to right, 1—**Russell Daniel**, United States Secret Service, Omaha; **June Masterson**, Farmers Savings Bank, Wright; and **A. T. Donhowe**, immediate past president Iowa Bankers Association, and vice president Central National Bank, Des Moines.

2—**Paul Groszkruger**, president Citizens National Bank, Belle Plaine; **R. L. Jipson**, cashier Central State Bank & Trust Company, Elkader; and **R. A. Sweet**, cashier Story County State Bank, Story City.

3—**Walter W. Head**, president General American Life Insurance Company, St. Louis; **L. B. Cox**, immediate past president Iowa Junior Bankers Association, and assistant cashier First State Bank, Belmond; and **E. H. Ketelsen**, immediate past president Iowa Association of Bank Auditors and Comptrollers, and auditor Davenport Bank & Trust Company.

4—**J. F. Schafer**, cashier First State Bank, Coon Rapids; **W. G. Jackson**, cashier Earlham Savings Bank; and **R. H. Maloney**, cashier Jefferson State Bank.



# Valid Contract in Writing Made Through Correspondence?

**A** N IOWA banker owned certain real estate in a city in that state which abutted on a street that was made into a viaduct over some nearby railroad tracks. The construction of the viaduct permanently interfered in a substantial way with the access to the banker's property. Could he require that he be compensated for such interference?

**Yes. An abutting property owner's easement or right-of-way is "right of property" protected by the provision of the Iowa Constitution that private property shall not be taken for public use without just compensation.**

Wright and Nuttall executed for a valuable consideration a promissory note in Nebraska running to Farrell, containing the words "I promise to pay," rather than "We promise to pay," or words of similar tenor. Were the makers jointly and severally liable thereon?

**Yes. Where an instrument containing the words "I promise to pay" is signed by two or more persons they are deemed to be jointly and severally liable thereon under Nebraska statutory law.**

Certain money belonging to Grant was wrongfully used by Watson in discharging a debt of Watson to Roberts in Minnesota. Roberts had no notice of the wrong. Could Grant recover the money from Roberts?

**No. Where a claimant's money is wrongfully used in the discharge of a debt of the wrongdoer, the claimant is not entitled to recover his money from the creditor if the creditor had no notice of the wrong, since the creditor is then in the position of a bona fide purchaser.**

Mason died in South Dakota leaving a will directing the trustee to pay to his widow during her life "all rents, dividends and profits" received from the estate. An extraordinary stock dividend was paid on certain shares

## These and Other Timely Legal Questions Are Answered

By the

### LEGAL DEPARTMENT

of stock in the estate. Should such extraordinary stock dividend go to the life beneficiary?

**No. In a recent decision involving substantially similar facts the South Dakota Supreme Court held that, in the case of a will directing a trustee to pay to the testator's widow during her life "all rents, dividends and profits," the use of the word "dividends" was not sufficient to disclose an intention that an extraordinary stock dividend should go to the life beneficiary.**

Redmond leased certain farm lands in North Dakota from a banker in that state. There was a stream flowing through the property which was polluted by sewage emptied therein by an industrial plant. The pollution occurred before Redmond leased the land. Could he recover damages from the industry for the pollution?

**No. Redmond rented the land as it existed at the time the lease was entered into and with the handicap imposed by the polluted stream. He could not recover damages unless his leasehold became impaired by an increase in the pollution, which was not the case here.**

Frاندorf, through correspondence, agreed to sell certain Nebraska real estate to a banker there. The meeting of minds was accomplished by such correspondence, which consisted of several letters, and no single written instrument embodying the agreement of the parties was entered into. Was it necessary that such single written instrument be executed?

**No. A valid contract in writing may be made by correspondence and it is not necessary that there shall be a single paper signed by parties containing all of the conditions of the contract.**

McCarthy mortgaged a Michigan farm to Cox as security for a \$5,000 note. Cox transferred the note to Petrie and thereafter executed an assignment of the mortgage to Brown. Was such assignment valid?

**No. The right to a mortgage given to secure a note passes by a transfer of the note, so that the assignment of the mortgage by the mortgagee to one after he had endorsed the mortgage note to another is a nullity.**

A Michigan city sought to subject the lands of a cemetery association used for cemetery purposes to a lien for a special assessment for street improvement and to sell such lands to satisfy such assessment. Could it do so?

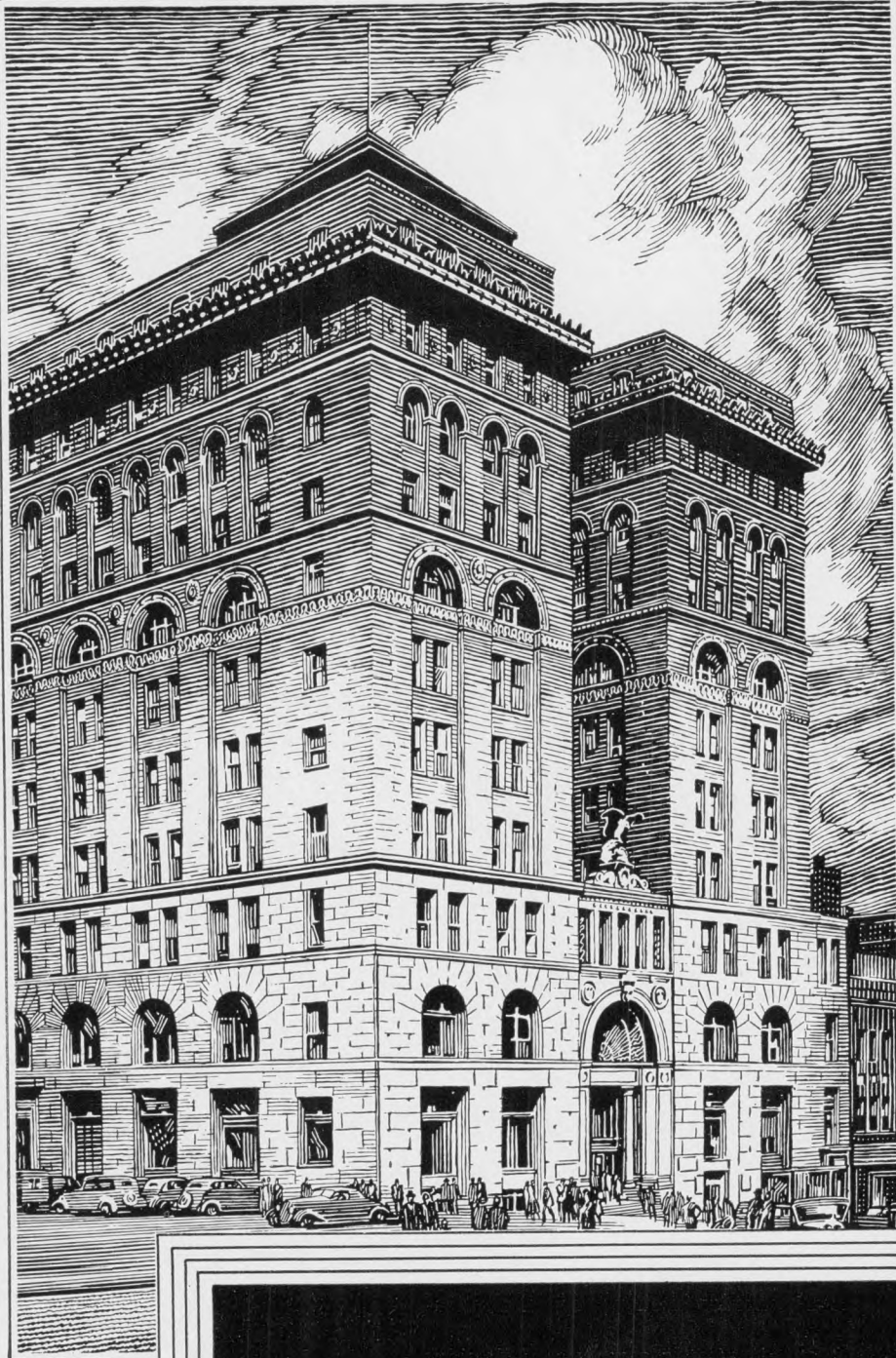
**No. In Michigan, as well as many other states, the lands of a cemetery association used for cemetery purposes cannot be subjected to a lien for a special assessment for street improvement and cannot be sold to satisfy such an assessment.**

Maxwell, a Minnesota banker, had certain bonds in that state which he was induced to transfer to Smith through certain fraudulent representations by Smith. As long as the bonds were in Smith's hands did he hold them as trustee for Maxwell?

**Yes. Where an owner of property who transfers it is induced to do so by the fraud, duress or undue influence of the transferee, the transferee holds the property upon a constructive trust for the transferor.**

Suppose that in the preceding question Smith had sold the bonds and had the proceeds thereof in his possession.

(Turn to page 50, please)



MEMBER  
FEDERAL  
DEPOSIT  
INSURANCE  
CORPORATION

# The Omaha National Bank

*Northwestern Banker* November 1942

# How Our Bank Is Meeting Government Competition

A Minnesota Banker Found the Solution About Ten Years Ago,  
and It Makes Money for His Bank

By Oluf Gandrud

President  
Swift County Bank  
Benson, Minnesota



OLUF GANDRUD

MANY rural bankers have expressed their concern over the ever increasing governmental competition, particularly from local Production Credit Associations. A successful solution to the P.C.A. competition is to establish your own Agricultural Credit Association which will have the same discounting facilities with the Federal Intermediate Credit Bank. The Intermediate Credit Bank is also the bank of discount for the local Production Credit Associations. We believe that such an arrangement has an advantage over the Production Credit Associations because the borrower is not required to purchase stock in the association, as is the case in the P.C.A., and you can give banking service through your bank, a very valuable asset, which the P.C.A. cannot extend at the present time. We organized an Agricultural Credit Association as an affiliate to this bank in 1931. The corporation conformed with the Act of Congress which created the twelve Intermediate Credit Banks, one in each Federal Reserve district.

This corporation, known as the Swift County Agricultural Credit Association, has a paid in capital stock of \$10,000, the stock being held proportionately by the stockholders of Swift County Bank. The officers of the bank are the officers of the Credit Association and the business of the Credit Association is carried on in the banking house by the employes of the bank, thereby eliminating office and equipment overhead, and the clerical cost is held to a low minimum figure. The Credit Association is allowed a maximum discount with the Intermediate Credit Bank of eight times its paid in capital and surplus. We have increased our capital at the present time to \$14,000 thereby increasing our discounting limits.

We have operated under this arrangement for nine years, and our officers have agreed that they would not operate a rural bank without an Agricultural Credit Association with discounting facilities with the Inter-

mediate Credit Bank as an affiliate. That is a broad statement, so we will enumerate some of the advantages and briefly discuss their practical application.

First, it affords a means of liquidation of agricultural loans in your bank, if such liquidation should be desired because of declining deposits due to crop failures or other causes. During the depth of the depression and bank panic of 1932 and 1933 which culminated in a national bank holiday, we found this arrangement both convenient and profitable, and we were in position to take care of the credit needs of deserving borrowers in the face of declining bank deposits.

Second, because we can give the "loan rate shoppers" the lowest interest rate offered by any other competing agency and which rate is at the present time 4½ per cent. From the

4½ per cent gross rate, we pay the Federal Intermediate Credit Bank 1½ per cent, leaving a net interest return of 3 per cent. In addition to the interest derived from the loan, we may and are making an adequate service charge for inspecting the loan, abstract fees, filing fees, and clerical work in making the loan. The said 4½ per cent interest rate is the same as the current rate charged by the P.C.A. Besides competing with them on the rate, we have, as before stated, a further advantage to offer the borrower, namely that no capital stock purchase is required. We can give the borrowers a complete banking service which will include extending small incidental loans for harvesting expenses, tax payments, insurance premiums, and doctor and hospital expenses. This credit can be extended safely because we have control of the borrowers' security through the mortgage to our Credit Association. To substantiate the foregoing claims, we submit to you that we have no P.C.A. located in any city or village adjacent to our own city. A P.C.A. was formed at Willmar, which is located 30 miles east of Benson and is a city of 8,000 population and the county seat, but this office was discontinued.

The third reason, we believe, is of equal importance, being that it is a means of getting a fair rate of interest on loans in the bank, because the loan rate shoppers can be taken care of in the Credit Association. The loaning officer of the Credit Association, by applying a little merchandising technique in extending loans such as keeping the security requirement high, service charge adequate, etc., will have no difficulty in placing 80 per cent of the loans in the bank at a fair interest rate, if he so desires. An actual merchandising experience might better illustrate what we mean. The writer operated a grocery business (and there is really where you have competition) before entering the banking business, and one day the variety store

(Turn to page 48, please)

*The Mercury*

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*Northwestern Banker* November 1942

# NEWS AND VIEWS

## OF THE BANKING WORLD

By Clifford DePuy

**ROWLAND C. IRVINE**, vice president of the Chase National Bank of New York, in a recent letter to the *NORTHWESTERN BANKER* said, "I want to tell you that I think your October edition of the *NORTHWESTERN BANKER* is a most instructive one. You and your associates have gone to a great deal of trouble to assemble the views of a number of bankers on the subject of meeting the war situation. I have been extremely interested in reading some of the comments.

"I rather like the suggestion of **R. M. De Puy**, vice president, Northwest Security National Bank, Brookings, South Dakota, who says that officers of banks must settle down and do more work. I have thought for quite a while a number of us have been coasting along with plenty of good help. We will now have to find out whether we can do some of the things we depended on others to do."

**O. P. Decker**, vice president of the American National Bank and Trust Company of Chicago, and Mrs. Decker are the parents of a daughter born recently at the Evanston Hospital, Evanston, Illinois. Mrs. Decker is the daughter of Mr. and Mrs. **Oliver P. Thompson** of Des Moines. Mr. Decker is now in Washington in the Control Division office of the Commanding General Service of Supply in the War Department. He has been granted a temporary leave of absence by the bank.

**Harold P. Klein**, assistant vice president of the Iowa-Des Moines National Bank and Trust Company, was chairman of the executive committee of the Community Chest Drive which recently raised \$554,000, which amount was \$63,000 over the quota of \$491,000.

Mr. Klein and his associates received many words of commendation for the fine job which they did. Heading the Women's Division was **Mrs. Richard Rollins**, wife of **R. R. Rollins**, vice president of the Bankers Trust Company.

**Dr. Simeon E. Leland** has been appointed chairman of the board of the Federal Reserve Bank of Chicago to succeed **Frank J. Lewis**, who resigned and moved to Florida.

**W. W. Waymack** of Des Moines, who was formerly director, was appointed deputy chairman to succeed Dr. Leland.

The new chairman is head of the Economics Department of the University of Chicago and was special assistant to the Secretary of the Treasury in 1934.

Chicago banks, belonging to the Clearing House Association, have announced the discontinuation of "exchange charges" and it is expected that this will cost the Chicago banks about a million dollars in revenue annually, based on their figures for last year.

For some time banks in New York and certain other financial centers have made no charge for the collection of out-of-town items. At the present time there are about 2,700 banks in the United States known as **non-par banks**, which do not belong to the Federal Reserve System and which make charges for collection of checks and drafts sent to them.

**F. A. Irish**, president of the First National Bank & Trust Company of Fargo, North Dakota, sent the *NORTHWESTERN BANKER* a picture of the front part of their lobby, showing some very clever advertising which they are doing for the sale of war bonds. Mr. Irish has received many favorable comments, not only for this advertising, but also for the efforts they have put forth in the sale of bonds.

A committee of bankers has been appointed to work out with the Office



of Price Administration a satisfactory plan for the clearing of ration coupons through the banking system.

The committee recognizes that a greatly increased volume of work will be placed upon the banks of the country and contemplates the reimbursement of the banks for the cost of their services by the Office of Price Administration.

The members of this committee include the following: **Rowland R. Hughes**, comptroller of The National City Bank of New York, chairman; **William Duncan, Jr.**, secretary of the Minnesota Bankers Association, Minneapolis, Minnesota; **T. Allen Glenn, Jr.**, president of the Peoples National Bank, Norristown, Pennsylvania; **A. J. Gock**, vice chairman of the board, Bank of America N. T. & S. A., Los Angeles, California; **Wilbur F. Lawson**, vice president, First National Bank, Boston, Massachusetts; **Frank L. King**, comptroller, Continental Illinois National Bank & Trust Company, Chicago, Illinois; **William A. McDonnell**, executive vice president, Commercial National Bank, Little Rock, Arkansas, and chairman of the bank management commission of the American Bankers Association.

The Financial Advertisers Association held a "lulu" of a "Convention-By-Mail" to say nothing of the election of its new officers, among whom were **Lew Townsend**, **Lewis Gordon** and **Lewell Lafferty** occupying the three topmost executive positions.

The Convention-By-Mail took the place of the regular 27th annual conclave, which was cancelled at the request of the Office of Defense Transportation.

The officers elected for the ensuing year are as follows:

### Officers

President, **L. E. Townsend**, assistant vice president, Bank of America, San Francisco; first vice president, **Lewis F. Gordon**, assistant vice president, Citizens & Southern National Bank, Atlanta; second vice president, **J. Lewell Lafferty**, Fort Worth National Bank, Fort Worth, Texas; third vice president, **Dale Brown**, assistant vice president, The National City Bank, Cleveland; treasurer, **Fred W. Mathison**, assistant vice president, National Security Bank, Chicago.

### Directors

**Merrill Anderson**, Merrill Anderson Company, New York City; **Philip K. Barker**, Granite Trust Company, Quincy, Massachusetts; **Leland C. Barry**, Union Trust Company, Pittsburgh,

(Turn to page 49, please)

*Visiting Bankers and Guests  
are cordially invited to  
use this bank as  
Headquarters  
during Nebraska Bankers Convention  
November 11th and 12th*



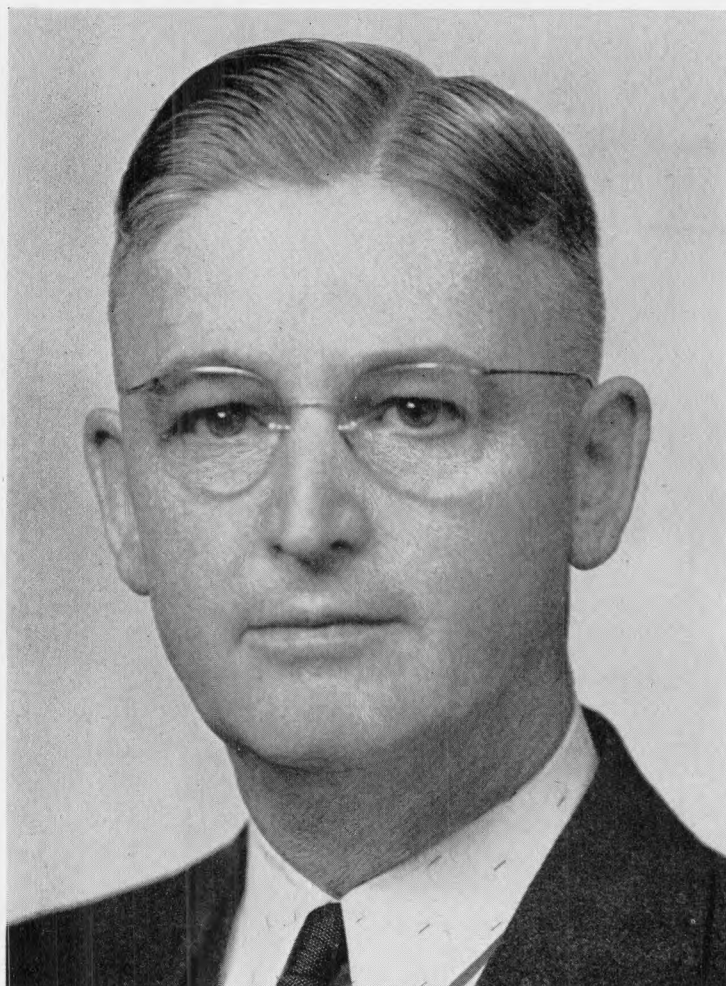
We will be glad to talk over your  
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**LIVE STOCK NATIONAL BANK**  
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O. A. RILEY  
President, Nebraska Bankers Association

## 45th Convention

# Nebraska Bankers Association

Omaha, November 11-12

Headquarters - Hotel Fontenelle

## The Program

**A** LONG about three o'clock on the afternoon of Tuesday, November 10, William B. Hughes, secretary of the Nebraska Bankers Association, will assemble his charming assistants on the mezzanine floor of the Hotel Fontenelle, in Omaha, and registration will start for the forty-fifth annual convention of that organization. The registration desk will be maintained here throughout the days of November 11 and 12. All meetings of any nature will be held at the Fontenelle.

The sessions of the convention will begin at 1:30 p. m. on Wednesday, November 11—no meeting on Wednesday morning, just registration and visiting. The executive council of the Nebraska Bankers Association will hold its annual business meeting the afternoon of Tuesday, November 10, followed by the annual council dinner at 6:15. Again on Thursday afternoon, November 12, immediately after the adjournment of the general convention, an organization meeting of the new executive council is called.

The Association of Past Presidents of the Nebraska Association will have

*Northwestern Banker November 1942*

its annual dinner at 6:15 Tuesday evening, November 10. At 12:15 o'clock noon on Wednesday, November 11, a luncheon will be held by the Fifty Year Club of the Nebraska Bankers Association, in the Black Mirror Room of the hotel.

Two committee meetings have been scheduled for the morning of Wednesday, November 11. The resolutions committee and the nominating committee will both hold preliminary sessions at 10:30.

The complete convention program, information on entertainment features, and names of local committees, reads as follows:

### Wednesday Afternoon, November 11th

- 1:30 Call to order by President O. A. Riley.  
Invocation pronounced by Rev. Stephen E. McGinley, Dean Trinity Cathedral.  
Patriotic Songs.  
Introduction of Members of the Fifty Year Bankers Club.  
Remarks of the President.  
Appointment of Committees.
- 2:00 "Progress of the War Program

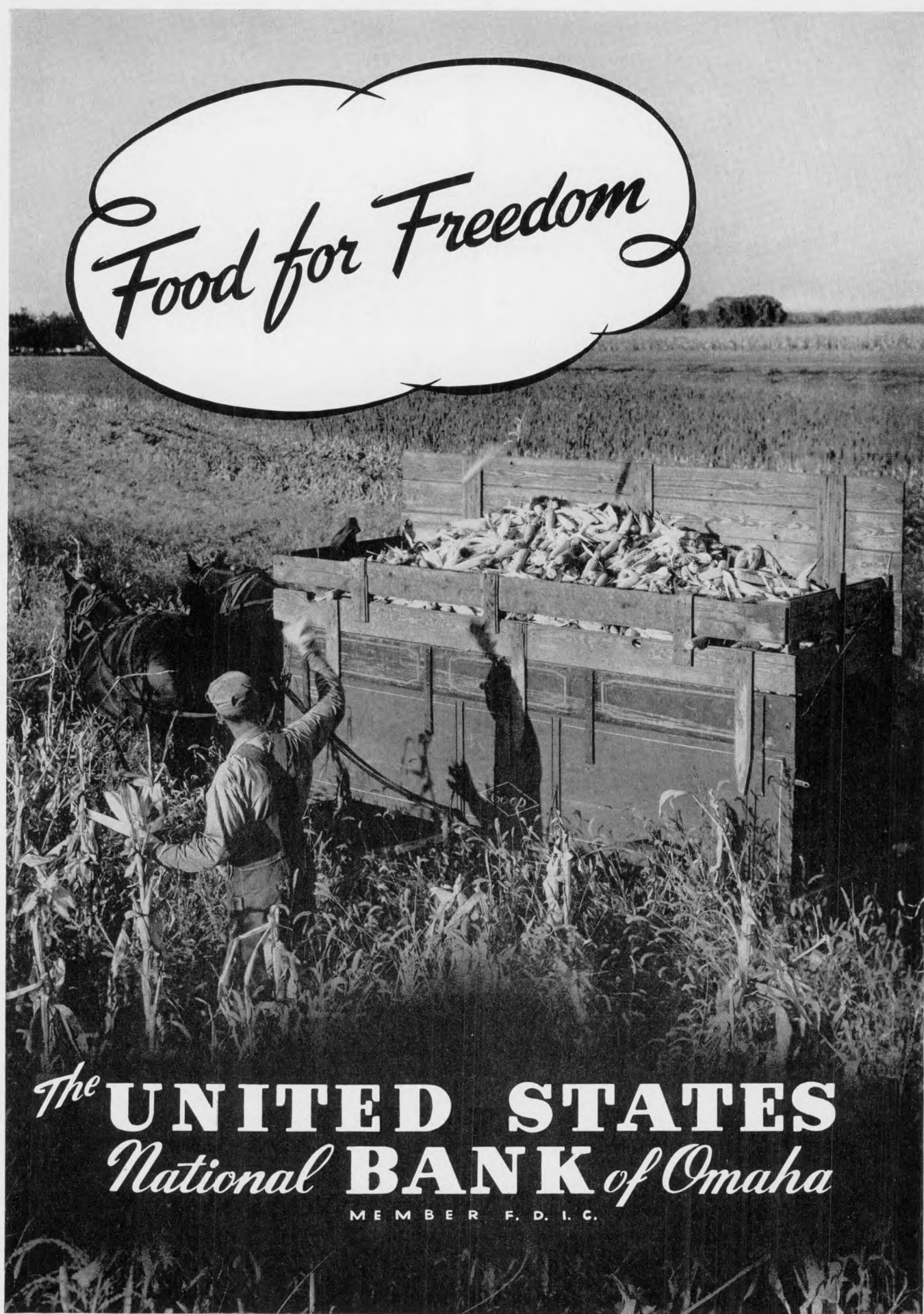
and Our Responsibilities In It"—Major General F. E. Uhl, Commanding Officer Seventh Service Command.

- 2:15 "Economic and Financial Comment"—H. G. Leedy, President, Federal Reserve Bank of Kansas City.
- 3:00 "The Wealth of the Nation"—Dr. H. C. Filley, Chairman, Rural Economics, College of Agriculture, Lincoln.
- 3:45 "Production Credit Subsidized Competition"—E. W. Rossiter, President, Bank of Hartington, and E. E. Placek, President, First National Bank, Wahoo, and J. M. Sorenson, Vice President, Stephens National Bank, Fremont.  
Discussion.
- 5:30 Social Hour, the Mezzanine, Hotel Fontenelle.

### Wednesday Evening, November 11th

- 6:30 Convention Dinner, Hotel Fontenelle.  
Response, "What About Germany?"—Louis P. Lochner, Last





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

MEMBER F. D. I. C.

Chief of Berlin Bureau Associated Press.

**Thursday Morning, November 12th**

- 10:30 Call to order by President O. A. Riley.  
Patriotic Songs.
- 10:35 Meeting of Members of the American Bankers Association for election of ABA officers for Nebraska. J. O. Peck, Vice President, ABA for Nebraska, presiding.
- 10:45 Discussion of Production Credit Subsidized Competition.
- 11:00 Report of Resolutions Committee.
- 11:15 Report of Nominating Commit-

tee and Election of Officers.

- 11:30 "The Live Stock Market"—E. A. Kelloway, Secretary, Omaha Live Stock Exchange.

12:15 Adjournment.  
(A brief meeting of the Executive Council on the Rostrum immediately after adjournment.)

- 1:00 Luncheon for visiting women, Hotel Fontenelle, Black Mirror Room.

**Entertainment**

**Wednesday, November 11th**

- 12:15 Luncheon honoring the Fifty Year Bankers Club, in the Black Mirror Room, Hotel Fontenelle.
- 5:30 Social Hour, Hotel Fontenelle.

- 6:30 Convention Dinner, Hotel Fontenelle.

**Thursday, November 12th**

- 1:00 Ladies Luncheon in Black Mirror Room, Hotel Fontenelle.

**General Committee on Arrangements**

J. A. Changstrom, chairman; F. W. Thomas, Ellsworth Moser, A. J. Hallas, L. Dale Matthews, H. C. Karpf, L. H. Earhart, Kenneth G. Harvey, R. H. Hall and C. F. Witt.

**Reception Committee**

A. L. Vickery, chairman; J. B. Owen, R. E. Kendall, Paul Hansen, Kenneth G. Harvey, U. S. Berry, J. F. Davis, E. J. Seltz and James H. Moore.

**Entertainment Committee**

A. L. Coad, chairman; David F. Davis, R. H. Mallory, John McCumber, R. H. Kroeger, O. P. Cordill, R. H. Hall and W. F. Ruzicka.

**Hostess Committee**

Mrs. A. L. Coad, chairman; Mrs. J. T. Stewart III, Mrs. A. J. Hallas, Mrs. V. B. Caldwell, Mrs. David F. Davis, Mrs. O. P. Cordill, Mrs. R. H. Hall, Mrs. Alvin E. Johnson, Mrs. C. F. Witt and Mrs. Kenneth G. Harvey.



# LINK BY LINK

Link by link, throughout 71 years the First National Bank of Lincoln has created a correspondent service that covers all Nebraska for the accommodation of your bank and your bank's customers.

Prompt and efficient service and our location in Nebraska's capital city, are among the reasons so many Nebraska banks have selected us as their correspondent in Lincoln.

## The First National Bank of Lincoln LINCOLN, NEBRASKA



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

Member Federal Deposit Insurance Corporation

### Lauritzen to Omaha

John Lauritzen, who has been employed at the Washington County Bank for the past nine months, has left the Blair institution to work at the First National Bank in Omaha.

John has made many friends during his stay in Blair, who wish him well in his new location.

### To New Post

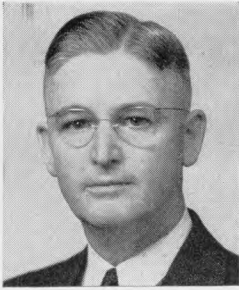
Miss Corrine Hallstrom, who has served so efficiently as the clerk at Cass County Selective Service Board, Plattsmouth, has returned to her home at Avoca where she is to assist her father, Elmer Hallstrom, cashier, Farmers State Bank.

Mr. Hallstrom has been up against it in the bank work since the enlistment of his son, Bob, in the coast guard and the work has been so heavy that it was necessary to have the daughter return home to take up the work.

### New Secretary

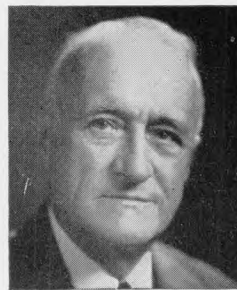
Edward M. Gallagher, O'Neill, president of the Northeast Nebraska Bankers Association, has announced the appointment of Dan Harris, assistant cashier of the First National Bank of Stanton, as secretary of the Association, filling the vacancy made by the resignation of O. W. Gladen, assistant cashier of the Delay National Bank, Norfolk.

Mr. Gladen is now in the armed forces of the United States.



O. A. RILEY  
President  
Hastings

## NEBRASKA NEWS



WM. B. HUGHES  
Secretary  
Omaha

### There Is No Place Like Nebraska

(Continued from page 14)

#### "Big Crop—Short on Labor" EDGAR McBRIDE

President  
Commercial Bank, Blue Hill

Business in this vicinity is the best it has been in the past ten years, and it looks like such would continue during this fall and winter. We had a good wheat crop and prospects are for a bumper corn crop. Naturally the farmers are feeling very optimistic. More of our farmers are feeding livestock, but there will be a shortage of labor, and if nothing is done to defer farmer boys until after the corn picking, the labor situation will be serious. This section had been hard hit by drought for the past eight to ten years, with the result that labor has drifted to other places. Now, with a large corn crop, and with sub-normal labor to take care of it, it will be a problem to get the crop into the crib.

#### "Big Farm Purchasing Power" F. J. CLEARY

Vice President and Cashier  
First National Bank, Grand Island

We are glad to report that we have had a very good crop year, in fact the best in nine or ten years. Had a very good corn crop, a big wheat harvest and other small grain in proportion. This naturally has endangered a very good feeling in the farmers as it has provided them with a purchasing power which has been greatly restricted for a number of years. The fall wheat has gone into the ground in very good condition and ample moisture for this crop is here.

The uncertainty, however, as to cattle prices has had a deterring effect on the purchase of feeders. Prices during the late summer were fairly high, but more recently have fluctuated in prospect of price ceilings. This has rather caused prospective feeders

to hesitate and has caused more or less of a delay in purchasing of these cattle.

An unusually early frost in September has caused some soft corn in this vicinity which will tend to increase the feeding prospects here as there is an abundance of hay and fodder feed besides the bumper corn crop.

On the other hand the shortage of farm labor is acute and has added to the farmers' problems here.

Business conditions in the city indicate a very satisfactory increase over a year ago. This condition exists generally and several of the larger businesses indicate a very satisfactory gain from a year ago with probably about a 10 per cent increase in the cash sales and a large change in the charge accounts on the downward side. This increase in merchandise purchasing no doubt is because of the defense plants in this area, coupled with a very good crop condition.

#### "Farmers Are 'Cashing In'" G. W. SHAFER, JR.

Cashier  
First State Bank, Beaver City

Our territory has enjoyed its second year of good crops and general prosperity. An early, hard freeze will spoil some of the late corn, but there still will be a good crop. We have had a big increase in livestock the last few years and now the farmer is able to "cash in" and there is a general trend out of the red. Winter wheat conditions are good. We have our labor problems, a shortage and not union, for which we are grateful.

#### "Good Financial Condition" W. H. MUNGER

Cashier  
First National Bank, North Platte

Prospects in this locality for the remainder of the fall and winter are

good. Crops have been above average and, of course, the farmers are feeling fine. Prices are good, and the farmers are realizing on the value of their produce. Nearly everyone here seems to be taking advantage of the high prices to get into good financial condition, and not make some of the mistakes they made in the past.

#### "Business Much Improved"

A. E. DWEHUS

President  
State Bank of Dannebrog

In a general way business is much improved over a year ago. Of course, the pinch will begin to be felt by the businessmen as the commodities are taken from their shelves with no replacements, and I understand this is happening right now in several lines.

Crop conditions were very good this year and, in fact, this is the first year since 1933 that we have really had a decent corn crop. The small grain crops were also good and most of the small grain was sealed and very little of it reached the open market through the regular marketing channels.

The farmers, of course, are more optimistic than they have been for several years, but the farm labor situation is beginning to be felt with most of the farm boys having been drafted and a goodly number of the farmers wondering how they are going to get their corn picked. I understand the local high school will be closed for two weeks to permit all the boys who are old enough to go out and assist in husking the farmers' corn. This, no doubt, will help some to solve the problem.

The increase in the price of livestock and farm products is materially reflected in our deposits, which have increased 60 per cent over and above what they were a year ago. We are encouraging the farmers to reduce their indebtedness materially so they will be in a better position to carry on when the war is over and it is gratifying to learn that most of them are cooperating with us very nicely in this program.

#### "Best in Years"

J. R. STEVENSON

Cashier  
Farmers Bank, Nebraska City

Conditions here are the best in many years—good wheat, wonderful alfalfa and corn, and lots of good hogs, and of course this makes the farmers really happy. There should be lots of money in hands of our farmers, although right now it looks like they will be the only ones in Otoe county who will have any.

## "Business Above Normal" H. LIVINGSTON

*Cashier*  
**First National Bank, Fairbury**

Regarding business in our immediate vicinity, will say that it is above normal, as you can see by the deposits of the banks in Fairbury. Since last year the deposits have increased about \$1,500,000. This, of course, represents money from farmers, largely, as salaries in this county have not gone up owing possibly to the reason that we do not have any defense projects. Our deposits have been on a steady increase.

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

*\*Another banker*  
*writes ---*

"The 'PAYC' plan is a definite step in the right direction and our experience with it has been A-1. We have opened approximately 400 new accounts in a period of about 4½ months, with an average opening balance in the neighborhood of \$150.00. ....Most of our new accounts under the 'PAYC' system have been new customers."

\*Name of bank on request

### Recent "PAYC" Installations

City National Bank  
Hastings, Nebraska  
Hastings National Bank  
Hastings, Nebraska  
Sutton State Bank  
Sutton, Nebraska  
City State Bank  
Sutton, Nebraska

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

**UNITED STATES CHECK BOOK CO.**  
OMAHA, NEBRASKA

Regarding the "farmers' feeling" as to their crops and to conditions, I quote the following: "In 1941 there were 8,785 cows milked; in 1942 there were 9,584 being milked, being an increase of 11 per cent—an income of \$550,000; 22 per cent increase in production of eggs for 1942, representing a value of \$513,000. In 1941 there were 21,563 hogs in this county and in 1942 there is a 39 per cent increase, representing income of \$1,376,000. In 1941, besides the milk cows, there were 9,730 stock cattle, calves and cattle on feed in the county and in 1942 there is a 14 per cent increase, representing an income of \$825,000. The average wheat production for 1942 was 23 bushels per acre, being the largest crop on record, amounting to 1,360,000 bushels of wheat produced in Jefferson county on about 60,000 acres. About one-half of this is stored on farms under government loans, this totaling in cash around \$1,000,000. We are going to have probably the best corn crop in years on 75,000 acres. This corn will yield around 40 bushels per acre and with an 85 cent loan value will represent over \$2,000,000."

Farmers in our vicinity are beginning to worry about how they will get their corn crop harvested and are hoping that something will be done to at least alleviate the situation until after this harvest.

In regard to harvesting our corn crop, will say that the armed forces are taking a large percentage of our farm boys and the result is that a gross share of the corn crop will not be harvested until Christmas or after. The

shortage of manpower on the farms was shown in harvesting the wheat crop. Men from our cities went into the fields to help this situation and really did a good job but shucking corn is a different proposition. The so-called "white collared" help is not of much use in the corn field, as it takes a man hardened to this type of work to effect a job of this sort with any efficiency. We find that statistics in our county show that from one to seven farms in each precinct have not been rented and will not be farmed next year, due to the shortage of manpower and this loss of men is due to the call of our armed forces. We believe if some sort of legislation could be formulated to keep men on the farms, as well as in the service, it would benefit all, as it will require an enormous amount of men to stay on the farms to feed our armed forces.

## Federal Land Bank Meeting

The Federal Land Bank directors, of Omaha, were in Crawford recently to hold a school of instruction for the directors of the Federal Loan Association in that city to teach them to appraise lands. Luncheon was served at the Sherrill Cafe.

## Position in Omaha

Mrs. James Logan of Red Oak, Iowa, has taken a position in the Federal Land Bank, in Omaha, Private James F. Logan being at the induction station at Fort Crook.

Since 1881

## F. E. DAVENPORT & CO.

Has served the Bankers in Time-  
lock, Safe and Vault Inspection

We are proud of this record and of our relations as the official  
experts of the Nebraska and Iowa Bankers Associations

Our 24-Hour Continuous Service Guarantees  
You Immediate Attention

F. E. DAVENPORT & CO.

OMAHA

## Cashier Resigns

Homer Meserve has resigned as cashier of the Bank of Lushton, at Lushton, which position he has filled for the past 24 years. He expects to move his family to Wichita, Kansas, where he will take up another position.

## Local Banks in Scrap Drive

Weeping Water banks threw their support into the scrap drive with an offer of three prizes totaling \$10 for schools in the Weeping Water area that contribute most to the nationwide scrap campaign.

Prizes were \$5 for first place, \$3 for second and \$2 for third.

O. C. Hinds and F. J. Domingo, presidents of the two local banks, visited rural schools to announce the prizes and to stir up enthusiasm in the contest.

The offer of prizes came after the Cass County Bankers Association voted to help in the salvage drive.

The bankers held a dinner at the Laurel Hotel and elected officers, choosing the following: President, Charles Boedeker, Murray; vice president, C. V. Wallick, Weeping Water, and secretary-treasurer, Carl Schneider, Plattsmouth.

## 4-H Calves Sell Above Cost

One of the biggest steps forward in an agriculture way, taken in many a day, was the sale last month of forty-three head of baby beeves to 4-H boys and girls by the Saunders County Bankers Association.

This Association last year performed a similar service on a smaller scale, but this year they have seen the opportunity to step up the benefits and have grasped it.

The bankers bought the calves in a northern county in this state and they were sold at auction to the highest bidder. The bidding was quite spirited to start with, but dropped off toward the last. More could have been sold. The price ranged from \$13.00 to \$18.00 a hundred and the weights from 250 to 440 pounds. The sale prices when totaled were sufficient to cover the total cost to the bankers and there may be a small balance left over for another year.

## Takes Charge of Bank

R. S. Wilfley, formerly of Beatrice and Fairbury, has taken charge of the Citizens State Bank of Haddam, Kansas, which was recently purchased by a group of Fairbury men. Luther Bonham, Fairbury, is president.

Advertisement

# "ROLL OF HONOR" BANKS

...NEBRASKA...

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



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

TOWN	BANK	OFFICER	CAPITAL	SURPLUS & PROFITS
Blue Hill	Commercial Bank	Edgar McBride	\$ 25,000	\$ 28,725
Bruning	Bruning State Bank	Fred H. Bruning	25,000	32,000
Franklin	Franklin State Bank	P. L. Slocum	25,000	32,665
Grand Island	First National Bank	F. J. Cleary	200,000	556,000
Heartwell	Heartwell State Bank	J. R. Hoban	32,000	35,839
Omaha	Live Stock National Bank	Paul Hansen	500,000	855,000
Omaha	Omaha National Bank	Ray R. Ridge	2,000,000	2,379,729
Ponca	Bank of Dixon County	F. R. Kingsbury	25,000	27,000
Stanton	First National Bank	H. D. Miller	50,000	162,113
Stromsburg	Stromsburg Bank	E. C. Nordlund	30,000	38,700
Trenton	State Bank of Trenton	A. Thuman	25,000	25,348

Northwestern Banker November 1942

# Municipal and General Bonds



Specialists in Nebraska  
Municipals



## GREENWAY & CO.

Farnam Bldg.  
OMAHA, NEBRASKA

## IN WAR... AS IN PEACE

The system of applying business principles and organization to the management of farms for absentee owners, inaugurated by us more than 12 years ago, is proving adequate to the increased problems of war-time farm ownership.

## FARMERS NATIONAL COMPANY

388-396 Brandeis Theatre Bldg.,  
Omaha, Nebraska

Full-Time Resident Managers  
At 12 Iowa and Nebraska Points

FARM MANAGEMENT  
"From the Ground Up"

## BANKS Bought and Sold

Confidentially and with becoming dignity  
BANK EMPLOYEES PLACED.

37 Years Satisfactory Service.  
THE CHARLES E. WALTERS CO.  
OMAHA, NEBRASKA



## Omaha Clearings

FUNERAL services were held in Omaha Sept. 29 for **R. Ware Hall**, 54, president of the Omaha investment banking firm bearing his name since 1925, who was found dead at his home. He had been in ill health.

He had served as president of the Nebraska Investment Bankers Association, was an active member of the Omaha Chamber of Commerce and chairman of its military affairs committee at the time of his death.

Before forming his own investment company, he was assistant trust officer of the former Peters Trust Company, later vice president of James T. Wachob Company. In World War I he served two years in the 340th Field Artillery. He was commissioned a lieutenant.

He formed Boy Scout Troop 32 and for many years was scoutmaster, later a merit badge counsellor. He was a hunting and fishing enthusiast, and his hobby was collecting rare books.

The Nebraska Bankers' Association is credited by **G. L. Noble** of Chicago, publisher of the *National 4-H Club News*, with setting the pace for bankers of the nation in practical help to 4-H clubs.

The association, an article in the current issue of the 4-H magazine says, gave paid-up subscriptions for the *4-H Club News* to 1,637 4-H club leaders in Nebraska.

Among Omaha young women sworn in by the **WAVES**, as apprentice seamen, was **Mrs. Connie Larson**, who has been an employee of the Federal Land Bank of Omaha. She has been given a leave of absence by the bank. She was to train at Oklahoma A. and M. College at Stillwater.

A daughter, Catherine Anne, was born Oct. 6 at Springfield, Ill., to Mr. and Mrs. John Harris Schirding of Petersburg, Ill. Mrs. Schirding is the former Jessie Clark of Omaha, daughter of Mr. and Mrs. **W. Dale Clark**. Mr. Clark is president of the Omaha National Bank. Mr. Schirding is in army service at Fort Riley, Kansas.

**T. F. Green**, cashier of the Bank of Valley, Neb., near Omaha, set out to celebrate his 65th birthday recently by selling 65 war bonds.

By nightfall, he had exceeded his quota, having sold 70.

For the year to date, six principal business indicators at Omaha show increases over last year.

## GREETINGS TO THE NEBRASKA BANKERS ASSOCIATION

**H. M. BYLLESBY and COMPANY**  
(Founded 1902)

E. F. O'DONNELL, Manager

FARNAM BUILDING  
OMAHA

Chicago  
Minneapolis

New York  
Philadelphia

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

## • NEBRASKA NEWS •

They include: Bank clearings, 38.1 per cent; bank debits, 27.6 per cent.

**Frank F. Barker** of Des Moines, who formerly was southwest Iowa regional supervisor for the Federal Land Bank of Omaha, has begun his duties as executive secretary of the Iowa Dairy Industry Commission.

Nickels, nickels, who's got the nickels?

That's what people were asking in Omaha recently when a **shortage developed in five-cent pieces.**

Then it was explained that the shortage started when mints stopped coining nickels pending development of a new coin which would use silver and other metals instead of nickel, which is badly needed in war industries. The Omaha branch of the Federal Reserve Bank normally distributes between 200,000 and 300,000 new nickels each month in Nebraska and Wyoming.

When coinage was stopped, the reserve bank began limiting distribution to banks, and banks began limiting distribution to stores.

So customers had to be content to get their small change in pennies.

Hit hardest was the city's parking meter system, which is the biggest nickel taker in town.

**Robert Hall**, executive vice president of the North Side Bank of Omaha, was named general chairman for Omaha and Douglas county in the cleanup scrap drive Sept. 28-Oct. 17.

The North Side banker also has been active recently in negotiations to get for Omaha a berth in the American Association baseball circuit in place of the St. Paul club. Omaha for many years was in the old Western League circuit.

Among team heads appointed for the annual Omaha Chamber of Commerce membership drive were **Fred W. Thomas**, vice president of the First National Bank of Omaha; **Alvin E. Johnson**, president of the Live Stock National Bank of Omaha, and **Charles E. Peterson**, vice president of the Byron Reed Company. General chairman was **M. L. Champine**.

Among 13 associate chairmen named for the initial (big) gifts division of the Omaha Community Chest campaign were **Ellsworth Moser**, executive vice president, United States National Bank of Omaha; **W. A. Sawtell**, president, Stock Yards National Bank of Omaha; **Alvin E. Johnson**, president, Live Stock National Bank of Omaha;

**Russell J. Hopley**, new president of the Northwestern Bell Telephone Company, and **Clarence Landen**, president-general manager, Securities Acceptance Corporation.

### New Officers Elected

Gerald Stalp, of West Point, was elected president of the Farmers and Merchants Bank of West Point, succeeding Dr. G. J. Collins who resigned recently to spend the winter in the south. A new director is Dr. A. W. Anderson who also was elected a vice president. Other directors are Earl

Reppert, J. A. Jerman and W. T. Knievel.

### New Bank Employee

Fred Herre, of Omaha, has started in his work as a clerk at the Plattsmouth State Bank, coming to Plattsmouth very highly recommended as an efficient workman. He has had a great deal of experience in this line of work in east Nebraska banks and was engaged in banking work at Fullerton and Brock and also in Omaha banks.

## In War as in Peace

Our correspondents  
in 42 states receive  
our very best in  
Service.



## Commerce Trust Company

Capital, Surplus and Undivided Profits 13 Million Dollars

KANSAS CITY'S LARGEST BANK  
Established 1865

MEMBER FEDERAL DEPOSIT  
INSURANCE CORPORATION

Kansas City

## Nebraska News From Near and Far

**W. H. WILLIAMS**, who has served the Commercial National at Ainsworth as cashier since its organization in 1913, retired last month. **T. E. Ritter** was advanced from assistant to cashier, and **Mary E. Jones** was elected assistant. **H. G. Thorley** serves this bank and also the First National Bank of Springview, as president.

An army airfield project has more than doubled the volume of business being handled by this bank.

**Hugh Ralston**, assistant cashier of

the First State Bank, Gothenburg, reported for duty in the armed forces of the United States on October 22nd.

**A. E. Dwehus**, president of the State Bank of Dannebrog, at recent convocation services at his local high school, talked on Americanism, and what high school students can do to help win the war.

**L. B. Titus**, president of the First National Bank, Holdrege, died several weeks ago from pneumonia. New offi-

cers of the bank elected last month include **Liscomb W. Titus**, president; **L. J. Titus**, vice president and cashier, and **Lulu J. Titus**, director.

**E. C. Huxtable**, cashier of the Bank of Wood River, reports crops of all kinds in his vicinity as excellent. Deposits of his bank have doubled in the past six months—a defense plant near has taken all the bank clerks, meaning a great deal more work to be done with inexperienced help.

**E. C. Davenport**, president of the Nebraska State Bank, Valentine, reports a splendid response in his community toward the purchase of War Bonds and Stamps. Since Pearl Harbor, his bank has sold more than \$220,000 in War Bonds. Deposits of the bank the middle of last month were \$805,122, approximately \$130,000 higher than at the same date a year ago. Mr. Davenport says this rise is due to the increase in the sale of cattle, as compared to the same period last year.

Deposits of the City National Bank, Hastings, have increased about 40 per cent since the call last June 30th, according to **A. J. Koelling**, president, which fact, he continues, has meant an increase in the number of officers and employes of the bank. An assistant cashier, **Don Anderson**, has gone into the armed forces, and the bank has appointed two new assistant cashiers, **Vern Manahan** and **H. B. Kollman**. **Ardis Scholz** and **Jack Moley** are new bookkeepers.

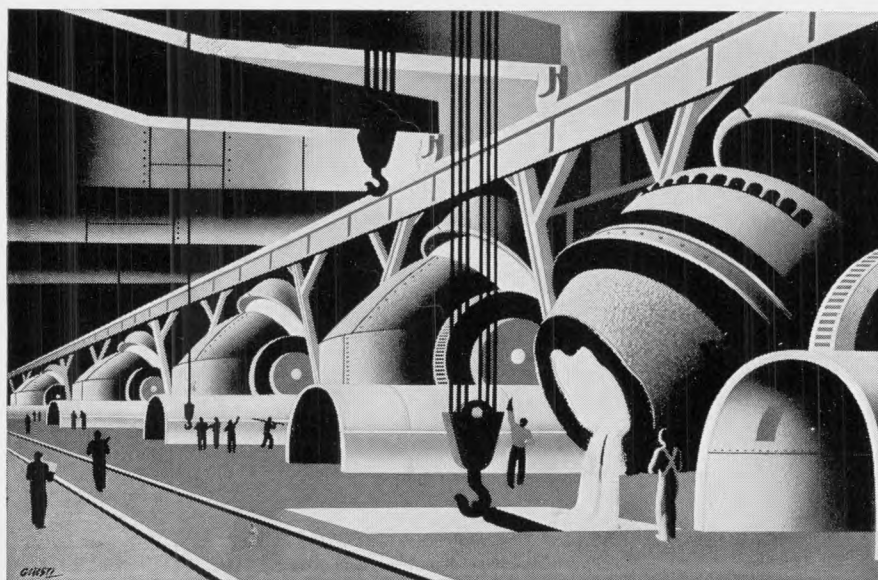
The **State Bank of Liberty** reports that loans have decreased because of two causes, borrowers are paying up rapidly, and the Nebraska Banking Department is emphasizing repayment of loans, but not making any re-loans—a general house cleaning, as it were. The State Bank does not pay any interest on deposits of any kind. An abundant harvest is reported, and this, with advanced prices for farm products, should tend to increase bank deposits.

The Bank of Brady, through its president, **W. O. Collett**, makes the following announcement to its customers:

“Because of a continuously large surplus of idle funds, together with a steady increase in deposits, after October 15, 1942, we shall not issue nor renew time certificates of deposit. All outstanding time certificates will cease to draw interest after their maturity date.

“We believe that our friends and customers will appreciate the fact that general economic conditions justify

(Turn to next page, please)



## AS INDUSTRY GOES INTO HIGH

**T**HE full mobilization of American industry for all-out war production adds heavily to the responsibilities of the nation's banks. This is especially true of banks which are located in communities where the rapid expansion of local industries converted to war work is taxing credit facilities to the limit.

The American National Bank and Trust Company of Chicago, as part of its own war effort, welcomes the opportunity to cooperate closely with banks so situated. Its loaning resources are available to supplement theirs, and its familiarity with war contracts and with the requirements of governmental agencies is available to correspondent banks whenever the need arises.

### AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO

LA SALLE STREET AT WASHINGTON

Member Federal Deposit Insurance Corporation



OUR BUSINESS IS TO HELP BUSINESS

Northwestern Banker November 1942





## Lincoln Locals

**C**LEARINGS in Lincoln's three downtown banks for the first nine months of 1942 were more than 15 million dollars over the same period in 1941, with figures of \$129,162,153 as compared to \$113,812,989, according to **Ray Becker**, clearing house secretary.

September clearings were down somewhat from August, \$15,217,470 being reported against \$15,236,669 the previous month. Clearings for September, 1941, totaled \$13,727,327.

Total for the third quarter of 1942 was \$45,651,393, against \$43,599,665 for the second. Third quarter total in 1941 was \$41,372,301.

**Donald Philip Easterday**, 30, assistant vice president of First National Bank and prominent civic leader, died last month at the home of his parents, Mr. and Mrs. Phil R. Easterday. He had been ill for some time.

Employed in the bank since he was 14 years old, Easterday was a graduate of Lincoln High School and of the University of Nebraska Law College where he took his LL.B. in 1935. In the same year he was admitted to the Nebraska bar.

Surviving besides his parents are his wife, the former Betty Everett; a daughter, Gretchen, 5; and two sisters, Mrs. Arthur Whitworth and Mrs. J. R. Kingdon, both of Lincoln.

Active in Chamber of Commerce affairs, Easterday was local president of the junior division in 1939-40 and state vice president of the junior chamber in 1938. He served for two years on the junior chamber executive council.

**H. A. Schneider** of the Plattsmouth State Bank, a member of the legislative committee of the Nebraska Bankers Association, was at Lincoln recently. The committee was meeting to discuss the proposed legislation that may be

presented to the state legislature at the session next winter.

**Frank Lepinski**, Omaha, was elected new president of the Nebraska Association of Personal Finance Companies at Hotel Lincoln to succeed **F. O. Gottschalk**, Columbus.

**Edgar Reynolds**, Grand Island, and **T. J. Farrell**, Lincoln, are the two new vice presidents. **John G. Lowe**, Kearney, is treasurer, and **R. W. Gohde**, Lincoln, secretary.

The board of directors remains the same: F. O. Gottschalk, Columbus; Edgar Reynolds, Grand Island; Frank Lepinski, Omaha; Frank E. Card, Lincoln; John G. Lowe, Kearney; Frank M. Jacobberger, Omaha; J. H. Mack, Scottsbluff; T. J. Farrell, Lincoln; Cecil Bachoritch, Fairbury; H. N. Koyen, Fremont, and Charles Podhaisky, Alliance.

Bank customers weeping openly as they walked out of the building shuffling crisp, new five- and ten-dollar bills . . . officials and employes sniffing constantly and wiping the tears from their cheeks, as though the institution had closed, and they were all minus jobs.

That was the picture over at the **First National Bank** after a girl employe had accidentally touched off the tear-gas system in the First Trust Company offices, flooding the vaults with the synthetic sentiment-producing stuff. And the gas seeped out of the vaults throughout the basement and up to the eighth floor of the building.

The offices of the First Trust Company, which occupy the basement floor of the building, were quickly evacuated when the gas began seeping in.

## NEBRASKA NEWS FROM NEAR AND FAR

(Continued from page 32)

our conservative program. You may be assured that we shall continue to serve you, as well as to develop and safeguard the interests of our community."

**Herbert H. Echtermeyer**, assistant cashier of the Live Stock National Bank of Omaha, is recuperating at St. Joseph Hospital following an operation.

**J. B. Cowger**, who has been associated with the First National Bank of Springview for fifteen years, recently resigned and left for the west coast for work in defense. **Dorothy M.**



Officers of this bank extend greetings to the 1942 Nebraska Bankers Association Convention. We'll be there, as usual. A correspondent connection with this institution is much like membership in your State Association. The same spirit of mutual cooperation is present in both cases.

**YOU WILL LIKE OUR CORRESPONDENT SERVICE!**

*The*  
**CONTINENTAL NATIONAL**  
**BANK**  
*of*  
**LINCOLN**

Member Federal Deposit Insurance Corporation



**"AH WANTS  
MO' MONEY!"**

The famous old minstrel line, "Ah wants mo' money!" is a sentiment as wide-spread today as ever. Nowhere is the need of additional earnings more acutely felt than among banks.

The Todd Pay-As-You-Go Checking Account System is a realistic means of adding to a bank's profit account for these reasons:

1. It provides the features that profitable customers appreciate.
2. You receive tested plans for merchandising it on a volume basis—methods which many other banks have used successfully.

Tap this growing market for a means of paying bills conveniently, safely and at low cost...and saving the customer's time, tires and gasoline. Want more details?

The Todd Company, Inc.,  
Rochester, New York

I should like details of the Todd Pay-As-You-Go Checking Account System and the promotional material that helps to get profitable accounts.

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Title \_\_\_\_\_

Bank Name \_\_\_\_\_

Address \_\_\_\_\_

N.W.B. 11-42

**Todd**  
**COMPANY, INC.**

**Todd**

ROCHESTER NEW YORK  
OFFICES IN ALL PRINCIPAL CITIES

Northwestern Banker November 1942

Tharp was advanced to assistant cashier, and other officers are: **E. C. Logan**, cashier, and **H. G. Thorley**, president.

At a recent meeting, the **Pawnee County Bankers Association** purchased the Pawnee County Bonds in the amount of \$71,000, at an interest rate of 2¼ per cent, as the five year option of these bonds will be up next July and the present interest rate is 3½ per cent. The Pawnee County Bankers made an option that the county can pay off any amount at any interest paying date, being semi-annually.

On October 16th the banks at Pawnee City and Buchard closed and had a scrap drive, and had a very successful day. This included all business houses in both towns who closed their doors for the day and went out and assisted in the drive.

**J. M. Nider**, president of the State Bank of Jansen, recently served on the jury of the Federal Court at Lincoln.

**H. T. Fast**, cashier of the State Bank of Jansen, recently completed twenty-three years of service with this bank, most of the time as cashier.

This part of Nebraska was favored with excellent crops this year and deposits are up and loans are being paid off as a result.

At a recent directors' meeting of the South Omaha Savings Bank, **Ray F. Slizewski** was appointed assistant cashier. Mr. Slizewski has been very active in A. I. B. work in the city of Omaha, and was formerly connected with the Stock Yards National Bank,

where he was employed for 14 years. He will have charge of the bank's personal loan department, which was a new department for this bank about a year ago.

### Amherst Banker Dies

Arthur T. Reynolds, 65, who was engaged in the banking business at Amherst for nearly 40 years, died suddenly at his home early last month. Death is believed to have been due to a heart attack.

Mr. Reynolds was well known in banking circles and had many friends at Amherst where he spent the greater part of his life.

When a young man he taught school and later was organizer of insurance and fraternal lodges in Colorado, Nebraska, Montana and Wyoming and from 1902 to 1903 was employed in a bank at North Loup.

He organized the Amherst State Bank and served as its cashier until 1908 when it was converted into the First National Bank of Amherst and served as its cashier until his death.

### Holdrege Banker Dies

Louis B. Titus, 62, president of the First National Bank of Holdrege, is dead following a short illness. Titus had been prominent in banking circles for 42 years and was a leading citizen of his community, supporting civic and community enterprises.

### Bank Changes

Miss Neola Carter has resigned her position at the Farmers State Bank, Silver Creek, having left for Hastings where she will enter nurses training.

## 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)

Miss Lucille Abel is taking her place at the bank, the hours there not interfering with her duties as librarian.

### Resigns

Miss Edna Parsons left recently for her home at Carpenter, Wyoming, having resigned from her position in the State Bank of Palmer.

### Annual Corn Show

The third annual corn show sponsored by the Central National Bank of Columbus will be held in the bank lobby Saturday, November 14th, it was announced by bank officials.

Farmers in the Columbus trade territory have been asked to be on the lookout for large and well shaped ears of corn, both open pollinated and hybrid, while husking corn. Entries in the show can be made during the 10-day period from November 4th to November 14th. Each entry is to consist of 10 ears.

There will again be \$75 in cash prizes awarded winners in the show, and in addition, a trophy to the grand champion. Judging will be by an official of the state extension service.

### New Assistant

Mrs. W. C. Wicks started recently to assist in the Primrose Bank in place of Billie Davis, who will soon enter the army.

### State Vice Presidents

State vice presidents of the American Bankers Association have been appointed for the year 1942-43 by W. Linn Hemingway, A. B. A. president, who is president of the Mercantile-Commerce Bank and Trust Company, St. Louis, Missouri.

Ten of the appointees are newcomers to the A. B. A.'s roster of state vice presidents. They are: Iowa—Richard R. Rollins, vice president, Bankers Trust Company, Des Moines; Kansas—A. W. Kincade, president, Fourth National Bank, Wichita; Minnesota—N. A. Welle, cashier, Arlington State Bank, Arlington; New York—Frederick V. Goess, president, Prudential Savings Bank, Brooklyn; Ohio—A. C. Johnson, president, Kenton Savings Bank, Kenton; Oregon—J. B. Booth, vice president, Benton County State Bank, Corvallis; South Carolina—L. M. Milling, vice president, The South Carolina National Bank, Columbia; Texas—D. T. Ray, vice president and trust officer, First National Bank, Houston; Vermont—Stetson C. Edmunds, treasurer, Rutland Savings Bank, Rutland, and West Virginia—Hayes Picklesimer, executive vice president, Kanawha Valley Bank, Charleston.

## HELPING BURROUGHS USERS MEET TODAY'S PROBLEMS WITH THEIR PRESENT EQUIPMENT

"... and we get an extra  
posting hour each day  
out of our Burroughs"



**Suggestions like these may help you to obtain  
more posting hours a day with your machines**

#### Relieve the operator of non-posting work—

Have a clerk do the sorting, short-listing, checking for errors, heading new accounts, and so on.

#### Eliminate the bottlenecks—

Rearrange the flow of work so that more time is available for actual posting.

#### Take full advantage of machine features—

Make sure that the operators are thoroughly familiar with all keyboard controls, automatic features and the various special time-saving advantages built into the machines they are using.

#### Avoid mechanical interruptions—

by keeping machines in the best possible operating condition through regular inspections, cleaning, lubrication and accurate adjustments by Burroughs service men.

For many other suggestions that will help you get the most out of your present Burroughs equipment, telephone your local Burroughs office, or, if you prefer, write direct to—  
**BURROUGHS ADDING MACHINE CO., DETROIT, MICH.**



# Burroughs

FOR VICTORY—BUY UNITED STATES WAR BONDS AND STAMPS

HOW DO YOU BUY?



OR



# Now! Full Coverage Policy for Home Owners

★ It's Easy to Sell

**Western Mutual's**

**"15 Coverage**

**In One"**

All Protections in One  
Easy-to-Carry Package



## Ask Your Western Mutual Field Man

Get the **FACTS** about this Low-cost High Coverage Policy including unearned Premium Return, Loss of Rent and other Essential Protective Factors. It's a Real Policy and your clients will recognize it!

# WESTERN MUTUAL FIRE INSURANCE COMPANY

Ninth and Grand

Des Moines, Iowa



*"Over a Third of a Century of Safety and Service with Savings."*

Northwestern Banker November 1942

On the following  
pages there is a  
timely story on...

**RECORDAK**

**A KODAK ADVERTISEMENT** publicizing  
"V...—MAIL" to more than 18,600,000  
readers of leading national magazines

# "V...—MAIL" *Via* RECORDAK

**T**he same Recordak System with which you, as bankers, are so familiar has now been adapted for "V...—MAIL"—the new and speedier means of communication between our men on distant fronts and their families and friends at home.

Building and sustaining morale as few other factors can, "V...—MAIL" owes its very existence to the banking industry. For it was in the banks of America that Recordak was pioneered, proved, and perfected to the point where "V...—MAIL" has become an actuality.

**RECORDAK CORPORATION • 350 MADISON AVENUE • NEW YORK, N. Y.**  
**(SUBSIDIARY OF EASTMAN KODAK COMPANY)**



**A**—You read a letter in your boy's own writing, like that above. **B**—The three small boxes shown in the photograph contain over 5000 of these letters—in the form of photographic film. **C**—On this one roll of 16-mm. film—shown in reduced size—1700 letters have been photographed.

## Kodak created, U.S. Government adopts "V...-MAIL" for communication with our men on distant fronts

**Y**OUR BOY writes you a letter on a sheet of paper—regular letter size. This is photographed on Kodak microfilm—is reduced in size to about a quarter of a square inch . . . 1/100 of the weight of normal mail.

With thousands of other letters—85,000 letters weighing 2000 pounds—weigh only 20 when reduced to microfilm—it is swiftly flown from his distant outpost to America.

Here, again through photography, the letter addressed to you is "blown up" to readable size—folded, sealed in an envelope, and forwarded to you. It is as clear as the original writing. It really is the writing of your boy because it's a photographic print.

And your letters to him, which you

write on special forms, go by the same space-saving, time-saving V...—Mail.

Kodak developed and perfected the process . . . Pan American Airways and British Overseas Airways, the two great pioneers in transoceanic air transport, blazed the air trails . . . and the three companies, as Airgraphs, Ltd., offered the service to the American and British governments.

**I**N APRIL, 1941, under the trademark "Airgraph," England first employed the system to solve the problem of getting mail to and from the forces in the Near East. The Airgraph System was expanded until it knits the British

Empire together with about a million letters a week—personal and official.

And now the men serving overseas in the American armed forces also have the benefits of this form of speedy correspondence.

Airgraph, or V...—Mail as it is called here, is an adaptation of Kodak's Recordak System which has revolutionized record-keeping in thousands of banks and business houses. Many records of the U. S. Census, Social Security, and Army Selective Service are on microfilm—error-proof, lasting miniature photographic copies of the originals . . . Eastman Kodak Co., Rochester, N. Y.

SERVING HUMAN PROGRESS THROUGH PHOTOGRAPHY

# RECORDAK OFFICES

## *EXECUTIVE OFFICES*

**350 MADISON AVENUE, NEW YORK, N. Y.**

ATLANTA

LOS ANGELES

BOSTON

NEW ORLEANS

CHICAGO

PHILADELPHIA

CLEVELAND

PITTSBURGH

DALLAS

PORTLAND, ORE.

DENVER

SAN FRANCISCO

HOUSTON

WASHINGTON, D. C.

*Additional developing facilities at*

KANSAS CITY, MISSOURI and JACKSONVILLE, FLORIDA



# There Is a Vast *New Market* For Casualty Coverage

IN THE last few years, there has been a noticeable trend in the broadening of coverages and streamlining of policies, such as the various comprehensive coverages, automobile and other liability, guest medical riders, valuable papers and accounts receivable policies, which means the casualty companies are doing their best to meet the requirements of the public and anticipate their wants and can, by the same token, be relied upon to do so during the war period. An example of this is the way insurance companies have been cooperating with the government in connection with army and navy projects.

What effect the war will have upon coverages is somewhat difficult to guess, but we can already see the trend developing in workmen's compensation in that workmen's compensation experience is getting worse, due to green help and speed. (I am not referring particularly to defense work) and the return to work of men far along in years, particularly in the contracting classes, to obtain some of the easy money.

It is interesting to note that in 1941 stock companies had an underwriting loss in workmen's compensation of 4.14 per cent; this means a loss of \$7,381,930; automobile public liability insurance has improved considerably during recent months, due to lack of exposure and speed limits. In the general public liability lines, a considerable amount of business is going off the books, as many small businesses are closing, due to lack of priorities or departure to the armed forces or defense work.

By William F. Somerville

*Assistant Secretary*  
*St. Paul-Mercury Indemnity Co.*  
*St. Paul*



WILLIAM F. SOMERVILLE

On the other hand, there are today thousands of people who can now afford to buy insurance who could not previously. This should open a vast new market for all kinds of insurance; consider (1) the demand for all kinds of burglary, robbery and theft insurance, because the firm or individual

wishes to protect what they now have; (2) the busy retail establishments who have never heard of accounts receivable insurance; (3) the increased demand for plate glass insurance, and (4) the increased need for fidelity insurance created by rapid turnover and increased personnel.

So far as the companies are concerned investment income is curtailed; stocks and bonds are not going to appreciate and this puts it squarely up to the underwriting departments to show a profit. World War I produced practically no increase in expenses, due in part to the tremendous increase in premiums; loss ratios were steady so the companies came out larger and stronger than they were before. It is going to be more difficult in this war, due to broader coverage, lower rates and increasing loss ratios. It is of paramount importance, therefore, that we make an underwriting profit not only because of decreased investment earnings, but also because of taxes.

Now let us consider for a moment the change in hazards brought about by the war. In workmen's compensation the possible war hazard is the most serious, and serious legal questions will most certainly arise. In most states the acts cover accidents which occur "in the course of" and "arising out of the employment;" naturally in the building of compensation rates there is no past experience of war and such hazard is not taken into consideration; it is possible some serious questions will arise. If an accident has to arise "in the course of" and "out of" the employment, there are two conditions. In one case we



SCARBOROUGH & COMPANY

*Insurance Counselors to Banks*

First National Bank Building, Chicago

Horace A. Smith, Iowa Representative  
Des Moines, Iowa

## THE HARDER WE WORK TO KEEP THEM FREE

...the more apt we are  
to make them secure



As we at home sweat and scrimp and save — as we pay taxes, pay off debts, and buy War Bonds, we are not only doing what we must do to win the war, but *we are helping to make America after the war a stronger nation, a better place for soldiers to come home to.*

We are toughening body and spirit — and that is a good and wholesome thing. At the same time we are creating *solvent families*—families that stand on their own feet financially — families better prepared to do whatever must be done in tomorrow's unknown world.

This is the silver lining behind the gathering cloud of sacrifice and self-denial. It is something a life insurance company can contemplate with special satisfaction . . . for the financial independence of the family, *whether or not* the breadwinner lives out his normal span, has always been the prime objective of our business.

*This message is a part of NuNL's current national magazine advertisement.*

## NORTHWESTERN National LIFE

INSURANCE COMPANY

O. J. Arnold,  
President



Minneapolis,  
Minnesota

## 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

can see, for example, in a seacoast city, the enemy may go out to bomb a defense plant manufacturing shells and it would occur "in the course of" and "arise out of" employment in the shell loading factory, whereas if the bomb hit a department store across the street, it would occur "in the course of," but it would not "arise out of" the fact that they were working in a department store.

In the OL&T and other general public liability lines, we have to give some thought to the hazards of the blackout. No special legislation exists so far in the United States so at this time it is important that we know what the English experience has been, as it is very probable the American courts will be guided by the English decisions. One interesting question was in connection with the recent St. Paul blackout; it was whether the owner of an apartment building would be liable for an injury caused to a tenant due to a blackout by shutting out all the lights instead of blacking out the doorways and windows and leaving a light in the public halls. This is quite an interesting case, as there have been many plaintiffs who have claimed an accident because the premises were so dark they could not see. The Supreme Court of Minnesota has ruled that if it is that dark, they are negligent in moving at all and, therefore, have given a verdict to the defendant.

In the British Isles practically all the cases I have seen deal with automobile and pedestrian accidents and most questions turn upon the question of whether the driver was going at a

speed that would allow him to stop within the ambit of his vision or whether it was the pedestrian's fault in not keeping a proper lookout. From these cases it would appear that the pedestrian must take more responsibility and must realize that the motorist has necessarily very limited vision and he, the pedestrian, can see the automobile long before the motorist can be expected to see him. In most cases verdicts have been given for the defendant, the motorist. It behooves the pedestrian to be very careful, cutting out all jay-walking and only crossing after due precaution at intersections. An interesting point comes up — I hope it will never do so here — where an automobile is damaged by falling into craters or running into debris caused by bombs. If an accident occurs in the night and a bomb has fallen earlier the same night, then the damage is due to war risk; on the other hand, if the auto runs into a crater or debris some considerable time after it was formed, then the damage may well be due to the driver's failure to keep a proper lookout. In numerous cases municipal bodies have been sued on account of injuries sustained during blackouts due to municipal negligence in the construction and maintenance of streets. Cases indicate where an obstruction has lawfully been placed on the highway there is no common law duty to take any active steps by lighting or painting to prevent its becoming a danger to the public, but once they voluntarily take such steps they become liable for any

(Turn to page 51, please)

## "ALLIED MUTUAL PAYS"

A Fact Demonstrated Hundreds of Times Daily



*The Sign of Same Day Service on*

**WORKMEN'S COMPENSATION  
PUBLIC LIABILITY ★ AUTOMOBILE INSURANCE**

*See Your Allied Mutual Agent*

**ALLIED MUTUAL CASUALTY CO.**

**Harold S. Evans, President**

**Hubbell Building**

**Des Moines, Iowa**

# Commercial Banks Will Have A Load to Carry

"Every Country Bank Should Thoroughly Investigate the Possibility of Increasing Its Earnings Through Purchase of Current Treasury Offerings"



Again in October the markets were firm to better — bonds being firm and stocks being better. The foreign news apparently played little part in the prices of securities in the past few weeks — domestic

developments getting most of the attention. The fierce resistance of the Russians was pretty well discounted in September, while our own losses in the Solomons did not break prices — although enthusiasm in the stock market was tempered in the last two weeks.

The final passage of the tax bill — which was not as drastic on corporations as the preliminary drafting indicated — helped the stock market more than any other single factor. The prospects of somewhat better earnings and the probability of less drastic cuts in dividends relieved that part of the community of investors who bet on stocks. Then, too, there is some feeling around that corporations have been taxed about as much as they will be — and that the next tax bill will again hit the individual even harder. Since a new bill to raise at least six billion dollars more will probably be introduced in January — we should know part of the bad news soon.

But the average individual is set mentally for higher taxes now. He grumbles — which is natural. He is disappointed that in Washington red tape requires that several men are necessary to do one man's job. He regrets that admirals do not speak to generals or vice versa — he is unhappy that labor unions close down war plants in wildcat strikes. In fact, he is downright mad about it when he reads the latest casualty list in the next column in his newspaper. But this succession of events, for some unaccountable reason, seems a necessary sequence in a democracy at war. Some progress is being made — eventually our taxes will

## The Month's Market Maneuvers Prepared for

### The Northwestern Banker

By James H. Clarke

Assistant Vice President  
American National Bank & Trust Co.  
Chicago

buy more—but efficient organization is some distance off.

*We mentioned earlier—stocks were strong in October. Especially during the first two weeks. The Dow-Jones average for industrial stocks, which stood at 109.11 at the close of the market on September 30th, was 113.11 at the close yesterday. (We are writing this on October 29th to meet our publisher's deadline.) The favorable actions of the Senate on the tax bill touched off the rise early in the month, and by the fourteenth the average reached 115.01—but since that it has eased almost two points.*

To date there have been twenty-three days of trading in the month. Stocks advanced fourteen days—declined nine. The volume of trading picked up materially. There were two days in which the number of shares traded exceeded one million—a rare occurrence in these times. The national elections, which will probably be out of the way when this article appears, may have some temporary market effects—but in the long run it will be taxes, earnings, materials and labor costs—the basic considerations which will determine the true value of equities. In Great Britain the stock market—while admittedly under close regulation—is at the best level since early in 1938—over a year before the outbreak of the war. Dunkirk brought a sharp collapse, but since then there has been a steady recovery—proving that once the worst is known and a country has settled down to one hun-

dred per cent work, uncertainties no longer depress prices appreciably.

Municipal bonds—general obligations of states and cities—were better in October. Especially in the first week or two after the Senate killed the provision in the Revenue Act which would have taxed these bonds. Low grade railroad bonds were shaken down by the announcement of an amendment to the Revenue Bill which would have taxed trading profits 90 per cent—but this was killed. Bonds of solvent roads were affected slightly but for the most part were firm—braced no doubt by good earnings as well as a provision in the new act permitting the purchase of their discount bonds without the necessity of reporting as a profit the difference between the purchase price and par. Public utility and industrial bonds were firm—new financing and refunding were practically non-existent.

*As each month has gone by, the importance of Government financing in the whole picture has become increasingly apparent. As we write this it seems that in the current fiscal year ending June 30, 1943, Government expenditures will total about eighty billions. Income from all sources except sales of bonds—practically all taxes, of course—should total roughly twenty-one billions. That leaves a bond selling program of sixty billions for new money—of which about twenty billions has been completed. And that is not all. In the next fiscal year, if the war continues, we shall probably have expenditures of one hundred billions.*

It is especially important that banks in the country realize this. The amounts raised by the sales of war bonds and tax notes to corporations and individuals—the money secured by the sales of "tap" issues to insurance companies and individuals, will be important—but the commercial banks will have to carry the bulk of

Northwestern Banker November 1942

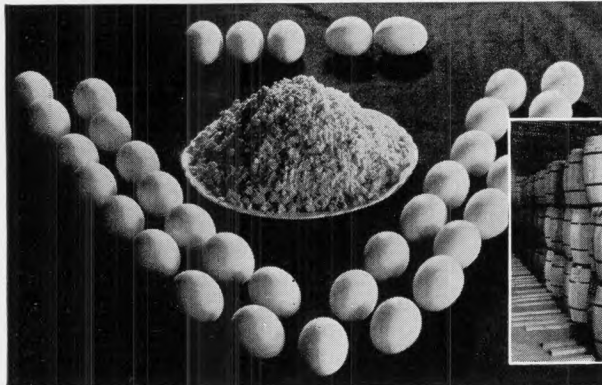
the load. Banks in New York and Chicago have increased their Government bond holdings in very substantial amounts. The ten largest New York banks had but 25 per cent of their funds in cash on September 30th—much lower than the average smaller bank. Sixty-one per cent of all excess reserves are now out in the country and if the Treasury is ever forced

to use persuasion to sell its issues it probably will not be directed at the Central Reserve Cities.

With loans declining in the smaller centers—and with the evidence on hand that this will continue—every country bank should thoroughly investigate the possibility of increasing its earnings through purchase of cur-

rent Treasury offerings. Rates of return admittedly are below what one has secured on loans—far below, in most cases—but if maturities are limited to the shorter issues, larger amounts can be invested. Short term Governments will not hurt—and don't confuse them with the old fourth 4½ of the last war—which in 1918 had still twenty years to run to the absolute maturity.

## Pictured: A New Source of Loans



### DRIED EGGS!

BELOW: Barreled for overseas shipment.



## Field Warehousing by Douglas-Guardian

adapted to **NEW** uses and new **NEEDS**

A typical "war baby" 1942 model is DRIED EGGS! Companies in the business increased over 500 per cent the past year! Production sky-rocketed! Field warehousing by Douglas-Guardian helped bankers supply needed capital to several egg drying companies on a *sound loan basis*. A large percentage of our business is now identified with supplies for our fighters.

**FREE BOOKLET** on request. A bigger and more comprehensive edition of our well-known pocket size Booklet on Field Warehousing and Douglas-Guardian Service. Write for a copy.

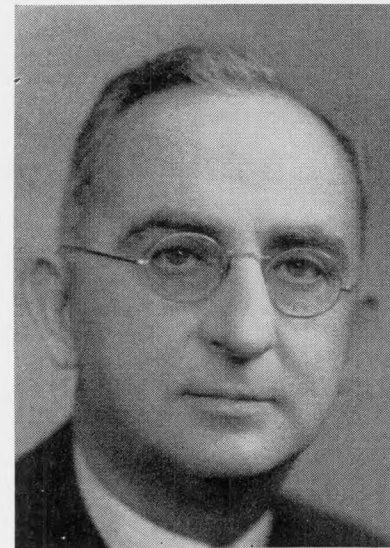
### DOUGLAS-GUARDIAN WAREHOUSE CORPORATION

Nation-wide Field Warehousing Service

CHICAGO—Suite 1104-A, 100 West Monroe Street  
 ATLANTA, GA. CLEVELAND, OHIO DALLAS, TEXAS EASTON, PA. LOS ANGELES, CALIF.  
 MEMPHIS, TENN. NEW YORK, N. Y. PHILADELPHIA, PA. PORTLAND, ORE. ROCHESTER, N. Y.  
 SPRINGFIELD, MO. SPRINGFIELD, MASS. SAN FRANCISCO, CALIF. TAMPA, FLA.

## Lowman and Hopley Advanced by Northwestern Bell

Two directors of the United States National Bank of Omaha figured prominently in the business headlines last month, when A. A. Lowman was named to the chairmanship of the board of directors of the Northwestern Bell Telephone Company, and Russell J. Hopley was elected president to



A. A. LOWMAN

## FINANCING WAR PRODUCTION

Located in America's armament center, this bank is especially equipped to deal with financial problems arising from war production.

Pledged, as we are, to do all in our power to further the prosecution of the war, we have set up a War Loan Division, experienced in the analysis of war contracts and familiar with the requirements of the armed services and other governmental agencies.

We offer our services not only to local companies in need of war production loans but also to our correspondents throughout the country whose transactions with Detroit war industries can be expedited by our special and direct attention to their needs.

### NATIONAL BANK OF DETROIT

Complete Banking and Trust Service

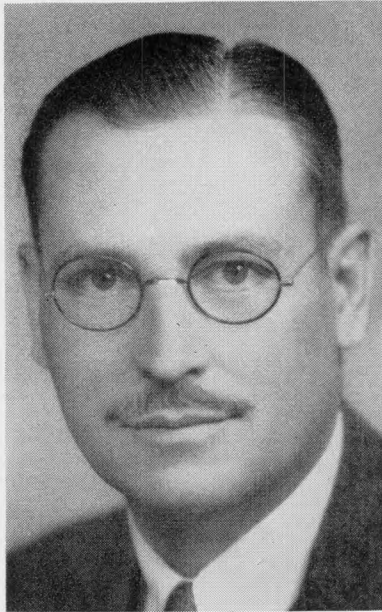
DETROIT, MICHIGAN

succeed him. Both men came up through the ranks to earn and occupy the positions they now hold.

Mr. Lowman's first telephone work was at Clarinda, Iowa, in May, 1894, where he was groundman, lineman and general helper about the telephone office. During his more than 48 years of service with the telephone company he was installer at Oskaloosa, Iowa; district manager at Shenandoah, Iowa; superintendent of installation and construction at Council Bluffs, Iowa, and Omaha, Nebraska; division superintendent of plant for Nebraska and South Dakota; division superintendent of plant for Minnesota and the Dakotas; general superintendent of plant for the entire company in five states, and vice president and general manager and vice president in charge of

operations for the company, before becoming president in 1935.

Mr. Hopley entered the telephone business 27 years ago at Fort Madison, Iowa, as a collector, and has been in it continuously since, except for nearly two years' service with the army during the last war, about a year of which was in France. Among the telephone positions he has held are those of manager at McGregor and Waterloo, Iowa; district manager at Des Moines, commercial operations supervisor for the company, and general manager at



RUSSELL J. HOPLEY

Omaha for the Nebraska-South Dakota area before becoming vice president in charge of operations in 1937.

Mr. Hopley was born at Blue Island, Illinois, but his parents moved to Fort Madison, Iowa, and that was his boyhood home. Mr. and Mrs. Hopley's family consists of two sons, Russell, 11 years old, and John, 8 years old.

Fred R. Kappel, who succeeds Mr. Hopley as vice president, entered the telephone business after graduating from the University of Minnesota in 1924.

## Banking by Mail

The government gives and the government takes away—and one of the things it gives is good mail service. Today, the postman is saving time, gasoline and tires for the American people and the banks of the country are coming to the front by offering depositors a carefully developed bank-by-mail service.

Thousands of workers in defense plants and other manufacturing lines are working full time—and overtime—and receiving fat pay envelopes. They

are potentially profitable customers for banks who make it easy for them to deposit their earnings without taking time off for a trip to the bank.

Staggered office and retail store hours make it more difficult than ever for employer and employe alike to get to the bank. Housewives aren't going to "be down town anyway" much on four gallons a week.

A good bank-by-mail system will increase a bank's business and please its customers at the same time.

The secret of handling this type of business successfully is the installa-

tion of a practicable simple system, ample to give you complete and "fool-proof" records, and yet involving a minimum of detail and clerical work. The newest contribution to the success of banking by mail has been made by the Berkowitz Envelope Company. This company has introduced a special bank-by-mail envelope with several improved features.

This new envelope is constructed with the customary deposit slip, return receipt, and provision for the necessary auditing information. In addition, Berkowitz has added a "safe-



## A Victory on the Farm Front

This Nation has cause to be proud—cause for Thanksgiving. Farmers this year surpassed all records of crop and livestock production for our military and domestic needs and those of our Allies.

They were blessed with good weather but this achievement in reaching their goals is proof that our thanks should also go to the farmers themselves. They raised the crops we needed most in the greatest quantities. They won the battle of Food-for-Freedom in 1942. In their field of production they are entitled to hoist the "E" pennant.

The Federal intermediate credit banks are proud of the record of agriculture and they thank the purchasers of their debentures which made it possible for them to aid in financing the record-breaking production of Food-for-Freedom.



## THE FEDERAL INTERMEDIATE CREDIT BANKS

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

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

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

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

Information regarding Debentures may be obtained from

CHARLES R. DUNN, Fiscal Agent

31 Nassau Street, New York, N. Y.

ty flap" that tucks the contents in safely, and reduces the temptation of tampering. There are no perforations that could possibly pull loose while in the mails, yet one motion of a paper knife makes the deposit slip, checks, and return receipt ready for quick handling. Another feature which appeals to all banks is that the deposit slip is of single thickness, and takes up no more filing space than the slip in ordinary use. These envelopes also have an opaque lining that makes the contents safe from prying eyes which like to satisfy their inquisitiveness by looking at an envelope held up to the light.

Although this bank-by-mail plan has but recently been placed on the market, it is the result of many months of research and study on the part of the Berkowitz organization. As you would expect, the Berkowitz type envelope represents an improvement over competitive makes already in the field, and the fact that this envelope is "custom made" to fit into a bank's needs is proved by the quick acceptance it has received in a brief period. The first announcement, less than a month ago, brought in a flood of inquiries from interested banks.

The more progressive financial institutions are already offering their cus-

tomers this service, and all banks are endeavoring to aid in the war effort by conserving tires and time with a bank-by-mail service.

### Advanced to Presidency

At the abbreviated annual meeting of the National Association of Bank Auditors and Comptrollers, held in New York City, Ottmar A. Waldow, comptroller, The National Bank of Detroit, was elected president, to succeed Cecil W. Borton, vice president, The Irving Trust Company of New York.

Mr. Waldow became an official of the National Association of Bank Auditors and Comptrollers in September, 1939, when, at the annual convention in Seattle, Washington, he was elected to the then combined position of secretary-treasurer. Since that time he has successively been elected to each higher office and recently was elected to their highest position. Prior to his election as secretary-treasurer in 1939

## Guaranty Trust Company of New York

Fifth Ave. at 44th St. 140 Broadway Madison Ave. at 60th St.

London: 11 Birchin Lane, E. C. 3; Bush House, W. C. 2

### Condensed Statement of Condition, September 30, 1942

#### RESOURCES

Cash on Hand, in Federal Reserve Bank, and	
Due from Banks and Bankers . . . . .	\$ 572,129,654.05
U. S. Government Obligations . . . . .	1,485,418,916.22
Public Securities . . . . .	64,338,760.32
Stock of the Federal Reserve Bank . . . . .	7,800,000.00
Other Securities and Obligations . . . . .	22,932,988.88
Loans and Bills Purchased . . . . .	486,914,874.10
Credits Granted on Acceptances . . . . .	2,018,658.47
Accrued Interest and Accounts Receivable . . . . .	10,731,644.48
Real Estate Bonds and Mortgages . . . . .	1,749,173.41
	<u>2,654,034,669.93</u>
Bank Buildings . . . . .	10,685,408.19
Other Real Estate . . . . .	1,149,092.38
<b>Total Resources . . . . .</b>	<b><u>\$2,665,869,170.50</u></b>

#### LIABILITIES

Deposits . . . . .	\$2,299,847,664.83
Treasurer's Checks Outstanding . . . . .	17,553,068.19
	<u>\$2,317,400,733.02</u>
Acceptances . . . . .	\$6,210,247.59
Less: Own Acceptances	
Held for Investment . . . . .	4,191,589.12
	<u>2,018,658.47</u>
Liability as Endorser on Acceptances and	
Foreign Bills . . . . .	71,724.00
Federal Funds Purchased . . . . .	52,000,000.00
Foreign Funds Borrowed . . . . .	152,550.00
Dividend Payable October 1, 1942. . . . .	2,700,000.00
Items in Transit with Foreign Branches and Net	
Difference in Balances Between Various Offices	
Due to Different Statement Dates of Some	
Foreign Branches . . . . .	1,098,203.50
Miscellaneous Accounts Payable, Accrued Taxes, etc.	10,956,444.99
	<u>2,386,398,313.98</u>
Capital . . . . .	\$ 90,000,000.00
Surplus Fund . . . . .	170,000,000.00
Undivided Profits . . . . .	19,470,856.52
<b>Total Capital Funds . . . . .</b>	<b><u>279,470,856.52</u></b>
<b>Total Liabilities . . . . .</b>	<b><u>\$2,665,869,170.50</u></b>

Securities carried at \$222,340,298.20 in the above Statement are pledged to qualify for fiduciary powers, to secure public monies as required by law, and for other purposes.

This Statement includes the resources and liabilities of the English and French Branches as of September 26, 1942, and Belgian Branch as of October 31, 1941.

Member Federal Deposit Insurance Corporation



OTTMAR A. WALDOW

he had served for several years as national committeeman for the Seventh District.

His early business experience was obtained in the industrial and public utility field, and his banking career began with the Highland Park State Bank of Highland Park, Michigan, where he served in various departments and was elected auditor in 1927. When the Highland Park State Bank became a member of the Guardian Detroit Union Group, Incorporated, he was transferred to the group's office where he held various accounting titles, including that of comptroller.

When the National Bank of Detroit was organized in 1933, he became its auditor and held that position until January, 1941, when he was elected comptroller, which position he now holds.

## Honor Those in Armed Forces



The 38 men on leave of absence from the American National Bank and Trust Company of Chicago serving in the armed forces were honored at the bank's annual Columbus Day golf tournament at Twin Orchard Country Club. A roll of honor was dedicated at the dinner by Lawrence F. Stern, president, and is now on display in the bank's lobby. H. T. Spiesberger, vice president, presided.

Shown here (left to right): James H. Clarke, assistant vice president; Melvin L. Straus, vice president, and Charles C. Kuning, vice president. Mr. Clarke writes a monthly investment page for the *NORTHWESTERN BANKER*. Mr. Kuning is well-known in this area.

Letters from the men in the service were read at the dinner. Special leather booklets, with the men's names embossed, were prepared and employees wrote individual messages in them. After photographs taken at the outing have been inserted, these books will then be sent to the men.

Directors who attended included James R. Bremner, vice president, Bremner Bros.; William O. Kurtz, vice president, Illinois Bell Telephone Company, and Carl S. Lloyd, Chicago attorney.

All men employees of the bank took part in the day's activities, which included golf and table tennis tournaments and a softball game between the

trust and banking departments. Arrangements were in charge of Arthur H. Morstadt, Arthur C. Grandpre, Charles P. Heilmann, Theodore Morrison and Gordon F. Purtell.

The following week the women employees were entertained at a dinner at the Lake Shore Club, after which they were the bank's guests at "Ice Follies of 1943" at the Chicago Arena.

### Undecided

Ethyl: "Last night Bobbie asked me to marry him and make him the happiest man in the world."

Methyl: "Which are you going to do?"

## 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 \$200,000,000

ESTABLISHED 1908

MEMBER  
NEW YORK CLEARING HOUSE ASSOCIATION  
FEDERAL DEPOSIT INSURANCE CORPORATION

## BONDS

*Public Utility*

*Industrial*

*Railroad*

*Municipal*

## A.C. ALLYN AND COMPANY

Incorporated

100 West Monroe Street, Chicago

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

# COMPLETE CORRESPONDENT SERVICE



## FIRST NATIONAL BANK and TRUST COMPANY OF MINNEAPOLIS

*Member Federal Deposit Insurance Corporation*

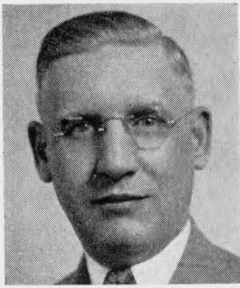
*Department of Banks and Bankers*

M. O. Grangaard • C. B. Brombach • W. A. Volkmann • J. J. Maloney  
*Vice President      Vice President      Assistant Cashier      Assistant Cashier*

*Bank Advisory Division K. T. Martin, Assistant Cashier • J. M. Downes*

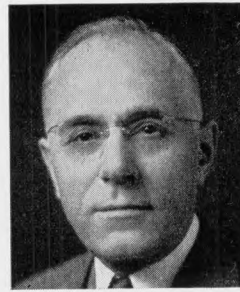
*Affiliated with FIRST BANK STOCK CORPORATION*





L. O. OLSON  
President  
Minneapolis

## MINNESOTA NEWS



WILLIAM DUNCAN, Jr.  
Secretary  
Minneapolis

### Pioneer Banker Feted

H. L. Shirley, first mayor of Breckenridge and pioneer citizen, was honored recently on the occasion of his 80th birthday. Born in Norway, the pioneer Breckenridge banker came to this country with his parents at the age of six. They homesteaded east of Rothsay and it was there he was married to Bertha Kaupang in 1886, moving to Breckenridge in 1890 when he was elected register of deeds. Twelve years later he organized the Merchants State Bank and in 1906 came into the active management of the First National Bank, of which he continues to be president.

### Heart Attack Fatal

Ben Lewis Howard, 57, cashier of the Twin Valley First National Bank for over 30 years, died last month from a heart attack suffered while hunting.

### Forty Years of Service

Thomas Kierland, 92, one of Rushford's oldest residents, completed 40 years of service as director of the First National Bank there.

A dinner, celebrating the many years of service, was given by the bank directors, officers and employes at the Hotel Winona and a bouquet of roses was presented to Mr. Kierland.

He has been a director of the bank since it was organized in September, 1902, and is still active in the business.

### Loan Men Meet

J. H. Billings, associated with the Federal Home Loan Bank of Des Moines, addressed a meeting of the Duluth district committee of the Minnesota Savings and Loan League at the Chamber of Commerce rooms in Duluth recently.

Delegates from Cloquet, Grand Rapids and Duluth were present.

### Ration Coupon Study

William Duncan, Jr., secretary of the Minnesota Bankers Association,

has been appointed to a special American Bankers Association committee which will work with the Office of Price Administration on plans for clearing ration coupons through banks, it has been announced.

The committee was set up at the invitation of Price Administrator Leon Henderson to assist OPA in working out a program which will achieve the objectives of the government and at the same time be practical from the point of view of bank operations.

Factors such as the growing shortage of banking manpower and inability of banks to obtain mechanical equipment for handling extra work, will be taken into account.

Under the program the government contemplates nationwide use of banks in clearing coupons to be used in rationing gasoline, sugar and other products. Reimbursement of the banks for the cost of their services is contemplated.

### Renews Charter

The Farmers State Bank of Raymond, organized in 1912, has received approval from the State Banking Department for the extension of its charter which expires in the near future. Organized in 1912 mostly with Willmar capital, the bank opened for business December 17, 1912, with Russell Spicer, president; C. W. Odell, vice president; and H. C. Feig, cashier.

In 1920, local interest purchased the control of the bank, with Mr. Feig, president; Frank R. Hier, vice president and Wm. J. Johnson, cashier. Mr. Johnson resigned in 1935 and Herbert C. Feig, Jr., was elected to succeed him as cashier and held the position until he recently resigned to become Junior Bank Examiner for the FDIC. Russell M. Feig now is cashier, and Miss Edna Holtz is assistant cashier.

### Deposits Over Million Dollars

For the first time in its history, deposits in the Farmers State Bank of Mountain Lake have topped the

million dollar mark. Total resources of the institution now are more than \$1,200,000.

This fact was released when the bank put out its statement of condition as of October 2, 1942, pursuant to a call from the State Banking Department.

### Swift County Meeting

Members of the Swift County Bankers Association held a meeting at the Appleton Armory last month to discuss problems of the trade.

Representatives of banks at Benson, Danvers, Murdock and Kerkhoven were present.

### Loan Association Meets

District Three of the nine districts in the Minnesota Federal Savings and Loan Association held its annual meeting at the Alexandria Hotel in Alexandria last month.

Vernon C. Welch, executive vice president of the Minnesota Federal Savings and Loan League, spoke to the twenty-five delegates from the eight associations in the district. Other speakers were Mr. Stanton R. Dahlen, president of the League and Mr. John F. Scott, of the Minneapolis Savings and Loan Association. A general discussion, led by Chairman Hugh Leach, proved worthwhile in adjusting difficulties and programs of the various associations represented.

### Highly Honored

Frank P. Powers, president of the Kanabec State Bank, Mora, who has been prominent in state and national banking circles for many years, was signally honored last month by being elected president of the state bank division of the American Bankers Association at its meeting held in New York City, which Mr. Powers attended. He had been serving as vice president.

This high honor conferred upon a small town banker by the state bankers of the country is a fitting recognition of his outstanding ability in his profession and evidence of the high regard in which he is held by his banking associates.

### B. G. Schroeder Called

Benjamin G. Schroeder of Minneapolis, a well known resident of Danube for many years, died at a Minneapolis hospital early last month. He was 60 years of age.

While living in Danube, Mr. Schroeder served as cashier of the Danube State Bank.

### Bankers Host to 4-H

Watsonwan County Bankers will be  
*Northwestern Banker November 1942*

hosts at a free banquet at St. James for 4-H Club members who have finished their projects, 4-H leaders and parents. Tentative dates are November 17th and November 19th, according to plans made at a meeting of the Bankers Association with the County Extension Agents.

The Watonwan County Bankers Association was one of the first associations in the state to help promote 4-H Club work by putting on an achievement banquet.

One of the Junior Livestock trip-winning beef calves is purchased each year from a different part of the coun-

ty to be used as the meat dish at the banquet. This year the Angus calf shown at the Junior Livestock Show by Willis Kuhlman of the Peppy Peppers 4-H Club will be purchased by the Bankers Association for the banquet.

### Banks Consolidate

The affairs of the State Bank of Beroun and of the First National Bank of Pine City have been consolidated and hereafter patrons of the former bank will be served by the Pine City institution.



## Essential for Victory

Civilians are now asked to reduce meat consumption. Actual rationing will be effective as soon as the mechanics can be worked out. This emphasizes the necessity for increased production and affords banks an unusual opportunity to assist in the war effort.

Current high prices of livestock create an exceptional demand for feeder financing. Our service will be valuable to any bank in taking care of the accumulation exceeding its own requirements as well as overlies which may develop.

We offer a complete correspondent service to country banks.

## The Stock Yards National Bank

South Saint Paul, Minn.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

### Capital Increase

Stockholders of the Red Lake County State Bank, Red Lake Falls, have unanimously voted to increase the capital of the corporation from \$40,000 to \$50,000 and the surplus from \$15,000 to \$20,000. This action was taken in order to maintain the desired ratio between the capital structure and the deposits, which have steadily increased to a point where more capital is needed. Present stockholders were given 30 days in which to apply for their proportionate amount of the 100 new shares that are to be issued to provide the additional \$10,000 capital.

### Erickson Elected Director

Sam A. Erickson was elected a member of the board of directors of the National Citizens Bank, Mankato, at a meeting of stockholders held recently. Mr. Erickson succeeds to the position on the board made vacant by the death of M. D. Fritz.

Membership of the National Citizens Bank board now includes Judge S. B. Wilson, H. A. Patterson, F. G. Thomas, Mr. Erickson, Harold Bull, president of the bank and P. R. Kenefick, vice president.

### Association Elects

B. J. Muus and Dr. A. W. Edman of New Brighton, attended a meeting of the St. Croix Valley Bankers Association at Stillwater. This association comprises banks from Chicago, Washington and Rural Ramsey Counties. Mr. Muus was elected president for the coming year, Mr. Warner of White Bear, vice president and Mr. Carl Nelson of Stillwater, secretary-treasurer.

### Columbus Day Outing

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

In the golf tournament, the low gross awards were:

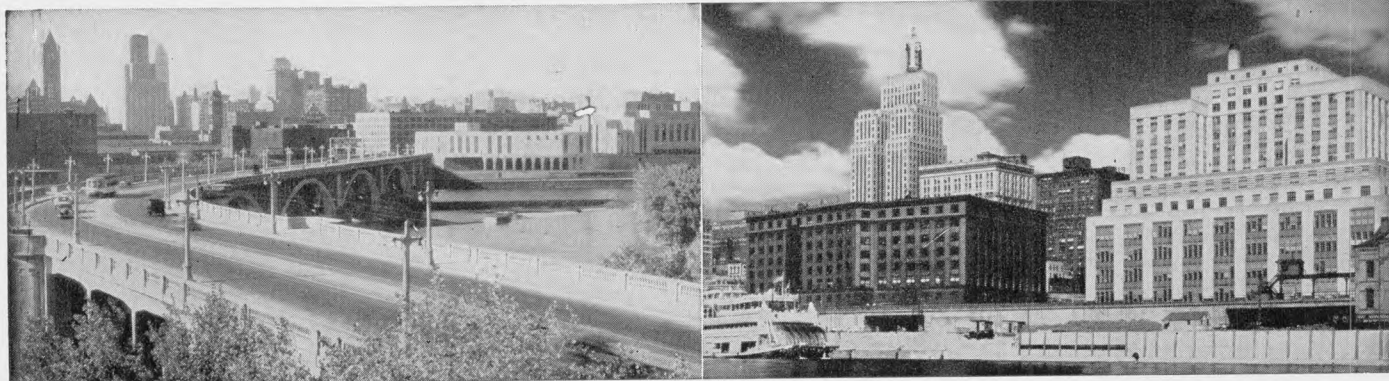
M. E. Shanahan, 78; Walter Stringfellow, 86; Kasmir Rosek, 89; Robert Guess, 90.

Low net scores were:

John B. Patterson, Joseph F. Govan, Charles S. Macferran and John B. Landry.

In addition to golf, the day's program included baseball, tennis, horseshoes, bingo and bridge, with the awarding of prizes and dancing in the evening.

# TWIN CITY NEWS



**E**LECTION of **M. W. Thatcher** as a member of the board of directors of American National Bank, St. Paul, has been announced by **Otto Bremer**, chairman. Mr. Thatcher is general manager of the Farmers Union Grain Terminal Association.

**St. Paul Chapter**, American Institute of Banking, has inaugurated a most interesting seminar - lecture course on "Banking, Business and World Events."

Open to institute graduates, senior employes and bank officers, the course is offered in five weekly lectures.

Lecturers are **George Frogen**, of the department of social science, Washburn High School, Minneapolis, talking on "Japan"; **Herbert Heaton**, professor of economic history, University of Minnesota, "The Future of Banking"; **Dr. E. C. Stakman**, chief of the division of plant pathology and botany, University of Minnesota, department of agriculture, "Can Latin America Supply Our Natural Rubber Needs?"; **Dr. Paul Cadman**, economist of the American Bankers Association, "The Banker's Responsibility in Post-War Planning," and **Dr. Fred Replogle**, director of student personnel services, Macalester College, St. Paul, "Vocational Guidance Today."

Northwest Bancorporation directors have declared a dividend of 25 cents a share on the common stock of the bank holding company, according to announcement by **J. C. Thomson**, president.

The dividend will be paid November 25th, to stockholders of record as of the close of business November 10th. The Bancorporation has 1,551,787 shares of stock outstanding.

**Robert W. Lindeke**, 65, president of Farmers and Merchants State Bank

By James M. Sutherland

Special Correspondent

and vice president of First National Bank, St. Paul, died October 21st, after a year's illness.

A civic leader and lifelong resident of St. Paul, he started his banking career in 1893 as a messenger for the old National German-American Bank. He was past president of the Minnesota Bankers Association and of the St. Paul chapter of American Institute of Banking.

How west coast banks and bankers are operating under wartime conditions was studied by **A. B. Lathrop**, vice president of First National Bank, St. Paul, during a 10-day trip to the Pacific coast, principally Washington and Oregon.

**Fred R. Schlichting**, vice president of Drovers Exchange State Bank, South St. Paul, is chairman of that community's committee in the drive for funds for the Community and War Relief Chest.

**George Jackish** was elected president of the Twin City Bond Traders Club, Inc., at the annual meeting in October. Associated with Harris, Upham & Co., Minneapolis, Jackish was advanced from vice president to succeed **Joyce Finrud** of First National Bank and Trust Co., Minneapolis.

Other officers named were **E. J. Knight**, Wells-Dickey Co., Minneapolis, vice president; **Walter Space**, Thrall-West Co., Minneapolis, secretary, and **Adolph Helfman**, First National Bank, St. Paul, treasurer. **Kermit B. Sorum** of Allison-Williams Co.,

Minneapolis, was elected national committeeman.

Twin City bankers noted with interest the announcement that **Henry Verdelin**, formerly associated with First National Bank and Trust Co., Minneapolis, has been commissioned a Major in the army and assigned to the price administration board. For the past three years Major Verdelin has been vice president and manager of the real estate department of the Mutual Life Insurance Co. of New York.

The grand champion hog and the champion pen of three ducks at the annual Minnesota 4-H Junior Livestock show were purchased by **Northwestern National Bank & Trust Company** at the auction which concluded the event.

The bank paid \$1.50 a pound for the hog, a Duroc-Jersey raised by **Glenn Gunderson**, St. Peter, and 35 cents a pound for the ducks, raised by **Lawrence John**, Montevideo.

**M. O. Grangaard**, vice president of First National Bank & Trust Company, was chairman of the committee for the Minneapolis Civic & Commerce Association which arranged to have Minneapolis firms well represented among bidders at the auction.

**Henry D. Thrall**, president of Thrall West Company, Minneapolis investment banking firm, has been named executive adviser of the Ninth Federal Reserve District Victory Fund Committee. He has been granted a leave of absence by his firm to work on his new job, where he will cooperate with **Paul W. Loudon**, executive manager of the committee. Loudon also is an investment banker, being a partner in Piper, Jaffray & Hopwood.

*Northwestern Banker November 1942*

# Meeting Government Competition

(Continued from page 20)

down the street set a barrel filled with cheap brooms on the sidewalk with a big price tag of "39c each." We had some cheap brooms, too, so out on the sidewalk went a barrel full of brooms and a price tag reading "29c each," underselling the competitor by price. But when the customer became interested in the bargain he naturally asked if this was a good broom, to which we said, "Yes, for the price. But if you

really want a good broom, here we have one for 75c, and a better one for \$1.00." When one cheap broom was sold, a dozen good ones were sold at a good profit and more satisfaction to the purchaser.

If a borrower asks for a rate of interest on a loan, and this banker states that the current rate is 7 per cent, if the borrower is a shopper, he will respond by saying he can get this loan at 4½ per cent from the P.C.A. In such a case the banker will be at a disadvantage in defending his position that the 7 per cent loan in the bank is the most desirable, because the borrower looks upon that merely as a defense. If, on the other hand, in our plan you can offer the borrower the

choice of either 4½ per cent in the Agricultural Credit Association, or 7 per cent in the bank, the borrower will face the problem with an open mind.

A loan officer with a little salesmanship certainly can show a borrower there are many advantages of borrowing money direct from the bank, as compared to lots of red tape, legal restrictions, and required reports which are connected with any transaction with a governmental agency. As concrete evidence that the above is our actual experience, I submit to you our bank statement showing that we have at the present time \$536,053 loans at an average interest rate of 7 per cent, and our Credit Association statement showing we have \$73,123.50 at 4½ per cent. It takes courage to believe this, but we invite any reader to inspect our books if there is any doubt in their minds as to the truth of these statements.

Many rural banks are now cutting the interest rate on all their barnyard loans in an attempt to meet P.C.A. competition. This is a tremendous sacrifice of needed income to any bank. We were so completely sold on this arrangement that we spent our own time and money, and with the full cooperation of Mr. Duncan, secretary of the Minnesota Bankers Association, we secured the passage of a bill in the state legislature making capital stock of Agricultural Credit Associations legal investment of bank funds up to 10 per cent of its capital. The object of this legislation was to provide a means whereby banks in any county or trade community might have the advantage of an Agricultural Credit Association without calling on bank stockholders to furnish the capital, as was the case when we organized our own association. If bankers in Minnesota had taken advantage of this opportunity, it is our opinion that there would be no need to worry about P.C.A. competition. The lack of interest in this matter on the part of the bankers in this state has been a keen disappointment. We do, however, have two other banks in the state operating under this suggested arrangement that are doing a flourishing business and would not think of liquidating their Credit Associations.


In conclusion let us say that an Agricultural Credit Association operated as above suggested could be completely liquidated on very short notice, because all of its assets would have an immediate market at par value. The Federal Intermediate Credit Bank in your Federal Reserve district will give you full particulars on how to organize an Agricultural Credit Association. We have found the Federal Intermediate

*Coming this way?*

**WE STILL RIDE  
OUR HOBBY-  
HOSPITALITY**

Every facility for your comfort. In the heart of the loop. New Coffee Shop and Sandwich Bar. Viking Room and Cocktail Lounge. Connecting Garage. Rooms with lavatory only \$2.25

James L. Gormley • Raymond K. Swanson  
Managers



**HOTEL  
RADISSON**

MINNEAPOLIS

## THE BANKER KNOWS BETTER

Than anyone else the difficulties of financing hospital bills, doctor's bills and all the other terrifying expenses of a prolonged illness or layoff from accidental injuries.

It is to the banker that the distressed family appeals for a loan.

Surely, with this example before him, no Banker should be without the policies of the Minnesota which are tailor made to fit his needs and at the lowest possible cost.

\$2.00 pays for accident or health insurance in full to the 15th of March 1943.

Write for application today.

## Minnesota Commercial Men's Association

2550 Pillsbury Ave.  
Minneapolis, Minn.

WE ARE PLEASED TO ANNOUNCE  
THE ASSOCIATION WITH US OF

**LAEL R. ABBOTT**

WITH OFFICES AT

**1615 PIONEER BUILDING  
ST. PAUL**

**J. M. DAIN & COMPANY**  
MINNEAPOLIS

• MINNESOTA NEWS •

Credit Bank of St. Paul, Minnesota, which serves our district, very cooperative and pleasant to deal with. They have welcomed the business we have given them and have given us prompt and efficient service.—**THE END.**

## NEWS AND VIEWS

(Continued from page 22)

Pennsylvania; **Victor Cullin**, Mississippi Valley Trust Company, St. Louis; **John deLaittre**, Farmers and Mechanics Savings Bank, Minneapolis; **Swayne P. Goodenough**, Lincoln-Alliance Bank & Trust Company, Rochester, New York; **Robert Lindquist**, American National Bank & Trust Company, Chicago; **Thoburn Mills**, The National City Bank, Cleveland; **Dudley L. Parsons**, The New York Trust Company, New York City; **E. A. Pierce**, Merrill Lynch, Fenner & Beane, New York City; **Julius J. Spindler**, Farmers & Merchants Bank, Highland, Illinois; **G. Lorne Spry**, The Canada Trust Company, London, Ontario, Canada; **E. P. Taliaferro**, First National Bank, Tampa, Florida; **George Wilshire**, First National Bank & Trust Company, New Haven, Connecticut; **K. Winslow, Jr.**, Seattle Trust & Savings Bank, Seattle; **Miss M. M. Woltjen**, Mutual Bank & Trust Company, St. Louis.

**Katherine Morrison**, daughter of **H. G. Morrison**, cashier of the Peterson State Bank, Peterson, Iowa, was one of the first young ladies from eastern Iowa to join the WAVES.

She is now at Northampton, Massachusetts, taking her training. Miss Morrison graduated from Morningside College, Sioux City, and took extra work at Iowa University and Madison, Wisconsin. She taught school for a while at Manchester, Iowa, but more recently was secretary to the manager of the loan department of the Equitable Life Society of the United States at Cedar Rapids.

**E. F. Sorg**, president of the Farmers State Savings Bank of Independence, Iowa, in a recent letter to the NORTHWESTERN BANKER, said, "The October issue of the NORTHWESTERN BANKER is certainly a swell number and contained a lot of fine reading material and was very attractively arranged."

### Living on Fat?

Consumer credit helped to build the roll of fat upon which we must now live for the duration. After the war consumer credit can be useful to a degree never heretofore realized, accord-

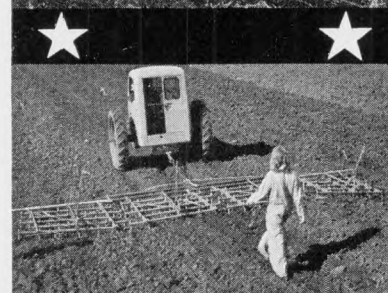
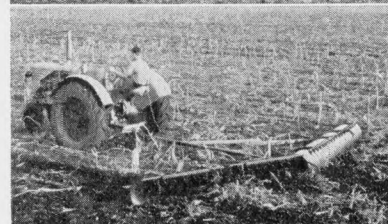
ing to the official monthly bulletin of the Consumer Banking Institute.

"Prior to Pearl Harbor, American consumers had been accumulating all manner of durable goods—refrigerators, vacuum cleaners, sewing machines, furniture, electrical appliances and automobiles," says *Consumer Credit*. "With the change from defense to war, many durable goods have gone entirely out of production, and many more are on their way out.

"This merchandising of irreplace-

able inventories constitutes first phase of our program of 'living on fat.' When it is completed no more stocks of new goods will be available. Thus the second phase of depreciation sets in to become a much tighter 'living on fat' period.

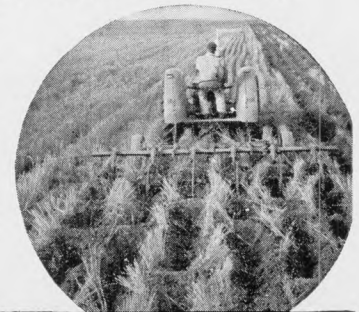
"Depreciation refuses to wait for us to fight a war. Machinery will wear out and eventually be scrapped. New replacements are already hard to obtain. A long war will mean a substantial accumulation of unreplaced wear



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  
War  
Savings  
Bonds  
and  
Stamps

"Keep 'em  
Flying!"



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

and tear. Consumers will have dieted away most of their durable goods fat and will be eager to restock. Through existing consumer credit facilities consumers will then be able to buy again the many durable goods which are associated with high American standards of living."

However, *Consumer Credit* cautions that the contribution of consumer credit to the war effort and fate of the entire fight against inflation can be successful only if rigid controls are applied universally.

"Because inflation is a monetary phenomenon," says *Consumer Credit*, "it can develop out of all forms of monetary transactions. A few small exceptions to universal application of rigid economic controls can defeat the whole program and open the flood gates of inflation."

Registrar (to youthful bridegroom): "The young lady is not a minor, is she?"

Bridegroom: "Oh, no; she works in a beauty parlor!"

## LEGAL DEPARTMENT

(Continued from page 18)

Was he holding such proceeds as a constructive trust for Maxwell?

**Yes. The constructive trust which arises in the circumstances outlined includes the proceeds of the property.**

### Abbott to Represent J. M. Dain

J. M. Dain & Company of Minneapolis have announced the association with that company of Lael R. Abbott, who will represent them in the city of Saint Paul and in Iowa.

Mr. Abbott was formerly connected with Harold E. Wood & Company of



"The Bank at the Yards"

## "It Didn't Just Happen"!

It didn't just happen—that this bank has built up such a large correspondent clientele in the four states we serve!

It was no accident that the founders of this institution chose the stock yards as its banking home!

Careful planning has built this bank—plus prompt service on live stock, hay and grain items, plus our ability to serve on ALL Sioux City business. Try us for this PLUS service on your Sioux City items.

#### OFFICERS

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

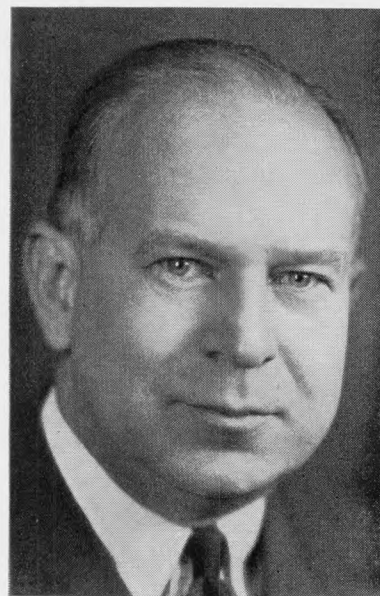
#### DIRECTORS

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



LAEL R. ABBOTT

Saint Paul. Previous to that time, he represented various financial institutions, including the Harris Trust & Savings Bank and the Continental-Illinois National Bank & Trust Company.

Mr. Abbott has been actively engaged in the securities business since 1922 and is well and favorably known to hundreds of bankers and investors throughout Iowa and the middle west.

#### On Your Own

The bully rolled up his sleeves and backed away from the crowd.

"Any two men who want to fight step out here," he roared.

Two huskies finally stepped forward. "Now you two fight it out," and he calmly withdrew.



H. N. THOMSON  
President  
Presho

## SOUTH DAKOTA NEWS



GEORGE M. STARRING  
Secretary-Treasurer  
Huron

### Bank Loses Men

The Northwest Security Bank of Gregory will lose all of its young men to the military service. They are: Dwight Kendell, Marvin Drees and John Sully, all called, and Francis Longen and Albert Franks, who will leave soon. Bank officers gave the departing young men a dinner and presented each with a gift.

### Police Bank Loans

Superintendent of Banks Erling Haugo urged South Dakota bankers to examine closely all applications for small loans with respect to compliance with the federal regulations concerning installment credit, after conferring with Frank Sprecher, representative of the Federal Reserve Bank of Minneapolis.

Examiners and members of the banking commission participated in the conference relative to policing bank loans in the state.

### Bankers Meet

Henry Gross, Fred Grosz, A. C. Merkel and Cecelia Krause of Bowdle, accompanied Albert Haerter, of Hosmer, to Moberge, where they attended the District Bankers meeting. W. C. Rempfer, of Parkston, was the principal speaker of the program and discussed Service Charges and what the war means to the bankers and their business methods.

### Directors Meet

The regular monthly meeting of the directors of the Bank of Kimball was held at Kimball last month. The following directors were present: Lloyd Cronholm of Ipswich, L. M. Larsen of Wessington Springs, Mrs. J. H. Drips of Gann Valley, and R. A. Johnson of Kimball.

### Attend Clinic

Irene G. Olson, Eugene Liedle and Eugene Herrboldt, all officers of the Eureka State Bank, went to Moberge to attend a clinic conducted by the

state bank management committee.

The clinic is held for bank officers to assist them in adjusting their institutions to a wartime basis.

Harry B. Dowdell and wife arrived in Whitewood from Ipswich early last month. Mr. Dowdell succeeded P. L. Crowlie as liquidator for the Whitewood and St. Onge closed banks, representing the Federal Deposit Corporation as receiver for these two trusts.

Mr. Crowlie is leaving the employ of the FDIC to enter other business at Huron.

Mr. Dowdell states he has employed Marie Musso of Lead as stenographer and bookkeeper, and asks that anyone having business with the St. Onge or Whitewood banks, call at his office in Whitewood, as he is anxious to wind up the affairs of both banks as soon as possible.

### A NEW MARKET FOR CASUALTY COVERAGE

(Continued from page 38)

negligence of its servants in failing to maintain such lights.

Another interesting item is in connection with owners', landlords' and tenants' coverage; where a building has been damaged by enemy act which increased the hazard of the risk to the public, injuries immediately following the damage would probably be war injury but if for reasons beyond the control of the insured the property is not put in good shape, the passage of time would not mean that war was the cause of the injury. In these cases I understand the companies advise the insured that unless the building is put in shape, or so guarded that the approaches to the building keep the public away from the dangers, the insurance will be cancelled within 30 or 60 days.

In the case of obstructions in the roadway or on pavements, such as sandbags or air raid shelters, the courts are inclined to take the view

that the public must take the roads as they find them.

Both burglary and plate glass policies in England have a war risk exclusion clause. In the United States we do not have this in our residence burglary or plate glass policies. However, you may be interested to know that the Association of Casualty and Surety Executives is now endeavoring to work out a reinsurance program for war damage to plate glass with the War Damage Corporation. There is one very definite thing the casualty insurance companies must do and do well, and that is to properly service (and by that I mean inspection as well as other service) and meet their obligations to policyholders as well as keep down expense. "We will, we can, we must" and we are going to, because when the war is over there will be thousands and thousands of civilian employes of the government who in seeking to keep their jobs will make every effort to take over private enterprises of many types and one of the juiciest plums would be the insurance companies.—**THE END.**

### Coverage Offered to Banks

Four types of war damage insurance coverage, all within one policy, will be offered to banks shortly by the War Damage Corporation through casualty and surety companies, according to the Insurance and Protective Committee of the American Bankers Association.

Announcement of the new policy follows several months of cooperative effort between the A. B. A.'s Insurance and Protective Committee, the WDC and insurance company executives.

Last month the WDC placed into effect insurance coverage for registered mail and express shipments of money and securities. The new four-coverage policy is separate and distinct from this previously announced policy.

"To provide WDC coverage against loss of money and securities on insured premises and in transit by messenger required the drafting of a new policy and application," the committee states in the current issue of its Protective Bulletin. "This policy will cover the same hazards as other WDC insurance contracts, namely, damage and destruction resulting from enemy attacks, including any action taken by the military, naval or air forces of the United States in resisting enemy attacks.

"This policy is expected to cover exposures at specified locations and in transit (other than by registered mail or express) up to the amounts of insurance purchased. In the event of loss, however, the effective amounts

*Northwestern Banker* November 1942

## NEW PAY ROLL CHECKS

New pay roll deductions are contemplated and your customers will, in many instances, require new pay roll checks after the first of the year. As this is written, we don't know whether there will be one or more additional deductions. Perhaps there will be but one, possibly identified as "Income Tax Deducted at the Source", or, maybe it will be "Victory Tax Deduction".

Of course, a good many of your business accounts already use pay roll checks that have extra spaces on the employees' stub and if so, there will be no need for changing their checks. On the other hand, a great many already are using all available deduction spaces and they should be informed in suffi-

cient time to make necessary changes.

For the past month, any orders we get which fill up all the available deduction spaces on the pay roll stub, are held up until we can communicate with the bank so that the customer can be advised about the new contemplated deductions. We suggest to all banks that they get in touch with their business accounts on this particular point.

We would be more than pleased to furnish statement enclosures displaying up-to-the-minute pay roll checks

which banks can include with their November 30th statements. Write for whatever quantity you need and we will supply you promptly without charge.



Manufacturing Plants at

NEW YORK CLEVELAND CHICAGO KANSAS CITY ST. PAUL

of insurance will be reduced by any loss payments."

Representatives of casualty and surety companies will be authorized to accept premiums and issue policies covering both money and securities, and the four classifications of coverage will be determined by the location of the money and securities. These four classifications are expected to be as follows:

A. While within a "preferred" vault on premises designated in the schedule which is part of the policy application.

B. While within any safe or vault regardless of preferred classification as shown in the schedule.

C. While within the premises shown by the schedule, including safes and vaults.

D. While in transit or otherwise outside of premises defined in the policy, for any business reason.

"Because of the greater salvage possibilities through replacement the rates on securities coverage will be lower than those which apply to coverage of money," the Bulletin states.

"Banks with vaults which do not meet the 'preferred' specifications will not qualify for coverage 'A' but can secure WDC protection under coverage 'B' at higher rates.

"The amounts of coverage under 'B' and 'C' may be cumulative when money and securities are moved into a safe or a vault of less than preferred quality, for example, at the close of a business day or because of an air raid alarm. Likewise, the amounts of coverage under 'A,' 'B' and 'C' may be cumulative when money and securities are moved into a vault of preferred quality."

### Like a Fox

The old lady, visiting an insane asylum, observed the lunatics at work. One man was standing in the corner idle.

"My good man," inquired the O. L., "why don't you work? Aren't you crazy?"

"Yes, mum, but not that crazy," the man replied.

### Said the Censor

A soldier's sweetheart was consoled when the mailman handed her a letter addressed in the familiar handwriting after she had waited weeks to hear some news and had all but given up hope that he still cared for her.

She tore open the envelope frantically and pulled out a slip of paper on which was written these words: "Your soldier still loves you, but he talks too much."

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HEALTH**

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ELMS  
HOTEL**

With the rejuvenating mineral waters, found here at America's greatest spa every thrilling outdoor activity of the fall season is waiting to be enjoyed by Elms Hotel guests. Write today for descriptive literature.

**EXCELSIOR  
SPRINGS, MO.**





J. O. MILSTEN  
President  
Belfield

# NORTH DAKOTA NEWS



C. C. WATTAM  
Secretary  
Fargo

## North Dakota Groups Meet

John Graham of Bismarck, state bank examiner, outlined necessary changes in the state banking laws and made observations on the war effort at a series of group meetings sponsored the past month by the North Dakota Bankers Association.

Making the circuit with Graham were C. C. Wattam, secretary of the Association; Clarke Bassett, vice president of the Merchants National Bank; H. D. Crosby, vice president of the First National Bank and Trust Company and A. T. Russell, president of Russell-McNair Company.

Officers of the various groups were elected at each meeting. The Southeast unit meeting at Valley City elected G. A. Klefstad of Forman, president; J. C. Hoffert of Carrington, vice president; R. M. Hougen of Valley City, secretary-treasurer; A. C. Brown of Hannaford, member of the state nominating committee and Sharp Preutz of Kulm, member of the executive council.

Meeting at Devils Lake, the Northeast Group chose O. C. Stusrud of Mayville, president; F. C. Gustafson of Grand Forks, vice president; T. L. Rash of Grafton, secretary-treasurer; H. E. Engesather of Petersburg, nominating committee member and Arnie Gregor of Leeds, executive council member.

The Northwest Group met at Minot and selected O. N. Stenhjem of Watford City, president; W. P. Campbell of Dunseith, vice president; T. A. Solheim of Minot, secretary-treasurer; W. E. Tooley of Minot, nominating committee member, and C. P. Kjestrup of Minot, executive council member.

At the Bismarck meeting of the Southwest Group, F. B. Heath of Bismarck was named president; P. J. Edkins of Beach, vice president; I. E. Giedt of Richardton, secretary; A. A. Mayer of Bismarck, treasurer; G. A. Lenhart of Hazelton, nominating committee member and H. C. Bower of Regent, executive council member.

## Minto Banker Retires

A. E. McKay, banker at Minto for the last 38 years, recently retired. At the time of his retirement he was president of the institution.

The son of William McKay, who first came to Minto in the '70's, he started working in the Bank of Minto under M. S. Titus, president at that time. He succeeded in working up to assistant cashier, cashier and then president.

## Irish to Aid Navy

F. A. Irish, president of the First National Bank & Trust Company of Fargo, has been appointed vice chairman for North Dakota to form a committee of civilians to aid in the procurement and review of candidates for navy commissions from civilian life.

Irish was asked to name two other committeemen, and appointed Ralph R. Borman, president of the Fargo Rotary Club and C. O. Follett, president of Smith, Follett & Crowl.

## Cashier Leaves for Army

Joe Thomas, cashier of the Stock Growers Bank of Napoleon, has been inducted at Fort Snelling. Mrs. Thomas will start working in the local bank.

## Shows Footings of One Million

For the first time in history a Hettiger, North Dakota bank—The First National—shows footings of one million dollars. Improved business and agricultural conditions account for the heavy increase in business done by the bank, officials say. Officers are H. W. Clarkson, Buffalo, South Dakota, president; L. V. Skoglund, executive vice president and L. C. Mensing, cashier.

## Bank Changes

Oscar Hjelt, cashier of the Rolette County Bank of Rolla, since 1925, and an employe of the bank since March

1, 1912, has resigned his position, and has accepted a position in the office of the Coghlan Construction Co., working on the Alaskan highway.

Charles E. Foy of Minneapolis has taken over Mr. Hjelt's position in the bank. Mr. Foy has been employed in the credit department of the First Service Corporation, Minneapolis, since May, 1941, and has had 10 years' experience in country banks.

## McLellan Accepts Government Position

Adrian McLellan, assistant trust officer for the Merchants National Bank and Trust Company of Fargo, since 1939, has gone to Washington to accept a government position.

McLellan, formerly of Larimore, North Dakota, was graduated from the University of North Dakota law school in 1939 and immediately following his admittance to the bar he became affiliated with the Merchants Bank. He has been active in civic and banking circles in Fargo, having served as treasurer of the Junior Chamber of Commerce, vice president and instructor for A. I. B., bank employe organization. He is a member of the Cass County Bar Association.

## Dates Advanced

Responding to a persistent urge from the secretaries of the State Associations included in the Central States Conference, Harry C. Hausman, the president of the conference, has advanced the annual meeting date, which was originally scheduled for next March, to the 7th and 8th of December, this year.

The conference will be held at the Palmer House, Chicago, on those dates and it is anticipated that the program will provide for a full discussion of all the present and anticipated future problems of banking.

The officers of the conference, in addition to the president, are: Robert E. Wait, Little Rock, Arkansas, first vice president; William B. Hughes, Omaha, Nebraska, second vice president, and Frank Warner, Des Moines, Iowa, secretary-treasurer.

The State Associations included in the conference are: Arkansas, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Texas and Wisconsin.

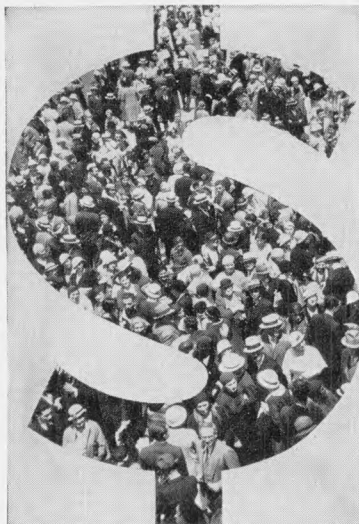
## Or Ham

"Some men thirst after fame, some after money, some after love."

"I know something all thirst after."

"What is that?"

"Salt herring."



## What is an idea worth?

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it would be a poor idea, obtained in the course of a year which would not pay a handsome return on the cost of membership.

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President  
Council Bluffs

## IOWA NEWS



FRANK WARNER  
Secretary  
Des Moines

# Bankers Discuss Current Financial Problems at Iowa Convention

(Continued from page 17)

and then to Council Bluffs. In the meantime he has been on the executive council of the American Bankers Association and is now a member of the State Banking Board.

Bert, who will now be the 60th president of the Iowa Bankers Association, had his nomination seconded by **Guy Butts, Bob Turner, Ed. S. Ebersole, Charley McKinstry** and **Wayne Currell**.

**Charles C. Kuning**, vice president, and **James H. Clarke**, assistant vice president of the American National Bank & Trust Company of Chicago, were hosts at their annual breakfast party for Iowa bankers during the convention. This is always a most enjoyable occasion and, as usual, everything from orange juice to bacon and eggs was delightful, delicious and delectable.

**Frank Warner** received compliments on every hand for the splendid war work program which he arranged. The speakers were excellent and the banquet was a huge success. **Leo T. Crowley** said, "I have always admired your secretary and his excellent ability."

The Association during the year, according to the secretary's financial statement, collected dues of \$32,322

consisting of \$30,955 from the Iowa Bankers Association, \$1,367 from the Junior Bankers Association. The Association also has on hand U. S. Savings bonds amounting to \$22,500 and U. S. War Savings bonds, Series F, of \$1,480, plus cash with the treasurer and in the petty cash account of \$15,229 or a total of \$39,209 of bonds and cash on hand.

The total registration at the convention was **1,058** of which number **354** were the ladies.

**Chris H. Megorden**, cashier of the Waukon State Bank, who was elected vice president of the Iowa Association, in making his acceptance address, referred to his son who has recently entered the service, and he is **Dr. William H. Megorden** who is stationed at Ogden, Utah, in the Medical Division of the Army Air Corps.

**Hoyt R. Young**, last year vice president of the Iowa Bankers Association and now a full fledged Texan, was a most welcome guest at the Iowa convention. He and Mrs. Young were at the Des Moines meeting combining this gala occasion with several days spent at Iowa City, and also to their old home at Arlington, Iowa. Mr. Young went to Wichita Falls, Texas, last

year as vice president of the City National Bank in Wichita Falls. He likes Texas very much and is very proud of the \$11,000,000 bank which he serves.

However, he said it was most delightful to be back in his native state of Iowa to see his many friends here.

**Carl Fredricksen**, president of the Live Stock National Bank of Sioux City, considered himself fortunate indeed to attend and enjoy the Iowa convention. Carl just recently recovered from an attack of pneumonia. He spent several days in the hospital, but looks hale and hearty in spite of it.

From the City National Bank of Clinton, **Henry Kramer** was the bank's convention delegate this year. **Ed. Warner**, president, and **Bruce Townsend**, executive vice president, were both unable to get away for the Iowa meeting. Henry reports that Clinton continues to thrive and prosper with its various new industries. Also, the new 1,500 bed government hospital being built there, is nearing completion and this is pouring many dollars into Clinton business channels.

Registration this year was beautifully handled as usual—and by most beautiful girls. The girls were from the commercial classes at **Drake University**. Ordinarily the downtown business schools handle such registration, but this year they were unable to provide the "women power" for this important work.

**Albert Halvorson**, cashier of the St. Ansgar Citizens State Bank, certainly has ample reason to be tremendously proud of his talented young daughter, **Laura. Miss Halvorson** sang three delightful numbers at the Monday evening banquet. She has a charming voice and had already established her musical reputation among the many Iowa bankers who heard her sing this spring at the annual meeting of Group 3.

Still another accomplished musician appearing on the banquet program was  
(Turn to page 58, please)



SCARBOROUGH & COMPANY

*Insurance Counselors to Banks*

First National Bank Building, Chicago

Horace A. Smith, Iowa Representative  
Des Moines, Iowa

# Providing more food for *Fighters*

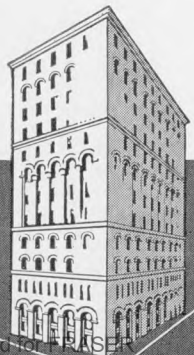
**T**HE farmer is America's soldier of the soil. In answer to constant growing demands for unparalleled food production, Iowa farmers have put their farms on an all-out war basis.

This spring, Iowa's pig production hit an all-time high, showing a record increase of 20 per cent over the tremendous output of the previous spring.

In the increase of hog production, as in any large expansion program, capital plays an important part. Frequently, the farmer needs extra money to grade up his herd . . . or to add more feeders or more brood-sows. That's where the banker comes in. A visit to his bank, and the Iowa farmer, America's soldier of the soil, is all set for the huge task of providing more food—and still more . . . for ultimate Victory.

Through this and many other vital channels, bankers are making important contributions to all-out war effort, through alert attention to the everyday business of banking in wartime. In doing these things, no banker seeks special recognition. No roll of drums or fanfare of trumpets is needed to arouse patriotism.

Yet all these things count. They add up to a worthwhile total. They make a firm foundation for our conviction that Iowa bankers are doing an earnest, effective wartime job.



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# BANKERS TRUST

*... with the help of his Banker<sup>★</sup>*



*★ One of the many war responsibilities shouldered by Bankers*

COMPANY

6th and Locust  
Des Moines



# Bankers Discuss Current Financial Problems at Iowa Convention

(Continued from page 55)

**Robert W. Bagley**, band director at Roosevelt High School, Des Moines. He played two trumpet solos, and his ability is outstanding. Robert is the son of **Willis G. C. Bagley**, Iowa state treasurer and former Mason City banker.

tional Bank and Trust Company of Chicago, was planning to do a bit of duck shooting on the Mississippi River. The advent of colder weather in the north helped the hunting situation which had been at a standstill previously, due to very warm weather in the north.

Rumor had it that following the Iowa convention, **William H. Miller**, popular vice president of the City Na-

**Herbert L. Horton**, president of the Iowa-Des Moines National Bank and

Trust Company, also president of the Des Moines Clearing House Association, did a fine job in speaking on the war savings bond situation. Herbert is chairman of the Victory Fund Committee for Iowa and, as usual, he has functioned splendidly. He appealed to bankers to put their hearts and soul in helping finance the war, saying, "We have the greatest merchandise in the world to sell, and we are most fortunate that we can do this job when so many people want to help in war work but don't have such an opportunity to serve."

**Henry Scarborough**, well known Chicago insurance man, was at the Iowa convention accompanied by **H. F. Ollendorf** from his Chicago office and **Horace Smith**, his Iowa representative. Henry, combining business and pleasure, had just enjoyed a few days pheasant hunting in South Dakota prior to the Iowa convention.

**C. S. "Cy" Young**, popular president of the Federal Reserve Bank of Chicago, was unable to appear as a speaker on the Iowa program. He was ably represented, however, by **John K. Langrum**, assistant vice president, who made a fine talk. Mr. Langrum emphasized how bankers can help fight inflation, saying, "fighting inflation is one of the most important parts of our war effort."

One of the most clever speeches during the convention was that made at the banquet by **A. M. Henderson** of Story City, veteran banker and former president of the Iowa Association. His function was to present a past-president's badge to retiring president **Arthur T. Donhowe**, and to thus relegate hard working Arthur to the ranks of "has beens." Mr. Henderson did this little job in a very clever and humorous way.

Something new in banquet arrangements was the unusual seating plan for honored guests. At one long table raised rather high were seated the presiding officers, speakers and past presidents. At another long table at a lower elevation were other honored guests, thus having the appearance of a stage on two different levels.

**C. H. Megorden**, genial cashier of the Waukon State Bank, the newly elected vice president of the Association, made a hit in his acceptance speech. He told of his school days when a professor in commercial law passed out this advice: "If you ever have someone in an association who is quarrelsome or hard to manage,

## THE NATIONAL BANK OF WATERLOO

### STATEMENT OF CONDITION

at the close of business September 30, 1942

#### RESOURCES

Cash and Due from Banks.....	\$ 4,455,624.19
Loans and Discounts.....	2,600,339.90
U. S. Government Securities.....	1,341,359.38
State, County and Municipal Securities.....	2,275,654.63
Other Bonds .....	194,958.61
Stock in Federal Reserve Bank.....	15,000.00
Overdrafts .....	2,014.68
Furniture and Fixtures.....	7,392.05
Accrued Interest Receivable.....	49,050.76
	\$10,941,394.20

#### LIABILITIES

Capital Stock—common .....	\$ 250,000.00
Surplus .....	250,000.00
Undivided Profits .....	149,958.78
Reserve for Taxes, Interest, etc.....	81,230.10
Interest Collected But Not Earned.....	10,472.30
Deposits .....	10,199,733.02
	\$10,941,394.20

#### OFFICERS

JAMES M. GRAHAM.....President	H. F. HOFFER.....Assistant Cashier
CHAS. S. MCKINSTRY.....Vice Pres.	R. L. KILGORE.....Assistant Cashier
R. L. PENNE.....Cashier	A. J. BURK.....Assistant Cashier

Member Federal Reserve System

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elect him a vice president and pray that your president stays in good health." Mr. Megorden will do a fine job as Association vice president.

An out of state convention visitor was **A. B. Olson**, vice president of the Guarantee Mutual Life Insurance Company of Omaha, whose company works closely with banker agents. Mr. Olson particularly enjoyed being at a banquet table near **Professor Irving Fisher**, noted economist from Yale University. Mr. Olson is a former banker and keeps closely in touch with banking problems.

**Emil A Stake**, vice president, The First National Bank of Chicago, and **Verne L. Bartling**, assistant cashier, called at the NORTHWESTERN BANKER offices while they were in the city for the state convention. The financing of war industries, the large increase in the volume of deposits and the sale of war savings bonds and stamps they told us were keeping officers and the employes in the bank working at top speed.

**Henry W. Koeneke**, past president of the A. B. A., failed to appear on the program as originally scheduled, because of sickness.

A familiar personality at this year's Iowa convention was **Edward J. Kelly**, well known to Iowa bankers for a great many years.

Ed has just made a connection with Blyth and Company, Inc., of Chicago, and expects to be in Iowa territory quite often. He is a veteran in the bond business and for several years was with Babcock, Rushton Company.

**Randolph E. Paul**, general counsel of the United States Treasury Department, spoke to the convention on the Revenue Act of 1942, the official copy of which contains 200 pages.

Mr. Paul said that the authors of our new tax bill live in Berlin and Tokio. In 1940, there were four million taxpayers and in 1943 there will be 27 million taxpayers. Our national income for 1943 is estimated at 125 billion dollars. "The more we tax the less we borrow, the better," says Mr. Paul. He is opposed to the Ruml plan and to a sales tax. Mr. Paul thinks that our taxes are low in comparison with other countries and says that the Federal tax on a \$10,000 income in the United States, under the

**Wanted:** Young man or lady with some banking experience for bookkeeper and teller in small town bank. Write E. O., care Northwestern Banker.

## "Praise the Lord— and Pass the Ammunition"

This phrase is the title of the currently popular war song which has captured the imagination of the American people and which, we believe, aptly expresses the point of view of the average citizen today, whether in the combat forces, war industries, or civilian life.

The Philadelphia National will continue to "pass the ammunition," as it has in the past, by its purchases of Government bonds and its loans to war industries—both large and small—so that production will not cease until the war is won.

EVAN RANDOLPH,  
*President*

... THE ...

## PHILADELPHIA NATIONAL BANK

ORGANIZED 1803

PHILADELPHIA, PA.

Resources over \$650,000,000

*Member of Federal Deposit Insurance Corporation*

new law will be 19 per cent, in Canada it is 37 per cent and in Great Britain it is 42 per cent.

At the annual banquet of the Iowa Bankers Association there were 11 former presidents seated at the head table and included **C. B. Mills**, president in 1902; **L. A. Andrew**, 1921; **A. M. Henderson**, 1923; **W. G. C. Bagley**, 1930; **Frank C. Welch**, 1935; **M. W. Ellis**, 1936; **R. W. Turner**, 1937; **S. R. Torgerson**, 1938; **E. A. Ebersole**, 1939; **C. R. Gossett**, 1940; **H. R. Young**, 1941.

A number of friends of **Charlie Mills**, who was president of the Association 40 years ago, are suggesting that he would make a most worthy president next year of the Past Presidents' Association.

**Leo T. Crowley**, chairman of the Federal Deposit Insurance Corporation, after he had finished his regular speech before the Iowa convention, gave an endorsement "To my good friend, **Senator Clyde L. Herring**." At the banquet that evening, **Leo J. Weg-**

**man**, presiding officer and president of the Citizens Savings Bank of Anamosa, said that he "Wished to second the motion of Mr. Crowley regarding Senator Herring."

No doubt this was to even up the fact that **B. B. Hickenlooper**, lieutenant governor of Iowa, appeared on the program and spoke on "Iowa in War Time."

**Vivian W. Johnson**, president of the First National Bank of Cedar Falls, Iowa, who withdrew this year from the presidential race, is already an active candidate for that office for 1944. Mr. Johnson was vice president of the Association in 1938 and has been active for many years in the state organization.

**B. F. Kauffman**, president of the Bankers Trust Company, Des Moines, who usually holds a special meeting of the "Committee on Liquidation" during the Iowa Bankers convention, had to forego that pleasure this year because of a crowded schedule and not enough time to do his usual delightful entertaining at his home. However, the bank had headquarters at the Hotel Fort Des Moines where **Carl Mesmer**, vice president, and **L. Nevin Lee**, assistant vice president, greeted their many friends.

**Donald A. Harper**, assistant vice president, First Wisconsin National Bank, Milwaukee, had a personal visit with **Leo T. Crowley**, chairman of the FDIC, after Mr. Crowley had finished his speech before the convention. Mr. Crowley's home state is Wisconsin and he and Don visited about many of their mutual banker friends.

**Henry Visser**, cashier, First National Bank of Hawarden, Iowa, told us at the convention that the First National had completed the retirement of its preferred stock. The bank was organized in 1934 with \$25,000 common and \$25,000 preferred stock in the period has retired the entire issue of preferred stock out of its operating earnings. This retirement will result in a 100 per cent stock dividend and in addition to this dividend a cash dividend of 6 per cent annually has been paid for the past six years.

The bank specializes in livestock and agricultural loans and the demand for such loans keeps the funds of the bank in good working order. The loans this year are 20 per cent above a year ago and the peak has not been reached.

## Business as Usual is OUT But Unusual Business is IN

When a motor car manufacturer makes tanks and a garment company turns out parachutes—that's unusual—but it's business today.

Such disruptions increase your opportunities for service to your customers and our opportunities for service to you.

# MISSISSIPPI VALLEY TRUST COMPANY

ST. LOUIS

Member Federal Deposit  
Insurance Corporation



87 Years  
of Banking Experience



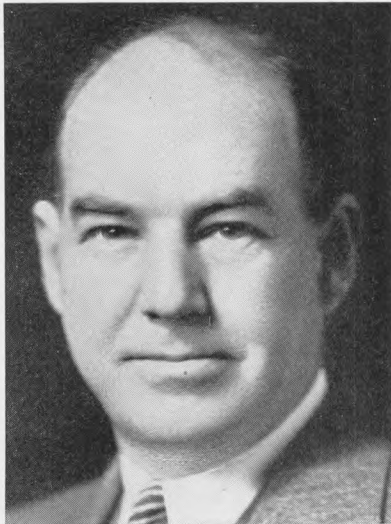
• IOWA NEWS •

A large part of the time of the officers and employes is also spent in performing the various duties that are connected with the war program.

**Charles R. Gossett**, president of the Security National Bank of Sioux City, is a candidate for the American Bankers Association executive council from Iowa for 1944. Charlie was president of the Iowa Bankers Association in 1940 and has long been active in state and national banking association work, and would make a very excellent representative from the Hawkeye state.

### Cummins Named Regional Manager Victory Fund

Announcement of the appointment of James A. Cummins, widely known Des Moines investment banker, as regional manager of the Iowa Regional Victory Fund Committee, was made today by Herbert L. Horton, Iowa chairman and member of the Seventh Re-



JAMES A. CUMMINS

serve District Victory Fund Committee. The appointment was made with the approval of Secretary of the Treasury Henry Morgenthau, Jr.

Cummins, president of the investment firm of Wheelock & Cummins, Inc., will devote his entire time beginning November 2nd coordinating the efforts of the banking and securities industry in helping to broaden the

distribution of the United States Treasury regular issues and tax savings notes. In no way will the Victory Fund Committee duplicate the work of the War Savings Staff.

Headquarters for Iowa have been established in offices on the fifth floor of the Iowa-Des Moines Bank Building.

The Iowa Regional Victory Fund Committee is composed of Herbert L. Horton, chairman, president, Iowa-Des Moines National Bank & Trust Company, Des Moines; Fred Bohlen, president, Meredith Publishing Com-

pany, Des Moines; V. L. Clark, state administrator, War Savings Staff, Des Moines; S. E. Coquillette, president, Merchants National Bank, Cedar Rapids; V. P. Cullen, executive vice president, National Bank of Burlington, Burlington; V. O. Figge, president, Davenport Bank & Trust Company, Davenport; T. Henry Foster, president, John Morrell & Company, Ottumwa; C. L. Fredricksen, president, Live Stock National Bank, Sioux City; B. A. Gronstal, president, Council Bluffs Savings Bank, Council Bluffs; Herman



## A FULL TIME JOB

At this bank we consider serving as your correspondent is a full time job. We give you COMPLETE service on ALL Sioux City items at ALL times.

This service, plus the friendly counsel of our official staff, is yours for asking when you use this bank as your Sioux City correspondent.

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United States  
War 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

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

A. Heil, Eastman Estate, Burlington; F. C. Heneman, president, First National Bank, Mason City; F. W. Hubbell, president, Equitable Life Insurance Company of Iowa, Des Moines; Will A. Lane, president, Security Savings Bank, Marshalltown; A. M. Lowrey, president, Fort Madison Savings Bank, Fort Madison; Charles S. McKinstry, vice president, National Bank of Waterloo, Waterloo; W. S. Merryman, *The Messenger and Chronicle*, Fort Dodge; E. H. Mulock, president, Central Life Assurance Society (Mutual), Des Moines; Gerard S. Nollen, president, Bankers Life Company, Des Moines; J. J. Quail, Quail & Company, Davenport; John W. Rath, president, Rath Packing Company, Waterloo; George Schaller, Storm Lake; Craig R. Sheaffer, president, W. A. Sheaffer Pen Company, Fort Madison; Robert W. Turner, president, City National Bank, Council Bluffs; Max von Schrader, Cashier, Union Bank & Trust Company, Ottumwa.



**N. E. HAUGEN** recently joined the staff of the Decorah State Bank, which brings him back into banking circles which he left seven years ago to enter the furniture business. He was connected with the National Bank of Decorah for a long time, which was taken over by the Decorah State Bank nine years ago. He remained with the latter institution two years when he entered the furniture business, which was recently closed out. His many

friends are pleased to see him back in the employ of this popular bank.

**K. A. Reeves**, employe of the Iowa Trust & Savings Bank, Emmetsburg, for the past 12 years, has been advanced from the position of assistant cashier to cashier, October 1st. **Chas. J. Spies**, formerly both president and cashier, relinquishes the title of cashier.

## IOWA NEWS

### FROM HERE AND THERE

By J. A. Sarazen, Associate Editor

#### STATE OF IOWA DEPARTMENT OF BANKING IOWA UNIFORM SCHEDULE For Cost Analysis of Checking Accounts Approved by State Banking Board

Aggregate Balance in Thousands	0	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Daily Average Balance	0	100	133	167	200	233	267	300	333	367	400	433	467	500	533	567
	100	133	167	200	233	267	300	333	367	400	433	467	500	533	567	600
Items																
1	.55	.40	.35	.30	.25	.20	.15	.10	.05							
2	.60	.45	.40	.35	.30	.25	.20	.15	.10	.05						
3	.65	.50	.45	.40	.35	.30	.25	.20	.15	.10	.05					
4	.70	.55	.50	.45	.40	.35	.30	.25	.20	.15	.10	.05				
5	.75	.60	.55	.50	.45	.40	.35	.30	.25	.20	.15	.10	.05			
6	.80	.65	.60	.55	.50	.45	.40	.35	.30	.25	.20	.15	.10	.05		
7	.85	.70	.65	.60	.55	.50	.45	.40	.35	.30	.25	.20	.15	.10	.05	
8	.90	.75	.70	.65	.60	.55	.50	.45	.40	.35	.30	.25	.20	.15	.10	.05
9	.95	.80	.75	.70	.65	.60	.55	.50	.45	.40	.35	.30	.25	.20	.15	.10
10	1.00	.85	.80	.75	.70	.65	.60	.55	.50	.45	.40	.35	.30	.25	.20	.15
11	1.05	.90	.85	.80	.75	.70	.65	.60	.55	.50	.45	.40	.35	.30	.25	.20
12	1.10	.95	.90	.85	.80	.75	.70	.65	.60	.55	.50	.45	.40	.35	.30	.25
13	1.15	1.00	.95	.90	.85	.80	.75	.70	.65	.60	.55	.50	.45	.40	.35	.30
14	1.20	1.05	1.00	.95	.90	.85	.80	.75	.70	.65	.60	.55	.50	.45	.40	.35
15	1.25	1.10	1.05	1.00	.95	.90	.85	.80	.75	.70	.65	.60	.55	.50	.45	.40
16	1.30	1.15	1.10	1.05	1.00	.95	.90	.85	.80	.75	.70	.65	.60	.55	.50	.45
17	1.35	1.20	1.15	1.10	1.05	1.00	.95	.90	.85	.80	.75	.70	.65	.60	.55	.50
18	1.40	1.25	1.20	1.15	1.10	1.05	1.00	.95	.90	.85	.80	.75	.70	.65	.60	.55
19	1.45	1.30	1.25	1.20	1.15	1.10	1.05	1.00	.95	.90	.85	.80	.75	.70	.65	.60
20	1.50	1.35	1.30	1.25	1.20	1.15	1.10	1.05	1.00	.95	.90	.85	.80	.75	.70	.65

Based on a maintenance charge of 50 cents a month for each account, plus 5 cents for each check written or out-of-town check handled with an offsetting credit of 15 cents for each \$100 of average balance. Additional checks 5 cents each. While not compulsory, the above has been suggested for adoption by all State banks in Iowa.



## SCARBOROUGH & COMPANY

*Insurance Counselors to Banks*

First National Bank Building, Chicago

Horace A. Smith, Iowa Representative  
Des Moines, Iowa

• IOWA NEWS •

**Lloyd R. Bock**, vice president, Benton County Bank & Trust Company, Vinton, tells us that deposits as of the latter part of October had increased to over \$425,000. This bank opened for business June 1st, with a capital of \$50,000 and surplus and profits of \$15,000.

**Banks at Emmetsburg** pay 2 per cent interest on 12 months CD's and 1½ per cent on savings accounts.

**Dean Smith**, assistant cashier, First National Bank, Creston, is on a leave of absence to cooperate with Uncle Sam for the duration. He entered service October 19th, and is stationed at a flying school in Kansas.

Deposits at the **Commercial State Bank, Afton**, are now over \$800,000. This is an increase of \$135,000 since the first of the year. The bank discontinued issuing CD's September 1st and interest on limited savings accounts will be at the rate of 1 per cent. Service charges on checking accounts will be stepped up as of November 1st. The base charge will be 50 cents on accounts averaging under \$100, the number of free debits has been reduced and extra debits will now be 4 cents instead of 3 cents.

Recent statement of the **Clark County State Bank of Osceola** lists deposits of \$1,500,000, which is an increase of \$345,000 since the first of the year. In the seven years this bank has been in operation no interest has been paid on deposits.

**Richard Wallace**, bookkeeper at the Adair County Bank, Greenfield, was inducted into the army October 26th.

Service charges as applied by the **Pocahontas** banks include a base charge of 50 cents each month on personal accounts and \$1 per month on business accounts, which includes ten free debits. Ten additional debits are allowed for each \$100 balance above the \$100. Additional debits are charged at the rate of 4 cents for checks drawn against the account and 5 cents on out-of-town checks deposited. Pocahontas banks reduced the rate of in-

terest paid September 15th, from 2 to 1 per cent.

**Fort Dodge** banks are now paying 1 per cent on deposits, having reduced the rate paid from 2 per cent last September 15th.

The **State Savings Bank, Fontanelle**, reduced interest rates paid on deposits last June from 2 to 1 per cent. Interest is paid only to old customers and new accounts bear no interest.

The **Cromwell State Savings Bank**

increased service charges and reduced interest paid on deposits, effective September 1st. The rate of interest now paid is 1 per cent instead of 2 per cent. The flat service charge of 25 cents per month on personal accounts has been increased to 50 cents per month. Merchants' accounts, which formerly were charged 50 cents per month, will now be charged \$1 per month.

The **First National Bank, Prescott**, reduced interest rates on CD's and savings September 1st, from 2 to 1 per cent.

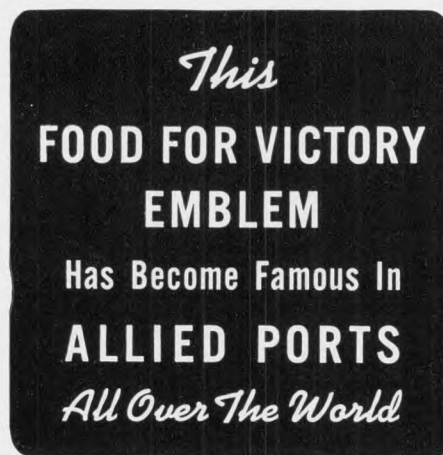


Illustration by Walt Disney

Widely recognized and welcomed in Allied ports all over the World—this famous emblem is the label for a growing flood of food now being shipped abroad, as an important part of America's war effort. And its fame is just in its infancy. Because American food products—overwhelmingly from the Midwest—will be depended upon by increasing millions during the war and the peace that follows.

Midwestern Banks are truly an integral part of this giant FOOD-FOR-VICTORY PROGRAM. They supply the credit and banking needs of farmers, packers, canners, dehydraters and a score of other enterprises, the facilities of which are necessary in producing, processing and distributing food.

The Drovers National Bank has specialized for years in fast, accurate and dependable service to banks that serve agriculture. It is the logical choice as Chicago correspondent for many midwestern banks.

Your inquiry is invited.

**DROVERS NATIONAL BANK  
DROVERS TRUST & SAVINGS BANK**

MEMBERS, FEDERAL DEPOSIT INSURANCE CORPORATION

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**Banks Sold or Bought!**

quietly, quickly and in a personal manner

**JAY A. WELCH  
BANK BROKER  
Haddam, Kansas**

"35 Years Practical Banking Experience"

Northwestern Banker November 1942

Another bank paying 1 per cent interest on deposits is the **Farmers Savings Bank, Massena**, having reduced the rate from 2 per cent last July. Deposits are remaining stable, according to Wray Wilson, vice president.

The **Norwalk-Cumming State Bank**, Norwalk, discontinued acceptance of interest bearing deposits, effective October 1st. The bank formerly paid 2 per cent on deposits up to \$1,000 and nothing above that sum.

Both banks at **Winterset** discon-

tinued issuing interest bearing CD's October 1st. No interest will be paid here on savings accounts after November 1st.

The **Dallas County State Bank, Adel**, and the office at **Van Meter**, reduced interest paid on deposits last July as follows: Savings accounts bear interest at the rate of 1 per cent, six or twelve months CD's bear interest at the rate of 1½ per cent for the first \$2,500, and 1 per cent on sums above \$2,500.

The **City State Bank, Ogden**, made a reduction in interest rates on deposits, effective September 1st, which is approximately the same as the bank mentioned above.

The **Peoples Trust & Savings Bank, Indianola**, discontinued accepting deposits on an interest bearing basis, effective last July 1st. Gerald Beymer, assistant cashier of this bank, recently joined our armed forces.

The **West Des Moines State Bank** no longer accepts deposits on an interest bearing basis. Effective November 1st, a new schedule of service charges goes into effect. The chart showing the amount each account will pay in keeping with the balance and activity was worked up by **A. M. Compton**, cashier. It is based on a maintenance charge of 50 cents per month, plus 5 cents for each check issued. Then there is a credit to the account of 25 cents per hundred after deducting a 25 per cent reserve.

**Opal Sackett**, assistant cashier, American National Bank, Arlington, was married recently to Vincent Luce of Fayette. She will continue in her present position in the bank.

In a communication from **A. W. Bird**, cashier, Dyersville National Bank, we are informed that on August 15th new service charges were adopted by his bank, the New Vienna Savings Bank, Luxemburg Savings Bank, Farley State Bank and the Epworth Savings Bank. There is a base charge of 50 cents on checking accounts averaging under \$500, which permits five free checks; extra checks 3 cents each. A base charge of 50 cents is also applied on accounts averaging between \$500 and \$1,000, which permits 10 free checks; extra checks 3 cents each. The base charge on accounts averaging between \$1,000 and \$2,000 is reduced to 25 cents, which also permits 10 free checks; extra checks 3 cents each. There is no base charge on accounts averaging over \$2,000 and 10 free checks are allowed; extra checks 3 cents each.

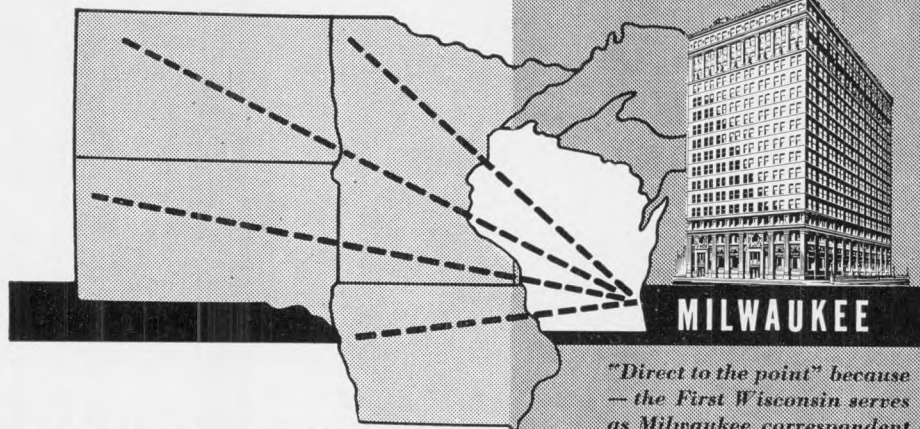
All out-of-town checks deposited are charged at the rate of 5 cents each.

In a communication from **Clay W. Stafford**, president, Ames Trust & Savings Bank, he writes us as follows:

"I have read with interest the announcements in the **NORTHWESTERN BANKER** by various banks in the state covering interest paid on savings accounts.

### Route your Wisconsin items

## DIRECT TO THE POINT of Prompt Collection!



"Direct to the point" because — the First Wisconsin serves as Milwaukee correspondent for over 85 per cent of all Wisconsin banks! **UNIQUE** statewide "coverage"!

A First Wisconsin account is your master key to prompt, efficient collection of Wisconsin checks and drafts. This bank is the largest in the Wisconsin-Iowa-Dakota-Minnesota area... serving more than 500 Wisconsin correspondents, as well as banks in key cities of neighboring states. Your inquiries are invited.

#### BANKS and BANKERS DIVISION

George T. Campbell.....Vice President  
Richard J. Lawless.....Assistant Vice President  
Donald A. Harper.....Assistant Vice President

Member of the Federal  
Deposit Insurance Corporation



# FIRST WISCONSIN NATIONAL BANK OF MILWAUKEE

"At our last board meeting, we voted to cut our present rate in two as of January 1, 1943. Our rate, effective January 1st, will be 1 per cent on savings and time CD's in amounts of \$500 or less and one-half of 1 per cent on amounts above \$500. We do not accept or pay interest on any amount above \$5,000."

**S. R. Linn**, cashier, Farmers State Bank, Stanhope, was inducted into the army September 25th, and is stationed at Fort Knox, Kentucky.

**Thelma J. Carnes**, formerly assistant cashier, First State Bank, Conrad, has joined the Community National Bank & Trust Company at Knoxville.

### Retired Banker Dies

Will J. Whitehill, 69, retired State Center banker who had a record of the longest continuous service in banking of any man in the county, died last month at his home after a week's illness of pneumonia. Mr. Whitehill had been in failing health since 1937 when he retired from active business.

### Pulis to Arizona

Victor H. Pulis, formerly of Iowa Falls, has been named trust officer of the Valley National Bank in Phoenix, Arizona. For fifteen years, Mr. Pulis was assistant trust officer in the Iowa-Des Moines National Bank in Des Moines.

### New Employe

Miss Mamie Ingebritson has been employed by the Home State Bank of Jefferson as senior clerk. Miss Ingebritson comes from Dows, where she was born and has lived all her life. For about the last 14 years she has been connected with the Farmers State Bank in Dows and has had considerable banking experience. She was assistant cashier there.

### Fayette County Bankers Elect

Don Warneke of Hawkeye was elected president of the Fayette County Bankers Association at its annual fall meeting. John Camp of West Union became vice president of the organization and a Clermont banker was named secretary-treasurer.

Forty-two bank officers and employes attended the meeting, which was held in Oelwein.

### Lee County Bankers Elect

The annual meeting of the Lee County Bankers Association was held recently in Donnellson. There were 35 in attendance. R. L. Schmitt, cashier of the Citizens State Bank, of Donnellson, was elected president to succeed R. J. McCleary, of Keokuk. Harry T. Edwards, cashier of the Wever Savings Bank was named vice president, and Aubrey V. Allen, assistant cashier of the Keokuk Savings Bank and Trust Company, was elected secretary-treasurer.

### Fall Meeting

The County Bankers' Association held its fall meeting at Garnavillo recently. About fifty bankers attended the meeting and banquet held in St. Peter's Church parlors.

The program included a welcome address by W. B. Kuenzel; musical numbers by the Misses Celia Christenson, Blanche Seim, Winifred McMillan, Doris Allison and Elinor Kohlman and Calvin Kuenzel; presentation of colored slides by A. J. Kregel.



## A Bank for Middle West Bankers

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

**LIVE STOCK**  
**NATIONAL BANK OF CHICAGO**  
*Established 1868*  
**UNION STOCK YARDS**

*Member Federal Deposit Insurance Corporation*

# MERCHANTS MUTUAL BONDING COMPANY

Incorporated 1933

Home Office  
VALLEY BANK BUILDING  
Des Moines, Iowa

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A progressive company with experienced, conservative management. We are proud of our hundred and fifty bank agents in Iowa.

To be the exclusive representative of this company is an asset to your bank.

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E. H. WARNER  
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In Des Moines  
Where You Can  
Buy

**OSTEO-PATH-IK  
SHOES**

**\$11.00**

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**FRANKEL'S**  
DES MOINES

## How *Cost Analysis* Helps You Increase Your Earnings



A. G. SAM

*This very interesting subject was presented to the Iowa Bankers convention by Mr. Sam, who has made a real study of the Cost Analysis of Bank Operations. We are sure that every banker will find some helpful ideas in this condensed report of what Mr. Sam presented so effectively to the convention—Editor's Note.*

THE subject of cost analysis is a broad subject and of universal interest in the business world. It is of vital importance to wide-awake, competitive business, particularly where the margins of profit are narrow and industry highly competitive.

### *Lowest Cost*

Our policy provides a maximum assessment of 2½% in Zones One and Two—and 3½% in Zone Three (Western Iowa).

**Hawkeye Mutual Hail  
Insurance Association**  
Carver Bldg. Fort Dodge, Iowa

By A. G. Sam  
President  
First National Bank  
Sioux City

It is a necessary factor which must be considered, and governs in all manufacturing lines and businesses that are technical and operations varied and complicated, in order to know costs, where they can be cut, and to set selling prices as against aggressive competition. Such industries must know their profit margin, even if narrow, to justify their staying in business.

You will find throughout the manufacturing areas of the country, industrial engineers, so-called, whose business it is to make surveys for analysis of costs, efficiency of management and equipment in order to produce economically with profit, in volume and up to capacity. So necessary and desirable is this work of industrial engineers that it has become a very exacting line of work and a lucrative profession.

Remuneration for services rendered as against interest received is entirely a separate phase of banking service and should stand on its own feet, and is a proper charge. A bank is dispensing no favors in granting credit to a deserving responsible borrower, at the going fair rate, and the depositor accepts as a matter of course the splendid service and machinery of his bank for acting as his collection messenger, and the many other types of services available. He accepts such services much as the average citizen accepts the radio, telephone, automobile, and our numerous convenience gadgets of today as a matter of fact normal and universal convenience service. Much of this equipment may be found to be irreplaceable for the duration. For this capable service certainly a bank is entitled to reasonable compensation and there is where a uniform basis of cost analysis comes in. As a basic fact, such compensation should always have been collected by banks and certainly more so now than ever, as a replacement and cushion against reduced investment returns. There is no fair-minded customer who will deny, when he understands the subject, that costly equipment, supplies, postage and effi-

*Wessling Services*

Counsel on Bank Public Relations

D. R. WESSLING, PRESIDENT

*Des Moines, Iowa*

ciently organized departments for handling collection routines, should be sustained out of returns from services rendered. I firmly believe that in the search for increased income the surface has hardly been scratched in the direction of this partially explored area and still be fair with the depositor.

A certain city clearing house association, in connection with its research work on the subject, sent out four specimen accounts to twenty widely separated points to be analyzed according to their formula in practice. From these various points the results on one account reflected a range from a profit of \$424.41 in one city to a loss of \$4.33 in another, to say nothing of wide variations at other points on the same accounts. A wise-cracking sergeant in the service told a rookie that there was the right way and the army way. Militarily speaking, something is not clicking when such divergent results are arrived at; in fact, it's even funny, and should be to a customer, and such situations reflect lack of basic understanding of the subject.

The principle of cost analysis has been pretty well accepted throughout the country, and in one way or another put into practice by a majority of banks, with many home-grown ideas, good or bad, injected, which accounts for the tremendous variance in methods and results observed. Fear of reactions from customers who are naturally on the defensive against—to them—new or increasing costs, or who don't like to lose a good thing and offer resistance, slows up embracing an adequate profitable formula. Fear of local competition is another big factor where banks in a community won't get together on a common ground fair to all, which is wrong and can be done—smart big business has reduced this factor to a minimum. It is a slow procedure as the subject is viewed at present, but nevertheless some progress is being made to the profitable benefit of banks sufficiently alert and interested to give their serious attention and

study to the remedies possible during this period of lean investment returns, which may become sparser before the present upheaval is over.

Just a word or two to you executive officers. I am suspicious that a large number of senior bank officers have given but very little serious attention to the service charge income factor of their banks, it being with them a machine-shop operation turned over to junior officers or employees to struggle with.

The immediate future I feel confident is going to allocate this operation as an important tactical earnings front. It will for some time compare with the credit department in its relative im-

portance and contribution to earnings. Analysis research is certainly entitled to laboratory space in the bank for research work, and the 100 per cent interest, cooperation and support of the top flight officers of the bank, which the subject certainly rates.

It goes without saying that you bankers are constantly on the still hunt to plug leakages in net earning results and to my mind a decided increase in service charge revenue is going to be part of our job to work out if we are to maintain a reasonable earning power so as to provide reserves for such contingencies as are sure to arise following the successful completion and winning of this war.

★

## A SOURCE OF INFORMATION OF VALUE TO OUT-OF-TOWN BANKS



THROUGHOUT its years of continued service, The Northern Trust Company has accumulated a wide variety of facts, figures, and experience. The trained personnel of this bank is fully informed on current changes affecting business and banking operations. And, following an established policy, this essential information is readily made available to our correspondents. Thus, the out-of-town bank which establishes a connection here broadens its usefulness to its own customers and its community. Inquiries are invited.

# THE NORTHERN TRUST COMPANY

50 SOUTH LA SALLE STREET, CHICAGO

*Member Federal Deposit Insurance Corporation*

#### PUBLISHER'S STATEMENT

Statement of the Ownership, Management, Circulation, etc., required by the Act of Congress of March 3, 1933, of the NORTHWESTERN BANKER, published monthly at Des Moines, Iowa, for October 1, 1942.

1. Name of Publisher: Clifford De Puy, Des Moines, Iowa. Associate Publisher, R. W. Moorhead, Des Moines, Iowa. Editor, Henry H. Haynes, Des Moines, Iowa.

2. Owner, Clifford De Puy, Des Moines, Iowa.

3. That the known bondholders, mortgagees and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

CLIFFORD DE PUY,  
Publisher.

Sworn to and subscribed before me this 6th day of October, 1942.

HENRY H. HAYNES,  
Notary Public.  
(Seal)  
(My commission expires July 4, 1945.)

# What Rationing and Price Ceilings Means to Livestock Feeding and Producing



ALVIN E. JOHNSON

By Alvin E. Johnson

**President  
Live Stock National Bank  
Omaha**

entirely compatible with our traditional habit of permitting supply and demand to establish value; but some form of over-all check has to be established as a temporary measure in total war. The experience of the British pretty well substantiate this. Properly administered, price fixing can react to the ultimate benefit of everyone. Every jewel has its price. The price of Victory may seem high but it is small indeed compared to the price of defeat.

There is one thing, however, that we must not lose sight of in connection with the application of price fixation . . . and that is—it doesn't work unless you regulate everything. The value of a product is made up of many things—labor, investment, raw material, management, research, transportation, etc. I doubt if it is possible to fix the price of a finished or semi-finished product without rigidly fixing the price of the components that go into it.

Rationing is the stepchild of price fixing. One goes with the other. Ceilings will crack under the pressure of demand unless demand is regulated through rationing. So, for all practical purposes, when ceilings were placed on meat, rationing was inevitable.

Rationing is supposed to equalize the distribution of a limited supply of goods. The size of the ration depends on the supply.

Has anything been done to increase the supply of meat? From my observation very little has been done. If anything, the working of the price ceilings to date and general wartime conditions have tended to reduce the ultimate, long range supply of meat.

As I see it, there are millions of little pigs and young beef animals in this country. They are four-footed war factories, capable of producing billions of pounds of extra meat. We can put them on a war production schedule by feeding them up to

weights that will yield the extra flesh and fats we need in wartime America.

I hold no brief for prime quality for the sake of quality itself. I think we can dispense with the luxury of deluxe meats for the duration . . . but I am interested in WEIGHT. A heavy hog has more pounds of meat than a poor hog and I think America is interested in POUNDS right now, not essentially in numbers of livestock.

In other words—let's do something about increasing the supply—not put all our faith in rationing what we have.

How can that be done? How can we get feeders to feed meat animals to heavier weights?

Since last spring, when livestock ceilings went into effect, feeders have been curtailing their feeding operations. Uncertainties as to cattle prices and feed costs, short labor supplies and other factors have been responsible and are still responsible. The Department of Agriculture announced as lately as October 14th that "Cattle feeding operations would be on a small scale this year because of uncertainty as to prices and short labor supplies."

We have the spectacle of drastically reduced feeding operations in face of a record supply of feed grains, hay and roughage.

There is an old Indian adage, from the Sioux tribe, I believe, which goes like this: "Only a fool eats all of his corn." In order to have another crop we must have some seed corn. This applies to the livestock business as well. If, by premature slaughter, we meet our meat demands at the expense of reducing our cattle population, it is like burning down war factories.

What we need is more pounds of meat and more meat animals. This can be accomplished in a short time only by making it possible for farmers to feed cattle to normal or above normal weights.

Now, without going into technical details, it appears to me that something can be done to restore the cattle feeder and producer to their rightful place in the war production program.

It simply amounts to this: Adjust the spread between the different grades of beef, for example, so that the feeder can at least have a chance of getting his money back when he goes to sell his heavy cattle. Stabilize the cost of feed, labor, and other items that go into the production of meat so that the feeder can calculate with some accuracy his cost of production. Set the market controls up so that, everything considered, the farmer who feeds can at least count on breaking even on his feeding operations. Every feeder I have talked to has been anxious to feed

*Presented here are excerpts from the talk by Mr. Johnson before the recent annual convention of the Iowa Bankers Association. A serious situation exists, and bankers will do well to follow the suggestions made in this discussion and pass the word on to the farmers in their communities.—Editor's Note.*

**V**OLUNTARY consumer rationing, to be followed by some sort of coupon rationing of meat, is now with us.

Things have a way of coming to a head some day. What was merely a livestock man's nightmare in April became a public headache in October. When these livestock men mentioned the possibility of meatless days and rationing this spring, authorities in Washington assured the people that the meat supply was at an all time high, that meat shortages were not in the picture. The public had to wait until the butcher at the meat market said, "Sorry, no meat today," before they got the hard facts. It took six months for the news to get to the meat market, but it got there!

In view of the national war emergency and the perils of inflation, I don't think any of us can quarrel with the principle of price ceilings. The policy of price fixation is certainly not

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his livestock up to heavier weights, because he realizes the terrible need for finished meat products. All that these people seemed to want was some assurance they would not lose their farms, their shirts, and their insurance policies in the bargain.

You hear from many sources that packers are losing considerable money on both hogs and cattle. I don't know whether this is true, because I do not own a packing plant, but if it is true, we know that there will have to be an adjustment downward in the price of live cattle.

I have heard that some of the folks in the OPA have been considering subsidizing the livestock feeder, as they have, to a degree, subsidized the grain farmer. If they can subsidize the livestock feeder then they will have the entire Corn Belt regimented. Subsidies are unhealthy in my estimation. They amount to practical subservience. I don't think anyone in the livestock business is ready for that.

Now, no amount of controls will exempt the feeder from using his head

and his ingenuity. Feeding isn't just a matter of pouring a lot of corn and cake into a hog.

The feeder, like all of us, must recognize that we are living in a period of controlled economy. The margins of operation in the feeding business will be small indeed. The farmer and feeder must study feed utilization, labor efficiency, more economic utilization of farm products. The feeder must learn to work well within the limited and rigid requirements of the wartime economy. Feeders can go broke under any kind of regulation. After all, it breaks down to an individual problem. Every cattle feeder must work out his individual problems within the framework of the broad controls.

The law of supply and demand is no longer operative as a control factor. The public has lost for the duration its ability of choice. Soon the housewife will probably be glad to get any kind of meat, providing she can get her 2½ pounds per capita a week.—**THE END.**

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### Self-Serve

Customer: "I'd like some rat poison, please."

Clerk: "Will you take it with you?"

Customer: "No, I'll send the rats over after it."

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# IN THE DIRECTORS' ROOM

## *The Winnah!*

The final session of a musical competition was drawing to a close when the secretary, perturbed at the non-arrival of a number of the trophies, approached the chairman and informed him of the predicament.

Summoning his chauffeur, the chairman gave him instructions to drive home and ask the butler to give him half a dozen cups off the sideboard.

The cups were duly delivered, and the presentation of prizes proceeded according to program.

The conductor of the winning band was handed a beautiful trophy; another was presented to the winning tenor. When the leading soprano received her cup, however, she glanced at the inscription and fainted. It read: "Open competition for the best pig in the show."

## *On the Level*

A Philadelphia man called up a bird store the other day and said:

"Send me 30,000 cockroaches at once."

"What in heaven's name do you want with 30,000 cockroaches?"

"Well," replied the householder, "I am moving today and my lease says I must leave the premises here in exactly the same condition in which I found them."

## *Enough Said*

Said the scarf: "Go on ahead, I want to neck."

Said one eye to the other: "Just between us, there's something that smells."

Big rose to the little rose: "Hiya, bud."

Executioner as he pulled the switch: "This'll kill you."

Ceiling to the wall: "Hold me up, I'm plastered."

Dentist sang to his patient: "The Yanks Are Coming."

Robber as he jumped on the scales: "Here's where I get a weigh."

One stocking to another: "So long, I gotta run."

Salmon as he took the hook: "I'll likely get canned for this."

Cub to north wind: "Don't blow so hard, I'm a little bear."

## *Could Be*

Stenographer: "Is water works all one word, or do you spell it with a hydrant in the middle?"

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## *Gone With the Wind*

The talkative workman was holding forth to an admiring audience in the village store. He was explaining that even in his job, which people might think dull enough, there was sometimes quite a lot of excitement.

"Why, I can remember once when a gas explosion tore up a main street where I was working."

"And what did you do?" asked one of the customers.

"Ah," replied the workman, "I tore up a side street."

## *Diplomatic*

"I don't see how you can afford to take so many girls to expensive restaurants."

"That's easy; I always ask each girl if she hasn't been putting on weight, just before we go in."

## *It Was Cold*

"I had a devil of a time with that buffalo," said the hunter. "Never such a morning in my life. I shot it in my pajamas."

"Good heavens!" murmured the sweet young thing. "How did it get there?"

## *To the Memory Of—*

"In the first act of my play," explained the young dramatist, "the scene is laid in a cemetery."

"So I see," said the manager brutally as he skimmed through the pages of manuscript. "And you might as well lay the whole thing there."

## *Dumb Waiter*

Ball player: "Say, waiter, you seem very incompetent, slow and disgusted. Don't you like your job?"

Waiter: "How can I, sir, when I only make \$6 a week?"

Ball Player: "Well, why don't you go to ball playing and get \$5,000 a season, as I do?"

Waiter: "But I don't know how to play ball!"

Ball Player: "What's the diff? You don't know how to wait on a table, either."

## *Thanks, Pal!*

Making the rounds at Fort Custer, Michigan, is the following note: "With the rationing of tires and sugar and scarcity of many articles, civilians are having a tough time. To bolster civilian morale, soldiers should write home more often."

## *Help! Help!*

"What's all the excitement?"

"Thieves looted the Busy Bee Department Store safe last night."

"How'd they get it open?"

"The police think they got the combination from the lingerie department."

## *"Green Pastures"*

The question in the physiology examination read: "How may one obtain a good posture?"

The country boy wrote: "Keep the cows off it and let it grow up awhile."

## *Farm Relief*

The salesman had stayed at the farmer's home for a week. When he was ready to leave, he asked:

"How much is my bill, Hiram?"

"Well," figured the farmer, "you had twenty-one meals, and you kissed my daughter about twenty times. Do you think seventy-five cents would be too much?"

## *Bean Him*

A teacher called for sentences using the word "beans."

"My father grows beans," said the bright boy of the class.

"My mother cooks beans," came from another pupil.

Then a third piped up:

"We are all human beans."

## *Bright Scholar*

Teacher: "Do you know why the earth turns round the sun on its axis?"

Scholar: "Yes, sir. Because it don't want to be roasted too much on one side."

## *Nice Work*

"Rollo seems to be very happy in his new work. What does he do?"

"He is doing literary work."

"Literary work?"

"Yeah; he takes young lady authors around and gives them experience for their confession stories."

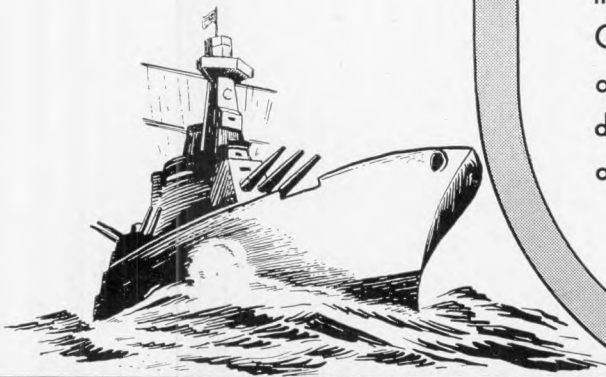


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